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The Myth of Fiscal Accountability at Public Schools

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Go ahead -- try 'inspecting' the records

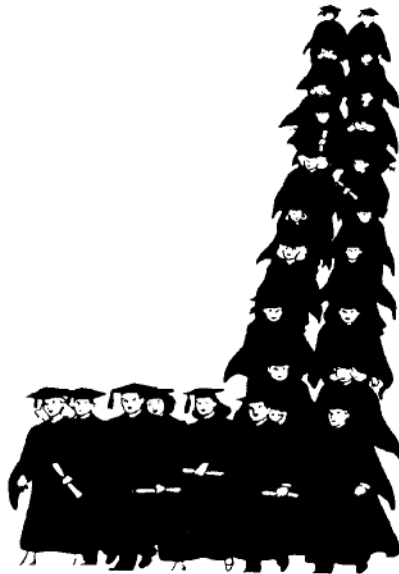
SINCE THE School Voucher initiative in 1993, apologists for the disastrous status quo in California's K-12 education have argued that issuing state-funded scholarships to children trapped in bad public schools would not meet basic standards of fiscal accountability. Public schools, they say, are less likely than private schools to short-change taxpayers because public schools' financial records and planning documents are open to public inspection.

The word for this argument is "hogwash." I know -- I have recently spent considerable time trying to gather data to develop per student spending numbers for a study being done by the Pacific Research Institute (PRI). My experiences completely belie any notion that real fiscal accountability exists in California public education. To hold schools accountable for how they spend our tax dollars, voters must be able to answer two straightforward questions: How much does the government at all levels spend on my child or grandchild? and what do they spend it on? The detailed per student spending data required to answer these crucial questions for the current school year are virtually nonexistent. Worse, the financial data required to do per student spending calculations are hard to come by and even more difficult to interpret.

The hurdles start with even simple tasks like establishing initial contact to obtain financial data on the schools. The most irritating hurdle I

discovered while doing the study was erected by Fresno Unified School District's administrative offices, which had moved six months previously, disconnected their telephones, and never bothered to list new phone numbers with the information operator. Almost as bothersome is dealing with state government. Education and Finance Department employees working with education data are so specialized that a researcher would have to be tremendously lucky to find quickly the right person who could provide needed information or who could even to refer him to that right person.

And once you find the right office or department, getting people to provide data is usually a chore. Despite the Public Records Act, the functionaries consistently asked for justification for the financial data request. When office staffs reconciled themselves to having to yield up at least some of the treasured numbers, I discovered that the staffs would often still end up, sometimes intentionally, supplying incomplete information. At the San Francisco County Office of Education, for example, a staffer assured me that his program manager carefully abided by budget guidelines, so I asked for the total dollar amount of the program's budget. After a day's delay, the staffer informed me that neither he nor the manager knew what the total program budget was, and that neither or them could locate any document with the total program budget on it.



Even once all requested financial information is available, interpreting the data and working with them are uniquely difficult. All pretense that public access to the public school system's financial records and planning documents could provide an effective barrier against abuse of public funds fell completely away when I asked state and district financial managers follow-up questions about the data. These managers said repeatedly that even *they* had difficulty with the details of state financial reporting, and that understanding the intricacies of "fund accounting" in education was not for the layman without a financial or accounting background. Interpretation of the data was made more difficult by different divisions of responsibility for K-12 education in different counties and by presentation inconsistencies in the district financial planning documents. Easily the most incoherent budget presentation, though, was the 412-page tome from San Francisco Unified — a book containing less than half the data necessary to understand costs at the district level.

Clearly, average voters, lacking both time to fight the bureaucracy gathering

the financial data and the accounting training to interpret them, have little chance of holding the public school system accountable for its financial activities and plans. The state Department of Education not only has done little to correct this situation but actually has made matters worse.

DOE feeds the public misleading per pupil spending calculations that omit several revenue items and maintains a website that provides out-of-date and understated per pupil spending data.

And, overall, district financial staffs have exhibited a lack of interest in improving public accountability by elevating the public's understanding of per pupil spending figures. As one of the more sophisticated district financial managers told me, "We don't look at our costs like that." Indeed, in a moment of stark honesty, he related a story showing how his management and that of the public school system actually *do* view public education spending, *i.e.* as a matter of protecting the financial turf and the money-based power of the four or five layers of bureaucracy in charge

of spending the state's education budget. (In most districts, the layers are the federal, state, county, and the local ones; but in Los Angeles Unified, an extra regional layer exists between the district and the local.) This financial manager said he had been "counseled" by management to use financial euphemisms in talking about accounting matters so as to conceal or downplay what is actually going on in his district, and by implication, to insure that the public remains ignorant and passive while comparatively little of the money allocated to K-12 public education is trickling down to the classroom level.

In contrast to this complex funding system, involving five sources of funding funneled through various layers of bureaucracy — a system that provides the appearance of fiscal accountability but not the reality — a voucher program offers taxpaying voters a simple, clear approach to education funding. Under most such proposals, revenues to cover tuition at voucher-redeeming schools normally come from only one or two sources — the state and, possibly, the parent — and only one, thin, state-level layer of bureaucracy would administer the plan.

A voucher plan would almost entirely eliminate the bureaucracy's siphoning-off of funds meant to serve the children in the program. Voters would have better reason to believe that tax monies spent on education are used effectively because parents could and would impose fiscal accountability when they chose the best schools for their children — the fiscal accountability of the market.

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