

## Transparency for Taxpayers, Success for Students *Improving the Efficiency and Effectiveness of Texas Public Schools*

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While the main duty of the Legislature during this special session is to fulfill the Supreme Court's ruling on school finance by June 1<sup>st</sup>, many lawmakers would also like to take this opportunity to implement various public school reforms. Some of these reforms have been discussed in previous sessions, others are new, and many deal with the issues of financial accountability and transparency.

When all funding streams are considered, taxpayers spend almost \$10,000 for each child in Texas public schools. While schools certainly face budget constraints just like the rest of us, the Texas Public Policy Foundation believes a better prioritization of resources could greatly increase the value of the state's \$30 billion public education budget. This, in turn, would help improve the achievement of all students. Other groups, however, still contend that public schools are underfunded, and that only more money will fix them. One thing upon which most would agree, however, is that the more emphasis placed on classroom rather than non-instructional spending, the better the results—for students, teachers, and taxpayers alike.

Fortunately, many of the proposals currently considered by the Legislature will make school spending more transparent to taxpayers, and may eventually help drive more dollars into the classroom. Following is a description of many of the proposed reforms and their benefits to children and taxpayers.

### Increasing data accessibility

Texas warehouses more K-12 education data than almost any state in the country. The Public Education Information Management System (PEIMS) collects and reports performance and financial data for every school in the state. Unfortunately, the breadth of the data, user-unfriendliness of the Texas Education Agency (TEA) website, and the severe delay in data

reporting make data retrieval difficult for researchers, and next-to-impossible for parents and taxpayers who are unfamiliar with navigating the system. Information for various years is stored in completely different sections, category definitions change from one year to the next, and financial data takes up to two years to be reported. As a result, countless research hours are wasted, and parents often need outside assistance to find the most basic information about their children's schools.

Senate Bill 1 would help remedy these problems by facilitating the creation of a web-based database of PEIMS information in a format that can be easily accessed and understood by the public. The system, coined by Representative Rob Eissler the "Texas School Data Exchange" (inspired by the New York Stock Exchange), would empower parents as shareholders in their children's education, and would help entire communities understand the funding and performance of their schools. Ideally, even complicated funding formulas would be displayed in a way that high school students could understand.

An excellent model for the Texas School Data Exchange is Standard & Poor's school data website, [www.schoolmatters.com](http://www.schoolmatters.com). SchoolMatters allows users to search for specific schools, see all publicly available information about the schools in an easy-to-read format, compare schools across multiple measures, and even create customized tables of data. The TEA and its outside contractor would be wise to emulate many of the features of SchoolMatters, while adding Texas-specific tools and information, when creating the Texas School Data Exchange.

Going hand-in-hand with the Texas School Data Exchange is a proposal that would require school districts to annually publish their proposed budgets and a comparison to the previous year's actual spending. In addition, an amendment to House Bill 55 would re-

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quire districts to make their check registers readily available in electronic form to taxpayers. Check registers would simply take the form of a spreadsheet complete with the date, check number, payee, and dollar amount for each check written by the district. While the PEIMS data reports contain many “Other” and “Miscellaneous” categories, a glance at the check register would show taxpayers exactly how much money is expended for guest speakers, consultants, and even lobbyists. Ideally, both budgets and check registers would be posted within each school district’s section of the Texas School Data Exchange.

## Using data to improve student achievement

Despite the immense amount of education data collected by the TEA, researchers have been increasingly limited in their ability to access this data as a result of the Family Educational Rights and Privacy Act of 1974. The strict interpretation of FERPA has resulted in the TEA prohibiting the release of student-level data, no matter to what degree that data is masked. As a result, research that could contribute greatly to improvement in K-12 education in Texas has in many cases come to a standstill. Senate Bill 1 would permit the TEA and Texas Higher Education Coordinating Board to designate up to three research center partners that could use, but not disclose, confidential data in order to conduct research. Because private foundations routinely fund research projects such as these, there would be no additional cost to Texas taxpayers, and conclusions gleaned from the research could benefit all schoolchildren in Texas.

Another proposal would lead to the reporting of annual improvement in student achievement, in addition to the nominal levels of achievement already reported by the TEA. In this way, schools with low performance could be recognized for improving student achievement, even if their performance was still relatively low compared to other schools. Similarly, schools with high achievement could receive credit for helping to further increase student success. This measure of improvement could additionally be used as part of a performance-based pay structure for teachers, because teachers of students with differing skill levels could still be evaluated based on how much they contribute to increasing student achievement.

## Improving efficiency

One proven way to reduce school district overhead costs is through shared service arrangements. Districts may coordinate to have a single vendor or Regional Service Center perform non-core but necessary functions such as payroll, transportation, food services, purchasing, or even curriculum development. Senate Bill 1 requires each Regional Service Center to evaluate any opportunities that may be available for shared services among the districts in the region, and to facilitate such agreements. The effective use of shared services can shift more dollars from overhead to the classroom.

Another promising proposal is the creation of an electronic student records system that would greatly improve the efficiency of transferring student academic information between public schools and institutions of higher education. For example, when a student moves from one public school to another, the new school would be able to automatically retrieve the student’s academic history from the electronic system the moment the student arrives. Similarly, the college application process would be greatly streamlined if high schools could transmit electronic versions of transcripts in real-time, rather than the days or weeks it takes applicants to request, receive, and send paper copies.

## Conclusion

By receiving increased accessibility to more transparent data, parents become influential stakeholders in their children’s education, taxpayers can ensure that their dollars are being used most effectively, and researchers are free to discover the most effective educational practices. As adults demand that more dollars are shifted from overhead to meaningful instructional uses—such as teacher salaries and classroom technology—student performance will improve.

It is unlikely that every one of the proposed reforms described here will be enacted by the Legislature during the current special session. However, they are all important steps towards empowering parents and taxpayers, and raising student achievement, and should therefore receive due consideration both now and during the 80<sup>th</sup> Legislative Session in 2007. 

