

Dallas ISD School Performance Review: A Six-Month Report Card

December 2001

On June 25, 2001, State Comptroller Carole Keeton Rylander released her comprehensive performance review of the Dallas Independent School District (DISD).

At the request of the DISD Board of Trustees, which passed a resolution asking for the review and agreeing to pay 25 percent of its \$800,000 cost, or \$200,000, the Comptroller's Texas School Performance Review (TSPR) team spent seven months studying the district's operations in an effort to show DISD officials and taxpayers how more might be accomplished with less. Working with a wide range of administrators, principals, teachers, students, parents, community groups, and business leaders, TSPR developed a blueprint to assist Superintendent Dr. Mike Moses and the board in overcoming the problems of the past so that the district could move ahead. Historical challenges that must be overcome included:

- an inadequate focus on the district's primary mission of educating students.
- a basic lack of accountability at all levels of district operations.
- leadership instability and board turmoil.
- poorly planned and managed contract services.
- the failure of core business functions, including human resources, facilities, purchasing and financial management, to meet basic district needs and comply with state and federal laws, rules and regulations.

Rylander's report contained 193 detailed recommendations that promised to save taxpayers more than \$69.9 million over the next five years, while reinvesting \$16.1 million of those savings to strengthen the district's organization and management, community involvement efforts, educational services delivery, facilities, personnel operations, food and transportation services, information services, purchasing and contract management, safety and security, asset and risk management, and financial affairs. Net savings were estimated to reach more than \$53.8 million--savings that could be redirected into the classroom, where it belongs.

It has now been six months since the Comptroller presented her blueprint. TSPR recently returned to assess the district's progress and, where necessary, answer questions or assist the district in developing implementation strategies. Six months is not enough time to measure DISD's ultimate success in achieving the full five-year impact of TSPR's recommendations, of course, but we believe it is long enough to judge the

willingness of district officials to embrace those proposals and begin putting them into play.

This, then, is a sixth-month report card on DISD's progress. TSPR will return after the first full year to take another look at the ground the district has covered. DISD's sheer size--the state's second largest and the nation's eleventh-largest public school district--compels us to keep a close watch on its progress. With an annual budget of more than \$1 billion, DISD costs more to operate than all but a handful of Texas cities. DISD's taxpayers, students, and its teachers and other employees all deserve to know how well the district is living up to its promise to act upon the Comptroller's proposals and build the highest-quality school system possible, at the lowest possible cost.

Report Card

While DISD has been able to complete some recommendations, work is just beginning on many others. It is important to note, however, that DISD has embraced all but one recommendation in the report. Early on, the district declared its intent to fully implement the remaining 192 recommendations. In a previously troubled district, this positive attitude and aggressive pursuit of excellence is to be commended. Presented here is a detailed breakdown of the status of recommendations by chapter.

Dallas ISD's Six-Month Report Card

Chapter	Total	In		Not		Percent Complete or In Progress	Rating
		Complete	Progress	Implemented	Rejected		
1. District Organization and Management	23	8	15	0	0	35%/65%	Satisfactory
2. Educational Service Delivery	30	10	20	0	0	33%/67%	Satisfactory
3. Community Involvement	8	4	4	0	0	50%/50%	Satisfactory
4. Personnel Management	17	2	15	0	0	12%/88%	Satisfactory
5. Facilities Use	16	0	16	0	0	0%/100%	Satisfactory

	and Management							
6.	Asset and Risk Management	10	3	7	0	0	30%/70%	Satisfactory
7.	Financial Management	23	5	17	1	0	22%/74%	Satisfactory
8.	Purchasing and Contract Management	14	4	10	0	0	29%/71%	Satisfactory
9.	Computers and Technology	14	7	7	0	0	50%/50%	Satisfactory
10.	Student Transportation	12	1	11	0	0	8%/92%	Satisfactory
11.	Food Services	13	1	12	0	0	8%/92%	Satisfactory
12.	Safety and Security	13	2	11	0	0	15%/85%	Satisfactory
Overall Grade		193	47	145	1	0	24%/75%	Satisfactory

Needs Work = Less than 80% Implemented or In Progress
Satisfactory = 80% Implemented or In Progress
Excellent = Greater than 80% Implemented

Key Accomplishments To Date

DISD has far exceeded TSPR's savings estimates. By the end of the first year of implementation, TSPR estimated that DISD would save a net of \$5.3 million, and that those net savings would rise to \$53.8 million over five years. In the first six months, however, DISD is on track to realize nearly \$13 million in projected first year net savings, or 145 percent more than anticipated. And, the district expects that figure to rise to \$58.6 million by the end of the five years--9 percent more than originally projected. And, these preliminary estimates could rise, since there are another 10 recommendations with net savings estimated by TSPR of more than \$9 million where savings or costs are yet "to be determined" as DISD is currently formulating its course of action.

TSPR Projected Net Savings

VS
DISD Estimates at Six Months

	TSPR's Projections	DISD's Projections	Difference	Percent Difference
2001-02 Projected Net Savings	\$ 5,282,629	\$12,971,667	\$7,689,038	145.6%
Five Year Projected Net Savings	\$53,825,545	\$58,605,291*	\$4,779,746	8.9%

* Ten recommendations have future savings or costs estimates yet to be determined by DISD administrators.

While TSPR's estimates are conservative by design, DISD clearly is using the report to maximum effectiveness. Dr. Moses and his board and administration are to be applauded for making a series of important and fiscally sound decisions for the district. In addition, DISD has addressed its key challenges in the following manner:

Inadequate focus on educating students

Focus has returned to classroom instruction. Top-heavy administration is being eliminated and those dollars are being driven into better monitoring of Bilingual and Special Education and improved counseling and guidance programs for students. More students are being tested and policy was changed for the 2001-02 school year to require current 9th, 10th and 11th grade students to enroll in the recommended high school plan.

Lack of accountability at all levels of district operations

The board and superintendent are holding employees accountable for their actions. Legal staff are reviewing a draft policy that would reduce or eliminate the practice of routinely issuing employment contracts to non-certified professionals--a change that would enhance the district's ability to remove poorly performing employees. Administrative leave is being closely monitored and individuals are being returned to work or removed from the payroll, when appropriate. And, a complete compensation study is being performed to bring equity and accountability to the system.

Leadership instability and board turmoil

Under Dr. Moses' leadership, and supported by the Board of Trustees, stability is returning to the district. A net of 59.5 administrative positions have been eliminated, with additional cuts possible in the future. The committee structure of the board has been modified, board operating procedures are being developed and a committee of community leaders will be monitoring board activities and providing critiques--all in an effort to make the board more effective.

Poorly planned and managed contract services

Contracts with two of the three major vendors have been renegotiated to include key performance measures; savings of more than \$22 million are expected over five years. Renegotiation of the third contract is underway. Additionally, the district is now in the process of identifying and placing contract managers over every contract to ensure that terms and conditions are met.

Failure of core business functions

In each of the core business functions, controls are being reinstated, policies and procedures are being written or updated and plans are underway to repair or replace failing computer systems. Facility needs are being studied and the board has announced its intent to hold a bond election in January.

The Next Steps

While DISD has made tremendous strides in implementing TSPR's recommendations, six months is not long enough for either the district or the Comptroller's office to judge the ultimate benefits of the report. Many recommendations are still being researched, while others are in the very early stages of implementation. During the next six months, the district will face some important decisions, including the following:

- Facilities and the repair and renovation of facilities must be addressed to ensure that children have a safe and educationally sound environment in which to learn. While studies are underway and a bond election has been announced, the district must establish a strong construction management system to ensure that critical needs are met and that the money is used wisely. Prototypical designs and design standards must be updated and used to control

costs. And, an oversight committee of community leaders should be used to provide guidance and to hold the district accountable.

- Computer systems must be restored to full operating capacity so that planned controls and automation projects can move forward; efforts needed before certain internal controls and further streamlining of the administration can be accomplished. Further, implementation of the new system must be closely monitored so that the problems encountered during implementation of DISD's current system are not repeated.
- Employee compensation must be made equitable, and productivity and exceptional performance must be rewarded. The current study that is underway will most likely bring forward a number of recommendations, some of which may be controversial. Making employees more productive and accountable and ensuring a positive and attractive work environment that attracts the brightest and best will require some give and take on all sides and finally, some hard decisions by the administration and board.
- Internal controls over primary business functions must be a high priority. While a number of policies and procedures that will tighten controls have been drafted and are in various stages of approval, the administration must remain vigilant. Training, implementation and monitoring are required to ensure that the rules are followed. Leadership must continue to send a clear signal that abuses will not be tolerated. And, when abuses are identified, the district must act swiftly to deal with the wrongdoers and implement controls to prevent future occurrences.

In all, Comptroller Rylander is pleased with DISD's efforts to date and congratulates the board and administration for moving forward with their commitment to make DISD a model public school district in Texas and, ultimately, the nation.

For specific details on the recommendations made in TSPR's original report, please visit the Comptroller's Web site at: www.window.state.tx.us/tspr/dallas/. For details on the current status of individual recommendations, please visit the Dallas ISD Web site at: www.dallasisd.org/.