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The Implications of Participatory Budgeting in Illinois K-12 School Districts

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Abstract

Financial management skills are a necessity for every leader in the work environment. It helps them to make the best choices with the capital resources that are available. Non-profit organizations face the scarcity challenge, and it may be difficult to strike a balance when implementing the budgets. Acquiring financial management skills helps the leaders to carry out a cost-benefit analysis that allows them to determine the departments that need more resources, and as a result, they end up creating development even when faced with financial difficulties. Collaboration is a necessity and an essential aspect of the K-12 budgeting process because it aligns the allocation of the resources, depending on the urgency level of the district. Leadership skills are crucial, and having a participatory structure to budgeting helps the organization make the most informed decision. This research paper looks into financial leadership and the evolving role of the school superintendent. The objective is to determine who Illinois K-12 superintendents engage in the budgeting process and in what capacities does it happen. The situational leadership style of the superintendents that is examined in the budgeting process with internal and external stakeholders. This information will also be analyzed with the objective of understanding the effectiveness and establishing if there are areas that need improvement. The information that is relevant for the research will be collected using literature review and data will be evaluated to come up with conclusions regarding financial leadership and how it has facilitated participatory budgeting in school districts.

TABLE OF CONTENTS

I .	Introduction	1
	Research Question	3
	Hypothesis	3
	National Significance.....	3
	Local and Personal Significance.....	6
II .	Review of Literature	7
	Theoretical Framework.....	7
	State of School Finance	8
	Evolving Role of the Superintendent	13
	The Skill of Collaborative Financial Governance	11
	Models of Nonprofit Budgeting	21
	Prior Research in Participatory Budgeting	30
III .	Methods	38
	Population.....	38
	Phase 1 – Analysis-Stakeholder Involvement	39
	Data Sources and Procedures for Collection.....	39
	Procedures of Data Analysis.....	40
	Phase 2 – Analysis-Roles of Stakeholders	40
	Data Sources and Procedures for Collection.....	41
	Procedure of Data Analysis	41
IV .	Analysis of Data	41

	Analysis of Respondent Participation	41
	Analysis of Stakeholder Input	45
	Analysis of Situational Leadership Styles	51
	Question 1 – Stakeholder Involvement	37
	Question 2 – Situational Leadership Styles	38
	Review of Hypothesis	54
V.	Discussion	55
	Summary of Findings	55
	Implications for Professional Practice	56
	Recommendations	57
	References	58
	Appendices	66
	A. Correspondence Letters	66
	B. Survey	67
	C. GSU Human Subjects Research Approval	71
	D. Survey Data Chart	75

LIST OF TABLES

Table 1. Participants by Type of District	42
Table 2. Participants by District Setting	43
Table 3. Participants' Years of Experience.....	43
Table 4. Participants by School District Student Enrollment	44
Table 5. Participants by Enrollment Percentage of Low-Income Students	44

LIST OF FIGURES

Figure 1. Superintendents' responses revealing amount of internal and external input into their district's budget process.....	42
Figure 2. Roles filled by external stakeholders in the budget process.....	43
Figure 3. Superintendents' perception of internal and external stakeholders' understanding of district priorities.....	43
Figure 4. Superintendents' responses regarding their district's capability to link financial data to district outcomes.	44
Figure 5. Superintendents' feedback on face-to-face interactions between stakeholders and superintendents in the budgeting process.	44
Figure 6. Engagement of internal and external stakeholders in the budgeting process, including use of surveys, phone calls, and other indirect forms of communication.....	51
Figure 7.1 Participants' leadership style with external stakeholders in the budget process.	53
Figure 7.2 Participants' leadership style with internal stakeholders in the budget process.....	54

Financial Leadership:

The Implications of Participatory Budgeting in Illinois K–12 School Districts

Introduction

Educational leadership is about unlocking dreams and opportunities for students while transforming teachers into stronger, more effective coaches. A leader cannot be all things to all people, but he or she can form a strong team equipped to work with diverse populations having unique needs and able to overcome external threats by drawing on their collective strength. Educational leadership is adaptable, intentional, hopeful, and conscious. Great leaders are capable of inspiring individuals to learn, explore, and build resilience. Through support, the educational leader can help practitioners reach beyond talent and intelligence and move toward sustained passion.

Workforces, communities, and cultures are changing, and educational organizations must always be one step ahead in order to prepare learners for the challenges they will face. Leaders in K–12 education not only should respond to this change but also should embrace change as an opportunity of growth and renewal. The outcome of K–12 education is not to have all the knowledge of a certain topic nor of the future; the outcome, in fact, is to develop strategic, mindful problem-solvers who can engage problems through thoughtful discourse and analyze data to make effective decisions. The goal for learners is to teach them a process to find solutions rather than focus on defining the problem. In *Forces for Good*, a book that explores effective non-profit organizations, the authors wrote, “They are pragmatic above all because they are focused on creating solutions rather than on simply drawing attention to problems” (Crutchfield & Grant, 2012, p. 47). Educational leaders must engrain in their students the hope that there is a solution to every problem, and progress is always possible.

To make this change, a leader should be skilled at the art of being inclusive within financial planning. In addition, leaders must be able to engage the community in developing an understanding of the foundation resources play in the strategic planning and development of all educational programs and processes. While financial leadership is not always the most popular part of educational leadership, it is one of the most important forms of leadership because it involves the community through the process of identifying resources, values, and priorities. Financial leadership is the foundation for programs and plans. Without a plan to provide resources and capital to a program, that program cannot function. Instructional leaders and financial leaders must work hand in hand to set instructional priorities. Nowadays, leaders must move their organizations beyond departmentalized units and into interdisciplinary leadership teams that plan, talk, and move forward together. Financial leadership is about growing the organization toward growth and sustainability.

Financial leaders must be capable of initiating change. Intentional change is planned and thoughtful. There is purpose behind transformation as educational leaders move teams and learning communities beyond their status quo and into uncharted territory. A transformation that is attuned with the community will resonate with commitment. Leaders must know the people they serve and share in the vision for the organization. In *Resonant Leadership*, the authors reported,

We have seen great leaders attend to themselves holistically: they are attuned to themselves in body, mind, heart, and spirit. They are also in touch with and attuned to the people around them, while mindfully attending to the broader environments as well. (Boyatzis & McKee, 2005, p. 203)

Leaders who take care of themselves and their followers will find committed, empowered leaders taking on great deeds.

This paper will examine the role of educational leaders serving as financial leaders

through cultivating teams equipped to identify community values, assess the learning community's needs, prioritize goals, carry out a strategic plan, and communicate the results. Related literature and research will be used throughout to support leadership practices, and practical tips for leadership will be provided by exploring the relationship between the leader and self, others, and the institution.

Research Question

The first research question addressed in the study is: Who do Illinois K–12 superintendents engage in the budgeting process, and in what capacities? The second phase of the research will focus on a follow-up question: Which situational leadership style do superintendents primarily use in the budgeting process with internal and external stakeholders?

Hypothesis

It is the researcher's hypothesis that superintendents with more than 10 years of experience are less likely to engage the community in the budgeting process. The researcher also believes that rural school districts are less likely to engage stakeholders in the budgeting process than suburban school districts.

National Significance

Education no longer occurs in a one-room schoolhouse focused on the agricultural industry. Education is being called upon by several major parties to completely overhaul the public school system's curriculum to help the students compete in the global economy for jobs that do not yet exist. The call for education has never seemed so great. "In this kind of knowledge economy," President Obama said, "giving up on your education and dropping out of school means not only giving up on your future, but it's also giving up on your family's

future and giving up on your country's future" (Obama, 2010).

In a reform aimed to make education more rigorous and robust, the National Governors Association formed an initiative that created the Common Core Standards. These standards are "aligned with college and work expectations" and "are informed by other top performing countries, so that all students are prepared to succeed in our global economy and society" (Wise, 2010, p. 43). Forty-eight of the 50 states have already adopted these rigorous standards in an effort to increase teaching effectiveness.

While stronger and more rigorous standards can make students more marketable in the workforce, teachers must stay abreast of the best teaching practices so they can meet these standards in their curriculum. According to the National Center for Education Statistics (NCES), the average American public school teacher has thirteen years of experience, and while experience is a positive characteristic of the educator, it demonstrates a very clear fact: Most American teachers received job training in the past and face the challenge of training students in the present.

If teachers are going to be highly effective and keep their curriculum fresh in terms of current topics and skills, they must be willing and able to collaborate so they can share their most highly effective professional practices. Teachers can use collaboration to help reduce burnout and increase awareness in the reformation of education.

Collaboration is an important aspect in the reflective practices of a professional (Game & Metcalfe, 2009). By interacting with others in similar positions, individuals can gain valuable skills in knowledge and practice. Sharing experience and knowledge will enable professionals to bring a broader range of knowledge and experience to their workplace to share with their community. It is common practice for the most prestigious professionals,

such as doctors or lawyers, to meet weekly to discuss their current cases. Thus, they gain insight from one another instead of practicing cases on a solo basis. The client has a team of professionals working for him or her to ensure a quality experience of service. In education, this strategy has become mainstreamed in a practice called “professional learning communities” (Hord, 2009). While many of the larger school districts have picked up on this practice of collaboration, rural schoolteachers are unable to conduct similar activities due to low faculty numbers and a lack of resources.

A recent study by the NCES (2010) on school districts states there are 13,924 school districts in the United States, and 7,757 of those school districts were characterized as rural. This means that over 55% of school districts in the United States are rural; an additional 2,571 school districts exist in a town setting. The NCES (n.d.) defines a town setting as a school district located 35 miles or further from an urbanized area. The NCES (2010) report showed that the other 26% of school districts can be found in the suburbs or the city. From a student population perspective, 21% of the nation’s student population attends a rural school. This percentage increases to 36% when town settings are added.

With such a large percentage of school districts located in town or rural settings, it is important to recognize the professional development needs of the rural educator. While large school districts have a variety of certified faculty and department heads, in most rural schools, the superintendent is the only financial officer found within the district. This isolation is important to note because the budget is the foundation for all programming and resources to meet the needs, wants, and pressures of the local, state, and national communities. While superintendents can make financial decisions in an isolated environment, they can also call on the collective voice of the community for input, priorities, and reflection on the district’s

short-term and long-term strategic plan. A move toward professional learning communities is needed not only for instructional improvement but for financial sustainability. Talking about best practices for financial decision-making is important.

Local and Personal Significance

Forty percent of Illinois school districts operate in a rural setting (<http://nces.ed.gov/surveys/ruraled/>). While this number amounts to 344 school districts, this proposal is targeted to study all K–12 school districts in Illinois to analyze how school district superintendents engage in the budgeting process in terms of the others they involve in the process, and in what capacities. Additionally, the responses will be analyzed against the Government Finance Officers Association Best Practices for Budgeting. With the recent federal passage of ESSA (Every Student Succeeds Act), the federal U.S. Department of Education is calling upon school districts to move beyond district budgeting and develop school site–based reports for better community input and transparency in the allocation of resources. Additionally, Illinois’ financial oversight committee has expanded the financial indicators located on Illinois school report cards, and spending plans are required to be publicly displayed to explain the allocation of resources as compared to the evidence-based funding model.

The evidence-based funding formula is a recent passage in Illinois that overhauled the funding formula for all school districts. The purpose is to promote equity in education between all school districts so students can have equal access to educational resources. Under this increase in spending, school districts must show transparency and remain accountable. Additionally, decisions must be made regarding how to allocate resources to meet district priorities.

From a personal perspective, it is easy to see why collaboration is a vital aspect of the K–12 budgeting process to align the allocation of resources to the needs and priorities of districts. While each district has a unique set of values, needs, and resources, it is impossible for school districts to model a one-size-fits-all approach to budgeting. Superintendents need to guide, advise, and support one another. The researcher of this paper is participating in IL-Empower, a pilot program where districts assess their school and district improvement plans against the new standards of ESSA to measure the effectiveness of resource allocation and community input. Upon reflection, a common topic that has emerged is the need for support, collaboration, and communication related to school district resources. Superintendents do not want to be the sole decision-makers regarding how resources are allocated. IL-Empower allows superintendents who are experts in facilitating the conversation of school-district improvement and the alignment to the allocation of resources to share their success and failures with superintendents who are new to the process. While superintendents are eager to facilitate a community-wide discussion of budgeting, they also must have the skills needed to overcome the hurdles and guide the discussion toward unity rather than a fight for resources.

Understanding the full context of the history and development of Illinois school district financial planning requires a thorough review of literature. Within the literature review, the researcher will frame the theories of participatory budgeting around the state of school finance, the skill of collaborative financial governance, and the evolving role of the superintendent. Models of nonprofit budgeting will be described while reviewing prior research in participatory budgeting. The review of literature will guide the lens in which the methods will be designed and carried out as part of the study.

Review of Literature

The literature review aims to outline the history and development of school district financial planning in Illinois. A theoretical framework describes the boundaries and assumptions that the research question exists and the data is analyzed. By reviewing the theories in which guide the research question and a thorough review of scholarly work, the research question is framed. The reader will uncover the need for further study as developed by recent literature and needs of public schools that connect the community with supporting the outcomes of school district outcomes through the allocation of resources.

Theoretical Framework

Participatory budgeting is a concept that is framed based on the community, leadership styles of the superintendent, and desired outcomes. Participatory budgeting is a way to engage the public through setting goals, solving problems, and allocating resources towards continuous improvement. Participatory budgeting allows for deeper democracy, transparency, accountability, fairer spending, more informed decisions, and community building. While there are several benefits to participatory budgeting, the structure is balanced upon the leadership style in which the district superintendents sets the tone of the process along with the receptiveness of the public in the process. This section will construct a framework for the study that utilizes the Agency Theory and Situational Leadership Theory.

Agency theory is a supposition that explains the relationship between agents and principals. An agent is an individual who invests the money of a principal (shareholder) and aims to provide a return on investment.(Bernstein, 2016). Through this theory, several constructs are explored, such as the relationships between the agent and shareholder, willingness to take risk, and conflicts of interest. While this theory is commonly used to explore the

relationship between agents and principals in financial institutions, it also can be used to explore the role of the superintendent of schools and the major stakeholders in the community.

The relationship between the agent and principal is characterized by goals. Within the financial setting, the goal is aimed at providing a return on investment. The agent and principal work together to invest money in diversified investment portfolios in order to reach a common goal: more money. In education, the aim is not as focused. One shareholder may be focused on academic return on investment: strong test scores, high college entrance rates, and advanced academic courses. Another individual may be focused on a return on investment for the fine arts: strong theater program, dance courses, and rich music ensembles. The lists of goals can go on, including a local taxpayer shareholder whose goal is to keep taxes low and school district budgets balanced. It is the role of the superintendent to manage these goals and provide a return on investment to all stakeholders.

Through the agency theory, the research describes the contrasts in risk that an agent and principal are willing to take in order to show a return on investment.(Bernstein, 2016). For example, a principal who is investing funds for retirement is less willing to take a risk with funds than an individual investing money involving disposable income. Similarly, risk can be attributed to the relationship of the superintendent and the major stakeholders of the community. (Afonso, 2017). For example, many school districts are moving to one-on-one computer initiatives. School districts realize the value of every student having a computer that he or she can use in all classrooms and take home. This idea can seem very progressive (risky) to some individuals. Many school districts prefer to invest money in more traditional terms such as maintaining buildings or reducing class size. In education, risk can typically be defined in terms of early adopters or late adopters.(Reed, 2005). A more progressive (risky) school district may

have early on adopted Common Core, social emotional learning, virtual education, STEAM education, and other modern initiatives. Other school districts prefer to watch others take investment risks, and they jump into these programs after other school districts have learned all the difficult lessons from early adoption of programs.

The principal–agent problem is a portion of agency theory describing the conflict that arises when the agent and principal do not have aligned incentive goals. For example, if an investor receives a financial incentive each time a trade is made in stock, the investor may make too many trades in an effort to increase his or her own wealth. Another example is a mechanic who offers unnecessary services. In education, conflicts of interests can arise when a superintendent continues to raise property taxes even though the district is running surpluses each year. Another example could be a superintendent who recommends cutting a program for children rather than cutting back on administrative staff because the staff do not want to take on any additional responsibilities. In some communities, superintendents are expected to live in the community and send their children to the school district to show confidence in their decisions for education and the level of property taxes.(Baker, 2014). This demonstrates the superintendent is also a personal shareholder.

The second part of the theoretical framework is situational leadership. The research done on situational leadership shows four common strategies used for situational leadership that are used at different times based on the needs of the situation. These four types of leadership roles include telling, selling, participating, and delegating. (Rajbhandari, 2015.) Through the financial planning process, a superintendent must demonstrate each of these four roles at different times and with different shareholders.

The telling role of situational leadership requires the superintendent to inform

shareholders. The superintendent must take time to explain the current status of the school district academically, financially, socially, and in all other capacities. For instance, a superintendent may realize the need for an increase in taxes to fund maintenance projects; however, he or she must first inform the public of the needs of the school district. This can be done by providing tours of the building, explaining the long list of projects that need to be completed, and explaining what will happen if the projects are not addressed in a timely manner. Information is vital for shareholders to make a decision, and a superintendent must act as the teller of information in order to better inform the investors.

The selling role describes the situational leadership role that requires the superintendent to provide options to shareholders while coaching them toward the right choice. (Rajbhandari, 2015.) Much like in the interactions of an agent with an investor, it is important to provide choices. The agent is the expert in the field of finances and knows where the money should be invested; however, the investor wants to make decisions regarding where his or her money is placed. (Bernstein, 2016). Similarly, the superintendent is the expert at running the school district, but will often provide shareholders choices, going through all the pros and cons of each choice. The superintendent must coach the public to make the appropriate decisions. A school district that needs to complete maintenance projects could use funds from reserves, increase the sales tax, increase property taxes, or do nothing. The superintendent will provide these options; however, he or she must also coach the public to make the correct decision that best fits the needs of the school district and community.

The participating role of situational leadership is low directive and highly supportive. (Rajbhandari, 2015.) In the early stages of developing a district strategic plan, superintendents may sit back and participate and support the ideas of the community; however, they are not

directing the choices or course of the plan. Going through the strategic planning process can help bring out the priorities of the school district and community that will help set the priorities of the budget. The participating role allows participants time to bring forward all ideas and concerns in a supportive environment that allows for full consideration of all facets of the school district. The information that comes forward allows administrators to make better decisions that meet the core values of the shareholders.

The delegating role of situational leadership is often carried out once the financial plan has been developed; the superintendent delegates responsibility to building principals, district administrators, and individuals to carry out the plan. (GFO, 2018.) Delegating is important because it allows other individuals to feel ownership regarding the decisions that are implemented within the school district and to work toward higher outcomes. Delegating school district goals is not only for school employees. A successful superintendent can delegate goals to community partnerships that will help support the school district by working as a resource to the school district at a reduced or minimal cost.

There are many leadership styles, and leaders adjust their style based upon various situations and circumstances. Blanchard and Hersey (1969) developed a leadership style called, "Situational Leadership." This theory describes a leadership style that calls on the leader to adjust his or her style of leadership based on the development level of their followers. This leadership style comprises four quadrants, depending on the situation. The leader may need to delegate, participate, sell, or tell. The role of the superintendent is to lead the board by making recommendations and keeping board members informed of all relevant information. The superintendent has to work with local agencies, first responders, state agencies, teacher unions, and other school administrators. A successful superintendent must work collaboratively with

these agencies, but they must also lead these major stakeholders together to complete tasks that are mutually beneficial for the school district and the local agencies. This may require the superintendent to try to sell the stakeholder or tell (inform) the stakeholders.

The role of the superintendent changes based upon local values, community organization, and stakeholder involvement. Hersey and Blanchard write in *Life Cycle Theory of Leadership* (1969), "Thus, there is no single ideal leader behavior style which is appropriate in all situations" (p. 298). Superintendents are evolving from the experts of school finance to facilitators of community expectations matched by district constraints. Through this strategic problem-solving, superintendents must adapt their leadership styles from time to time and reflect on the situation in order to facilitate these important conversations. In the past, a decision was founded in the expert opinion of the superintendent. Now, decision-making is community-centric, supported through a community of resources. Steve Wagoner discussed this process in *Contingency Theory of Leadership* (2013), saying, "The effectiveness of a decision depends on the leadership style and the situation" (p. 32). The most effective superintendents will be able to adapt from situation to situation.

The two theories converge to frame the research question. The research questions analyze who is involved in the budgeting process and in which ways the superintendent engages them throughout the process. Agency theory describes the relationship between the superintendent and the internal and external stakeholders that come together to form the budget. The participatory budgeting process is a continuous cycle that sets goals, invites public participation, evaluates solutions, allocates resources, and analyzes results. Each step of this process is a complex series of steps that requires the superintendent to take on various roles as delegator, participator, seller, or informer.

The State of School Finance

This portion of the literature review aims to describe the current status of school district funding and governance. Additionally, the researcher will describe the new challenges that face educating children from diverse communities with growing needs while meeting higher expectations than ever before. Schools are evolving from the one-room schoolhouse to learning centers that are training students to become globally competitive citizens. With the increase in academic standards and the growing diversity in the classroom, the demands of the local school district have increased exponentially. Nationally, the conversation regarding school districts has centered around two topics: student achievement and equitable educational opportunities for *all* students. Leaders in education have tasked themselves with meeting these high expectations, but the application behind this task requires resources and financial support from the local, state, and federal government.

The children in our schools are diverse, and their needs are unique. Examples of this can be found in the Urbana School District in Urbana, IL. Over 100 different languages are spoken in the schools of this district. This unique challenge requires each school to provide services for all students; the reality is that finding highly qualified professionals to serve in those capacities can become expensive. According to Baker, Sciarra, and Farrie (2010),

“Meeting the equal-opportunity challenge in education requires funding all public schools at levels sufficient to provide a rigorous curriculum in a broad range of subject areas, delivered by well-trained teachers, and supported by effective school and district leaders” (p. 199).

The authors went on to explain the challenges educators face in the classroom in terms of meeting the needs of students with a variety of unique needs such as English language learners, special education students, and the homeless.

The federal government has made an effort to work toward supplementing the education

of children in poverty through the use of Title I grants and Title II grants. Title I grants are funds that go directly toward the support of educational services for students in poverty, including money set aside for homeless education. The purpose of Title I is to directly supplement the funds needed to educate students in poverty because the grant research states that children in poverty require a higher dollar amount to educate. Title II is a grant that is supplied to school districts with high levels of poverty in order to provide professional development funding opportunities to teachers. The purpose of the grant is to train and retain highly effective educators for schools with high poverty counts.

At the state level, the Illinois State Board of Education has a formula procedure called General State Aid, which is calculated based on average daily attendance, local property tax revenues, and poverty counts. The formula was built to provide additional resources to schools with higher rates of poverty in order to help provide equity in education. According to Baker and Corcoran (2012), Illinois is ranked second in the United States in terms of the largest disparity in educating children in poverty compared to children not in poverty (p. 8). The report showed that in Illinois, a school with 0% poverty is educating children at a cost of \$11,082 a year per pupil on average; however, schools with 30% poverty are educating children at \$9,021 per pupil on average. Although the state funding formula is intended to maximize efforts toward providing supplemental funds for high poverty areas, it has failed to make the funding fully equitable. The primary reason for this discrepancy is the local tax revenue collected by school districts. School districts in the collar counties enjoy high property values and tax rates. These two factors allow school districts to collect local revenue at high rates. In counties where the property taxes are lower, the school districts collect less revenue.

Illinois has a general state aid foundation level, which is the dollar amount that the

Education Finance Advisory Board has stated it costs to educate a child in Illinois, currently \$6,119. School districts that collect local tax revenues at a rate of 175% of the foundation level collect a flat general state aid dollar amount of \$289. School districts that collect local taxes at a rate of 93% to 175% of the foundation level receive anywhere from 3% to 7% of general state aid foundational level. School districts with low pools of local resources and high poverty counts use the general state aid formula to calculate their state revenues. According to Augenblick, Palaich, and Associates (2013), About two-thirds of all state funding for public schools in Illinois is allocated to school districts through two formulas, the Formula Grant and the Poverty Grant, each of which uses a mathematical procedure that considers school district characteristics such as size (enrollment), the presence of students with low income families, and/or the wealth of the school districts to determine how much aid each district will receive. (p. 46). Beginning in 2009, for the first time in state history, the Illinois State Board of Education began prorating general state aid. This has in effect hurt school districts by requiring them to RIF (reduction-in-force) faculty and support personnel.

School districts are feeling the effects of the proration. In addition, in 2015, the State did not provide one categorical payment to the school districts. School districts usually receive four categorical payments a year. These are state revenues for school districts to pay for transportation, special education, and food programs. The reduction of the categorical payment meant that the school districts did not receive at least 25% of their revenue for these specific programs. According to the Illinois State Board of Education's Fiscal Year 2015 School District Financial Profile Scores Report (2014), "The 2015 Financial Profile continues to reflect the difficult economic times every district in the state is realizing" (p. 1). The report demonstrated that since 2009, the start of general state aid proration, the number of schools categorized into

“Financial Review,” “Financial Early Warning,” and “Financial Watch” has increased. In fact, approximately 35% of the school districts in the state are categorized into one of these financial categories due to their economic state. While this economic status is the current reality, it is difficult for schools to continue to receive more mandates annually when the funds to support these mandates are not present. This reality shifts the superintendent to take on a role from manager to leader. Superintendents must now lead the effort as a community leader to connect resources to mission and vision.

The Evolving Role of the Superintendent

The role of the superintendent has changed and developed over the years. While once the superintendent could merely focus on the budget and employment of the principals, this individual must now be an instructional leader who can model effective professional growth and leadership within the district. Superintendent preparation programs work to ready superintendents for their role; however, the reality is that no program can entirely prepare superintendents for the roles they will be filling within their district. According to Bard and McCoy (2006), the Education and Leadership Policy “identified several weaknesses of current leadership preparation programs” (p. 12). The report went on to list the areas of weaknesses as including “school finance” and “change process.” This research relates to the underscoring theme of financial leadership and the importance of strategic planning. With school finance becoming a much harder responsibility to manage, school district leaders must work toward developing their problem-solving and communication skills to ensure the budget allows the organization to thrive.

Superintendents and school boards are aware of the need for professional development related to strategic planning; however, professional development is not highly prevalent for these

school leaders. Prior (1991) studied the characteristics of effective superintendents and the evolving roles the superintendent must take on to lead a modern school district. According to Prior, “Superintendents’ performance in strategic planning received the lowest effectiveness rating from all groups” (1991, p. 82). Prior went on to state that superintendents, principals, and school boards saw a high need for professional development in the area of strategic planning and decision-making, but the resources to support this effort were not there.

Darling-Hammond, LaPointe, and Myerson (2007). studied school leadership programs throughout the nation. In their studies, they looked at pre-service programs that prepared leaders for their roles and professional development programs for their ongoing needs within the role of a school district leader. No state has developed a financially stable system for recruiting, preparing, and supporting the development of school leaders. (Darling-Hammond, 2007). Thus, school leaders have very few opportunities to engage in useful professional development that will improve their practice through mentoring, peer observation, and professional coaching. (Hammond, 2007).

Professional development can come in a variety of mediums—workshops, coaching, or even webinars. School district leaders who cannot find professional development to meet their needs should work collectively with regional superintendents to ensure a network of support is present for the superintendent to continuously grow. According to Spanneut, Tobin, and Ayers (2011), Superintendents are in unique positions to underscore and to support through their actions the importance of professional leadership development for other district-level and building-level leaders. Their abilities in that regard are crucial because, as the chief instructional leaders of their school systems, superintendents must be models of continuous professional learning. (p. 12)

If the superintendent does not demonstrate growth in terms of professional development, it will become difficult to move the district forward as the superintendent leads the principals and the principals lead the teachers. A school is a learning community that must continue to strategically plan a continuous improvement cycle that meets the needs of all students and proactively works toward achieving the expectations of the school board.

Collaboration is a key characteristic essential to superintendents who are seeking to become financial leaders. District leaders cannot rely upon an authoritarian leadership model. They must be flexible and collaborative in their work. This leadership style will help them to achieve buy-in to the district vision for teaching and learning. (Bard, 2006.) In executing that vision, the superintendent realizes that there is a border around that vision called the budget, and it constrains the services the school district can provide. Therefore, it is essential for superintendents to become creative problem-solvers. Often, problem-solving works best by working with others to brainstorm ideas through the process of collaboration. Relating back to the research by Spanneut et al. (2011), superintendents need to develop their own professional development opportunities in order to sharpen their problem-solving skills.

Leithwood (2004) conducted research on the key roles of superintendents. According to the author, "A recent study conducted by The Wallace Foundation concluded that the three primary roles of superintendents today are setting direction, developing people, and redesigning the organization to better achieve its mission" (Leithwood, 2004, p. 20). The redesign of the organization is an important concept in schools. For schools to be effective, they must ensure they are preparing students to meet the challenges of tomorrow. In order to fully and effectively prepare students, school leaders must be able to understand the skills and cognitive processes that students must be capable of performing in order to be successful in a global marketplace.

Within the role of the superintendent, it is necessary to decide how to best maximize school resources to design a learning community that establishes rigorous curriculum and innovative tools for teaching and learning.

The Skill of Collaborative Financial Governance

Financial leadership is an imperative characteristic of organizational leaders. The aim of an organization is not to constantly be concerned with staying open, but to aim at achieving the core mission of the organization. Kotloff and Burd (2012) conducted research on over twenty out-of-school non-profit programs in Chicago, IL. Their research found that several of these organizations were struggling financially. In order for school programs to succeed, they must be able to focus on outcomes of their programs as opposed to constantly being focused on how to fund their programs.(Kotloff & Burd, 2012, p. 30). The research showed that organizations that were not on the brink of closure were able to work more effectively because they were able to work proactively rather than reactively. Organizational leaders must use their financial leadership as a strategic process to drive their organization forward rather than exercising this talent as a daily management skill involving financial reports.

In the past, organizational leaders and chief business officers served in two roles; however, in our current economic state, these two roles must work strategically together to ensure the stability of the business and the achievement of the strategic plan. CFOs help implement a district's vision and strategies through implementation of thoughtful resource allocation. This is a shift from the prior mindset of CFOs as simply the accountant of the organization (Page, 2014). In a school setting, this can be demonstrated through the use of public high schools to offer e-courses in which one high school provides the instructor, and another high school televises the course for their students in a classroom. The two schools thus

share an instructor, providing opportunities for the students and strategically meeting the needs for student achievement and financial leadership.

Further research suggests that financial leadership must be heavily proactive in forecasting future trends and the financial needs of the organization. The purpose of financial leadership is not to break even but to become progressive toward reaching the goals of leading financially and organizationally. Boyle, Gaynor, Klee, and Pittman (2009) wrote,

They view change as a constant in finance. They view change as imperative and seize the opportunity to drive improvement. And these CFOs are in the habit of asking themselves, “What can I do to help make sure that we don’t simply survive, but thrive in the years ahead?” (p. 3)

In this study, the authors described the importance of being able to analyze the competition and future needs of the organization. Financial leaders must be creative problem-solvers who can meet the needs of the organization through quality assurance while maintaining costs.

Further skills required by financial leaders can be found in the areas of collaboration and communication. Financial leaders must be effective communicators who can work cooperatively with the leadership in the organization. The vision and budget for the organization must be clearly articulated, and individuals must understand their role in assisting in the process of attaining the goals of the strategic plan. Barr and Bell (2011) gave advice to financial leaders, saying,

Discuss expectations for financial roles and responsibilities with board leadership to create accountability and information flow that matches the size and life stage of the organization. Make sure to invest time in developing meaningful financial report formats for the board that reinforce organizational strategies and goals and support the board in fulfilling their responsibilities. (p. 15)

The budget should reflect the efforts needed to attain organizational goals. In the same token, the organizational goals should be fluid enough to work within a realistic budget. All individuals involved in the implementation of the plan should understand how these two working parts come together to operate the organization.

Financial leadership also requires soft skills. Typically, in finance, technical skills are needed to balance, calculate, and generate the financial reports within the organization. A modern look at financial leadership requires the CFO to be able to strategically plan, negotiate, and communicate the financial plan of the organization. According to Thomson (2015), financial leadership is comprised of several skills such as “strategic planning, project management, process management, and soft skills” (p. 10). These four categories sum up Thomson’s description of the core competencies of financial leadership. Thomson went on to explain that without the ability provided by soft skills to communicate and negotiate, financial leaders will struggle to implement project management and process management in an efficient and effective manner.

The skill of collaborative financial governance can be implemented through various models of nonprofit budgeting. Each model takes on different goals and outcomes based on the mission and vision of an organization. The next section will consider how the skill of collaborative financial governance plays a role in each model of nonprofit budgeting.

Models of Nonprofit Budgeting

While reviewing literature, it is important to consider models of nonprofit budgeting in contrast to participatory budgeting. Each model of budgeting has their own desired outcome and practices which align with various leadership styles. This section will review various budgeting models that have been widely used in nonprofit organizations.

Performance Based Budgeting

Performance based budgeting is one of the most widely known and popular forms of budgeting aimed at meeting an organizations goals and mission. In the article, “Performance Budgeting Practices and Procedures,” Trevor Shaw (2016) wrote about performance budgeting

as it pertains to nonprofit organizations. The author began by describing performance-based budgeting, writing, “Performance budgeting practices and procedures focus on ‘performance information and monitoring, evaluation, and spending review’” (Shaw, 2016, p. 65). These practices will help organizations to understand the outcomes of their programs and whether the funding is accurately resourced throughout the organization. The author went on to say, “The strategy provides high-level outcome data that enables the executive leadership of government to pursue its strategic goals” (Shaw, 2016, p. 66). In school districts, budgets are often set and adjusted incrementally due to increases or reductions. The process for performance-based budgeting looks directly at how the budget is aligned with the strategic goals of the school district. If a school district is going to work toward goals, leaders must allocate resources to support the goals of the district.

Shaw (2016) also noted, “Performance budgeting tools have been drawn upon to enable these objectives and to assist governments in achieving difficult fiscal goals quickly and responsibly” (p. 66). Decisive financial decision-making is beneficial to organizations wanting to stay on task and accomplish set goals that have been developed in accordance with the values and priorities of the community. The budget should be able to be assessed regularly and matched with the outcomes of programs. Administrators, teachers, and community members should monitor the budget together to ensure that the plan for implementation is being carried out effectively, and if not, then a plan should be put in place to make adjustments.

Milestone Budgeting

In their article, “A Progressive Way of Milestone Budgeting,” McGee, Mathew, and Basham (2016) discussed milestone budgeting, which is very similar to performance-based budgeting; however, the authors contended that this is a more progressive form of budgeting

because it does not look at goals as long-term but rather something to work toward—and then, on to the next milestone. The budget should be highly concentrated to support these milestones, and the partnerships of individuals allocating resources must look at budgeting through a progressive lens to ensure every angle is considered to accomplish the milestone. The authors also noted, “To execute requirements in a resource-constrained environment and to maintain the status quo of equities, constant shuffling of resources to priorities is required” (McGee et al., 2016, p. 26). Thus, leaders must recognize that no hurdles should be in place that will stifle the milestone.

Another way to describe milestone budgeting is as performance-based budgeting that is much more aggressive toward the allocation of resources and completed in a shorter timeline. McGee et al. (2016) asserted, “It is not merely performance-based budgeting. It also provides insight into the next cycle of budget preparation; a progressive way to establish new milestones to achieve and sync with radical changes” (p. 28). In an organization that implements milestone budgeting, leaders must be prepared for constant change and open to transformation of the organization. According to the authors, “The best solution is to have a progressive budget system which targets renewed outcomes and rewards positive behavior, all while ensuring that cost management is embedded within its central core” (McGee et al., 2016, p. 28). This is much different from school district budgeting due to the sheer progressiveness of transformation.

Program Budgeting

In the article “Program Budgeting Works in Nonprofit Institutions,” the author wrote about program budgeting and what this looks like in the public sector (Macleod, 1971). Specifically, Macleod explained that each organization is composed of several programs that work together to meet the mission of the organization. Organizational leaders must be aware of

the cost of each program and the benefits of the program. Macleod (1971) asserted, In profit-making enterprises cost accounting is an essential aid to maximizing profits. While this incentive is not present in non-profit institutions, cost accounting has at least three other important purposes: efficiency and cost control, planning and allocating resources of people and funds, and pricing for cost reimbursement. (p. 47)

This can become a difficult process in government budgeting because each program services a social cause and everyone believes his or her program is the most important program within the organization; however, these programs are often not cost-effective and need to be reviewed.

Macleod (1971) went on to describe the benefits that program budgeting can have on a public organization because it forces the leaders to take a reflective and analytic look at the operations of the organization from a financial and benefit perspective. In the article, the author wrote, Program budgeting must insist on knowing what the institution is getting for its overhead, insist that the reasons for proposed changes in expenditures be stated, and insist on knowing what the institution's programs are and who is paying for them. (Macleod, 1971, p. 56)

When each expenditure is assessed for its value, it is often possible to find waste or places where belts could have been tightened. This is a not an easy process, but it allows resources to be freed up for other programmatic purposes within the school district.

Participatory Budgeting

In the article "Citizens Engaging Government: Participatory Budgeting in Greensboro, North Carolina," the author discussed participatory budgeting in a government-public setting, writing, "Citizen engagement has received increasing attention over the past few decades as government officials, scholars, and citizen groups have begun to value additional citizen input and participation in government" (Afonso, 2017, p. 7). In order to work with the public, the

government has opened the door to allowing public bodies to come in and help set the priorities of the budget, ask questions, and monitor the health of the organization. Afonso (2017) went on to say,

There are numerous reasons why elected officials may want to involve citizens in the budget process, including: informing citizens about the budget and available resources, informing citizens about the broader needs of the community, providing decision makers with insights about community wishes and preferences, educating citizens about government's inability to honor all requests and the need for hard trade-offs, generating new ideas and innovation, generating support for the budget that is ultimately adopted, and improving the budget document overall. (p. 10)

Each of these goals has a strong correlation to building community support and trust. Such trust and support enable the governmental body to easily develop strategy for the goals and implement the plan effectively without resistance or lack of resources. The author also asserted, "Active participation is the third form of engagement. It is distinct from consultation in that citizens actively shape budget options throughout the process, though the government maintains final decision-making control over the budget" (Afonso, 2017, p. 13). While final decision-making should remain with elected officials, it is beneficial to have the public take an active part in the process.

Alesani (2012) wrote about how the budgeting process with the community should not be a single timeline of activities that happens annually, but an ongoing process of setting the budget, monitoring the budget, and evaluating outcomes. The entire budget cycle is a traditional role involving the business manager, but the community should be aware of how the budget unravels throughout the year. According to the author, This research speaks powerfully to the

professional community, which is already used to thinking about budgeting as a yearlong cycle, far from a one-stop-shop exercise that culminates with the issuance of an organization's budget whose allocations are to be simply monitored and reported. (Alesani, 2012, p. 1)

This process will help keep the public informed and supportive of the activities of the school district.

In public education, budgets are often formed involving incremental decision-making to increase or decrease the budget based on the revenues that are coming into the school district at the time. The budget cycle must go beyond the incremental decision-making process, looking at how resources can be freed up to allocate resources for the needs that arise throughout the school year. Crises can occur, and a school district may need to reprioritize budgets. Alesani (2012) reported, For example, in my own experience, it is extremely common for budgeting processes to be heavily incremental, as budgeting is still perceived as a rational exercise that moves from past allocations and the amount of unexpended resources, accounts for marginal increases or decreases of available funding at the corporate level, and comprehensively consolidates the departmental budget proposals issued based on approved programs of work. (p. 1)

This section reviewed four forms of nonprofit budgeting. The author explored the characteristics of performance-based budgeting, milestone budgeting, program budgeting, and participatory budgeting. Each model requires a unique leadership skill set that aims at different outcomes. The next section will focus on participatory budgeting and prior research that describes studies that have examined the impact participatory budgeting has had on an organization.

Prior Research in Participatory Budgeting

Case studies have analyzed how adequate amount of time in the budgeting process allows

for better communication engagement. A particular case study that examines participatory budgeting in a school setting includes a study from 2014. In their article, Wheaton and Sullivan (2014) discussed their work aimed at involving the community in the development of the school budget beyond keeping the latter informed but allowing them to provide input and participate in the prioritizing of the school programming. The authors asserted, “It takes a well-developed plan and timeline to ensure that input is coming from all parts of the community, especially those not traditionally involved” (Wheaton & Sullivan, 2014, p. 29). In Wheaton and Sullivan’s study, the school district explained that they wanted to ensure all voices were heard, and some voices were harder to obtain in the process than others. They allowed a substantial amount of time to engage individuals so that nobody felt rushed.

Beyond asking for input, Wheaton and Sullivan (2014) advocated educating everyone about the programs of the school and their purposes. It was important to speak in a manner that the general education understood so they could aid in the decision-making process. The authors noted, “It is easy to ask for input, but it is another matter to clearly communicate the often jumbled educational jargon and to gather clearly stated input from diverse community members” (Wheaton & Sullivan, 2014, p. 29). From that input, the team then spent a substantial amount of time reviewing the input to develop themes they could prioritize that would help them to build the school district budget. The authors concluded, “Once community input themes emerged, the development team surveyed existing successful programs looking for ways to expand services” (Wheaton & Sullivan, 2014, p. 30).

In the article “Collaborating on District Budget Priorities,” Alejandre (2009) wrote about the importance of working with the community to develop the priorities of the school district and the programs held within the school buildings. According to the author, “There are no

restrictions on these discussions, as the goal is to identify the most important areas that affect student achievement and use this information to prioritize the budget” (Alejandre, 2009, p. 13).

When the priorities are set by the community in partnership with the school, it is easier for the school administrators to start the planning process of what the budget would look like for the upcoming school year. This information can then be communicated back to the public.

Alejandre (2009) also noted,

With fewer and fewer resources available to school districts, funding is not available for all priorities. However, through the process above, the public and key stakeholders know that the Board of Education, which approves the final budget, is aware of their input before it makes any final decisions. (p. 13)

Finally, the author stated that a process of working with the community should not be a one-time event, but rather, the community should work with the school district on an ongoing basis (Alejandre, 2009). The importance of this relationship should be a continuous cycle of education, discussions, and partnering to do what is best for kids. According to Alejandre (2009), This should not be a one-time event; rather, it is important to establish a process and timeline throughout the year that includes ongoing dialogue and discussions with key individuals to ensure all voices are heard and presented. (p. 12)

This cycle of partnership must be planned out or else it will not be adequately maintained on an ongoing basis.

Ebdon and Franklin (2005) explored typical community engagement involving the implementation of school district informational meetings and surveys. In their article, the authors stated, “While public hearings give residents a voice in the budgeting process, attendance usually is low and often they are held too late to influence decisions” (Ebdon & Franklin, 2005, p. 24). School districts must be much more proactive in working with individuals to ensure they can be involved early on and feel themselves part of the decision-making. Often schools only

want to include individuals in the informing process rather than the decision-making process.

However, to be successful in the engagement process, school districts should engage the public by educating them and then allowing them to take part in the decision-making. According to Ebdon and Franklin (2005), "Participation can help residents understand government finances" (p. 24). Such finances can be difficult; however, tools are available that allow individuals to better understand the implications of these decisions. For example, many school districts use simulations that help board members and members of the public to visualize what a decision might mean in terms of financial impact. The authors noted, "Budget simulations also have been successful. The method can take much effort, but has been valuable in educating the public about the difficult trade-offs inherent in developing a budget" (Ebdon & Franklin, 2005, p. 24). School leaders must have all relevant information with them at these meetings so that the meetings may go smoothly. Members of the public will have many questions about different scenarios.

An article by Reed, Armstrong, and Williams (2005) recounted the tale of a school district that always sought public input on large purchases. Longstanding trust had been built up with the community that allowed the school district to strategize their goals effectively by matching resources effectively to each program. According to the authors,

In September 2003, three weeks into the school year, the school board approved the lease of the laptops and we moved forward quickly, informing the community about the program via our traditional avenues: an article in the local weekly newspaper, a letter to parents, a posting on our district website and an article in the district newsletter. (Reed et al., 2005, p. 3)

The community was upset that the purchase was not put to public vote on a ballot, and therefore, there was much resistance to the school district and the program. Trust had been broken. Reed et al. (2005) continued,

Trust between our community and our school district was damaged. Could it be

regained? A board member suggested we establish a committee to examine the district's communication with the community and to recommend improvements. The real mission became a crusade to regain lost trust and community support. (p. 4)

Communication and trust were rebuilt because the school district decided to approach the public immediately after the outpouring of mistrust. The school district conducted focus groups and made changes at once to ensure the public knew the district cared about their voice and wanted to correct the matter. The public responded with support for the new technology, but they wanted to voice their concerns about the program's implementation. The school district was able to deal with each concern so that the public felt they were heard based on these meetings.

Hardin (2016) wrote about how budgets reflect the values of each community, school district, and state. The author compared state requirements to publicly post budgets and the information that is accessible to the public, asserting, "Despite the prodigious amount of budget information on its website, a visitor may not be able to find or understand it" (Hardin, 2016, p. 824). Several states now have regulations stating that school districts must post their budgets; however, often the general members of the public cannot interpret a school district budget.

The author talked about the value of the information when expenditures are broken down into categories that are easily understandable to the public, stating, "The posted budget information should break down into categories the average person can comprehend" (Hardin, 2016, p. 829). These categories help discern where the money is going within the school district. Additionally, it is helpful to show per-pupil expenditures, allowing residents to compare school district to school district. Modern innovations have made it easy for government to promote transparency in finances through internet postings that are accessible to the general public. (Hardin, 2016). Through the use of technology and the implementation of participatory budgeting, public organizations are going beyond the compliance component of posting to the level of public engagement.

Community–School Partnerships

Strong skills in financial leadership are not isolated in K–12 settings, but they are relevant to all leaders. Most organizations are experiencing a time of shrinking budgets, a need for change, and a climate hungry for building leadership at all levels. Some of the key components of financial leadership include identifying and unlocking community resources, motivating teams around change, and influencing and nurturing emerging leaders. This study will provide insight into the process of these relationships within K–12 school settings and specifically how they relate to the budgeting process. While this study will be isolated to K–12 schools, it is relevant to all leaders because it provides a model for how leaders interact with stakeholders to set goals, prioritize the budget, and communicate outcomes through a transparent process. Casto (2016) explored the importance of school and community partnerships in a time of budget reductions and increasing student needs, explaining the impact that these partnerships can have on the school community and for the individuals who are engaged in the partnership. Casto held that partnerships should not be looked at as an additional obligation on behalf of a schoolteacher, nor should a community member feel obligated to commit more time for volunteer work. This partnership should be viewed as an opportunity to work together to serve the whole child. The author noted, “Partnerships are built on social interaction, mutual trust, and relationships that promote agency within a community” (Casto, 2016, p. 140). When community and school engage, they can begin to learn from one another and build up a trusting relationship.

In response to needs of students, schools are becoming increasingly more focused on providing a larger array of services to students and their families. Casto (2016) acknowledged, “there are so many pressures on schools, students, and families that schools cannot single-handedly do the job of educating children, but can maximize their efforts by reaching beyond

their walls and partnering with other organizations to best serve the needs of children” (p. 141). When schools and communities can partner together, much benefit can result for both parties. It is important to realize that student achievement is not the only reason for partnership. These priorities change from individual to individual, and schools must take time to listen and recognize the values of the community. Each community is unique and has value to bring to the schoolhouse.

To develop a comprehensive budget that allocates resources to the development of a well-rounded school system, multiple individuals with diverse backgrounds should be included in the process. In the article “Strong School–Community Partnerships in Inclusive Schools Are Part of the Fabric of the School and We Count on Them,” the authors wrote about how a school–community partnership can help increase inclusiveness within a school population so that all students from all backgrounds feel welcome and have their needs met (Gross et al., 2015). It is important to understand the benefit of diversity for a teaching staff so that students can pair and connect to different teachers based on cultural backgrounds, experiences, personalities, or other similar interests. Partnering with the community allows for a larger degree of diversity regarding positive role models in the school and a greater amount of valuable experiences that can be shared with the student body.

Community members also note that they value their time with youth and their experiences in mentoring. According to Gross et al. (2015), “Each community partner provided unique and individualized support to his or her local school, while also receiving social, emotional, and tangible benefits in return” (p. 29). Often giving back in a positive way to the community can have social–emotional benefits for the volunteer. Volunteers become passionate

about working for the school and serving out the mission and vision. This passion often helps propel the school forward.

For this type of partnership to occur, schools must have systems in place that allow them to be available to the public, including proper communication of the roles and mission. Gross et al. (2015) noted, “School factors that facilitate these partnerships include strong school leadership, an inviting school culture, educator commitment to student success, and the ability to collaborate and communicate with community partners” (p. 30). When established systems are in place, schools are able to drive their mission by setting goals, allocating resources, and using human capital to propel these goals forward. This movement must involve commitment for all individuals in the learning community. The authors concluded, “As valued members of the community drawn to work toward a clear vision, community partners were motivated by educators’ commitment to all students’ success” (Gross et al., 2015, p. 27).

With a lack of state and federal funding, school districts should continue to look at a local level to partner to provide services to students. In their article, Blank and Villarreal (2015) discussed the need to pair up with agencies that can provide services to students to meet increasing needs. Instead of sending students out of the building to access resources, schools should provide campuses filled with services that meet the needs of all students. The authors advocated, “Our public schools should be centers of flourishing communities where everyone belongs and works together to help young people thrive” (Blank & Villarreal, 2015, p. 5). In order to accomplish this, schools must partner with health-care agencies, counseling agencies, first responders, local businesses, and other agencies to support the school mission.

The high school–dropout rate is a national discussion that has propelled a movement toward preparing all students for college or careers. Schools are partnering with local groups to

provide a greater depth of career education mentoring for young students. When purpose can be derived within the school day, students find more meaning in attending school. Blank and Villarreal (2015) asserted, “Community schools can reduce chronic absences due to poor health, decrease disciplinary issues and truancy rates, and help create a more stable living situation for children at home” (p. 7). The community, pulling together for these students and developing services that will help find early interventions to support at-risk students, will help students increase their chances of graduating high school. In the authors’ view, “By establishing partnerships with child and family services organizations, community health centers, mental health agencies, and hospitals, community schools can respond to the fear, hunger, physical pain, and psychological distress that many students experience” (Blank & Villarreal, 2015, p. 6). It is important to recognize the issues that affect students before their educational needs can be met.

Stakeholders expand beyond the local booster club and school board members.

Partnerships can come through the region in all forms. In an article published by the National School Boards Association (2014), the authors wrote about practical solutions and tips for board members as they work to engage with the community. It is important to recognize that a school community is not limited to the families served, but the school community is composed of all regional agencies and taxpayers. School boards must begin to engage everyone in a process of prioritizing school values and priorities. In the article, the authors stated, “Partnerships should fill in any gaps in services the district may have and help strengthen current school programs” (National School Boards Association, 2014, p. 9). When there is a priority to work with students after school, the community should be able to find a local organization that can support that need. If there is a need for counseling or mentors, the community should be able to meet that

need. Any need that arises should have the ear of the community, and the community should work with the school to identify resources and brainstorm solutions.

The community must understand how schools operate. While many individuals feel they understand the operation of schools because they attended them once, often they do not understand the process of decision-making and the rules and regulations that play out behind the scenes. Board members should work with the community to inform them of this structure. Additionally, board members should educate themselves about the needs of the school, students, and community. (National School Board Association, 2014). Uneducated and uninformed board members cannot accurately make decisions to drive the district forward. The article went on to say, “School board members must be knowledgeable about the needs of their students, teachers, and other school staff as well as the community resources available to address the needs for the teaching and learning environment” (National School Boards Association, 2014, p. 12).

The budgeting process does not fall squarely on the shoulders of the superintendent. The accountability for a school district must be a priority of the entire community and all stakeholders. It is a collaborative effort to vision, implement, and monitor outcomes of a shared community organization. An article by Blank, Jacobson, and Melaville (2012) described the results that are accomplished when schools and communities can effectively partner together over time. According to the authors, “By sharing resources, expertise, and accountability, community schools can address challenges related to economic hardship and create essential conditions for learning by concentrating on a single access point—public schools—to effectively target their efforts” (Blank et al., 2012, p. 1). When all individuals are working in the same direction, the school is able to be precise in their intentional goal setting and support service

planning. These allocations of resources and capital must be supported by data and the community.

Schools that are having financial difficulties will often reach out to the community for support, but the community must in turn understand those needs. According to the authors, “Community schools capitalize on the financial assets of community partners and funding streams to support programs and activities aligned with their common vision” (Blank et al., 2012, p. 2). If the community is not informed of the need, they are less likely to support any increase in taxes. This relationship must be built up over time before any money is requested by the school district. Beyond funding, the school district must realize that money is not the only solution. It is important to activate community resources and relationships. Blank et al. (2012) concluded, “In a time of declining fiscal resources and greater demand for public services, districts with fewer dollars to spread around have learned that forming partnerships can also be fiscally prudent” (p. 32).

Community-school partnerships is the heart of the concept of participatory budgeting and the key topic analyzed within this study. The partnership extends through an ongoing cycle between all internal and external stakeholders with the superintendent and school board setting the tone for the budgeting process. School districts vary in all communities, and the partnerships, interactions, and values are different based upon the culture of the community and leadership style of the superintendent. The next section of this study will set forth a method for evaluating the interactions of superintendents and stakeholders in the budgeting process of public school districts.

Methods

Introduction

This section outlines the research methods in which the researchers utilized during the course of this capstone study. This method specifically outlines the population, sampling procedure, research instruments, data collection procedures, ethical considerations, limitations, and two phases for data analyses. The purpose of clarifying the research methods of this study is to allow a transparent review of the structure and parameters of the study.

Population

While the target population of this phase included only K–12 school districts, elementary districts, special education cooperative districts, and high school districts were identified by the mechanism of answering an initial question to identify their district form. The primary demographic of the population is located in rural portions of Illinois.

The school districts that participated in this study then identified their U.S. Census status as rural, suburban, or urban. Approximately 852 Illinois school district superintendents have been emailed the survey from this study, and the data analyzed in this study will come from the responses provided by the superintendents.

The survey was an anonymous instrument emailed through Survey Monkey; therefore, it was impossible to know such facts as the exact individuals, years of experience, geographic locations, or other identifying characteristics for the participants except for the information that they provide. The purpose of this anonymity was to allow administrators an opportunity to share their practices without fearing the information would be used against them to criticize their performance. The desired response rate is 10% (85 school districts).

Research Instruments

In January 2018, a survey was developed by the researcher and administered to all K–12 school superintendents in the State of Illinois. The survey collects information about who is engaged in the budgeting process, in which ways they are involved, and how the superintendent engages these stakeholders. The survey is used to analyze the differences in relationships between superintendents and stakeholders based on the years of experience of the superintendent, size of the school district, geographic status of the community, and socioeconomic status of the community. The survey took approximately 15 minutes to complete, beginning with an explanation of the mission of the survey. Participants taking the survey read the directions and followed by answering demographic questions about the size of their district, community, and years of experience as a superintendent.

Procedures/Data Collection/Analysis

The first round of surveys were sent by the researcher directly to the superintendent using the Illinois State Board of Education directory emails. The second round of surveys were administered as a follow-up by the researcher directing emailing the superintendents a second time. The researcher provided a \$20 gift card to participants through a lottery based on superintendents who participated in the survey. Surveys remain anonymous. The superintendents informed the researcher if they participated, and the researcher drew the winning superintendent.

A survey was administered to Illinois superintendents to determine the research questions outlined in Chapter 1 of the capstone. The first research question addressed by the study is:

Who do Illinois K–12 superintendents engage in the budgeting process, and in what capacities?

The second phase of the research focused on a follow-up question:

Which situational leadership style do superintendents primarily use in the budgeting process with internal and external stakeholders?

Data will be analyzed in a two phase structure to allow for a quantitative analysis of survey results regarding the primary question of the study. The second phase of the study will use a correlational analysis of the survey results to answer the second question of the study. The following sections will explain each phase of the analysis.

The first phase of the research looked at the demographics of the superintendent participants. Data was collected on how often superintendents select stakeholder involvement in each of the budgeting processes, which are defined based on the Government Finance Officers Best Practices of School District Budgeting. (*Best Practices in School Budgeting*, 2017).

Variables included stakeholder, budgeting process, superintendent years of experience, size of district, size of community, and census status (rural, suburban, urban). The instruments for this phase included charts and counters hosted by Survey Monkey. The counters tracked the frequencies of stakeholders selected for each section of the budgeting process. Additionally, Survey Monkey provided a correlation between district size, community size, and years of experience to show the variable differences between the demographics of the district and superintendent in relation to the people they involve in the budgeting process.

Analysis of the data was aggregated in several ways to find correlation to the demographic data and stakeholder involvement. Data was used to determine which stakeholders are used the most and least in each of the budgeting processes. Data trends were determined if there is a correlation between district/community size and stakeholder involvement. The researcher compared the stakeholders involved to the recommended stakeholder involvement as described by the Government Finance Officers Association.

Additionally, the research examined to see if there is a correlation between years of experience as a superintendent and stakeholder involvement.

The second phase of the research focused on an analysis of roles the superintendent and stakeholders played in each of the budgeting processes. This phase determined what role each stakeholder and superintendent took on during a specific portion of the budgeting process. This analysis helped to determine how a superintendent interacts and engages with the stakeholders in each step of the process. This data also was used to help determine whether there are common trends between superintendents within each step of the budgeting process. While it is impossible to see exactly how each stakeholder or superintendent engages, this research will be based on the experience from the perspective of the superintendent providing the information. This data was used by the researcher for this phase of the research.

The instruments for this phase included charts and counters hosted by Survey Monkey. The counters tracked the frequencies of the role the stakeholders or superintendent played in each section of the budgeting process. Additionally, Survey Monkey provides a correlation between district size, community size, and years of experience to show the variable differences between the demographics of the district and superintendent in relation to the others they involve in the budgeting process.

Analysis of the data was aggregated in several ways to find common trends. Data was used to determine which role stakeholders played the most and least in each of the budgeting steps. Data trends were determined if there is a correlation between district/community size and stakeholder involvement. The researcher was compared the stakeholders' roles to the recommended stakeholder involvement as described by the Government Finance Officers

Association. Additionally, the research examined to see if there is a correlation between years of experience as a superintendent and stakeholder involvement. This data was collected and displayed on the administrative side of Survey Monkey, and the data was collected solely by the researcher. No participants in this survey had access to the information.

Ethical Considerations and Limitations

This data was all be collected and displayed on the administrative side of Survey Monkey, and the data was collected solely by the researcher. No participants in this survey had access to the information. All data was stored through a password protected system for the researcher and disposed of after the research was finalized.

Findings

Presentation of Respondent Participation

A survey was administered to Illinois superintendents to determine the research questions outlined in Chapter 1 of the capstone. The first research question addressed by the student is:

Who do Illinois K–12 superintendents engage in the budgeting process, and in what capacities?

The second phase of the research focused on a follow-up question:

Which situational leadership style do superintendents primarily use in the budgeting process with internal and external stakeholders?

The sections following serve as an outline of the data collected through the research process. The first page of the survey focused on demographics, which allowed the researcher to then filter questions to identify trends based upon type of district, location of district, superintendent's years of experience, school district size, and poverty rates. The tables in this section outline the demographics collected in the research. One hundred forty-eight superintendents participated in the survey, while there are 852 school districts; therefore, the response rate can be calculated at 17%. All districts superintendents received the survey notification through an email database that is provided to superintendents.

The State of Illinois has 373 elementary districts. This survey represents a response rate of 13% for elementary district representation. Out of the 99 high school districts in Illinois, this survey response rate represents 24%. Of the 380 unit (K–12) school districts in Illinois, the survey represents a response rate of 20%. Eighty-four of Illinois' 102 counties are classified as rural. This survey response rate is made up of 82% rural respondents.

An interesting fact about the years of experience by superintendents is that

superintendents with 21 or more years of experience were all located in rural school districts.

The Illinois Association of School Administrators states that the average term of a superintendent is eight years. Sixty-eight percent of the respondents in this survey had 10 years of experience or less. Twenty-one percent of the school districts in Illinois have an enrollment greater than 2,500 students. This survey has a representation of 32% for districts with enrollments of 2,500 students and greater. The average rate of low-income student enrollment in Illinois school districts is 50.1%. Thirty-four percent of the respondents in this survey had a low-income rate greater than 50%. Sixty-six percent had a low-income rate less than 50%.

Presentation of Stakeholder Input

This section aims to outline those stakeholders and describe their role in the budgeting process. The researcher also used the demographic data to dissect the data in order to determine the correlations based on the size of the school district, setting of the community, years of experience of the superintendent, and enrollment of low-income families in the school district.

Figure 1 outlines the responses from the superintendents, showing who has input into the budgeting process within their school district. Superintendents were asked to select if the budget is developed by internal stakeholders, external stakeholders, or a joint effort between internal and external stakeholders. Figure 1 identifies that all school district budgets are developed primarily by the internal stakeholders with the exception of school districts having a poverty rate of 71% or greater. Also evident is that K–12 school districts had a greater rate of community involvement than elementary and high school districts. High school districts had the least between the three forms of district organizations. The only two subgroups to have zero input from external stakeholders were superintendents with 11 to 20 years of experience and those having 21 or greater years of experience.

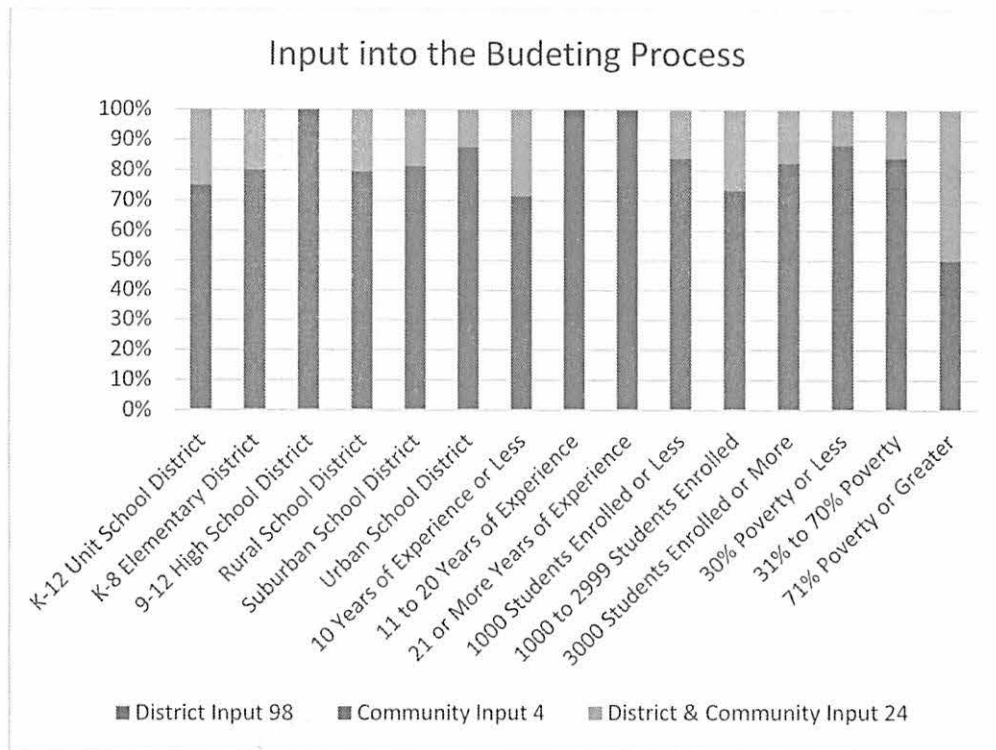


Figure 1. Superintendents’ responses revealing amount of internal and external input into their district’s budget process.

The researcher then studied the responses of the superintendents based on the role that external stakeholders played in the budgeting process, as Figure 2 shows. These six roles are outlined by the GFO’s best practices in school district budget development. The most common area in which stakeholders were involved is setting goals. The numbers in Figure 2’s key represent the response rate. The least-used capacity for stakeholders included conducting a cost analysis, followed by determining a gap between the current state of the district and the desired goals. Superintendents having 10 years of experience identified the greatest number of interactions regarding involvement in the budgeting process, followed by rural school districts.

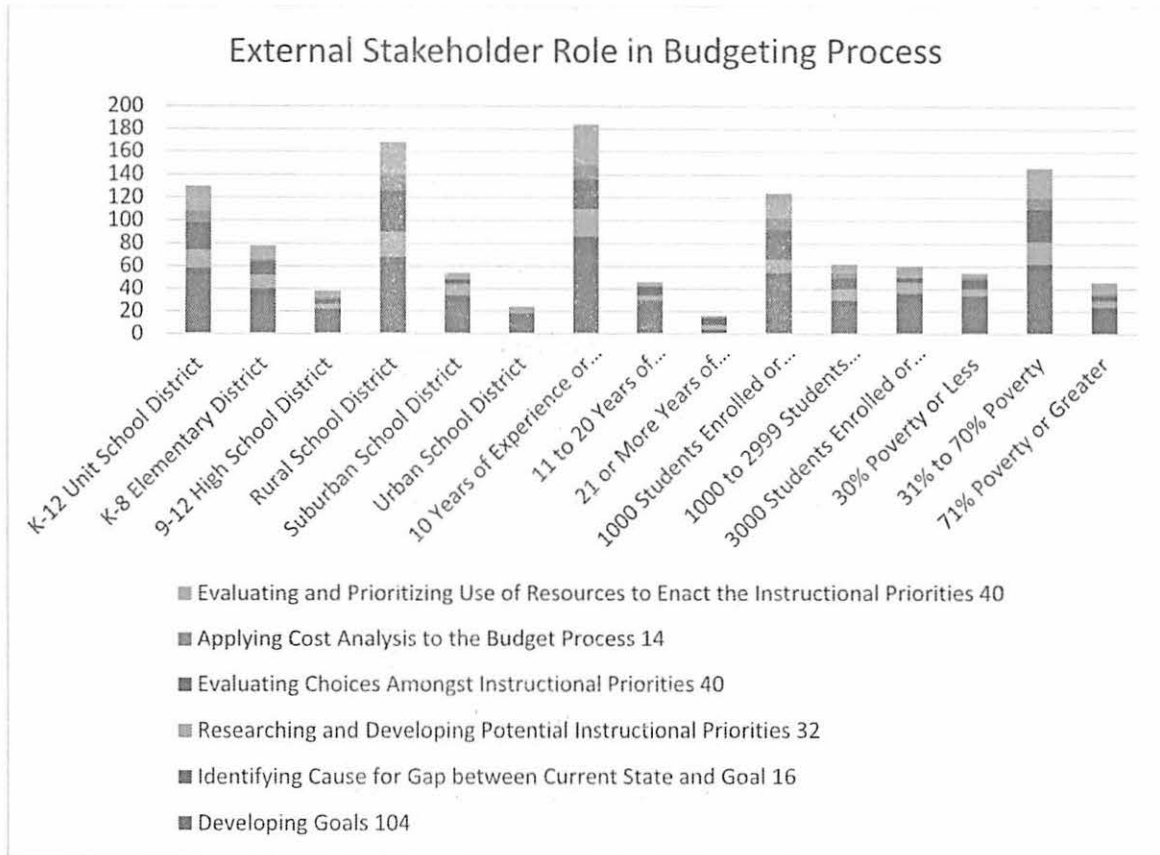


Figure 2. Roles filled by external stakeholders in the budget process.

Figure 3 reviews the understanding of the district’s financial priorities by internal and external stakeholders. In all subgroups, superintendents identified that external stakeholders had a lesser understanding of the financial priorities of the school district than the internal stakeholders. The only exception was those superintendents who have been serving 21 years or more. These superintendents identified that external and internal stakeholders both had the same limited knowledge of financial priorities. No noticeable change could be seen between the size of the school district for stakeholder understanding of the financial priorities. Contrary to the researcher’s other findings, in this question, K–8 districts outperformed the K–12 districts in terms of understanding by both the internal and external stakeholders.

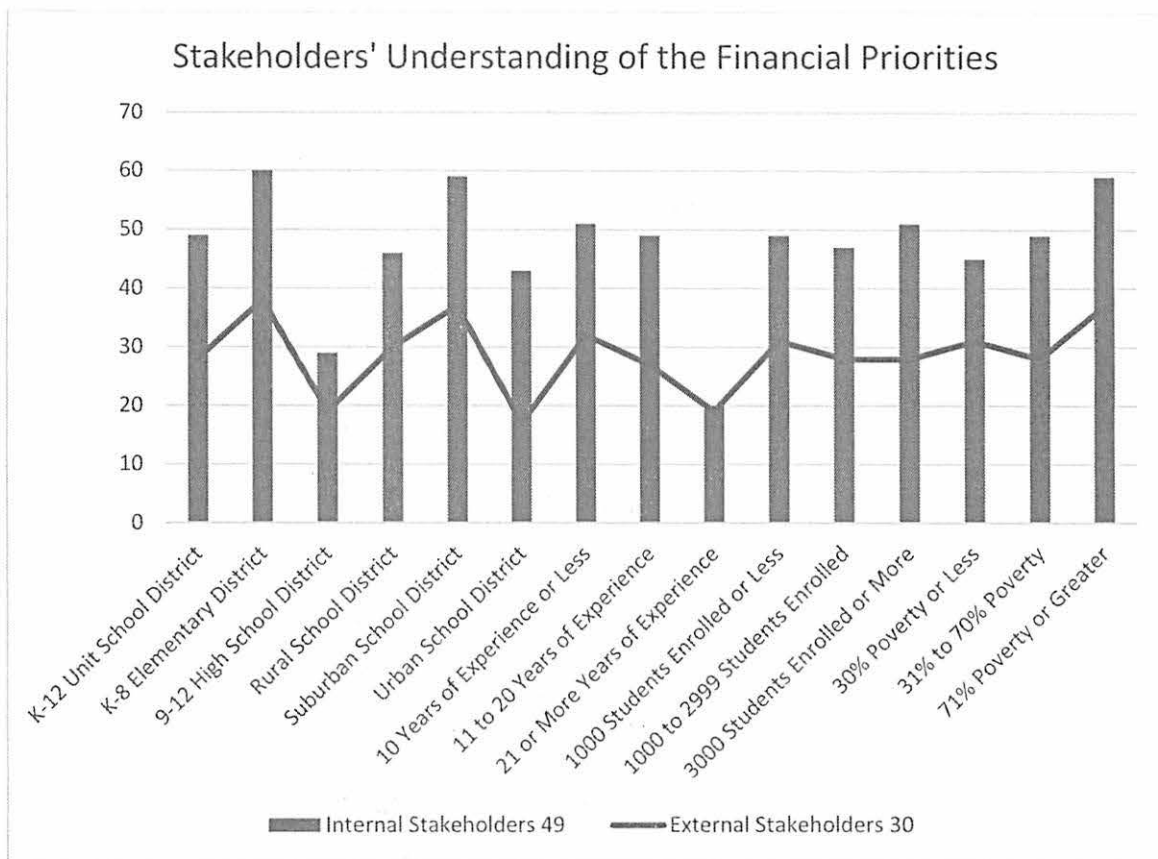


Figure 3. Superintendents’ perception of internal and external stakeholders’ understanding of district priorities.

The next portion of the study focused on the capability of the school district to link financial data to district outcomes (see Figure 4). Districts had three choices: yes, no, or we are working on an emerging process to communicate the link. All subgroups responded that they primarily do not have a system to link financial data to outcomes, or they are in the process of working out a system. The three subgroups that had the greatest capacity to link the data included K–8 districts, suburban districts, and high-poverty (71% or greater) districts. Superintendents having 21 years or more experience were the only subgroup to note that they were not even attempting to put together a system to link the financial data and district outcomes.

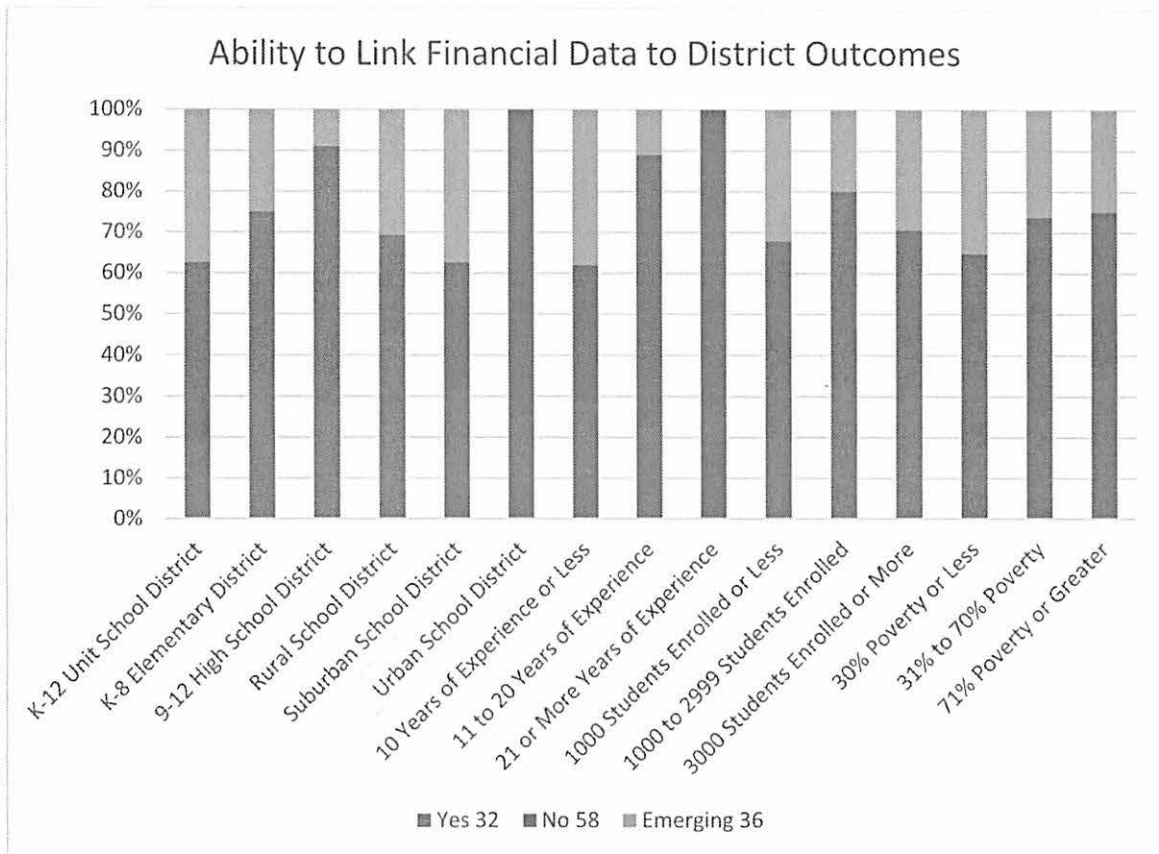


Figure 4. Superintendents’ responses regarding their district’s capability to link financial data to district outcomes.

The next portion of this study reviewed the face-to-face interactions between stakeholders and superintendents in the budgeting process (see Figure 5). Economically disadvantaged families were the most engaged stakeholders in this study, tied with families that had at least one child with a disability. Immigrants were the least engaged stakeholders in the budgeting process. Superintendents with less than 10 years of experience engaged the most stakeholders, followed by rural superintendents. The larger the enrollment of the school district, the less stakeholders were engaged in the budgeting process. The same correlation is true based on the greater the years of experience of the superintendent.

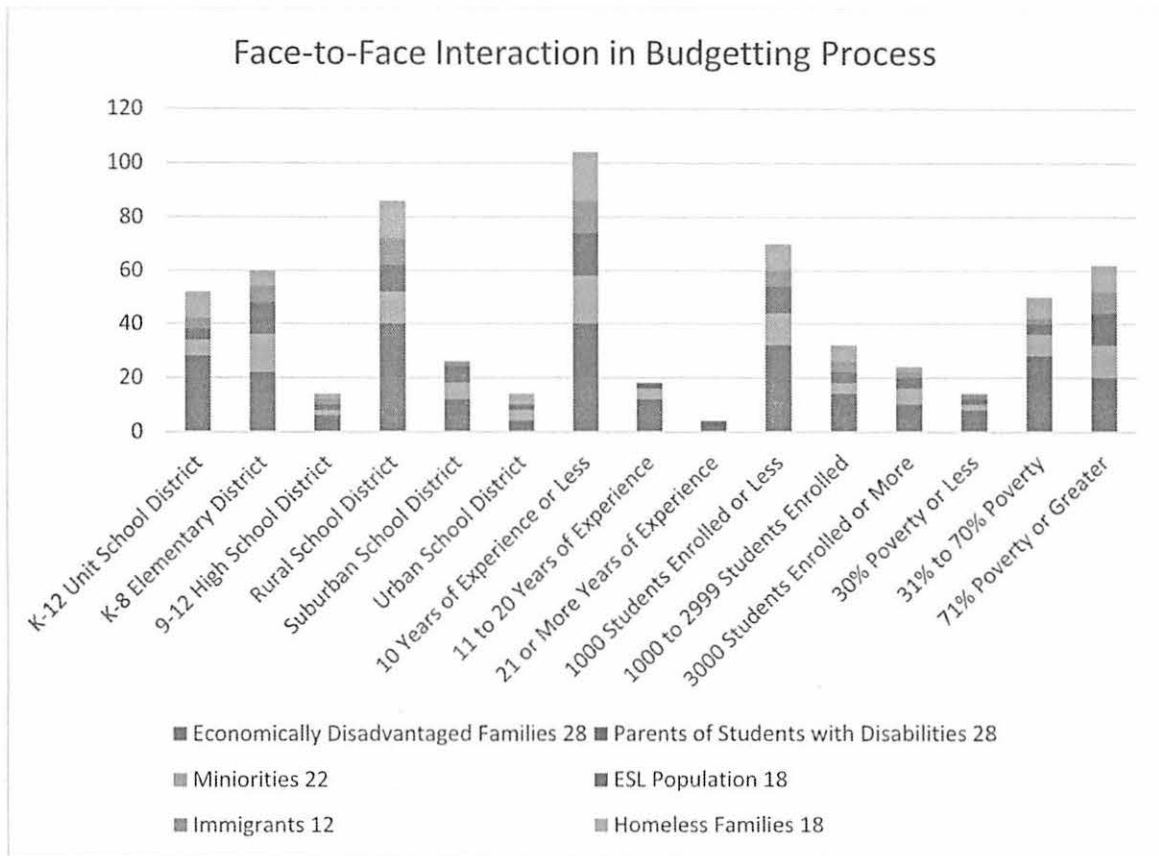


Figure 5. Superintendents’ feedback on face-to-face interactions between stakeholders and superintendents in the budgeting process.

Next, the research reviewed the engagement of internal and external stakeholders in the budgeting process, to include surveys, phone calls, and other indirect forms of communication (see Figure 6). Again, the superintendents with less than 10 years of experience engaged stakeholders the greatest of all subgroups. Beyond superintendents, principals and board members are the two most engaged stakeholders in the budget development process. The superintendents identified business leaders and community leaders were the two least engaged external stakeholders, and parents as the most engaged external stakeholder groups.

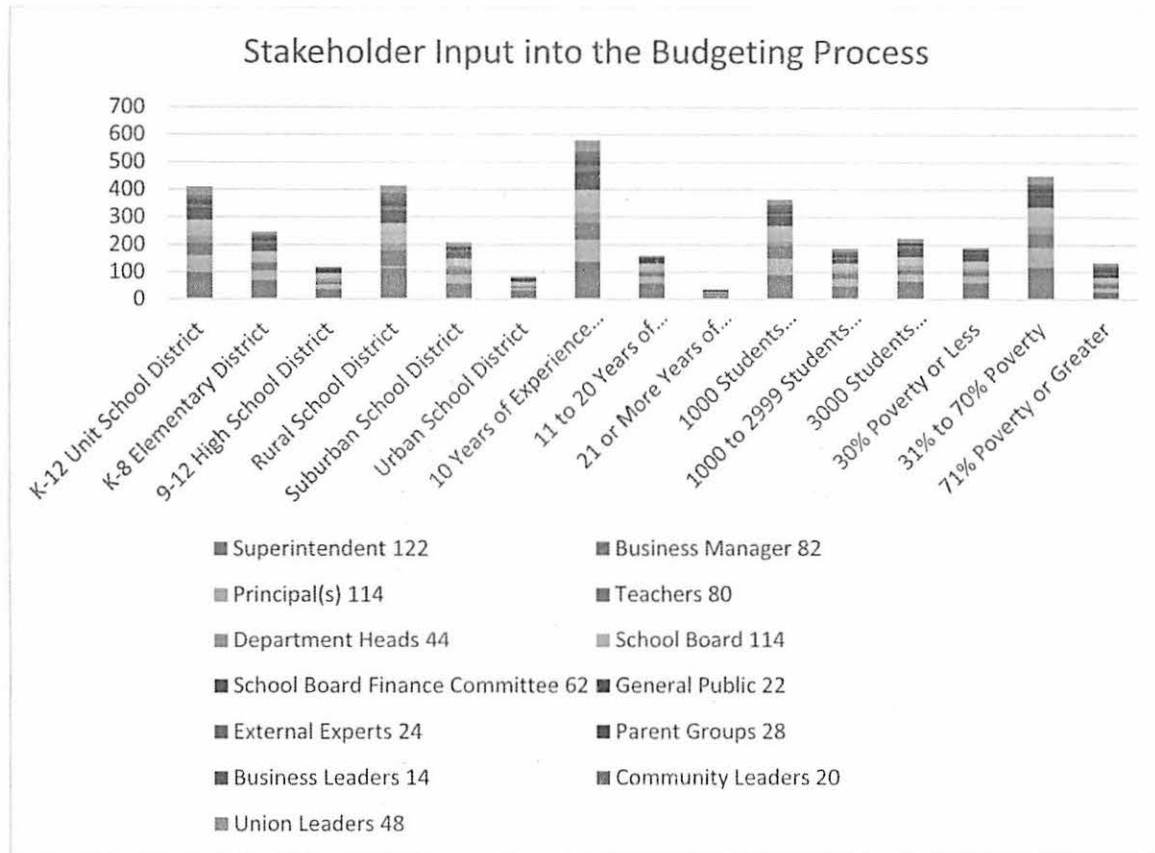


Figure 6. Engagement of internal and external stakeholders in the budgeting process, including use of surveys, phone calls, and other indirect forms of communication.

Concluding Remarks

The research study provided a diversified population of superintendents serving school districts from various regions of the state of Illinois. The findings provides a demonstration of a difference in interactions between the superintendent and stakeholder in the various steps of the budgeting process based upon the years of experience, size of the school district, size of the community, and socioeconomic status of the families served within the school district. This suggests that various strategies may be utilized in different methods depending on the size of the school district, community, and needs of the student population.

Discussion

Summary of Findings

The purpose of this study was to identify the answer to the researcher's two questions:

The first research question addressed in the study is:

Who do Illinois K–12 superintendents engage in the budgeting process, and in what capacities?

The second phase of the research focused on a follow-up question:

Which situational leadership style do superintendents primarily use in the budgeting process with internal and external stakeholders?

As mentioned, it was the researcher's hypothesis that superintendents with more than 10 years of experience were less likely to engage the community in the budgeting process.

The researcher also hypothesized that rural school districts were less likely to engage stakeholders in the budgeting process than suburban school districts. The data revealed that rural superintendents and superintendents with 10 years or less of experience were more likely to engage stakeholders in the budgeting process. From researcher's perspective, this is not due to a cultural shift nor new legislation. This is due to a lack of experience and expertise. New superintendents are more likely to engage community members in an effort to build up political capital and work towards building new relationships to support district partnerships in the community. Rural superintendents, from the researcher's perspective, are more likely to engage stakeholders because the size of the community. Illinois is a local control school governance structure for public school districts; therefore, superintendents in rural school districts are more likely to be engaged in due to the smaller population size that allows for a more inclusive collaborative environment for personalization.

The Government Finance Officers Association outlines key capacities in which stakeholders, both internal and external, should be engaged in the budgeting process. The findings of this study revealed that the use of stakeholders in these capacities are very limited. The highest capacity was setting goals. Beyond that capacity, superintendents saw most of the budgeting work their responsibility. From the researcher's perspective, this is primarily due to the time constraints within the role of the superintendent. When reviewing these critical roles of the budgeting process, they are primarily driven into capacities of setting and steering a vision of the district through collaborative communication and resources. In the role of a superintendent, there are many other obstacles to tackle. Based on time constraints, superintendents often find themselves working on several other critical issues of the day. Additionally, the role of the superintendent relies heavily on the situational leadership framework in which the superintendent maintains control of the process and direction.

Researcher's Considerations of Findings

The researcher identified in his hypothesis that suburban school district superintendents were more likely to engage with more stakeholders within a larger capacity than urban and rural school district superintendents. According to the findings, rural superintendents are more likely to engage stakeholders in the budgeting process. The researcher believes this is due to the composition of rural Illinois communities. Within rural communities, school districts are often the largest employer and the heart of the community. Specifically, school districts in rural communities often serve as the hub for local culture and entertainment through sporting events, the fine arts, and community engagement activities.

Another characteristic that was identified during the analysis was that superintendents who work in high poverty school districts were more likely to engage with stakeholders in the

budgeting process. This is primarily due to the nature of funding for high poverty school districts. School districts with high poverty are funded with grants from the state and federal level that require community engagement in the budgeting process. The grants mandate community input into the needs and plan for the grant funds. Additionally, these grants have restricted purposes that can hinder or assist in the community engagement process.

One surprising finding within the research was the number of superintendents who reported that they were not able to connect financial data to outcomes of their programs. The researcher recognizes the number of variables that impact student outcomes; however, the grant accountability and transparency act is an annual disclosure that is completed by all Illinois superintendents that require them to certify they can connect financial data of their grants with outcomes. This finding tells me superintendents are marking yes for the purposes of not receiving audit findings; however, they do not have the actual ability to connect the two variables.

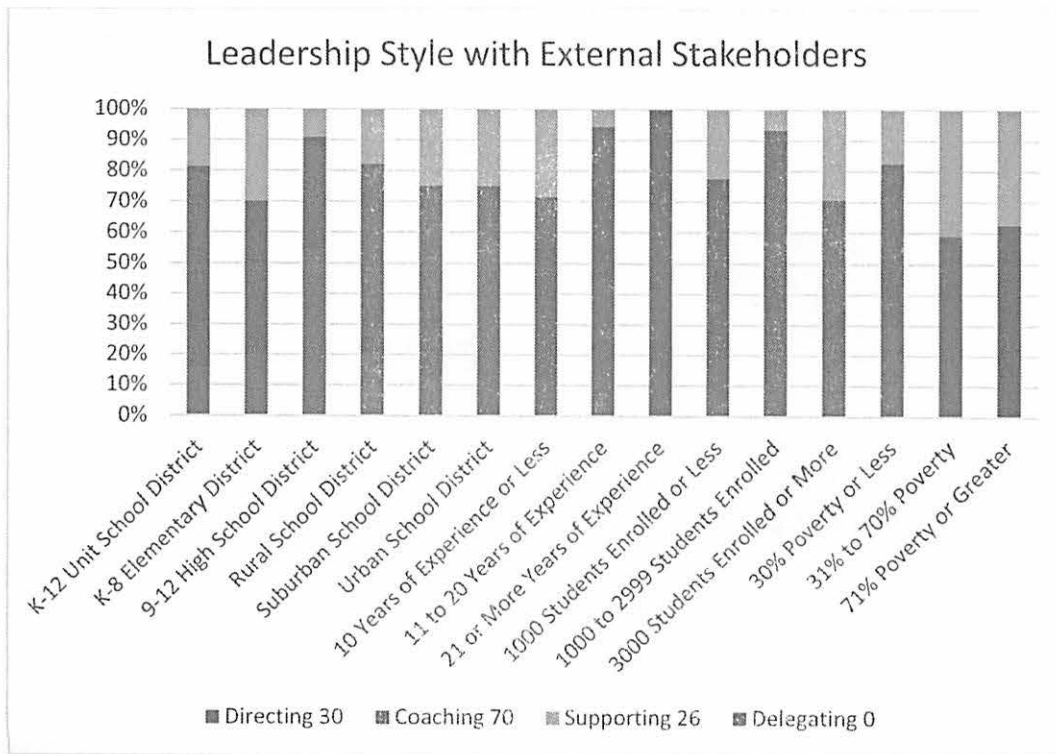
Analysis of Situational Leadership Styles

The second phase of the research focused on a follow-up question: Which situational leadership style do superintendents primarily use in the budgeting process with internal and external stakeholders? This section outlines the situational leadership style that various superintendents took with internal and external stakeholders. Superintendents were asked to describe their role in the budgeting process by selecting which response best fit their role:

1. (Directing) I make decisions, communicate them to others, and expect others to accept my decisions.
2. (Coaching) I create the roles and objectives for the process, but I am open to suggestions. I try to sell my ideas in order to gain cooperation.

- 3. (Supporting) I leave decisions to the team. I may participate in the decision-making process. The ultimate decision is left to the team.
- 4. (Delegating) Decisions are left up to teams. I provide minimal guidance to the team unless asked.

No superintendents in the study responded that they delegate to internal or external stakeholders when it came to the budget (see Figures 7.1 and 7.2). Superintendents did identify that with external stakeholders, they were more likely to coach than any other form of leadership style. Superintendents used the same style of leadership with internal stakeholders; however, the rate of support almost doubled. Superintendents were more likely to release control to internal stakeholders than external stakeholders. Superintendents with more experience had more control of the budgeting process, and their style was focused on directing. High-poverty districts were the most likely to work with stakeholders, both internal and external, in a coaching and supporting role.



The significance of the leadership style utilized with stakeholders is a strong indicator of how superintendents lead the budgeting process within their school community. The process of budgeting must begin with the superintendent’s transparency and communication. These charts allow the reader to identify the relationship between the superintendent and stakeholders regarding the amount of control and guidance the superintendents allow for empowerment and decision making based upon the budgeting process.

Figure 7.1. Participants’ leadership style with external stakeholders in the budget process.

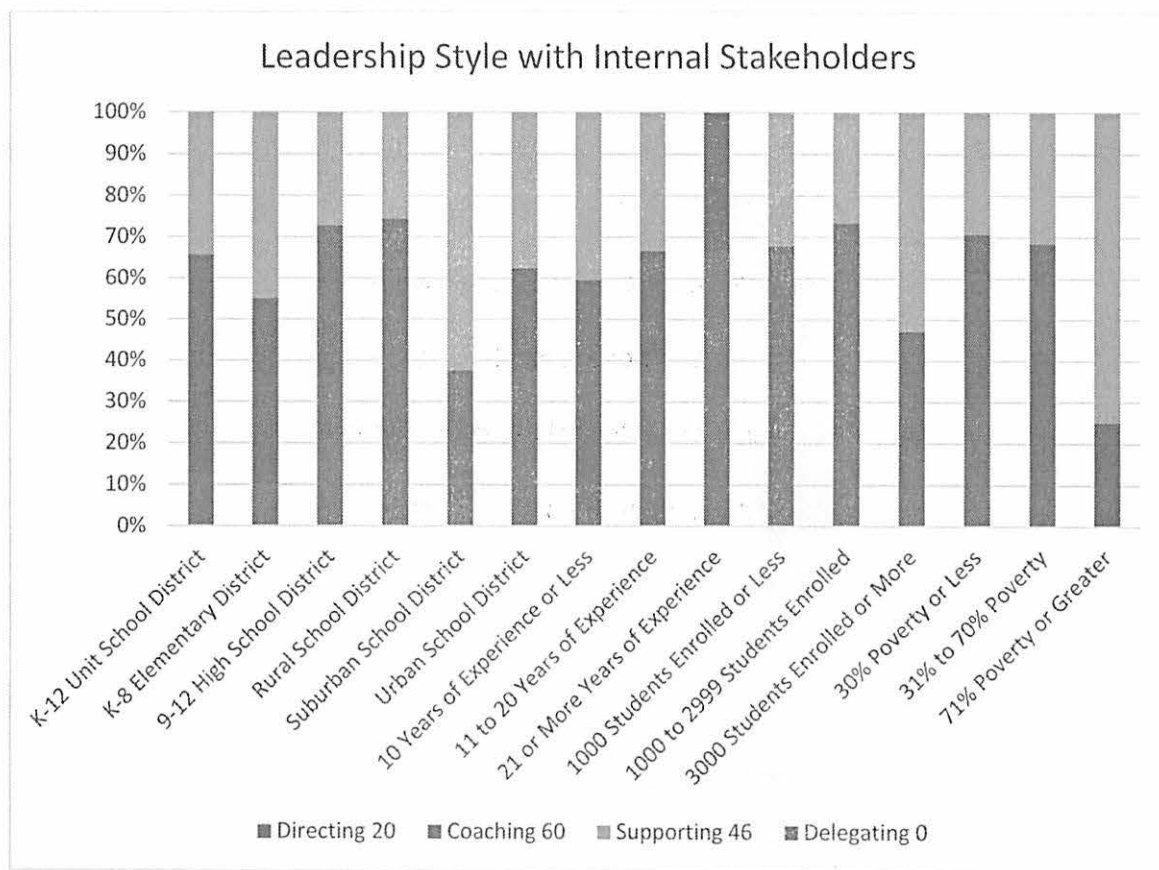


Figure 7.2. Participants’ leadership style with internal stakeholders in the budget process.

The researcher’s hypothesis postulated that superintendents with more than 10 years of experience were less likely to engage the community in the budgeting process. The researcher also believed that rural school districts are less likely to engage stakeholders in the budgeting process than suburban school districts. According to the data collected, the researcher was

accurate in the hypothesis that more experienced superintendents were less likely to engage the community in the budgeting process. The researcher was inaccurate in the hypothesis that rural superintendents were less likely to engage the community. In fact, rural superintendents were more likely to engage the community through the budgeting process.

The research study data indicate a high level of disengagement by stakeholders in the budget process as well as a lack of knowledge. Based on the data collected from the research study, superintendents noted that over half of the internal and external stakeholders do not understand the financial priorities of the school district. In addition, few interactions between these stakeholders are happening face-to-face or even through indirect communication in the form of surveys, letters, or phone calls based on the data collected by the researcher. From the researcher's experience, school district finance is highly complicated to the point that often Board of Education do not understand the financial structure of a school districts to the full capacity. The amount of education that would need to go into educating individuals on how school finance works is overwhelming. Superintendents should focus on one part of the budgeting process and educate the community to start the discussion of setting up the vision and direction of the school district based upon appropriate resource allocation.

With the implementation of an evidence-based funding model, school superintendents will be held more accountable to engage the community, demonstrate outcomes tied to funding, and develop spending plans that engage the community. This research has identified a baseline audit that reveals where our superintendents are currently performing related to this new task. A huge gap is evident between the practice of superintendents developing budgets based on their own experience and knowledge and the potential for educating and embracing the community vision for teaching and learning.

Superintendents need to review the standards addressed by the Government Finance Officers Association and begin to work toward aligning their practices so that they engage stakeholders in all parts of their practice. Leaders must realize that one of their greatest resources is human capital. The innovation and commitment that comes from leaders and followers will always be a strength of an organization, and connecting everyone together toward a common goal will only strengthen the mission. Practical tips for leaders regarding financial leadership include recognizing that change is inevitable and that recognizing building collaborative relationships is vital before change occurs. Without developing a collaborative framework for financial decision making, change can seem overwhelming. By having a strong foundation rooted in the values of the organization, change will not overcome the organizational culture. A leader's understanding his or her community's needs and strengths will in turn strengthen the organization and morale of the company culture.

Future research in this area should investigate the practices involved in stakeholder engagement in rural school districts and superintendents with less than 10 years of experience. If these two subgroups are engaging stakeholders at a higher rate, an audit should be conducted to identify the forms of communication and strategies they are employing, which are being met with success. Rather than creating new initiatives, superintendents should take the time to learn best practices from one another that are already working in the field.

Additional research should focus on the barriers superintendents face when trying to engage the community in this process. By addressing such barriers, superintendents can then begin to explore opportunities and solutions to overcome those barriers that have worked in other communities.

Lessons for Leaders

There are several lessons that leaders learn through experience—good and bad. These lessons can be shared as recommendations to all leaders, starting with a skill that Stephen Covey has pointed out: Be Proactive. This means that a strong financial leader cannot be reactive but rather must be proactive, which includes communicating early, often, and clearly to all stakeholders; gathering information early; and creating a strong strategic plan. A leader who fails to plan will fail, period. Being proactive allows a leader to have time to work with others, collaborate, and learn.

A second lesson that all leaders can take from financial leadership is learning to tell the truth with compassion. Nothing can get an employee fired more quickly than lying or misleading the public about money, underlining the importance of telling the truth. If something is wrong, the best course is to share that information and try to problem-solve collectively or get help. However, often people who are the best at telling the truth can come across as abrupt. It is important that individuals tell the truth but do so with compassion and candor so the culture does not become toxic.

Another recommendation that can be shared from the lines of financial leadership is listening. Stephen Covey wrote about the importance of listening, and in terms of financial leadership, it is important to listen so that one can learn from others. Listening allows the leader to better understand the values, resources, and needs that individuals bring to the table. This will help the financial leader to better plan and organize a budget that correlates to unlocking the value hidden within the organization.

Leaders should also expect conflict and become good at dealing with the problem. While

this can at first seem negative, conflict can be healthy for the life of an organization. For example, conflict can come from saying no when no is the needed answer. A financial leader who tells everyone yes will have a hard time balancing the books. Leaders should learn to deal with conflict by strengthening their communication skills to speak to the heart of the issue and communicate in a way that engages others. Avoiding conflict does not make for a healthy work environment.

Finally, all leaders should learn to make high-quality decisions. Leaders make a lot of decisions, good and bad. It is important for leaders to learn how to make decisions—good decisions. Decision-making can be learned through using data, collaborating with others, learning when to ask for help, and understanding the available resources. All leaders should learn when to ask for help and discover all the hidden resources around them that will aid them in unlocking information to provide better decision-making.

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Appendix A

Correspondence Letters

Email Correspondence to Superintendents from Researcher

Subject: Financial Leadership in K–12 Education Survey

Dear Illinois Superintendents:

You are invited to take part in a research survey about K–12 financial practices. Your participation will require approximately 15 minutes and is completed online at your computer. There are no known risks or discomforts associated with this survey. Benefits include increasing the knowledge of current K–12 financial practices from superintendents throughout the State of Illinois. Taking part in this study is completely voluntary. If you choose to be in the study, you can withdraw at any time without adversely affecting your relationship with anyone at Governors State University. Your responses will be kept strictly confidential, and digital data will be stored in secure computer files. Any report of this research that is made available to the public will not include your name or any other individual information by which you could be identified. If you have questions or want a copy or summary of this study's results, you can contact the researcher at the email address above. Please feel free to print a copy of this consent page to keep for your records.

To take the survey, please click on the link below:

<https://www.surveymonkey.com/> [REDACTED]

You may skip any questions or refuse to answer any individual survey items you want. Participants of this survey will be entered into a drawing. Fifty \$20 gift cards will be drawn for participants.

For any questions you may have, please feel free to contact the following individuals.

Dr. Cummings, Capstone Chair [REDACTED]
Dr. Theiss, IRB Chair irb@govst.edu

Jeremy Larson, Researcher

Appendix B

Survey

Demographics

* 1. Which of the following best describes your school district?

- Unit District (PK-12)
- Elementary District (PK-8)
- High School District (9-12)

* 2. Which of the following best describes the setting of your school district?

- Rural (Population: up to 24,999)
- Suburban (Population: 25,000 - 49,999)
- Urban (Population: 50,000 or greater)

* 3. How long have you served as a Superintendent?

- 5 years or less
- 10 years or less
- 15 years or less
- 20 years or less
- 21 years or more

* 4. What is the enrollment of your school district?

- 0-500
- 501-1000
- 1001-1500
- 1501-2000
- 2001-2500
- 2501-3000
- 3001-3500
- 3501 or greater

* 5. What percent of low-income students does your district serve?

- 0-10%
- 11-20%
- 21-30%
- 31-40%
- 41-50%
- 51-60%
- 61-70%
- 71-80%
- 81-90%
- 91-100%

Participatory Budgeting

* 6. Which statement best describes your district's budgeting process?

- The budget allocations are based primarily on district personnel input.
- The budget allocations are based primarily on community input.
- The budget allocations are based on a shared effort between district personnel and community input.

* 7. Which of the following tasks do you have external stakeholders participate in regarding the budgeting process? (Mark all that apply.)

- Developing goals
- Identifying the root cause of a gap between current state and current goal
- Researching and developing potential instructional priorities
- Evaluating choices amongst instructional priorities
- Apply cost analysis to the budget process
- Evaluate and prioritize use of resources to enact the instructional priorities

* 8. What percent of your school and district personnel understand the financial and instructional priorities of the district?

0 100

* 9. What percent of your external stakeholders understand the financial and instructional priorities of the district?

0 100

* 10. Does your district have the ability to demonstrate the outcomes of your district improvement plan in terms of cost analysis?

- Yes, My district can tie district improvement outcomes to cost.
- No, My district cannot demonstrate district improvement outcomes to cost.
- Our district is emerging in the effort to associate district improvement outcomes to cost.

* 11. When working with external stakeholders on the budget, how do you view your role?

- I make decisions, communicate them to others, and expect others to accept my decisions.
- I create the roles and objectives for the process, but I am open to suggestions. I try to sell my ideas in order to gain cooperation.
- I leave decisions to the team. I may participate in the decision-making process. The ultimate decision is left to the team.
- Decisions are left up to teams. I provide minimal guidance to the team unless asked.

* 12. When working with internal stakeholders on the budget, how do you view your role?

- I make decisions, communicate them to others, and expect others to accept my decisions.
- I create the roles and objectives for the process, but I am open to suggestions. I try to sell my ideas in order to gain cooperation.
- I leave decisions to the team. I may participate in the decision-making process. The ultimate decision is left to the team.
- Decisions are left up to teams. I provide minimal guidance to the team unless asked.

* 13. Which of the following groups were represented in the budgeting process through face-to-face contact?
(Mark all that apply.)

- Economically Disadvantaged Families
- Parents of Students with Disabilities
- Minorities
- ESL Population
- Immigrants
- Homeless Families
- None of the Above

14. Which of the following individuals provide input (face-to-face, over the phone, or through survey) into the budgeting process? (Mark all that apply.)

- Superintendent
- Business Manager
- Principal(s)
- Teachers
- Department Heads
- School Board
- School Board Finance Committee
- General Public
- External Experts
- Parent Groups
- Business Leaders
- Community Leaders
- Union Leaders

Homeless Families	18	10	6	2	14	0	4	18	0	0	10	6	2	0	8	10
None of the Above	92	48	26	18	58	22	12	60	28	4	44	22	26	28	60	4
		K-12 Unit School District	K-8 Elementary District	9-12 High School District	Rural School District	Suburban School District	Urban School District	10 Years of Experience or Less	11 to 20 Years of Experience	21 or More Years of Experience	1000 Students Enrolled or Less	1000 to 2999 Students Enrolled	3000 Students Enrolled or More	30% Poverty or Less	31% to 70% Poverty	71% Poverty or Greater
Superintendent	122	62	38	22	76	30	16	80	36	6	60	30	32	32	74	16
Business Manager	82	36	32	14	38	28	16	56	22	4	30	18	34	28	44	10
Principal(s)	114	62	34	18	6	32	8	82	26	6	60	28	26	26	72	16
Teachers	80	46	26	8	58	18	4	62	14	4	46	18	16	16	50	14
Department Heads	44	24	6	14	26	12	6	36	6	2	16	12	16	10	26	8
School Board	114	58	38	18	72	28	14	82	26	6	56	26	32	28	70	16
School Board Finance Committee	62	34	18	10	36	16	10	48	12	2	26	12	24	20	36	6
General Public	22	10	10	2	12	8	2	20	0	2	10	4	8	6	10	6
External Experts	24	12	10	2	14	8	2	22	2	0	8	6	10	10	6	8
Parent Groups	28	14	12	2	18	10	0	18	8	2	12	8	8	6	16	6
Business Leaders	14	8	4	2	14	0	0	14	0	0	8	6	0	0	6	8
Community Leaders	20	12	6	2	16	4	0	18	2	0	12	6	2	0	12	8
Union Leaders	48	32	12	4	28	14	6	40	6	2	20	12	16	8	28	12

Appendix D
GSU Approval



Institutional Review Board
Room G353
1 University Parkway
University Park, IL 60404
www.govst.edu/irb

To: Dr. Marlon Cummings and Mr. Jeremy Larson
From: Institutional Review Board – Governors State University –
Larry Maucieri, PhD, ABPP-CN, Board Member
CC: Dr. Renee Theiss
Date: March 27, 2018
Re: Financial Leadership in K-12 Education: Participatory Budgeting
Project Number: 18-01-11

We are pleased to inform you that your proposal has been approved by the GSU Institutional Review Board. Please be advised that the protocol will expire on March 27, 2019, one year after the date of approval.

At the end of the year, if your research is completed, please inform the IRB in writing of the closing date by using the IRB Annual Review form, which can be found at www.govst.edu/irb. If you intend to collect data using human subjects after that date, the proposal must be renewed by the IRB. If you make any substantive changes in your research protocol before that date, you must inform the IRB and have the new protocol approved.

Please include the exact title of your project and the assigned IRB number in any correspondence about this project.

Best wishes for success with your research.

Appendix E

Demographic Table

Participants by Type of District

Unit District	74
Elementary District	50
High School District	24
Total	148

Participants by District Setting

Rural	86
Suburban	44
Urban	18
Total	148

Participants' Years of Experience

5 or Less	48
10 or less	52
15 or less	24
20 or less	16
21 or more	8
Total	148

Participants by School District Student Enrollment

0-500	34
501-1000	36
1001-1500	14
1501-2000	10
2001-2500	6
2501-3000	6
3001-3500	6
3501 or greater	36
Total	148

Participants by Enrollment Percentage of Low-Income Students

0-10%	14
11-20%	20
21-30%	10
31-40%	32
41-50%	22
51-60%	18
61-70%	14
71-80%	14
81-90%	0
91-100%	4
Total	148