INSIDE EDUCATION

PART 6 Finance---Can a SchStat program enhance the treasure chest?
(SchStat—school information and statistics)

Armand A. Fusco, Ed.D.

Much more needs to be done to protect and secure the treasure chest such as having access to meaningful data and information—internal and external. A good external financial resource is the American Association of School Business Officials; it has many excellent financial publications including an internal audit procedure booklet with 20 sample audit guides for a variety of areas. Having a well-trained FAC--Forensic Auditing Corps--would also provide independent and objective information.

In addition, there should be a school finance library with good reference materials and books such as: The Principal and Fiscal Management, and The Gods of Mismanagement: A Mythological Exploration of Our Management Predicament. Such information is essential in training and education required for a proactive forensic auditing program to prevent and identify financial misdeeds.

A list of Internet resources should also be compiled to provide important information on using school dollars more effectively. A practical source is the school finance program of CPRE—Consortium for Policy Research--located at the University of Wisconsin, Madison. It has first-hand experience in working with schools to manage school dollars more productively.

A 300 pupil school they worked with wanted to adopt a new instructional program design that required smaller classes and eight additional teachers. By reallocating school and district resources, the additional teachers were hired without increasing the budget. Sounds incredible? The seemingly impossible is simply more difficult to achieve, but it can be done, was done and has been done; it works!

A critical need is the development of a financial culture that encourages, protects, and rewards school personnel to report fraud, waste and mismanagement without being crowned with the "whistle-blower-syndrome." This cultural development can be enhanced by allowing employees and others to suggest ways for "saving and stretching" school dollars.

The crown of any efforts to increase "productivity" and performance would be the development of a SchStat (school statistics) program; unfortunately, like FAC, (Pt 5) no model reall exists. However, there is an interesting model in use in New York City known as the Compstat program—a computer driven data base of information and crime indicators--used in the police department to regularly "grill" precinct commanders about their crime trends and performance indicators. Precincts with poor performance numbers must come up with strategies for driving the numbers down. Compstat has had incredible success in driving down crime rates in New York City.

Similarly, SchStat would be a computer driven data based program of measurable financial, academic, and management performance indicators. The data would be used to essentially "grill" (in a nice way) principals, supervisors, managers, teachers, etc. on their performance results, and then require them to specify goals and strategies to improve their performance numbers. The fact is that a great deal of data is compiled in schools, but it's not in a SchStat format. Needless to say, SchStat would be an indispensable resource for the FAC program; furthermore, the mindset needed must understand that everything school does relates back to the treasure chest

Compiling an archive of measurable quality indicators and standards would form the core of the SchStat program. In other words, identifying the various indicators of a quality school district and then establishing standards for each indicator. An excellent guide to help develop such a data base is published by the National Center for Education Statistics, Monitoring School Quality: An Indicators Report, December 2000 (free download).

Budget data would be critical component of the data base, but it would only be useful if analyzed by forensic eyes. What needs to be reviewed constantly is whether the original budget was under-or-over-estimated by line items and then get explanations for the differences.

The budget itself is full of possibilities for schstat information e.g. tracking purchasing spending by month to determine patterns. A common one is that purchasing suddenly increase in the last two months of the year because administrators don't want to end up with a surplus that would indicate the budget requests were excessive. It can be stopped, but there isn't anyone that wants to do it. The school board can do it, but they are oblivious to budget tracking. If a schstat is done right, it would provide the board with the information they need because it would provide the minute details.

Of course, the most significant chunk of the budget, about 80% or so is for staffing expenses and this is where a lot of money is hidden because staffing details are typically not included in the budget books except to show totals for salaries, benefits, overtime, etc. even it's sometimes broken down by programs and departments. Any total hides a lot of interesting data that a schstat program would reveal.

But the schstat should not be restricted to just the budget, because there is a lot of other information to track that, one way or another, has budget implications.

Data showing teacher absences with the reasons (sick, professional development, etc.) should be included along with how substitute days are used--the data should be shown daily, weekly, monthly and yearly. A forensic analysis might reveal a higher rate of absences in the last two or three months of the school year rather than winter months, and that more absences occur on a particular day of the week. Every teacher absent day requires a substitute and they cost money. Explaining such data would certainly be interesting.

Student grades and failure rates by grade-level, class, and teacher would also be very useful comparative data to analyze, along with class sizes and teacher-student load. The smaller the classes, the more staff is required and that certainly impacts the budget.

Disciplinary data involving referrals to the office (by teacher), suspensions and expulsions by grade level and gender-ethnic identification would be extremely useful because it can cause lawsuits requiring lawyers, or investigations by the feds that also require legal responses.

There are several areas of specific concern for a schstat analysis: grants (how the money is spent and who receives payments and why which is a common source of embezzlement), requests for reimbursement (a common source of creative documentation that costs unnecessary dollars to be reimbursed), extra-curricular income and expenses (although not part of the budget, it's a school responsibility with very poor oversight and a common source of embezzlement), insurance expenses that are usually not put out to bid and becomes subject to political patronage involving board members (without bidding, the cost of insurance will be higher than it should), credit card payments that are not scrutinized by the board is a source of easy embezzlement), and on and on it goes. A schstat program would provide details of these expenses and that in itself would stop the Robin Hood Hogs.

Of course, extracting and compiling such data from records and documents will take time and resources to develop, but it can be done in phases. Developing such a program can be expedited with citizen volunteers and enhanced with assistance from a college or university school of education (it would be fertile ground for doctoral dissertations). In all probability, grants would be available to provide funding for such a proactive and results oriented program. However, there is one very critical issue: the information and data in a SchStat program must be analyzed forensically and then it must be used honestly and wisely--not deceitfully.

Simply put, any school budget process can be improved and every school dollar can be monitored more effectively if a culture is nurtured that taxpayer dollars are a trust to be guarded-- jealously and passionately--from mismanagement and from any Robin Hood Hogs. Rhetoric alone doesn't do it, it takes creative, and sometimes even risky actions. A FAC and SchStat program may—more likely will--uncover some unpleasant realities, but the decision that must be made is whether the "status quo" or complacency is a better alternative.

It also needs to be emphasized that the vast majority of school personnel are honest and dedicated; and as important, they desire to do their best, but too often the system doesn't help them enough.

Reality demands far more aggressive efforts--training, education, policies, and forensic practices--to protect and secure the school treasure chests that are replenished so generously and willingly by hard-pressed taxpayers. The fact that such due diligence is required must be viewed as a matter of responsibility--not lack of trust.

There are too many indicators to address in one article, but what is important in a SchStat program is to develop a mindset for collecting data and then using it in a meaningful.

The first financial schstat would be to identify all assets worth $100 or more, but with technology assets perhaps $50 or more. An Office Excel program can show on the left various fixed assets with identifying information—cost, company, model, make, when purchased, serial number if available, etc. and across the top the names of the teachers, department or program (whatever is applicable) teacher, location (using symbols to identify locations would make it simpler), and the status (working order, being repaired, not in use, broken, etc. Do some teachers or staff tend to constantly need replacements (why)? What's happening with those items being fixed ? What's the purpose of the new asset? Of course, the *why's* should be covered when requests are made.

Then similar info for consumable assets such as copy paper in order to track usage by school department, person, program, initial quantity, etc. Determining which consumables to list is a little tricky because it hard to put a value on it except for a total cost. Staples are consumable but not worth the time or effort to include. Toilet paper is different because it would be informative to look at usage by school and per student. If there is a significant difference in usage per student, it would need explaining (a custodian was taking toilet paper, soap, etc. home on a regular basis and giving them to family members. This list should show the beginning quantities, and then the quantities at the end of the year, with remaining inventory if any. Analyzing for excessive usage would be a good start to get explanations. Also looking at little or no usage to determine why it was purchased if not being used.

The analysis should include reviewing purchase requests for the same or similar assets and match it against the asset inventory to determine if it is a replacement (why), an addition to existing inventory (why), a new asset cost, etc.

What doesn't get much attention is usage of services for electricity, water, oil, waste removal, etc. that also needs to be tracked. A member of a FAC decided to look at water usage in 10 similar buildings and he broke it out in gallons per student per day, week, and month. Usage varied between 1.5 gallons to 3.5 with basically the same enrollment and same size buildings (these were elementary schools and the same plans were basically used to construct all ten with minor variations. He then went into the buildings with the highest and lowest usage to see what could explain the differences and there was no swimming pool. He then looked at the rest rooms where most of the water was used. He found the reason for the differences. The older buildings had the old style toilets, and the newest one had the new water saver toilets. He didn't stop there because he then recommended that the older toilets should have a brick or two added to the tanks to use less water and it did save hundreds of dollars. It's an example of why data is needed and if analyzed correctly can save dollars.

Discipline is another critical area. An Office Excel program can list all students on the left column broken down by gender (boys and girls), then indicate the days of the week (M-F) across the top, with an indicator for the calendar day, 5 columns; then it can be expanded to 10 columns showing two columns each day, or 15 columns with 3 each day to show absent, excused with an x and unexcused with a y, and tardy. At the end of each week and month columns sub totaled and will reveal how many absences occurred each day of the week and each day of the month and the same for the other columns.

The important part is to then analyze the absences: what day did most absences occur, which months? Is there an explanation such as weather conditions that should be noted each day using a symbol. With enough data it can be analyzed to determine patterns of absences by gender. Are boys more absent than girls? Is there an explanation or cause? If causes can be determined then it may be possible to fix or improve results. For example, are there more absences on a Friday or Monday that can be explained as trying to have a long weekend? What can be done to make it more attractive or difficult to come on a Friday or Monday. It can be made more difficult for students if teachers give tests on either day that counts for the grade with no make up allowed. Or provide some recognition for the classroom that has the best attendance on those days. If such actions are taken, it would be easy to determine if they were successful

by the tracking of the absences that should be lower. A really important analysis to look at the absence pattern of each student. The recognize those who make the best improvements, those that have the best attendance, etc.

Oh yes, this takes work, but one of the office aides could insert the data daily which many do now except it would use the technology. Then one of the administrators should do the analysis with reports to the central office.

Let's go to something at the other extreme. Research indicates teacher academic skills are strongly correlated with student achievement along with experience. Yet, research shows schools do not routinely collect such information even though it is in every employees files. Rather odd to say the least. Again using Excel, the teachers can be listed on the left column with their years of experience before being hired, and years in the system; then the various skills by subject are indicated across the top. Across each teacher's name, the skills columns would be check or not. In contrast to discipline that needs to be done daily, this would only need to be done once with occasional updates. Getting an intern from the college to do this task has possibilities. However, care has to be exercised because it is personal information. A shortcut would be to have each teacher complete a form to show their skills or have it completed on a computer screen so that the information can be forward to central office for consolidation.

The analysis would be to match the skills and the years of experience with the test scores of their classes, and then match the classroom scores against other teacher classroom that are the same. This would be easier to do at the elementary level since all of the classroom cover the same material for reach grade. The high school would be a bit more difficult particularly if only one teacher teaches a specific subject because no comparison can be made.

The confirmation being sought is whether or not a teacher who has more skills and experience gets better academic results from their students. If yes, this would help to determine staff professional development needs which is a budget item.

Reflecting on the words of Will Durant puts it all into perspective: "Education is a progressive discovery of our own ignorance." A schstat program would help to fill in that ignorance.

Next week begins the series on school discipline.