



## The Mumford Model: Better School Districts Through Efficiency

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### Key Points

- Mumford's minimal administration allows for proportionately more spending on teachers, lower overall costs, and the freedom of teachers to teach.
- Maintaining a surplus allows Mumford to have no debt and a large fund balance.
- A cost-conscious attitude has led to innovative solutions, like the superintendent serving as contractor, to save money for the district.

### Introduction

Roughly two decades ago, Mumford Independent School District (ISD) was a tiny school district serving the equally tiny farm community of Mumford, an unincorporated town in Robertson County with a population of 170. At the time, 80 students attended kindergarten through eighth grade in a 1925 schoolhouse.<sup>1</sup> Like many small rural communities, Mumford and the school district serving it were slowly going extinct.

Then, in 1995, the Texas Legislature passed a law that changed how much control parents had over their public schools. It allowed parents to request transfer for their children to attend other school districts, and required that the district-of-residence grant their petition unless “there is a reasonable basis for denying the request.”<sup>2</sup>

Mumford ISD's leadership saw an opportunity to give new life to its little school district, and the number of transfer students soared. In the years that followed, enrollment would surge to almost 600 students,<sup>3</sup> over 90 percent of whom are transfers from outside of the district.<sup>4</sup> Every single year, Mumford ISD earned the coveted “Exemplary” rating from the Texas Education Agency.<sup>5</sup>

Most incredible is how they got there. The district has no debt, in spite of having built new facilities. Its per-pupil spending is lower than nearly all other school districts in Texas.<sup>6</sup> Every year Mumford is near the top of the Comptroller's FAST (Financial Allocation Study for Texas) rating, which measures a combination of school spending and student progress, with districts that spend less and do well rating better.

Let's look at some of the lessons that Mumford ISD can teach us, and how the “Mumford Model” might help other school districts looking to become more efficient, have less debt, and produce better educated kids.

### Lesson 1: Lower Administrative Costs Can Positively Effect Educational Outcomes

Administration is at the core of how a school district operates, but how much does a school district actually need? Mumford provides us with some insight into making school administration both more efficient and effective.

In Texas, from 1992 to 2009, there was a 172 percent increase in administrators and non-teaching staff while at the same time, the student population only increased by 37 percent.<sup>7</sup> The extra cost of the non-teaching staff growing more than the student population amounted to \$6,369,102,085, or \$33,506 per classroom of 25 students.<sup>8</sup> Equally amazing is how this works out in terms of the number of employees teaching versus not teaching. For FY 2009, there were, on average, 14.5 students for every teacher. In that same year, there were 14.8 students for every non-teaching staff person.<sup>9</sup> In other words, Texas has, on average, roughly as many administrators and other non-teaching staff as teachers per student.

Mumford, by contrast, does not have much administration. Actually, there are only eight members of the administrative and professional support staff, if you include the school secretary and administrative assistant. There are only two administrators who actually run the school district, the superintendent and the dean of students. The administrative person-

nel wear many hats, and the dean of students also serves as the school's counselor.<sup>10</sup>

There are 13 other non-teaching staff, made up of custodial, maintenance, and cafeteria workers. Combined with the administrative and professional support staff, that means Mumford has 21 non-teaching staff members. By contrast, there are 37 teachers and 10 educational aides, bringing the total number of teaching staff to 47.<sup>11</sup>

For the year ending August 31, 2013, Mumford spent only \$281,002 on administration, including all benefits, supplies, and other expenses.<sup>12</sup> Taking into account total expenditures of \$4,089,918,<sup>13</sup> Mumford's primary administrators only represent 6.9 percent of its budget.<sup>14</sup>

Limiting administration costs has helped Mumford put the reins on spending, leading to a substantial reserve balance and no debt. Mumford's exemplary status makes clear that having less administration does not diminish public school academic excellence, and in fact allows for essentially the same number of teachers per student as compared to the statewide average.

Teachers in Mumford also seem to be pleased with the lack of red tape and constant administrative oversight, with one teacher stating that less administration gives teachers "more freedom" to teach as they please, "instead of putting specific constraints on them," employing teaching methods that work for their students.<sup>15</sup> The fact that Mumford was consistently rated "Exemplary" when the Texas Education Agency still rated schools in that way shows that giving teachers the liberty to teach by limiting the constraints of administrative bureaucracy has had a positive effect on the quality of the students' education.<sup>16</sup>

## Lesson 2: Lower Spending Results in Less Debt and More Money in Reserve

Mumford ISD makes a point of saving money in its annual budget, to the point where it has accumulated a significant reserve balance, and no debt.

For the year ended August 31, 2013, Mumford's revenues totaled \$5,592,702. In the same year, its expenses were \$4,089,918, meaning the surplus for the 2012-13 fiscal year was \$1,502,784.<sup>17</sup> In the 2011-12 fiscal year, Mumford's

revenues totaled \$5,551,913 and expenses were \$3,848,980, yielding a surplus of \$1,702,933.<sup>18</sup>

Saving such a large amount each year has allowed Mumford to accumulate substantial cash reserves. Mumford's fund balance for the fiscal year ending August 31, 2013 was \$15,496,698.<sup>19</sup> If Mumford ISD's funding was cut off, and it suddenly had no revenues coming in, it could still afford to operate for over three years.<sup>20</sup>

Because of the annual surplus it maintains, Mumford ISD has no outstanding debt and does not hold bond elections. Instead, all projects and capital expenditures are paid for out of cash reserves.<sup>21</sup>

The next smallest school district after Mumford is Cayuga ISD, a little less than two hours' drive away in Anderson County. With 595 students, the rural school district is nearly the exact same size as Mumford.<sup>22</sup>

In the 2011-12 fiscal year, Cayuga ISD had 44.4 percent higher revenue than Mumford, at \$8,015,227, or \$2,463,314 more than Mumford's \$5,551,913.<sup>23</sup> However, whereas Mumford managed to spend \$1,702,933, or 30.7 percent less than what they brought in, Cayuga spent more than it brought in.

Cayuga spent \$8,871,941 in 2011-12, or \$856,714 more than their revenue. Cayuga ISD's expenses were over 10.6 percent greater than revenues.<sup>24</sup> The district's fund balance ended the 2011-12 fiscal year at \$3,413,760, lower than Mumford's \$13,870,358.

In spite of being basically the same size, and having revenue that is over 44 percent greater, Cayuga ISD's fund balance is 24.6 percent of Mumford ISD's.<sup>25</sup> To its credit, Cayuga ISD, like Mumford, has no long-term debt. However, when you consider that most school districts do have outstanding debt, the Mumford model of less spending and more saving looks even more attractive.

## Lesson 3: Achieving Cost Savings Requires Innovation and Sound Decision Making

Mumford ISD does not have elaborate athletic facilities. In fact, they have no football program at all—the superintendent feels that a school district of Mumford's size would not benefit from providing football.

That does not mean that Mumford lacks athletic facilities. The district has two gymnasiums, a weight room, and basic athletic facilities as would be found at most schools. However, the district also has two Astroturf ball fields, rarely found at schools, one for softball and one for baseball, and a full complement of practice facilities. The fields also have adequate seating and a full concessions stand. The school's administrators felt that the Astroturf ball fields made sense financially because they required little maintenance.

Perhaps the most unique way that Mumford saved money in the construction of its facilities, including its athletic facilities and all school buildings, is by not using a traditional contractor. Usually public school districts hire general contractors to oversee their large capital projects. In Mumford, the superintendent has served as the contractor over all capital projects that the school district has built. In his estimation, this method has generated savings upwards of 20 percent per project.<sup>26</sup>

In addition, Mumford's buildings are not built to be aesthetically pleasing, but to last a long time. For that reason, though built within the past 15 years, they are constructed out of large cinder blocks, as many school buildings of the past had been. This method of construction is strong and energy efficient, and will last for many years.<sup>27</sup>

Mumford also saves money by not using substitute teachers, relying instead on teaching assistants to fill in for teachers who are absent.<sup>28</sup>

The variety of ways in which Mumford has saved money means that they spend less per student than the statewide average. In Texas, the statewide average spent per pupil in 2011-12 was \$10,556.<sup>29</sup> During the same academic year, Mumford spent \$6,746 per student, or about 40 percent less than the statewide average.<sup>30</sup>

### The Mumford Model

The Mumford Model, as it might be called, is really very simple. Less administration means that costs are lower, but also means that there is less bureaucracy. Arguably, this means that teachers have more freedom to teach, resulting in students who do better than average.

One hundred percent of Mumford students graduated high school in the Class of 2012, versus 87.7 percent state-

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wide. Seventy-five percent of Mumford's students were considered "college ready" in both Mathematics and English Language Arts in the Class of 2012, versus 57 percent statewide. The Mumford Class of 2012 also scored better than the statewide average on the SAT, at 1459 versus 1422, and Hispanic students averaged even higher at 1463.<sup>31</sup>

Mumford's impressive results are particularly surprising given that 75.9 percent of its students are listed as economically disadvantaged, much higher than the statewide average of 60.4 percent. Mumford ISD is a living example that student performance does not depend on high levels of spending.<sup>32</sup>

At the heart of a school district like Mumford is the philosophy that keeping costs low is common sense, especially when dealing with taxpayer money. Spending money carefully results in less elaborate facilities, perhaps, but it also means less debt or, as in Mumford's case, no debt.

Mumford ISD is 12 miles from the nearest incorporated city, Hearne. In spite of the distance, it has attracted many parents who choose to send their children to school there instead of the school district they live in. Mumford has, in other words, beaten the competition. Although there is not private school choice in the state of Texas, Mumford has created a public school market in education for families who live nearby. In that market, Mumford is winning handily.

By offering a better educational product, Mumford is not only earning more enrollees—it is changing lives, as its students consistently outperform state standards and emerge better prepared than most. Many school districts, and governmental entities of all types, could learn a great deal from their example. ★

## Endnotes

- <sup>1</sup> James Kimberly, "Schools At Odds in Racial Division - Hearne ISD Sues Nearby Mumford for 'White Flight,'" *Houston Chronicle* (3 Aug. 2003).
- <sup>2</sup> Tex. Education Code Section 25.031-25.034.
- <sup>3</sup> Texas Education Agency, "2012-13 Texas Academic Performance Report; Mumford ISD," 12, accessed 22 Jan. 2014.
- <sup>4</sup> Primary source information from author's conversation with Mumford Superintendent Pete J. Bienski, Jr.
- <sup>5</sup> Texas Education Agency, *Accountability Rating System for Texas Public Schools and Districts*, accessed 12 Feb. 2014.
- <sup>6</sup> According to the Texas Education Agency's Texas Academic Performance Reports, per pupil total expenditures in Mumford ISD during the 2011-12 academic year were \$6,746 (All Funds) compared to a statewide average of \$10,556 (All Funds).
- <sup>7</sup> Benjamin Scafidi, "The School Staffing Surge: Growth Rates in Students and Public School Personnel by State" (24 Oct. 2012). Friedman Foundation for Educational Choice. Interactive Map, "Texas."
- <sup>8</sup> *Ibid.*
- <sup>9</sup> *Ibid.*
- <sup>10</sup> Primary source information from author's conversation with Mumford Superintendent Pete J. Bienski, Jr.
- <sup>11</sup> Texas Education Agency, "Texas Academic Performance Report: 2012-13 District Profile: Mumford ISD," accessed 12 Feb. 2013.
- <sup>12</sup> Mumford ISD, "Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds for the Year Ended August 31, 2013," 19.
- <sup>13</sup> *Ibid.*, 19.
- <sup>14</sup> *Ibid.*, Calculation of the author.
- <sup>15</sup> Jess Fields, "The Minutes, Episode 1: Mumford ISD," Texas Public Policy Foundation. Retrieved Jan. 23, 2014, interview with Jennifer Smith, math teacher at Mumford ISD.
- <sup>16</sup> Mumford ISD, "Mumford ISD Receives Exemplary Rating," accessed 23 Jan. 2014.
- <sup>17</sup> Mumford ISD, "Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds for the Year Ended August 31, 2013," 19.
- <sup>18</sup> Mumford ISD, "Annual Financial Report 11-12," 19.
- <sup>19</sup> Mumford ISD, "Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds for the Year Ended August 31, 2013," 19.
- <sup>20</sup> Calculation of the author, using the 12-13 annual budget expenditures, and from primary source information from the author's conversation with Superintendent Pete J. Bienski, Jr.
- <sup>21</sup> Primary source information from author's conversation with Mumford Superintendent Pete J. Bienski, Jr.
- <sup>22</sup> Susan Combs, "Financial Allocation Study for Texas; District Listings 2014," Office of the Texas Comptroller, accessed 23 Jan. 2014.
- <sup>23</sup> Cayuga ISD, "Annual Financial Report For the Year Ended August 31, 2012," 16.
- <sup>24</sup> *Ibid.*
- <sup>25</sup> Calculations of the author.
- <sup>26</sup> Primary source information from author's conversation with Mumford Superintendent Pete J. Bienski, Jr.
- <sup>27</sup> *Ibid.*
- <sup>28</sup> *Ibid.*
- <sup>29</sup> Texas Education Agency, *Accountability Rating System for Texas Public Schools and Districts*, accessed 12 Feb. 2014.
- <sup>30</sup> *Ibid.*
- <sup>31</sup> Texas Education Agency, *Texas Academic Performance Report: 2012-13 District Profile: Mumford ISD*, accessed 12 Feb. 2013.
- <sup>32</sup> *Ibid.*

