

INSIDE EDUCATION

Part 3 Finance: Do school budgets come fat-free?

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Over \$850 billion is spent for public education and it should be evident from Parts 1 and 2 that there is ample “fat” for thousands of dollars to be pilfered from so-called “tight” budgets. Clearly, the budget review process and oversight is lacking accountability and it requires far more vigilance and aggressiveness to protect it from accumulating fat by simply maintaining the status quo.

Of interest is that nationally student enrollment grew 6% between 1977 and 1998, but spending increased 23% (inflation adjusted); in Connecticut (my home state) there was a decrease of over 14% in enrollment, yet, spending still increased 24%—modern math at work; of course, this is happening in all states.

Do such spending increases result in improved performance or added value? The 1999 edition of the *Report Card on American Education* (issued by the American Legislative Exchange Council) analyzed more than 200 measures of educational resources and student achievement for the past 25 years, and arrived at a startling conclusion: ***"The popular assumption that correlates improved student performance alone with increasing education spending is not valid. The current path is not good enough, and that throwing more money at the problem is not the answer."*** Why no real change? No one has been "spanked" for getting a bad report card; and maybe no one knows how to read the report cards.

Now get this: a far more dramatic conclusion was that ***"only higher (not lower) pupil-to-teacher ratios, fewer students per school, and a lower percentage of a state's federal dollars have a positive impact on educational achievement"*** (this should certainly rattle some education cages).

All very interesting information, but a school budget only becomes meaningful at the local level because it generates the most debate, emotion, and superfluous scrutiny.

Whether the budget comes fat-free is the responsibility of the various reviewing boards—beginning with the school board. Unfortunately, boards typically use a shallow approach in analyzing a school budget, but it's not all their fault. The fact is that they are not educated or trained in how to review and analyze a school budget. It may come as a surprise to know that state boards of education or school board associations don't provide such needed education and training. Are they expected to acquire such skills and insight through some form of osmosis?

Let's face it, in the final analysis, no matter how emotional or prolonged the budget debate, for all practical purposes, there is an increase--**the only real issue is the size of the increase**. What's so mindless is that the increase has absolutely nothing to do with performance (although a winning sports team always helps). OK, let's look at some of the mindlessness involved.

How is a school budget prepared? As indicated in Part 1, a new budget simply builds on the previous budget with increases for contractual commitments, and program/staff changes; then line items, with few exceptions, are all increased for “presumed” inflation. **In other words, everything being done is effective, efficient and economical— all are lean and fat-free. It just isn't so**, unless a district can show a variety of productivity measurements and studies have been made. Research indicates schools resist with a passion any productivity studies. This budgetary approach reflects what is wrong with education—**complacency**, a major reason why fat accumulates in school budgets, just as it does in our own bodies.

In other words, increases are demanded regardless of effectiveness or "productivity" (a blasphemous word in education). **Isn't it interesting that budget documents never indicate how performance has or will be increased because of more dollars?** Isn't it incredible to think that more money is requested just to continue “what is?”

Another mindless issue is the common perception that a quality school system has a low teacher-pupil ratio and small class sizes; however, both ratios are absolutely meaningless. For example, the reported teacher-pupil ratio in one district was 14.7 (total district) and 20.5 (high school); yet, the actual teacher-student loads (the number of students a teacher has during the course of the day) in the high school ranged

from 36 students (for the entire day) or 7.5 students per class, to 132 students or 26.4 students per class (no special classes were involved). Obviously, tremendous disparities exist in actual teacher-pupil loads; some are justified, but rest assured that others are not. Using real teacher loads and class sizes provide the reality of what is—averages simply hide the disparities, and averages are full of “fat-content” by not identifying where the fat exists.

How much free time does each classroom teacher have during the course of a week? Such data is not reported. In one district, elementary teachers were free almost one-third of the day—this is not what you expect at the elementary level. In that district, five elementary positions were eliminated without changing class sizes and teachers were provided with a preparation period as well, unheard of at the elementary level. Incidentally, the budget was also considered “tight;” yet, it was full of fat.

How much non-teaching time do department heads have? Is there any documented accounting of their non-class time? And does the amount of free-time justify the results? What evidence is provided to the Super or school board? None! Of course, no one asks about what is done with their excess time.

How is the time of non-classroom certified staff (counselors, psychologists, social workers, and speech therapists) monitored? What is the student load of these specialists? More importantly, do the student loads make sense? How do they compare with other districts? I have never found that such documentation exists or is asked for.

This may sound like a strange example, but last year a professor working at home had been paid for 6 months before the administration knew he had died. In other words, no one had checked on his home status for 6 months; oh, the wife never reported his death to the administration, but kept cashing the payroll checks.

Related to this is an interesting fat content probably existing in most states: there is no verification to determine whether a retiree is alive. In MA, the law requires that every two years that the department must check to determine whether a retiree is alive or not. Up until last year, it was a simple one page form to be notarized and it came with the end of the year statements so no extra cost is involved. However, this year (whether it was due to COVID or not is not explained) only a witness signature of someone 18 years or older is required. Interestingly, no verification is needed to determine whether the witness is real or not, just a signature that could be a forgery. The consequence if the form is not returned is that the state MAY withhold benefits, not that they will do so. In CT retirees who died were still being paid because no verification is required. Since pension obligations are driving every state to the brink of insanity, it would seem that they would all verify that a payee is still alive.

Are teachers scheduled and assigned in the most efficient and cost effective manner? In one district, two teachers were needed to cover the exact classes required by three schools; but the principals did not want to share teachers. When asked what they would do with the unassigned time there was a profound reply: “*We will find something for her to do.*” Such a forthright response certainly deserved to be rewarded, so three teachers were hired by the school board over the objections of the superintendent who demonstrated that no extra teacher was needed. This too was considered a “tight” budget; but again, it was not fat-free.

Since personnel costs account for 75-80% of a budget, it’s absolutely critical to know how every certified and non-certified staff is scheduled and assigned, what student load teachers have, how time is monitored, etc. In other words, how a district allocates and utilizes its personnel resources really determines whether a budget is loaded with fat or if it is fat-free.

A survey of wasteful spending was described in “***Where School Dollar Go to Waste,***” (Terrance Ross), *The Atlantic*, 01/30/2015:

Audits regularly find wasted funds at the district level, including one last summer that identified more than \$2.7 million in misspent technology funding for schools in Fort Worth, Texas. Another audit—this one for Jefferson County Public Schools in Louisville, Kentucky—resulted in over 200 recommendations for improvement. The state auditor, Adam Edelen, was quoted blaming the problem on ‘an unchecked bureaucracy that has become bloated and inefficient at the expense of the classroom.’ It’s undeniable that the burden on taxpayers to foot the bill for education is a heavy one,

especially when research shows that the quality of a school district directly correlates with the amount of tax dollars families put into their local economies.

WalletHub has crunched the numbers on school spending at 90 of the most-populated cities across the country, revealing which ones are getting the most—and least—*bang for their buck*.

For some cities the data is all but indicting: At the bottom of the list is Rochester, New York, a city that is No. 2 for K-12 spending but has the lowest test scores. As far as the Northeast goes these cities are spending upwards of \$2,500 per capita and their test scores really aren't showing that. They may have more money to spend on students but they are not using it efficiently."

California is also home to some of the most wasteful K-12 spenders--11 of the state's 16 most-populated cities are in the bottom 25.

What are the excuses for the wasteful fat spending? The usual:

"It's noteworthy that two of those cities also top the list of the percentage of households where English isn't spoken as a first language. While that factor isn't necessarily a reason for their inefficient spending, research shows that the language barrier can have a disastrous effect on learning outcomes., other cities have strived despite their socioeconomic challenges... We see that in Raleigh [No. 22] and in Austin [No. 8] they were able to overcome any factors that in other cities might be holding them back."

Wrong! Wrong! Wrong! It's not the language barrier causing the problem, but rather in these districts the students are forced to attend failing schools that fail because of other schooling factors e.g. they tend to get the most inexperienced and even the worst teachers [Administrators are not going to assign the worst teachers in the better schools because the parents would scream very, very loudly] where educational malpractice prevails.

What also must be mentioned is that there is wasteful fat at the federal level described in *Asleep at the Wheel*, (Valerie Strauss and Carol Burris) The Answer Sheet

"In March, I published a post about a report detailing up to \$1 billion in federal funds wasted on charter schools that never opened, or opened and then closed because of mismanagement and other reasons. The report — titled "Asleep at the Wheel" and published by the Network for Public Education also said that the U.S. Education Department does not adequately monitor how money it uses for grants in its Charter Schools Program is spent."

The problem is not that they are asleep at the wheel, the "Fat" is considered excess, and obviously the feds have excess dollars to spend wastefully, and it is so easy to do because no one cares if there's fat in the budget because the more fat there is, the more money can be embezzled (specific examples were provided in Part 2).

A very interesting article appeared in *School Administrator* magazine (11/2002), ***Learning to Abandon What Doesn't Work*** relating to an interesting topic, teacher classroom load that found excess fat in what teachers had to do that they did not have to do.

"We abandoned such things as hand-collection of data for school improvement plans, excessive school newsletters requiring inordinate teacher time, a five-year curriculum review cycle that had elementary teachers learning and implementing new curriculum every year, an outdated districtwide writing assessment that yielded a snapshot rather than a moving picture, an 'all-at-once' new teacher training program that expected mastery of key topics in just a year in favor of a new 3-year developmental effort and inordinate amounts of paper flow to all personnel in favor of more targeted communication via e-mail."

In essence, this was the result of a productivity study (not that it was called that), but the results are the same whether teacher time was being used efficiently, effectively, and economically. Obviously, it was not and they corrected it and no cost was involved.

Like it or not, fat is everywhere to be found, but it doesn't pop out from nowhere, it needs to be found by looking at every procedure and practice in the schools and classrooms. In addition, the surest way to identify and eliminate waste is through productivity studies are Verboten in education. In fact, it's really a very bad word to utter.

Yet this type of waste and others like it go on daily in 15,000 districts who have school boards to provide oversight and they just don't do it because there is no consequence of any kind; this is what happens when boards claim that the budget is a maintenance budget with no fat; obviously, there is a lot of fat to shed.

There is a manual published by Ed Source, *Understanding School District Budgets: A Guide for Local Leaders*, 01/2005. Another source is *Smart School Budget: A Resource for Districts*, Rennie Center for Education Research & Policy, 10/2012, and there are many more like them. Yet, not a single one discusses how to review and analyze a school budget, not one. Why? Because no one seems to understand that school budgets are not fat free. So, in a sense, it is hard to blame school boards when they are not provided such information or training. Of course, they have state and a national association of school boards that should be providing such education and training, but they do not because it is Verboten to suggest that every dollar spent is not fat free. Shame on them and pity the poor taxpayer.

Next week, Part 4 Finance—Are school budgets cholesterol free?