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**FISCAL INEQUITY: A CASE STUDY OF SUPERINTENDENTS AND BUSINESS  
MANAGERS IN PENNSYLVANIA HIGH POVERTY DISTRICTS**

by

Vanessa R. Scott

A Dissertation

Submitted to the  
Department of Educational Services and Leadership  
College of Education

In partial fulfillment of the requirement

For the degree of  
Doctor of Education

at

Rowan University

March 30, 2018

Dissertation Chair: Ane Turner Johnson, Ph.D

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## **Dedication**

This dissertation is dedicated to my mother, Sammy Mae, for always being there for me and encouraging me to achieve my goals. Thank you for providing me a phenomenal example of a strong woman. I hope to continue making you proud. Your courage and strength inspires me.

## **Acknowledgments**

I would like to thank my dissertation chair, Dr. Ane Johnson for her tireless guidance and support throughout this process. Thank you for continually pushing me to push my thoughts. There is no way I could have done this without you.

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## **Abstract**

Vanessa R. Scott

FISCAL INEQUITY: A CASE STUDY OF SUPERINTENDENTS AND BUSINESS  
MANAGERS IN PENNSYLVANIA HIGH POVERTY DISTRICTS  
2017-2018

Ane Turner Johnson, Ph.D.  
Doctor of Education

The purpose of this embedded, single case qualitative case study was to explore how business managers and superintendents in Pennsylvania school districts work together to develop adequate and equitable school district budgets in a time of funding inequity and uncertainty. This case study focused on business managers and superintendents in school districts that are identified by the Pennsylvania Department of Education as high poverty districts based on the district's aid ratio. Eight business managers and five superintendents from Pennsylvania school districts participated in a semi-structured interview that explored the experiences that they encountered in the budget development process. School board meeting minutes and videos were also analyzed as a means of observing the outcomes of board votes. Using qualitative methods, including one-on-one interviews with superintendents and business managers, this study focused on the interplay of decision-making, issues of power, and negotiation. This study was viewed through the lens of critical sensemaking theory that maintains that power influences how and what decisions are made in organizations.

## Table of Contents

Abstract.....	v
List of Tables .....	xii
Chapter 1: Introduction.....	1
Pennsylvania Education Funding.....	3
High Poverty Districts .....	6
Financing at the Local Level .....	6
Statement of the Problem.....	8
Purpose Statement.....	9
Research Questions.....	10
Definition of Terms .....	10
Adequacy .....	10
Aid ratio .....	11
Equity.....	11
High Poverty School District.....	11
Millage rate.....	11
Theoretical Framework.....	11
Delimitations.....	12
Significance of Study.....	13
Practice.....	13
Policy .....	14
Research.....	14
Overview of Dissertation .....	15

## Table of Contents (Continued)

Chapter 2: Literature Review .....	16
School Finance.....	16
Disparity in State Finance.....	17
Decision Making.....	18
School Administrator Leadership and Relationships.....	20
Social Capital .....	21
Distributed Leadership.....	22
Superintendent and School Board Relations .....	23
The Role of the School Business Official.....	24
Power .....	25
Theoretical Framework.....	27
Critical Sensemaking .....	29
Conclusion .....	31
Context.....	31
Pennsylvania Public School Funding .....	31
Funding History 2007- 2014.....	32
Recent Updates .....	34
The Case for Equity .....	35
The Challenge at the Local Level.....	36
Chapter 3: Methodology .....	38
Purpose of the Study.....	38
Research Questions.....	39

## Table of Contents (Continued)

Assumptions of and Rationale for Qualitative Research .....	39
Strategy of Inquiry .....	40
Context of the Study .....	41
Participant Selection .....	44
Sampling .....	45
Data Collection .....	46
Interview .....	46
Artifacts .....	47
Instrumentation .....	48
Interview Protocol.....	48
Data Analysis .....	49
Theoretical Propositions .....	50
Data Quality .....	53
Internal Validity .....	53
External Validity.....	54
Reliability.....	54
Role of the Researcher .....	55
Ethical Considerations .....	57
Chapter 4: Findings.....	59
Description of the Participants.....	60
Findings .....	62
Joint Effort .....	62

## Table of Contents (Continued)

Conservative Expectations.....	62
Practical Understanding.....	63
Balancing Priorities.....	63
Controlling Factor.....	63
District I.....	64
Monica.....	64
George.....	65
Joint Effort.....	65
Conservative Expectations.....	66
Practical Understanding.....	66
Balancing Priorities.....	67
Analysis of Board Meeting Minutes.....	68
District II.....	68
Laverne.....	69
Henry.....	69
Conservative Expectations.....	69
Practical Understanding.....	70
Balancing Priorities.....	70
Controlling Factor.....	71
Analysis of Board Meeting Minutes and Video.....	72
District III.....	72
Norman.....	72

## Table of Contents (Continued)

Carol.....	72
Balancing Priorities.....	73
Practical Understanding.....	74
Controlling Factor.....	74
Analysis of Board Meeting Minutes.....	75
District IV.....	76
Jessica.....	76
Dennis.....	76
Joint Effort.....	76
Practical Understanding.....	77
Controlling Factor.....	79
Analysis of Board Meeting Minutes.....	80
District V.....	80
Ida.....	80
Andrea.....	80
Joint Effort.....	80
Conservative Expectations.....	82
Practical Understanding.....	82
Analysis of Board Meeting Minutes.....	83
Business Managers' Perspective.....	84
District VI.....	84
District VII.....	84

**Table of Contents (Continued)**

District VIII..... 84

Conservative Expectations..... 84

Balancing Priorities..... 86

Practical Understanding..... 87

Controlling Factor..... 88

Summary..... 89

Chapter 5: Discussion & Implications ..... 90

Discussion of the Findings..... 91

    Conservative Expectations, Joint Effort, and Controlling Factor ..... 92

    Balancing Priorities..... 97

    Controlling Factor and Practical Understanding ..... 98

    Balancing Priorities..... 100

Theoretical Framework..... 101

Implications ..... 102

    Policy ..... 102

    Practice..... 103

    Research..... 104

    Leadership..... 106

Conclusion ..... 107

References..... 109

## List of Tables

Table	Page
Table 1. Case Study Candidates .....	42
Table 2. Research Questions and Interview Protocol Questions Matrix .....	49
Table 3. Description of Overall Participants .....	61
Table 4. Description of Cases .....	61

## **Chapter 1**

### **Introduction**

America's decline in educational performance has been attributed to the persistence of disparities in learning opportunities and academic outcomes (Blankstein & Noguera, 2015). With 23% of children coming from households in poverty, our nation has higher levels of child poverty than most other nations and these children attend the nation's largest urban school districts (Blankstein & Noguera, 2015). In a report, commissioned by the U.S. Department of Education, an appeal was made for greater focus on equity in funding and educational opportunities (Blankstein & Noguera, 2015).

The funding of public schools in America is a primary concern of state governments. The funding of public education in America is the single largest allocation in most state and local government operating budgets, according to the National Center for Education Statistics (NCES) (Bruck & Miltenberger, 2013). The authority for education rests with the states in the American system of government (Verstegen, 2015) and in the past two decades education has emerged as a central political topic in many states as it has become the most important element in state budgets (Conley, 2003). As more states take control of school finance, governors have made education the centerpiece issue in state races (Conley, 2003). The pressures of equity and state budgeting, have forced governors to seek greater control over education policy (Shober, 2012). State constitutions use words like "meaningful", "adequate", and "standard" to describe the education that should result from state funding (Conley, 2003).

Inequalities, established through, diminishing state revenues, were exacerbated by the Great Recession of 2008 and resulted in budget cuts to education across the country

(Epsten, 2011). The recession directly impacted school districting financing, with declining local tax revenue combined with major state reductions (Bruck & Miltenberger, 2013). Education is primarily a state's responsibility, with more than 90% of school funding coming from state and local sources, while the federal government provides the rest (Epstein, 2011). Local property taxes are how districts have traditionally drawn much of their revenue; districts in high wealth parts of a state are often funded more generously than districts in low-wealth areas (Epstein, 2011). For example, a district with a median home assessment of \$100,000 and a millage rate of 39.786 would collect approximately, \$1500.00 more in local taxes, per household, than a district with a median home assessment of \$60,000 and the same millage rate.

Since the early 20<sup>th</sup> century, school funding equity has been of significant interest to policymakers (Baker & Corcoran, 2012). Over the past 25 years, suits claiming that legislatures violated state constitutions by failing to provide sufficient funds for public education have been filed by virtually all jurisdictions, indeed, high courts, in almost every state, have wrestled with school finance issues (Russo, Batz, & Thro, 2015). State by state battles have been fought by equity advocates and public interest lawyers, since 1973, against the "savage inequalities" of school finance systems ( Karp, 1995; Kozol, 1991). District leaders, at all levels, continue to struggle to maintain adequate levels of financial resources for their students and programs using complex funding formulas unique to their own jurisdictions, due to scarce state resources (Russo et al., 2015).

Adequacy, as it relates to education funding, is referred to as committing sufficient resources to educate all students to desired academic levels and equity is seen as the fair distribution of those resources (Quinn & Steinberg, 2015). Equity in education

funding can be explained as fairness. All students, regardless of their socioeconomic status should be afforded the same levels of education. Blankstein and Noguera (2015) define equity as “the commitment to ensure that every student receives what he or she needs to succeed (p.3). One of the principles of equity, wealth neutrality, holds that the quality of a child’s education should not be a function of wealth other than the wealth of the state as a whole (Verstegen, 2015).

The highest poverty school districts receive almost 10% less in state and local funding than the lowest poverty districts, nationally (Ushomirsky & Williams, 2015). Inequities among districts due to their location in richer or poorer parts of the state creates skewed funding that results in the resources provided for a child’s education being largely dependent on where that child lives (Epstein, 2011). Low-income students often attend low-income schools in districts that receive fewer resources per pupil despite their greater need (Epstein, 2011). Schools need equitable funding, that accounts for the fact that it is sometimes costlier to educate low-income students, many of whom start school academically behind their more affluent peers (Ushomirsky & Williams, 2015). For all children, in a state, to have access to the resources that they need to achieve at high levels, inequity in school funding must be remedied (Epstein, 2011). A recent analysis of the gaps of within-state funding ranked Pennsylvania as the third most regressive state, where the highest poverty districts received substantially less state and local funds than the lowest poverty districts (Ushomirsky & Williams, 2015).

### **Pennsylvania Education Funding**

Pennsylvania has 500 school districts that provide public education to nearly 1.8 million children enrolled in kindergarten through 12<sup>th</sup> grade (Bruck & Miltenberger,

2013). Pennsylvania is the home to many of the most financially disadvantaged local public school districts in the nation (Baker & Levin, 2014). School funding in Pennsylvania ranked, third lowest in the share of state provided public school funding at 39% and third worst in Education Week's most recent analysis of school funding equity with a grade of D- (Wial, 2004). For many districts in Pennsylvania, state revenue comprises a significant portion of the district revenue. For example, in the William Penn School District, state revenue was 38% of the district revenue in the 2014-2015 school year. Pennsylvania has had a pattern of providing smaller percentages of state funding to public schools (Ward, 2014). Pennsylvania does not have a predictable education funding formula based on student enrollment and characteristics nor does the distribution of state aid account for enrollment fluctuations or what is needed to insure at least basic adequacy of services for all students (Mezzacappa, 2014). While state funding cuts have affected all Pennsylvania school districts, Pennsylvania's poorest students have been targeted (Ward, 2014). The Chester- Upland School District, which is identified as 82.6 % economically disadvantaged (Pennsylvania School Performance Profile) has had decreased funding of \$1,194 per student since 2011 and was ranked second highest in the state for funding reductions (Ward, 2014).

In Pennsylvania, in lieu of a basic education funding formula, the state uses a foundation program. Foundation program allocations were historically intended to pay for a basic or minimum education program and they supported education through a set state guarantee per pupil or per teacher unit (Verstegen, 2011). Pennsylvania uses a "hold harmless" rule, whereby a district is guaranteed to not receive a lesser amount than a previous year. The general idea behind hold-harmless provisions is that no district should

receive either less state aid or less in total funding than it received in a baseline comparison year (Baker & Corcoran, 2012). The current baseline year, being used by the Pennsylvania Department of Education, is the 2014-2015 school year. Mandated expenses, such as the employer share of retirement costs, increased from 21.40% for the 2014-2015 school year to 30.03% for the 2016-2017 school year, an increase of over 40%. State funding increases that are established on baseline year data have not been sufficient to address the increases in other districted mandated expenses. A consequence of low state funding is higher local property taxes to provide needed funds to the districts (Ward, 2014). School districts in high poverty districts are often funded less generously than districts elsewhere due to substantial funding from local property taxes and state level funding not necessarily leveling the playing field for high poverty districts (Miller & Epstein, 2011). Districts with higher student need have difficulty generating significant local additional resources, despite having higher tax effort and higher property tax millage rates than wealthier districts (Ward, 2014).

School finance reform was a priority of Governor Rendell when he began his two terms in office in 2003 (Quinn & Steinberg, 2015). Governor Rendell was in office from 2003-2011. During those two terms the state's basic education funds were gradually increased and block grants were included that channeled funds to poorer districts (Quinn & Steinberg, 2015). The Pennsylvania school code was amended in 2008 to include language that mandated that education funding be based on a formula that accounted for student and district characteristics, that requirement was removed from school code in 2011 (Quinn & Steinberg, 2015). Advances that were made in school funding reform,

during 2003-2011, were gradually phased out and some Pennsylvania school districts have continued to struggle, particularly high poverty districts.

### **High Poverty Districts**

With the removal of the funding formula requirement in 2011, many high poverty school districts experienced deep cuts in funding in the 2011-2012 school year. In 2011-2012, some of the most fiscally challenged school districts were forced to furlough staff, increase class sizes, reduce elective courses and reduce or eliminate tutoring and programs that provide extra help to students (Bruck & Miltenberger, 2013).

Pennsylvania's school finance system has suffered from persistent inequalities and policies that have intended to mitigate those inequities have sometimes exacerbated them (Baker & Corcoran, 2012). Federal stimulus programs, such as the American Recovery and Reinvestment Act of 2009 (ARRA) and the Education Jobs and Recovery Act that were ostensibly put in place to provide states with fiscal support have ended (Crampton & Thompson, 2011). Over the years, supplements and subsidies have been added but the education budget process had no strict guidelines and there was no predictably consistent consideration for student needs (Steinberg & Quinn, 2015). The national trend toward equity and adequacy in school financing has been resisted in Pennsylvania (Steinberg and Quinn, 2015).

### **Financing at the Local Level**

Due to decreases in funding along with rising costs, districts have been making the decision to use their fund balance as a method to balancing their budgets. Districts also have been forced to contemplate difficult decisions, such as discontinuing programs and personnel changes. Bruck and Miltenberger (2013) state that in the foreseeable future

a critical issue for education leaders will be the pressure to reduce costs without sacrificing student achievement.

The current debate over the new funding formula involves the problem of how the increased funding would be raised. According to a poll conducted in 2013, the majority of Pennsylvanians that were polled, were willing to support increases in income or sales taxes as long as those additional funds would be used to restore funds to public schools (Ward, 2014). The need for school districts to use effective financial management strategies has intensified since the Great Recession of 2008 (Bruck & Miltenberger, 2013). Pennsylvania school board members and administrators face an increasingly difficult challenge, due to decreased state funding, relatively flat local revenue, and mandated increases in pension costs (Bruck & Miltenberger, 2013). Local school board directors are elected or appointed positions. Most board members serve on the school board for terms of two or four years. District superintendents and business administrators are hired positions, with the superintendent reporting directly to the school board. In the budget process, the local school board relies on information from school district administration. Under the advice of school business administrators and the discretion of local school boards, school district finance is uniquely subjective to local contexts, local decision making strategies and localized internal fiscal controls (Bruck & Miltenberger, 2013). Elected school board members, superintendents and finance administrators work together to create the overall financial management system (Bruck & Miltenberger, 2013).

Administrators in high poverty districts are faced with trying to balance budgets, meet the needs of students, and meet local board requirements. The district

superintendent and business manager are at the forefront of the budget and decision making process in local school districts. School business officials and the superintendents must work together to combine the realities of limited funding with standards to make sure that districts are getting what they need (Reeves, 2003). These district officials work together to negotiate budgets that meet the requirements of the board of school directors and needs of the students.

### **Statement of the Problem**

A primary concern for government officials has been the funding of public education in America (Bruck & Miltenberger, 2013). School finance reform has become a high priority issue across the nation and there is a widely held belief that a better system of funding schools needs to be created (Karp, 1995). Many states experience the ongoing struggle of reforming education funding systems to achieve greater equity and adequacy (Crampton & Thompson, 2011). District leaders, at all levels, continue their efforts to maintain adequate levels of financial resources for their students and programs using complex funding formulas unique to their own jurisdictions, due to financial resources for public education being increasingly scarce (Russo, Batz & Thro, 2015). Pennsylvania is the home to many of the most financially disadvantaged local public school districts in the nation (Baker & Levin, 2014). The distribution of state aid does not account for enrollment fluctuations or what is needed to insure at least basic adequacy of services for all students and only has some relationship to a district's size and wealth (Mezzacappa, 2014).

While there has been research that describes the inequities of education funding in Pennsylvania, there is limited research that explores how school district officials are

working together to negotiate budgets that balance the needs of the students with the requirements of local school boards. Spending shortfalls, created by shrinking state budgets, have made the need for a strong and focused relationship between a superintendent and chief financial officer more important than ever (Reeves, 2003).

When school districts do not receive enough funding from state or federal resources, another recourse is to raise school district property taxes. Property taxes place more of the burden of education funding on the local district taxpayers. Although school districts are limited in the rate of tax increase that they can assess each year, yearly increases are one of the only other ways to fund public education. Addressing funding inequities may result in lessening the burden of local taxpayers. This research described herein explored the methods that are being used by high poverty districts to negotiate budgets that achieve balance in a climate of funding inequity and uncertainty.

### **Purpose Statement**

The purpose of this qualitative, case study is to explore how business managers and superintendents in Pennsylvania school districts work together to develop adequate and equitable school district budgets in a time of funding inequity and uncertainty. Specifically, I will seek to understand how business managers and superintendents make decisions, navigate organizational power and negotiate budgets that seek to balance student needs with the requirements of the board of school directors. This case study will focus on business managers and superintendents in districts that are identified by the Pennsylvania Department of Education as high poverty districts based on the district's aid ratio. The aid ratio measures market value/personal income in relation to the state average. Using qualitative methods, including one-on-one interviews with

superintendents and business managers, this study will focus on the interplay of decision-making, issues of power, and negotiation. This study will be viewed through the lens of critical sensemaking theory that maintains that power influences how and what decisions are made in organizations.

Data collection will be in the form of interviews and the collection of artifacts that address funding and the relationship between decision-makers.

### **Research Questions**

The following research questions will direct my study:

1. How do business managers and superintendents in high poverty districts negotiate annual school budgets while addressing the issues of organizational power and the social inequality promoted by persistent funding inequity?
  - a. How does this negotiation take into consideration students' needs?
  - b. How does this negotiation take into consideration the requirements of school board directors?
  - c. In what ways do business managers and superintendents act to balance these two considerations to address funding inequities?

### **Definition of Terms**

The following terms will be used in the course of this study.

**Adequacy.** The term adequacy education, as it will be used in this study refers to the funds and resources that are needed to educate all students to desired academic levels (Quinn & Steinberg, 2015).

**Aid ratio.** Aid ratio is the general term for three numerical values; market value aid ratio (MV AR), personal income aid ratio (PI AR) and market value/personal income aid ratio (MV/PI). The aid ratio is calculated in accordance with Section 2501(14) and (14.1) of the Public School Code of 1949. In this study the term aid ratio will be used to discuss the MV/PI aid ratio which represents the relative wealth, in relation to the state average, for each pupil in a school district.

**Equity.** The term equity in education, as it will be used in this study, refers to ensuring that every student receives what he or she needs to succeed (Blankstein & Noguera, 2015).

**High poverty school district.** For the purpose of this study, the term high poverty school district is defined as any Pennsylvania school district with an aid ratio above .4000.

**Millage rate.** Investopedia defines millage rate “as the amount per \$1,000 used to calculate taxes on property. Millage rates are most often found in personal property taxes, where the expressed millage rate is multiplied by the total taxable value of the property to arrive at the property taxes due.”

### **Theoretical Framework**

The theory of critical sensemaking was developed by combining the ideas of sensemaking and organizational power in an analytic approach that offers a more complete picture of how individuals process their experiences (Thurlow, 2012). Critical sensemaking focuses on how organizational power and dominant assumptions privilege some identities over others (Mills, Thurlow, & Mills, 2010). The theory asserts that individuals with more power in organizations, have the potential to exert more power on

the sense making of organizational members (Thurlow, 2012). The critical sensemaking framework provides a lens to evaluate power relationships within organizations and the subsequent consequences of the use of power (Mills et al., 2010). As it applies to this study, the framework of critical sensemaking will be used to explore how the concept of power affects the relationship between the superintendent and the business manager/administrator and how the use of power affects the budget decision making process. This will be addressed in more depth in Chapter Two.

### **Delimitations**

Four tests are considered relevant in judging the quality of a case study (Yin, 2003). The tests involve construct validity, internal validity, external validity and reliability (Yin, 2003). A challenge of construct validity is the availability of multiple sources of evidence (Yin, 2003). In addition to conducting interviews, I will collect artifacts, such as board agendas, meeting minutes and budget documents that will seek to corroborate the information gained through the interview process. The challenge of internal validity will not be an issue in this study as I am researching to explore the relationship of power and decision making. External validity seeks to generalize findings beyond the current study (Yin, 2003). To address this challenge, I will look to identify experienced business managers and superintendents who have been working together for multiple budget cycles. To address the challenge of reliability, I will document the procedures that I use to conduct each interview and follow the same procedures for each district.

Interviews will be the main source of information in this study. Some of the weaknesses in interviews can be due to bias from poorly constructed questions, response

bias, as well as interviewees giving what the interviewer wants to hear (Yin, 2003). The interviews will consist of open-ended questions that will seek information about the facts as well as participant opinions about events (Yin, 2003).

Another limitation of the study is the selection of the participants of the case study. Pennsylvania has 500 public school districts. Narrowing down the participating districts to high poverty districts, with experienced business managers and superintendents may result in a smaller number of cases than necessary to conduct a viable study. Prior to data collection, I will need to conduct a screening procedure to identify cases properly (Yin, 2003).

### **Significance of Study**

The results of this study can be used for policy, practice and leadership and research. By examining the plight of business managers and superintendents in high poverty districts, this study will inform future attempts to achieve fiscal equity for all Pennsylvania school districts. This study will also shed light on the difficult trade-offs that have to be decided in high poverty districts and as such, may heighten the efforts to rectify the funding predicament facing Pennsylvania public school districts. This study may also encourage research to investigate additional issues facing high poverty districts.

**Practice.** Funding inequity is a conversation that has been taking place in Pennsylvania for several years. While the conversation continues there has been limited investigation in to the districts that are most affected to see how they are managing in the current climate of fiscal inequity and uncertainty. The findings of the study may be used to show if there are any innovations or techniques that have helped similar districts to

manage the fiscal climate and create successful learning opportunities for all students regardless of their socioeconomic background.

**Policy.** Some high poverty school districts experienced deep cuts in funding in the 2011-2012 school year. Changes in the funding formula, going forward, will not address the cuts that have already been experienced by these districts. Establishing policy that would include restoration of past cuts along with a new funding formula to address inequity would help to restore funding to Pennsylvania's high poverty school districts that continue to struggle. Local district taxpayers bear the brunt of the inequity in education funding. Local sources of revenue, primarily through property tax levy, provide funding for each school district's total program (Bruck & Miltenberger, 2013). When school districts do not receive enough funding from state or federal resources, another recourse is to raise school district property taxes. Property tax increases place more of the burden of education funding on the local district taxpayers. Although school districts are limited in the rate of tax increase that they can assess each year, yearly increases are one of the only other ways to fund public education. Addressing funding inequities may result in lessening the burden of local taxpayers.

**Research.** High poverty districts sometimes experience difficulties in hiring and retaining quality teachers. Goldhaber, Lavery and Theobald (2015) conducted research assessing the possibility of a teacher quality gap between advantaged and disadvantaged students. The study found that there was pattern inequity showing that disadvantaged students are more likely, than their peers, to wind up being taught by low quality teachers (Goldhaber et al., 2015). Further research on the teacher retention rates of high poverty districts will add to the scholarship addressing the unique needs of high poverty districts.

## **Overview of Dissertation**

This study will include five chapters. Chapter one introduces the topic under investigation and describes the purpose and significance of the research. Chapter one also describes the research questions, theoretical framework and limitations of the research. A literature review that will provide the framework for the study as well as other literature to further illuminate the study will be in Chapter two. Chapter three will explain the methodology that will be used to conduct the study. The findings of the study will be presented in Chapter four. Chapter five will discuss the findings and provide recommendations for further research on the practices, leadership, and policy changes that are needed to assist high poverty districts in the uncertain fiscal climate in Pennsylvania.

## **Chapter 2**

### **Literature Review**

Chapter two provides a review of the literature that is relevant to this study. The literature review focuses on school finance, disparities in state finance, decision making, school administrator leadership and relationships, the role of the business manager and the concept of power. The literature review will also focus on the framework of critical sensemaking and the use of critical sensemaking in organizations. This review seeks to identify the gaps in research regarding the relationship between the superintendent and business manager, the role of the business manager, and the use of power and its effect on decision making, in order to highlight the need for further research.

#### **School Finance**

The United States constitution does not grant any authority over education to the federal government and although the funding of PK-12 education is a responsibility of the state, funding of education is achieved primarily through large contributions from local sources (Bird, 2010; Bruck & Miltenberger, 2013; Crampton, 2007; Garda, 2013; Steinberg & Quinn, 2015; Verstagen, 2011). The largest share of state and local government budgets is apportioned to education (Verstagen, 2011). State funding systems vary by the degree to which financial support is provided for public education; generally state aid is used in combination with local resources to meet the educational goals of school districts (Baker & Corcoran, 2012; Malin, 2016; Ushomirsky & Williams, 2015). The majority of United States school finance systems rely on local taxes and state aid for public school resources (Baker & Corcoran, 2012).

State aid formulas for education are complex, intricate mechanisms and often as a product of political deliberation, state aid determines the winners or losers in funding (Baker & Corcoran, 2012; Reyes & Rodriguez, 2004). The decisions on how funds are allocated is a state decision and as such can have a profound effect on the resources received by districts as well as the educational opportunities they can provide (Ushomirsky & Williams, 2015). The following section will review literature pertaining to the disparity in state financing of education.

**Disparity in state finance.** Public school funding, at the state level, has been the source of legal contention in the United States, in fact, lawsuits that sought to compel increased school funding have been filed in multiple states (Hanushek, 2007; Malin, 2016). In the world of public education, the fact that funding inequities exist has been a known fact, although the source of the inequities has not been as obvious (Baker & Corcoran, 2012). Issues of equity in school funding were prominent until the late 1980s whereas the shift to focus on issues of adequacy have been prominent since then (Baker & Welner, 2011; Goertz & Herr, 1998; Malin, 2016; Reyes & Rodriguez, 2004; Sweetland, 2015; Verstegen, 2004). Equity involves the distribution of funding to students and adequacy is concerned with providing a minimum level of funding necessary for students to reach a desired standard (2008, Downes & Stiefel as cited in Malin, 2016; Verstegen, 2004).

In terms of fiscal effort demonstrated by citizens and the progressivity of the distribution of funds, states differ noticeably in their funding of public schools (Hartman, 1999; Malin, 2016). Communities that do not possess sufficient taxable wealth to fund their schools rely on state level intervention (Malin, 2016). When comparing revenues

across the country, high poverty districts receive approximately 10% less funding, per student, than districts with low poverty ((Ushomirsky & Williams, 2015).

A research study conducted to examine PK-12 public school funding effort and PK-12 public school funding distribution based on the state's ideological makeup, found that more liberal states such as Vermont and New York exhibited greater funding effort than conservative states like Oklahoma and Idaho (Malin, 2016). On the contrary, a state's ideological makeup was not shown to have an effect on PK-12 funding distribution (Mailin, 2016). The results of the study tentatively supported the notion that middle and upper class individuals, whether liberal or conservative, were able to navigate the system by residential and schooling decisions, meaning that those individuals were able to make the choice to either move to areas with "good schools" or pay to send their children to private or Catholic schools (Malin, 2016).

United States public school funding are primarily locally controlled and under the jurisdiction of local school districts, whereby elected school board members, district superintendents and school finance administrators create and manage the financial system (Bruck & Miltenberger, 2013; Orr, 2007). The next sections will discuss decision making and factors that may influence school district decision making such as, school administrator relationships, the role of the school business officials and power.

### **Decision Making**

School district superintendents are faced with multiple issues or dilemmas and are required to make decisions that help to move the organization forward (Hall, 1941; Noppe, Yager, Webb & Sheng, 2013). Despite size, wealth or location of a district, superintendents have the responsibility for day-to-day operations, as well as the strategic

decision making, of their districts (Brazer, Rich, & Ross 2010; Hall, 1941). Six decision making models; classical, administrative, incremental, mixed scanning, garbage can and political, were analyzed to determine the most effective model (Tarter & Hoy, 1998). The analysis of the six models resulted in the conclusion that the models were on a continuum based on the situation and that there was no one best way to make a decision (Tarter & Hoy, 1998).

A research study was conducted to determine the decision making strategies that were used by superintendents in two Midwestern states (Noppe et al., 2013). In the study, incremental and classical approaches were the most frequently used decision making strategies, where the former strategy focused on process and procedures and the latter on facts, rational and connections between the means and ends (Noppe et al., 2013). The political strategy, which involves bargaining, compromise, power brokering and administrator priorities was reported as being less frequently used (Noppe et al., 2013).

In contrast to research which seeks to examine how superintendents make school district decisions, Lashley (2014), describes a shift in decision making authority from the traditional power structure of the superintendent to site-based school leaders and local school councils. In a study of Georgia's decentralized school district governance, top-down leadership has disappeared and been replaced by a charter system model with decision making authority located at the local school level (Lashley, 2014).

Literature on educational decision-making tends to focus on the various stakeholder roles but does not delineate how decisions are actually made (Fullan, 2001). Due to the severity of fiscal challenges that school districts are facing, good financial decision making strategies are important and the talents, strategies and leadership of the

superintendent are pivotal to the success of the organization (Bird et al., 2009; Bruck & Miltenberger, 2013).

### **School Administrator Leadership and Relationships**

The superintendent has access to all of the power domains in the school organization, indeed, the superintendent, plays a complex, pivotal role in the school district (Bird, Wang & Murray, 2009; Bird, 2010; Orr, 2006). The superintendent's cabinet, which is formed by central staff administrators, support the operations of the school district (Bird, 2010). Superintendent leadership includes creating visions, goals, and priorities and engaging the district and community in meeting them through organizational development and coalition building (Orr, 2006). The complexity and challenges of the superintendent role has led to attention being paid to superintendent preparation programs and leadership development strategies (Orr, 2006; Orr, 2007). Research on the challenges and dilemmas facing new superintendents and how they prepared for the superintendency, found that issues centered primarily on the nature of the work; board relations; budgetary matters; power and politics; learning their role; learning the community and district culture and other unique challenges (Orr, 2006). Whereas, many superintendents were doubtful that an effective leadership development program could be developed to address the complex and dynamic role of the superintendency (Orr, 2006), subsequent research focused on advanced leadership development that could provide powerful learning experiences and be professionally beneficial (Orr, 2007). Budgeting and finance was one of a few problems identified by superintendents as an area where they lacked technical skills and knowledge (Orr, 2006).

School finance is an opportunity for the superintendent to build trust among stakeholders and exert effective leadership (Bird et al., 2009; Bird, 2010). Research has shown that the longer a superintendent worked with a principal or business manager the less they relied on procedural matters such as budget calendars, links between needs and resource distribution and staffing needs (Bird et al., 2009). This suggests that the length of the relationship between a business manager and superintendent can affect the decision making process. Research also suggests that successful leaders have the ability to understand group member's abilities and make the best decisions under given circumstances (Williams & Kersten, 2013).

**Social capital.** Social capital is a term used to describe the social network and relations between and among two or more individuals, in a group or organization, who share values, norms or trust in order to achieve common goals (Coleman, 1988; Ryu, 2017; Spillane, Hallett, & Diamond, 2003; Spillane & Thompson, 1997). Social capital has been used in studies to show how trust, cooperation, and collective action, developed through personal relationships and strong networks has sustained neighborhoods and communities (Ortiz, 2001). Social capital is relational and is evident in the construction of leadership and may exert social control over members by shared and enforced norms (Spillane, Hallett & Diamond, 2003; Stanton-Salazar, 1997). Ryu (2017) explains that the focus of social capital is on an individual's knowledge, skills and abilities in addition to the relationships that an individual holds.

Research using social capital to interpret the careers of Latina superintendents reported that superintendents with social capital, technical capabilities and national, state and local connections were likely to enrich and improve their school districts (Ortiz,

2001). This research linked expertise to social capital and found that superintendents who embodied social capital through kinship and technical relationships brought stability and permanency to their districts through those relationships (Ortiz, 2001).

Research conducted by Spillane and Thompson (1997) identified social capital as a component of district capacity that results from trust, trustworthiness, collaboration and a sense of obligation among individuals. The development of social capital comprises altering the way individuals relate with each other to enable the achievement of goals that would not be possible if the relations were absent (Spillane & Thompson, 1997). Social capital is also described as occurring when norms and habits of trust and collaboration facilitate efforts to work together (Spillane & Thompson, 1997).

**Distributed leadership.** A body of research on school and educational leadership has been focused on distributed leadership (Diamond & Spillane, 2016; Louis, Mayrowetz, Murphy, & Smylie, 2013; Spillane, Halverson & Diamond, 2004; Spillane & Healey, 2010). Distributed leadership is described as a leadership perspective whereby leadership functions are shared and spread across individuals and roles throughout the school organization (Diamond & Spillane, 2016; Louis et al., 2013; Spillane et al., 2004). In an effort to understand leadership practice, research suggests that it is necessary to search beyond the roles and strategies of those in formal leadership positions and investigate how the practice of leadership is stretched over leaders and followers in individual situations (Spillane et al., 2004). Louis et al. (2013) found that teachers and administrators viewed distributed leadership as a major disruption in five of the six schools they studied. In contrast, Spillane et al. (2004), contend that distributed leadership can be used to improve the practice of leadership. The role of the

superintendent is complex and challenging and involves an ongoing interplay between organizational and professional socialization (Orr, 2006).

**Superintendent and school board relations.** There is a substantial amount of research that suggests that the success of district superintendents hinges on the relationship between the superintendent and the board, indeed this relationship has a significant impact on the quality of a district's educational program (Petersen & Fusarelli, 2001; Petersen & Short, 2001; Petersen, 2010; Thompson, 2014). Superintendents often find themselves at the center of complex interpersonal relationships, moreover, the relationship between the superintendent and the school board identifies both as critical actors in district governance (Petersen & Short, 2001). Recent research examining if the relationship of the school board and superintendent included functioning as a group suggested that there was a difference in the superintendent's and the school board president's perception as to whether they functioned as a group (Thompson, 2014). The research concluded that there was a degree of uncertainty and trust in the relationship, brought about by inconsistent actions by board members (Thompson, 2014).

Conversely, a study of school board presidents' perception of superintendents, suggests that in order for the superintendent to have a cooperative working relationship with the board, they must be cognizant of the perceptions that the board and the community have of them (Petersen & Short, 2001). Superintendents must be aware of the effect that these perceptions have on the ability of the school board to view them as compatible, empathetic, and trustworthy in their leadership of the district (Petersen & Short, 2001).

Although the role of the business manager is crucial to the district's operation, it also has to be subjugated to the superintendent's overall role of district leadership (Bird, 2010). Much of the research on school administrator relationships centers on the superintendent's role and the relationship with board members and there exists a growing body of research to help understand that relationship (Mountford, 2004). There is a gap in the literature that explores the relationship between the school superintendent and the business manager.

**The role of the school business official.** School district financial officers can have many different titles. The title of the main finance individual can be chief financial officer, business manager, director of business affairs, or executive director of operations, to name a few (Armstrong, 2016). The title is normally based on district history and preference, but the role that the position assumes in the district is basically the same. The role and responsibilities of the school business official are wide and complex and school business officials are viewed as essential members of school district senior leadership teams (Armstrong, 2016; Mertkan, 2011; Starr, 2014; Williams & Kersten, 2013). In contrast, a research study conducted by Aldridge (2008) suggested that the role is not regarded as a senior position. School board teams should include school business officials as active members, as they have the knowledge and perspective that is needed to provide critical financial data (Williams & Kersten, 2013). As fiscal leaders, school business officials are responsible for the financial management of the district, including resource/funding management, budgeting, purchasing, building and grounds, food service and transportation (Aldridge, 2008; Armstrong, 2016; Mertkan, 2011; Williams & Kersten, 2013).

The role of school business officials has evolved, over the past 171 years, from merely paying bills to serving as critical members of school district senior leadership teams (Williams & Kersten, 2013). Research from the United Kingdom showed that respondents almost viewed the business manager as the chief problem solver, as well as the individual to whom people turned to solve issues that were not directly related to teaching and learning (Armstrong, 2016). On the other hand, Starr (2014) posits that school business managers are expanding their role to incorporate teaching and learning as they begin to assume roles that were previously undertaken by educators. In order to succeed in difficult financial times, school districts need highly skilled school business officials who have the essential skills and professional knowledge to conduct school business in prudent, efficient and timely ways (Starr, 2014; Williams & Kersten, 2013). There is limited research on the role of school business officials and this gap in research helps to underscore the need for further research on the role.

**Power.** The positional chair of authority and responsibility, in public school districts, is occupied by the superintendent (Bird, Wang, & Murray, 2009; Bird, 2010). The traditional definition of power, as the ability to control or influence others at lower levels in the organization, is how research on power in educational settings is typically framed (Mountford, 2004; Northouse, 2015). Research suggests that the power and dominance of the superintendent is a major factor in the collaborative nature of decision making (Brazer et al., 2001). A power over paradigm is explained as the hierarchal power that people located at the top of organizations have over policies and programs (Brunner & Schumaker, 1998; Mountford, 2004). Power is most often seen, by men, as the capacity to influence decisions (Brunner & Schumaker, 1998). Men viewed power as

legitimate resource to achieve their own conception of common good whereas women most defined power as the ability to get things done with others (Brunner & Schumaker, 1998). People with power are enabled to obtain their personal preferences when decisions are made and to control the preferences of other actors (Brunner & Schumaker, 1998).

A study of female and male superintendents showed that men were more likely than women to view power as an element of social control while women were more likely to view power as a means of social production (Brunner & Schumaker, 1998). The political model of decision making functions on satisfying individual's goals and relies on power as a means to arriving at solutions (Noppe et al., 2013). Those superintendents who used political decision making used words such as bargaining, compromise, power brokering and administrator priorities (Noppe et al., 2013). Women were found to build power collaboratively while men tend to use the top-down power of the superintendent position (1999, Bruner as cited in Noppe et al., 2013).

Research on power in educational organizations has reported how school board members define their concept of power and how their view of power affected their relationship with the superintendent and also how gender may play a role in the conception of power (Brunner & Schumaker, 1998; Mountford, 2004). In a research study on the motives and power of school board members and the implications for school board and superintendent relationships, it was suggested that school board members who defined power as authority or control might conflict with superintendents due to role confusion or issues with micromanagement (Mountford, 2004). Research on public school leaders, suggests that men may be more inclined than women to regard power as a

form of social control and domination and that women may think more often of power in terms social production and collaboration (Brunner & Schumaker, 1998).

There is a gap in the research that explores if there is a correlation between decision making, school administrator relationships, the role of the school business official and power.

### **Theoretical Framework**

Sensemaking was developed by Weick (1995) as a framework to explain how individuals and organizations make sense of their environment (Helms Mills, Thurlow & Mills, 2010; Thurlow & Helms Mills, 2014). Sensemaking provides a recipe to direct individuals on how to take action, manage situations, create meaning and understand organizational processes (Thurlow & Helms Mills, 2000; Thurlow, 2012). Sensemaking is a collective, social, never-ending process in which each new event is triggered by uncertainty or ambiguity which leads to finding new meanings for each event (Helms Mills et al., 2010; Louis et al., 2013). Weick's sensemaking model assumed that sensemaking was a democratic process with all voices being equally important (Helms Mills et al., 2010). Weick suggests that when routines breakdown, people habitually return to what is familiar and plausible (Helms Mills et al., 2010). This reversion is thought to be influenced by the individual identity and influenced by past experiences (Helms Mills et al., 2010).

In using sensemaking as a theoretical framework, the assumption is that decision makers are constantly making sense of their environment through the influence of seven interrelated properties, which are, identity construction, retrospection, focus on extracted cues, plausibility enactive of the environment and social (Helms Mills et al., 2010).

Weick claimed that although the interrelated properties were equally important, in the process of sensemaking, one or more properties could be more dominant according to the sensemaking event (Helms Mills et al., 2010). Application of the seven properties of sensemaking to key events provides an ability to study the process of change (Helms Mills et al., 2010).

Louis et al. (2013) used sensemaking as a means to study distributed leadership. As stated earlier, the research showed that five out of the six schools studied, viewed distributed leadership as a major disruption (Louis et al., 2013). The one school that highlighted the importance of sensemaking in the development of distributed leadership, involved teacher-to-teacher connections and underscored the collective nature of distributed leadership ((Diamond & Spillane, 2016; Louis et al., 2013; Spillane et al., 2004). Distributed leadership was used in the development of teacher leaders and folded into existing initiatives, such as professional learning communities (Louis et al., 2013). Although sensemaking is visible as disruptions occur in social systems and members respond, new initiatives must be connected with other ongoing activities that are also at various stages of implementation (Louis et al., 2013). The one school that exhibited high levels of relational trust, a stable disposition toward sharing leadership, lack of dysfunctional politics and a supportive structure and culture and was viewed as an optimal location for using sensemaking in evaluating distributed leadership (Louis et al., 2013). Weick's approach to sensemaking is viewed by some as limited by an under focus on issues of power, knowledge, structure and past relationships (Helms Mills et al., 2010).

**Critical Sensemaking.** The idea of critical sensemaking (CSM) was developed building on the framework developed by Weick (Thurlow & Helms Mills, 2000). CSM takes into consideration the issues of power and context and shifts focus to how organizational power and dominant assumptions privileges some identities over others and creates meaning for individuals (Helms Mills et al., 2010). CSM posits that the more powerful individuals in organizations have the capacity to exert more influence on the sensemaking of organizational members (Helms Mills et al., 2010). CSM seeks to provide a lens to analyze the power relationships that are present in organizations and the consequences of the effect of power for some individuals (Helms Mills et al., 2010). The CSM framework highlights the influence of organizational rules on individuals (Helms Mills et al., 2010).

***Research on critical sensemaking in education.*** The critical sensemaking approach has been used as a tool to provide insight in to organizational culture (Helms Mills et al., 2010). CSM provides a framework that seeks to understand how individuals make sense of their environment while acknowledging the broader societal context of power relation (Helms Mills et al., 2010). CSM can be useful as a way of analyzing the relationship, if any, between power and privilege and individual actions (Helms Mills et al., 2010). CSM has been used to study organizational events such as mergers, layoffs, and expansions as well as other events that have an impact on organizational routines (Helms Mills et al., 2010). CSM offers insight into organizational identities and seeks to address the unequal balance of power in the sensemaking process (Thurlow & Helms Mills, 2000).

*Applications of critical sensemaking.* Research using CSM as a method of analysis has focused on workplace spirituality and organizational change at a community college (Long & Helms Mills, 2010; Thurlow & Helms Mills, 2015). The research on workplace spirituality was intended to show how spiritual culture in the workplace may serve as a form of managerial control and thus shape the actions of the members of the workplace (Long & Helms Mills, 2010). In examining workplace spirituality as a framework of organizational values Long and Helms Mills (2010) explained that workplace spirituality has the ability to induce a degree of reverence. This reverence may cause members to succumb to forms of power exhibited in the workplace based on organizational roles (Long & Helms Mills, 2010).

In particular, the research focused on how culture is a controlling discourse and when pastoral power is embodied it has the tendency to be more controlling (Long & Helms Mills, 2010). In a research study investigating organizational change at a Canadian community college, the focus was on the property of plausibility for sensemaking (Thurlow & Helms Mills, 2015). The research used critical discourse analysis to allow a focus on the issues of power and privilege in the production and reproduction of discourse (Thurlow & Helms Mills, 2015). The research found that when narratives were introduced by someone with organizational legitimacy, individuals were more willing to accept the change narrative as plausible, thus blending the sensemaking property of plausibility with CSM issues of power (Thurlow & Helms Mills, 2015). Using CSM as a tool of analysis has showed that more credence was given to decisions when the decision maker was perceived to be in a position of power.

While there is research in the field of education use Weick's sensemaking framework, there is a noticeable gap in the literature that uses critical sensemaking as a theory to analyze school district decision making.

## **Conclusion**

In this chapter, school finance and the disparities in state finance was explained. Minimal research has been conducted on the factors that may affect school district decision making. School administrator leadership and relationships, the role of school business officials and power were examined as possible factors that may affect school district decision making. This chapter revealed gaps in research on if and how school administrator leadership and relationships, the role of the school business official and power impacted decision making. This chapter also explained critical sensemaking as a framework to understanding how the concept of power may affect decision making. The following chapter will review the methodology that will be used for this study, the context in which the study will take place as well as the strategy for sampling. The following chapter will also detail how data will be collected and analyzed and will also address the issues of construct validity, internal and external validity, and reliability.

## **Context**

**Pennsylvania public school funding.** Pennsylvania school districts receive state subsidies for basic education, special education and transportation. The largest proportion of state aid is received through the Basic Education Funding (BEF). Pennsylvania does not have a predictable education funding formula based on student enrollment and characteristics, in fact, Pennsylvania is one of only a handful of states that does not (Mezzacappa, 2014). The distribution of state aid does not account for enrollment

fluctuations or what is needed to insure at least basic adequacy of services for all students and only has some relationship to a district's size and wealth (Mezzacappa, 2014).

Pennsylvania's BEF is a foundation based formula where state aid is determined based on a combination of property wealth and income (Baker & Levin, 2014). Foundation program allocations were historically intended to pay for a basic or minimum education program and they supported education through a set state guarantee per pupil or per teacher unit (Verstagen, 2011). Pennsylvania uses a "hold harmless" component, whereby a district is guaranteed to not receive a lesser amount than it received in a baseline comparison previous year (Baker & Corcoran, 2012), the current baseline year is 2014-2015. Pennsylvania's education funding distribution is noted as regressive, that is, funding where high poverty districts receive systematically lower revenue than lower poverty districts and as such is only one of 14 regressively funded public school systems in the country (Baker & Corcoran, 2012; Baker & Levin, 2014; Ushomirsky & Williams, 2015; "Money Matters," 2017).

**Funding history 2007- 2014.** In 2007, due to a legislatively commissioned cost study and subsequent legislation, the BEF was altered to mirror a more typical modern foundation aid formula (Baker & Levin, 2014; Quinn & Steinberg). 94% of Pennsylvania's school districts were found to not have sufficient resources (Ward, 2014). Prior to the cost study, Pennsylvania's BEF did not contain systematic adjustments for regional costs or student needs, unlike many other state school finance formulas (Baker & Levin, 2014). The study proposed a base cost per student plus cost weights and additional cost factors, such as poverty, which resulted in per student estimates that were higher than

actual per student spending and in line with similar efforts across the nation (Baker & Levin, 2014; Quinn & Steinberg, 2015; Ward, 2014).

In 2008, PA school code was amended to include language that supported the usage of a formula to generate measures of adequate and equitable funding (Quinn & Steinberg, 2015). Usage of the formula entailed taking into consideration student needs, district costs, and school district demographic characteristics. Each district was assigned an adequacy target which equaled the total of basic costs, student needs and district costs (Quinn & Steinberg, 2015; Baker & Levin, 2014). Beginning with the 2008-09 school year, adequacy targets were calculated for each school district and each school district with an adequacy gap received a state share allocation that was equal to its state funding target (Quinn & Steinberg, 2015; Ward, 2014).

Oftentimes, education reform is dependent on the political party that is in office. State education budgets have become the cornerstone of state budget politics due to the financial pressures of the last decade (Shober, 2012). School finance reform was a priority of Governor Rendell when he began his two terms in office in 2003 (Quinn & Steinberg, 2015). During those two terms the state's basic education funds were gradually increased and block grants were included that channeled funds to poorer districts (Quinn & Steinberg, 2015). Governor Corbett was elected in 2010 and his election marked a significant reversal in the state's education funding policies, moreover, Governor Corbett's first budget proposal recommended sweeping cuts to public schools and colleges (Ward, 2014). In 2011, before being fully phased in, the formula requirement that accounted for student need, and district characteristics and also contained cost

adjustments was removed from the Pennsylvania school code (Baker & Corcoran, 2012; Baker & Levin, 2014; Quinn & Steinberg, 2015).

Pennsylvania, at 15%, ranked third overall in the statewide percentage of children attending severely disadvantaged districts (Baker & Levin, 2014). Education advocacy groups believe that the development of a funding formula that takes in to consideration district poverty levels is the first step to achieving fair and adequate school funding. The Basic Education Funding Commission was formed in July 2014 and was made up of 15 members; each party was represented by six members and there were three state officials (Mezzacappa, 2014). The goal of the commission was to develop a new formula for the distribution of basic education funding to Pennsylvania School Districts. The new funding formula would serve to fairly distribute state resources according to various student and school district factors and would also take into account relative wealth, local tax effort, geographic price differences, enrollment levels, and local support as well as other factors (Brown & Vereb, 2014).

**Recent updates.** Based on recommendation from the Basic Education Funding Commission, a new funding formula was established, in June of 2015, which would distribute state funding to school districts based on various student and district characteristics (“Money Matters,”2017). The new formula was permanently adopted into the Pennsylvania School Code in 2016 (“Money Matters,”2017). The new formula ensures that state aid that goes through the formula is directed toward those communities that have large amounts of students living in poverty and also takes into consideration a community’s tax rate and ability to raise local taxes to support education (“Money Matters,”2017). In the 2016-17 school year, the new basic education funding that flowed

through the formula only amounted to 6% of the state's total funding, leaving the majority of the funding to continue to be distributed through the old system ("Money Matters,"2017). Also, school districts that experienced deep funding cuts in the 2010-11 school year, have not fully had that funding restored ("Money Matters,"2017). Allocation of scarce resources to the districts with the most need is almost impossible with the inequities in the current system ("Money Matters,"2017).

**The case for equity.** Approximately 43% of Pennsylvania school students are considered to be economically disadvantaged ("Money Matters,"2017). Pennsylvania has 500 school districts and 40% of the state's economically disadvantaged students are educated in just 50 of those 500 school districts ("Money Matters,"2017). Legal mandates and legislative reforms have been compelling states to improve the equitable distribution of state resources across school districts over the last four decades, indeed, school funding equity has been of significant interest to policymakers since the early 20<sup>th</sup> century (Baker & Corcoran, 2012; Steinberg & Quinn, 2015). For a lot of districts in Pennsylvania, state revenue comprises a significant portion of school district revenue, yet Pennsylvania continues to rank among the lowest in the region in state aid contributions to local public school districts (Baker & Levin, 2014). Pennsylvania has had a consistently low pattern of providing smaller percentages of state funding to public schools and lack of sufficient state support may be a significant source of the state's school finance inequity (Baker & Corcoran, 2012; Baker & Levin, 2014; Ward, 2014). The Pennsylvania Association of School Administrators & Pennsylvania Association of School Business Official released a report in January of 2015 that stated "state education

funding has been no match for these rising costs and the broader economic and structural pressures facing schools (“Continued Cuts,” 2015).”

**The challenge at the local level.** Pennsylvania school board members and administrators face an increasingly difficult challenge due to decreased state funding, relatively flat local funding and mandated increases in pension costs (Bruck & Miltenberger, 2013). Due to decreases in funding along with rising costs districts have been making the decision to utilize fund balance as a method to balancing their budgets. Districts also have been forced to contemplate difficult decisions, such as discontinuing programs and personnel changes. Bruck and Miltenberger (2013) state that in the foreseeable future a critical issue for education leaders; will be the pressure to reduce costs without sacrificing student achievement.

Education is a continuing concern of government officials and educational expenditures comprise the largest allocation of state and local government budgets (Bruck & Miltenberger, 2013; Verstagen, 2011). High courts in almost every state have wrestled with school finance issues (Russo, et al., 2015). Suits have been filed in virtually all jurisdictions, during the past 25 years that claim that legislatures have failed to provide sufficient funds for public education (Russo, et al., 2015). Currently in Pennsylvania, there is at least one lawsuit from several Pennsylvania school districts that seeks over the inequitable funding of public schools. The suit was filed by six Pennsylvania school districts.

Pennsylvania’s school finance system has suffered from persistent inequalities and policies that have intended to mitigate those inequities have sometimes exacerbated them (Baker & Corcoran, 2012; Baker and Levin, 2014; Epstein, 2011). Over the years

supplements and subsidies have been added but the education budget process had no strict guidelines and there was no predictably consistent consideration for student needs (Steinberg & Quinn, 2015). The national trend toward equity and adequacy in school financing has been resisted in Pennsylvania, in fact, Pennsylvania has one of the nations' least equitable state school finance systems (Baker & Levin, 2014; Steinberg and Quinn, 2015).

District leaders, at all levels, are faced with trying to maintain adequate levels of financial resources for their students and programs using complex funding formulas unique to their own jurisdictions, due to financial resources for public education being increasingly scarce (Russo, Batz & Thro, 2015).

## **Chapter 3**

### **Methodology**

This chapter provides a description of the design of the qualitative case study along with the assumptions of and the rationale for a qualitative case study. This chapter also includes the purpose statement and research questions, and discussions on participant selection, data collection, instrumentation, data analysis, trust worthiness and rigor. Other information will discuss the role of the researcher and ethical assumptions and considerations.

#### **Purpose of the Study**

The purpose of this embedded, single case qualitative case study was to explore how business managers and superintendents in Pennsylvania school districts work together to develop adequate and equitable school district budgets in a time of funding inequity and uncertainty. Specifically, I examined how business managers and superintendents made decisions, navigated organizational power, and negotiated budgets to balance student needs with the requirements of the board of school directors. This case study focused on business managers and superintendents in districts that are identified by the Pennsylvania Department of Education as high poverty districts based on the district's aid ratio. The aid ratio measures market value/personal income in relation to the state average. Using qualitative methods, including one-on-one interviews with superintendents and business managers, this study focused on the interplay of decision-making, issues of power, and negotiation. This study was viewed through the lens of critical sensemaking theory that maintains that power influences how and what decisions are made in organizations.

Data collection was in the form of interviews and the collection of artifacts that addressed funding and the relationship between decision-makers.

### **Research Questions**

The following research questions will direct my study:

1. How do business managers and superintendents in high poverty districts negotiate annual school budgets while addressing the issues of organizational power and the social inequality promoted by persistent funding inequity?
  - a. How does this negotiation take into consideration students' needs?
  - b. How does this negotiation take into consideration the requirements of school board directors?
  - c. In what ways do business managers and superintendents act to balance these two considerations to address funding inequities?

### **Assumptions of and Rationale for Qualitative Research**

Qualitative research is systematic inquiry that seeks to understand specific situations and the researcher is the primary instrument for data collection and analysis (Merriam, 1998; Rossman & Rallis, 2012; Rubin & Rubin, 2012). The ultimate purpose of qualitative research is learning and as such qualitative research begins with questions that are more interested with “how” (Rossman & Rallis, 2012; Toma, 2006). Qualitative research centers on work done in the field and takes place in natural settings and requires the researcher to be pragmatic, flexible, politically aware and self-reflective (Rossman & Rallis, 2012; Toma, 2006). Qualitative studies are inductive and seek to build toward a theory through observations and intuitive understandings that are gained while in the field

(Merriam, 1998). Qualitative research also seeks answers in the real world to learn about some aspect of the social world and to generate new understandings of a social phenomena or experience and produces a richly descriptive product (Merriam, 1998; Rossman & Rallis, 2012).

Qualitative research focuses on gaining meaning and understanding (Toma, 2006). Qualitative research is interpretive and as such, qualitative researchers try to make sense of what they learn and interpret the worlds they have entered during the course of the study (Rossman & Rallis, 2012). Qualitative research is concerned with the participant's perspective of the phenomenon of interest, not the researcher's (Merriam, 1998). Using qualitative research in this study allowed each participant the opportunity to describe their budget negotiation process and how they make sense of it, in their own words (Stake, 1995).

### **Strategy of Inquiry**

When the focus of research is on a contemporary phenomenon within real-life context, case studies are the preferred strategy (Yin, 2003). Case studies are used to contribute to the knowledge of individual, group, organizational, social, political and related phenomena (Yin, 2003). A unique strength of case studies is the ability to deal with various forms of evidence such as documents, artifacts, interviews and observations (Yin, 2003). Case studies are used to investigate phenomenon within real life situations in order to ascertain meaning from those involved (Merriam, 1998; Yin, 2003). Case study methods are useful to cover contextual conditions that are highly pertinent to the phenomenon of study (Yin, 2003). Qualitative case studies are used to seek in depth understandings of cases and the meanings for those involved rather than empirical

generalizations (Merriam, 1998; Patton, 2002; Stake, 1995). Understanding that research is about questions and not necessarily about answers is one insight to asking good questions (Yin, 2003). Since case study research can sometimes lead in different directions, researchers make flexible lists of questions, redefine issues and seize opportunities to learn the unexpected (Stake, 1995). Case study is a comprehensive research strategy that covers the logic of design, data collection techniques and specific approaches to data analysis (Yin, 2003).

Single case study design is an appropriate case study design when the case is revelatory and provides an opportunity to analyze and observe a phenomenon which has not been previously investigated (Yin, 2003). There has been limited research that has investigated how administrators in high poverty districts are negotiating school district budgets and as such a single case study design provided the opportunity to investigate the phenomenon across multiple institutions (Yin, 2003). Incorporated into the single case were multiple subunits that served to provide a more complex, embedded design (Yin, 2003). The units of analysis in this single case study were high poverty districts in Pennsylvania. The embedded, single case design provided additional opportunities for extensive analysis which led to enhanced insights across the districts that participated (Yin, 2003).

### **Context of the Study**

Inequity in school funding is a problem that affects multiple school districts. Pennsylvania has 500 public school districts. This study limited the scope to certain Pennsylvania school districts. Initially, the study focused on school districts that were identified by the Pennsylvania Department of Education as high poverty districts. These

districts had aid ratios greater than .4000. To further limit the scope of the study, I looked at districts that had similar populations. The study was also limited to districts that had student enrollment between 3,000 to 12,000 students. For the purpose of this study, I did not include in the sample any rural school districts or school districts with student enrollment below 3,000 or above 12,000.

A list of the case study candidates can be found in Table 1.

Table 1

*Case Study Candidates*

School District	County	Market Value / Personal Income Aid Ratio	Enrollment
Allentown City SD 31 S. Penn Street Allentown , PA 18102	Lehigh	0.7863	16,106
Altoona Area SD 1415 Sixth Avenue Altoona, PA 16602	Blair	0.7116	7,797
Bethlehem Area SD 1516 Sycamore Street Bethlehem, PA 18017	Northampton	0.5044	13,539
Bristol Borough SD 1776 Farragut Avenue Bristol, PA 19907	Bucks	0.6107	1,256
Bristol Township SD 6401 Mill Creek Road Levittown, PA 19057	Bucks	0.5617	6,314
Chester-Upland SD 232 W. 9 <sup>th</sup> Street Chester, PA 19013	Delaware	0.8471	3,333
Chichester SD 401 Cherry Tree Road Aston, PA 19014	Delaware	0.6040	3,318

Table 1 (continued)

School District	County	Market Value / Personal Income Aid Ratio	Enrollment
Coatesville Area SD 3030 CG Zinn Road Thorndale, PA 19372	Chester	0.5194	6,758
Easton Area SD 1801 Bushkill Drive Easton, PA 18040	Northampton	0.5450	8,729
Erie City SD 148 West 21 <sup>st</sup> Street Erie, PA 16502	Erie	0.7825	11,666
Greater Johnstown SD 121 Dilbert Street Johnstown, PA 15901	Cambria	0.7797	3,003
Harrisburg City SD 1601 State Street Harrisburg, PA 17103	Dauphin	0.7507	6,518
Hazleton Area SD 1515 West 23 <sup>rd</sup> Street Hazle Township 18202	Luzerne	0.6621	10,976
Interboro SD 900 Washington Ave. Prospect Park, PA 19076	Delaware	0.5841	3,407
Lancaster SD 251 S. Prince St. Lancaster, PA 17603	Lancaster	0.7105	11,163
Lebanon SD 1000 South 8 <sup>th</sup> St. Lebanon, PA 17042	Lebanon	0.8303	4,947
Norristown Area SD 401 Whitehall Rd. Norristown, PA 19403	Montgomery	0.4395	7,123
Pottstown SD 230 Beech St. Pottstown, PA 19464	Montgomery	0.6914	3,156
Reading SD 800 Washington St. Reading, PA 19601	Berks	0.8980	17,388
Ridley SD 901 Morton Ave. Folsom, PA 19033	Delaware	0.5622	5,470

Table 1 (continued)

School District	County	Market Value / Personal Income Aid Ratio	Enrollment
Scranton SD 425 N. Washington Ave. Scranton, PA 18503	Lackawanna	0.7586	10,084
Southeast Delco SD 1560 Delmar Drive Folcroft, PA 19032	Delaware	0.7305	4,155
Steelton-Highspire SD 250 Reynders Ave. Steelton, PA 17113	Dauphin	0.8056	1,329
Upper Darby SD 4611 Bond Ave. Drexel Hill, PA 19026	Delaware	0.6791	12,024
Wilkes-Barre Area SD 730 S. Main Street Wilkes Barre, PA 18711	Luzerne	0.6581	6,904
William Penn SD 100 Green Ave. Lansdowne, PA 19050	Delaware	0.7158	5,095
Williamsport Area SD 2780 W. 4 <sup>th</sup> Street Williamsport, PA 17701	Lycoming	0.6632	5,010
Woodland Hills SD 531 Jones Avenue North Braddock, PA 15104	Allegheny	0.5712	3,824
York City SD 31 N. Pershing Avenue York, PA 17401	York	0.8556	5,925

*Note.* Adapted from the Pennsylvania Department of Education.

### **Participant Selection**

I interviewed business managers and superintendents in each district.

Organizational structures are different by district and it was necessary to interview both

levels of administrators to get an adequate picture of the budget process, by district. In an effort to ensure balance participants should be chosen that have complementary experiences while also representing different points of view (Rubin & Rubin, 2012). Responsibilities for budget development differ by district and it proved beneficial to interview both superintendents and business managers to get a complete picture. I looked at districts that had business managers and superintendents with at least three years of experience in budget preparation. There has been turnover in both positions throughout the state and the study looked at the experiences of business managers and superintendents who have been through multiple budget cycles.

**Sampling.** In addition to limiting the scope of the study to high poverty school districts in Pennsylvania, I used a purposeful sampling strategy that provided a sample that would have the experiences necessary to illuminate the questions to which I sought answers (Patton, 2002). Purposeful sampling allowed the selection of the sample that would provide the most information to discover, understand and gain insight into the selected phenomena (Merriam, 1998). The screening procedure of cases prior to data collection is an important step that allows proper identification of cases (Yin, 2003). Criterion sampling was used to review and study cases that met predetermined criteria, criterion sampling also allowed the opportunity to focus my sample on high poverty districts that ultimately reflected the purpose of the study and provided cases that were rich in information (Merriam, 1998; Patton, 2002). There are approximately 30 school districts that are members of the Pennsylvania League of Urban Schools (PLUS). These school districts met the criteria of being a high poverty district. Another criteria was work experience; this study interviewed participants, in high poverty districts, who had

multiple years, two or more of experience in school district budgeting. In using this type of criterion sampling, I reviewed and studied all the cases that met the predetermined criteria prior to the start of data collection (Patton, 2002).

### **Data Collection**

Data collection was in the form of interviews, observations, collection of artifacts, field notes and narrative inquiry. I conducted semi-structured interviews asking a combination of open ended questions. When possible, I conducted face to face recorded interviews although in some cases phone interviews were more convenient for the participants. I developed interview protocols designed to gather information relevant to the research questions listed earlier. Interview questions were the same for both the business managers and the superintendents. Although the participants' responsibilities varied by district I used the same protocol for each group. Field notes were used to record observations of body language, mood, facial expressions etc., during each face to face interview. I also collected board meeting minutes to research the outcomes of board votes on preliminary, proposed and final budgets. Narrative inquiry allowed the participants to capture, in their own words, information that they felt was pertinent to my research, and may have not been covered by the specific interview questions. I also met with the president of the Pennsylvania Association of School Business Officials, as he spearheaded the movement to adopt an equitable funding formula in Pennsylvania and possessed first-hand knowledge of the policy movement.

**Interview.** Interviewing is one of the primary ways of gathering qualitative data, in fact, interviews are one of the most important and common sources of case study information (Merriam, 1998; Rossman & Rallis, 2012; Yin, 2003). Person to person

encounters in which one person elicits information from another is the most common form of interview, indeed interviewing provides a way to get rich detailed data about how people view their own worlds (Merriam, 1998; Rossman & Rallis, 2012). I separately interviewed the business managers and superintendents in each district instead of using a group format. I conducted semi-structured interviews with a list of open ended interview questions and follow-up questions were asked, when necessary, this allowed the interviews to proceed as guided conversations, with a purpose, rather than structured queries (Merriam, 1998; Rossman & Rallis, 2012; Rubin & Rubin, 2012; Yin, 2003). Open ended questions allowed the participants the freedom to respond anyway they chose and participants were allowed to speak about facts as well as their opinions (Rubin & Rubin, 2012; Yin, 2003). Follow-up questions are a way to get further depth and detail while exploring the interviewee's answers (Rubin & Rubin (2012). One on one interviews required intense listening, respect and curiosity about each participant's experiences and perspectives and offered the opportunity to ask about anything that was not understood (Rubin & Rubin, 2012). All interviews were recorded after receiving permission from the participants.

**Artifacts.** School districts are required to maintain approved board meeting agendas and minutes. Board minutes also provided a source to document the budget vote results. Board meeting agendas and minutes are public documents and can be retrieved from district websites. Board agendas and minutes constitute some of the district's material culture that, by design, are communicative and representational of district board meetings (Hodder, 2002). Review of documents is valuable and plays an explicit role in case study data collection (Yin, 2003). Board meeting agendas and minutes were a

primary source of documentary information that was relevant to this case study (Merriam, 1998; Yin, 2003). This material culture provided a glimpse and insight in to the social relationships of the administration and board as the board minutes relay not only the results of budget votes but also the dialogue shared during board meetings (Hodder, 2002; Rossman & Rallis, 2012). Including the material culture of each district allowed the opportunity to explore the multiple and conflicting voices that are sometimes present at district school board meetings (Hodder, 2002). I also used the board minutes and agendas to corroborate evidence that was received from the interview process (Yin, 2003). The artifacts were collected from each district and were subject to further analysis during the study.

### **Instrumentation**

**Interview protocol.** The interview protocol was used to guide the conversations and was provided to participants in advance, if requested (Rubin & Rubin, 2012; Yin, 2003). The formal interview protocol consisted of eight open ended questions that allowed the participants to respond freely, and elaborate or raise new issues, as they deemed necessary (Rubin & Rubin, 2012). Follow up questions were asked and conversational management probes were used for clarification as well as to elicit more depth and detail in participant responses (Rubin & Rubin, 2012). Interview questions were provided at the beginning of each interview. I received informed consent from each participant to interview and use a digital voice recorder to capture each interview fully. The complete interview protocol is attached in the Appendix section. The relationship between the interview protocol questions and the research questions is depicted on the next page.

Table 2

*Research Questions and Interview Protocol Questions Matrix*

Research Questions	Interview Questions
1. How do business managers and superintendents in high poverty districts negotiate annual school budgets while addressing the issues of organizational power and the social inequality promoted by persistent funding inequity?	<p>A. Please explain your budget development process.</p> <p>B. What processes does your district employ to forecast revenue levels during the budget development process?</p> <p>C. How have your past experiences in the budget process shaped your current budget procedures?</p>
2. How does this negotiation take into consideration students' needs?	A. What, if any, educational programs have your district eliminated or curtailed in order to balance the budget?
3. How does this negotiation take into consideration the requirements of school board directors?	<p>A. What direction does the board provide during budget development?</p> <p>B. How would you describe the working relationship between the board and district administration? What effect does this relationship have on district decisions?</p>
4. In what ways do business managers and superintendents act to balance these two considerations to address funding inequities?	<p>A. How are budgetary priorities assigned?</p> <p>B. How are disagreements handled during the budget process? Between the superintendent and the business manager? Between the district administration and the board?</p>

**Data Analysis**

Data analysis was ongoing throughout the study. In qualitative research, data analysis is a simultaneous activity which can begin with the first interview and assists in giving meaning to first impressions as well as final compilations (Merriam, 1998; Stake, 1995). Superintendents and business managers, in various districts, comprised the

embedded units of analysis in this single case study (Yin, 2003). Data analysis was a process to transform the information that was received from the superintendents and business managers into knowledge about how they worked together to balance the needs of students with the requirements of their school board of directors (Rossman & Rallis, 2012). Memo writing throughout the study provided an opportunity to capture reflections, contemplate possible themes, as well as note items to look for in subsequent interviews (Merriam, 1998).

Analytic memos were used to capture reflections, ideas, and observations throughout the data collection process (Merriam, 1998; Rossman & Rallis, 2012). Analytic memos provided ongoing analysis and were helpful in identifying necessary next steps (Merriam, 1998; Rossman & Rallis, 2012). Analytic memos delivered an opportunity to reflect and expound on the data as it was collected (Rossman & Rallis, 2012; Saldaña, 2013). I used the memos to keep focus on data I had gathered during the study, themes that were emerging from the interviews and next steps in the process (Rossman & Rallis, 2012). Analytic memos were also coded and categorized into specific groupings for organized review and reflection (Saldaña, 2013).

**Theoretical propositions.** The preferred analytic strategy is to follow the theoretical propositions that initially led to the case study (Yin, 2003). Critical sensemaking theory proposes that organizational power and context effect how decisions are made (Helms Mills et al., 2010). The research questions and literature review were based on the proposition that power, context and relationship can affect decisions and focusing on this proposition helped to guide the case study analysis (Yin, 2003). Using the theoretical proposition to guide the analysis was helpful to focus attention on certain

data and also served to define alternative explanations that were worthy of examination (Yin, 2003). Coding, manipulating or “playing with the data” was a productive activity which provided the necessary theoretical orientation to guide the case study analysis (Yin, 2003).

Rev.com was used to transcribe each interview. After each interview was transcribed I began the process to analyze the data. Coding is described by Rubin and Rubin (2012) as an early analysis process that assists in recognizing and identifying concepts and themes in text. Coding verbatim transcripts of interviews, analytic memos and artifacts was the first step in analysis (Rubin & Rubin, 2012). Qualitative data management software was used to assist with coding and categorizing the narrative data (Yin, 2003). Using computerized software to analyze the narrative text of each participant’s interview along with the literal content of the board minutes and agendas benefited the case study analysis by deriving meaning from word usage and frequency patterns found in the text (Yin, 2003). First and second cycle coding methods, including process and pattern coding, were used to further analyze the transcribed data (Saldaña, 2013).

I used process coding as my first cycle coding technique. The interviews focused on the procedures used to develop budgets, district priorities and how budget decisions were made during the budget process. Board minutes and agenda were also coded and categorized according to the content (Yin, 2003). Using process coding as a first cycle coding technique allowed me to see the similarities among each district as to how they approached the budget process. Process coding also allowed me to sort the various responses based on the processes and considerations that were described by each district.

Pattern coding was the second cycle coding technique to group the initial codes down to a smaller set. Pattern coding is an appropriate coding technique when examining social networks, patterns of relationships or themes in the data (Saldaña, 2013). As I coded each interview, the wording that was used by my participants may not have been exact, but patterns emerged that allowed me to combine and intertwine some of the initial codes in to groups. When searching for patterns in coded data to categorize them, some codes were grouped together not because they were exactly alike but because they shared common attributes (Saldaña, 2013). Pattern coding afforded me the opportunity of being able to combine the multiple process codes in to smaller groups while still retaining the integrity of data. Pattern coding helped to fulfill the primary goal of finding repetitive patterns of action and other consistencies that are documented in the data (Saldaña, 2013).

A persistent challenge of case study analysis is to produce high quality analysis that totally explores all evidence, avoids interpretation of the evidence and explores alternative interpretations (Yin, 2003). An exemplary case study is one which is significant, complete, considers alternate perspectives, displays sufficient evidence and is composed in an engaging manner (Yin, 2003). The outcome of this case was significant in that the case revealed the challenges that superintendents and business managers, in high poverty districts, face in negotiating budgets. This revelatory case provided insight on the underlying issues that affected decision making in high poverty districts, an issue that had not been extensively studied in the past (Yin, 2003). The completeness of the case was documented in the amount of time and effort that was dedicated to collecting relevant evidence (Yin, 2003). Interviews were scheduled at the convenience of the

participants and participants were encouraged to be candid and impart all information that they found to be pertinent to the case study. Although this case sought to show that budgetary decisions were affected by the use of power in the decision making, different perspectives that were illuminated by the participants were also examined (Yin, 2003). The case study was presented neutrally and combined data that both supported and challenged the theoretical proposition of the study (Yin, 2003). The study was also presented in a manner that demonstrated the investigator's knowledge of the budget process, the need for negotiation and awareness of the issues related to the case (Yin, 2003). A chain of evidence was also maintained in the database to attend to the validity of the evidence (Yin, 2003). The case study was also clearly written, edited and rewritten to allow any reader to be engaged in the investigation and subsequent conclusions (Yin, 2003).

### **Data Quality**

In qualitative research to satisfy the criteria of trustworthiness, research should be credible, transferable, dependable, and confirmable (Lincoln & Guba, 2007). Parallel terms that are used to describe the criteria for trustworthiness are construct, internal and external validity, reliability and objectivity (Lincoln & Guba, 2007; Toma, 2006; Yin, 2003). The ultimate aim for a research study is truth, the conduct and findings should be sufficiently believable to allow others to use the findings to take action to improve social circumstances (Rossman & Rallis, 2012). Peer debriefing, and use of an audit trail were methods that were used to address quality and rigor in this research study.

**Internal validity.** Credibility and internal validity in case studies is achieved through prolonged engagement, persistent observation, triangulation, peer debriefing,

negative case analysis and member checks (Lincoln & Guba, 2007; Toma, 2006). While the term “internal validity” is only a concern for explanatory studies (Yin, 2003), the parallel term of credibility can be used to describe the methods that were used to guarantee the quality of the study. To address credibility in this study I used peer debriefing (Lincoln & Guba, 2007). A retired colleague reviewed my notes, interview protocol, and other writings and provided critical feedback throughout the study (Lincoln & Guba, 2007). Using a peer debriefer enhanced the accuracy of the case and also helped to ensure that the study would be understood by an “outsider” (Toma, 2006).

**External validity.** Transferability and external validity in case studies is achieved when the findings of the study can be generalized outside of the case study participants (Yin, 2003). To address transferability, providing thick, rich, descriptive data through direct quotes from the participants allowed any other business managers and superintendents who read the study to see similarities in their processes and experiences (Lincoln & Guba, 2007; Rossman & Rallis, 2012; Toma, 2006). External validity was exercised in the study by conducting interviews in multiple high poverty districts. The findings of the case study could then be generalized to other similar high poverty districts (Yin, 2003). In case studies, transferability is important, as the lessons in the case study can be used to make recommendations that could be applied to other high poverty districts (Toma, 2006).

**Reliability.** In order to establish dependability and reliability in the study, through recording data and analytic memos, I fully documented data collection and analysis to provide an audit trail of the study (Lincoln & Guba, 2007; Rossman & Rallis, 2012; Toma, 2006). By keeping meticulous records that detailed the procedures that were

followed in the study, it was ensured that a future researcher would be able to conduct the same case study and arrive at the same findings and conclusions (Yin, 2003). The quality of data was also apparent in this case study through the use of a database to catalogue information at each stage of the study. This audit trail helped to demonstrate how the study was conducted along with which procedures were used to collect and analyze data that would allow other investigators to review evidence directly (Miles & Huberman, 1994; Yin, 2003). The procedures that were followed in each interview and the study were fully documented.

### **Role of the Researcher**

I have worked as a business manager in a high poverty district for eight years. I have experienced firsthand the challenges of creating responsible budgets that attempt to address the concerns of taxpayers while at the same time providing a quality education program to students. My district is one of a few that without changes being made, in the near future, will risk the threat of a state takeover. Some of the participants in the study were colleagues of mine, in that we share similar job titles and the same overall job functions. The superintendents that were interviewed were new to me although I knew some of them from professional organizations. I assured each participant that my role in this research study was as an observer and interviewer and that all information would be confidential (Stake, 1995).

The study was conducted at a time when changes were being made to the funding system but not at a pace to make significant difference in the coming budget year. I conducted my interviews at a time when most of the participants were wrapping up previous year audits and beginning future year budget preparation. I advised each

participant that the study was not to find fault with any budget strategies or processes and that all information would remain confidential. I chose to meet each participant in an environment of their choosing.

The research was designed to investigate business managers' and superintendents' approaches to budget negotiation and did not involve any meetings with board members, other building or central administrators or students. I used a semi-structured interview style to narrow the focus of the interview on areas designed to speak to my research questions (Rubin & Rubin, 2012). I tried to not let my personal experiences interfere or color the information that I received from the participants. I approached this study from a postpositivist standpoint, realizing that it would be difficult to stay neutral while also being mindful that there would not be one single shared truth throughout all of the interviews (Rubin & Rubin, 2012). I resolved to remain as objective as possible in order find the real and true elements in each interview (Toma, 2006).

My role as the researcher was to capture the participants' views and perspectives (Rossman & Rallis, 2012). In conducting the research, themes emerged that help to provide summaries and conclusions of what was taking place (Rubin & Rubin, 2012). In using criterion sampling to identify the participants in the study, it was ensured that almost all participants would have experienced the social justice issues of inequity and poverty. I shared with the participants, that my hope was that was that this study would, at the very least shed light on some of the issues that high poverty districts are facing in terms of budget.

## **Ethical Considerations**

Prior to going out in the field to conduct interviews, I obtained approval from the Institutional Review Board (IRB) for Rowan University to ensure human subject rights. I also completed the Collaborative Institutional Training Initiative (CITI) training for researchers. After receiving IRB approval, I began contacting the participants to set up interviews. Participants were advised that their participation in the research study was confidential. Each participant in the study was required to sign a letter of consent and they were advised that if any time they wished to be removed from the study they could do so.

A limitation of qualitative case studies is the sensitivity and integrity of the investigator (Merriam, 1998). As the primary instrument of the collection and analysis of the data it was paramount that I remained aware of and avoided any potential bias (Merriam, 1998). As stated earlier in this chapter, various processes were used to establish rigor and trustworthiness in this study. I remained truthful and impartial throughout the study and reported only what was told to me by the participants without any embellishment. I completed this research embodying my moral principles and relying on a moral standard of conduct to guide the process (Rossman & Rallis, 2012). Ethics are necessary in human research due to each research participant's potential vulnerability (Sieber & Tolich, 2013). Each participant was advised that there was no risk associated with participation in the study, as all information would remain confidential. The informed consent procedure also ensured the confidentiality of the data (Sieber & Tolich, 2013).

The benefits of this research study included the opportunity to be heard and also provide insight, training and learning to readers of the study (Sieber & Tolich, 2013). Benefits will also be provided through the research and scholarship that the study provides (Sieber & Tolich, 2013).

## **Chapter 4**

### **Findings**

The purpose of this qualitative case study was to explore how business managers and superintendents in Pennsylvania school districts worked together to develop adequate and equitable school district budgets in a time of funding inequity and uncertainty. Business managers and superintendents from eight school Pennsylvania school districts participated in semi-structured interviews that explored how budgets were negotiated in their districts and how budgets achieved balance between student needs and board of school directors' requirements. Board agenda meetings and minutes were also analyzed, in tandem with interview data, in each participating district.

Initially, 27 superintendents were invited to participate in the study based on either their membership in the Pennsylvania League of Urban Schools or their school district aid ratio. After receiving only one response from the superintendents, I reached out directly to the business managers of the districts. After reaching out to the business managers in five districts, a snowball selection occurred, whereby the participants contacted their superintendents and other business managers who met the aid ratio qualification. In five districts, interviews were completed with both the business manager and superintendent. In three districts, interviews were completed with only the business managers, due to extreme schedule conflicts. The total number of participants was thirteen. Five districts were represented by pairs of superintendents and business managers,  $n=10$  and three districts were represented by the business manager only,  $n=3$ .

This chapter provides a brief description of the participants and the five school districts. This chapter will also present the findings of the study along with an analysis of

the interviews and the board meeting minutes of each district. Interview data from the three business managers will also be provided, as a complement to the cases presented.

The five cases represent five Pennsylvania school districts that qualified as high poverty districts. The districts vary in size of student enrollment, areas served and poverty rate. As explained earlier, the MV/PI aid ratio is used as a factor to determine the amount of state subsidies that a school district receives. The districts that participated in this study all had aid ratios that ranged from a low of slightly above .5000 to a high of over .7000. The districts that participated in this represent school districts that rely heavily of state funding.

### **Description of the Participants**

Thirteen participants participated in this study. Eight business managers and five superintendents participated in a semi-structure interview to explore the complexities of budget negotiation and development in their school district. The participants were both female and male, business managers and superintendents, with a range of school district experience as well as experience in their current positions.

A review of the participants' gender and years of experience in their current positions can be found in Table 3. Table 4 is a summary of the embedded cases that formed the study.

Table 3

*Description of Overall Participants*

Participant Alias	Gender	Position	Years in Current Position
Andrea	Female	Business Manager	5
Bradley	Male	Business Manager	1.5
Carol	Female	Business Manager	.50
Dennis	Male	Business Manager	5.5
Edward	Male	Business Manager	2
Frank	Male	Business Manager	10.5
George	Male	Business Manager	4
Henry	Male	Business Manager	4
Ida	Female	Superintendent	8
Jessica	Female	Superintendent	5
Laverne	Female	Superintendent	4
Monica	Female	Superintendent	2
Norman	Male	Superintendent	3

Table 4

*Description of Cases*

District	Participant Alias	Gender	Position	Years in Current Position
I	Monica	Female	Superintendent	2
	George	Male	Business Manager	4
II	Laverne	Female	Superintendent	4
	Henry	Male	Business Manager	4
III	Norman	Male	Superintendent	3
	Carol	Female	Business Manager	.50
IV	Jessica	Female	Superintendent	5
	Dennis	Male	Business Manager	5.5
V	Ida	Female	Superintendent	7
	Andrea	Female	Business Manager	5
VI	Bradley	Male	Business Manager	1.5
VII	Frank	Male	Business Manager	10.5
VIII	Edward	Male	Business Manager	2

## **Findings**

During the process of data analysis, themes were developed that described the experiences of the participants during budget development. The themes that were found include: joint effort, conservative expectations, practical understanding, balancing priorities and controlling factor. This section will provide detailed descriptions of each theme along with passages from the interview data that illustrate each theme, by district.

## **Themes**

**Joint effort.** Both groups of business managers and superintendents asserted that the development and negotiation of their district budgets was a joint effort. Business managers and superintendents worked closely together with department heads, principals, committees and each other in this process. According to the participants, budget development is at least a six month process involving multiple meetings and large amounts of information. In most cases, this process included the business managers and superintendents meeting weekly to gather the information necessary for budget preparation.

**Conservative expectations.** Participants also spoke about revenue forecasting in their district. A commonality that was noted was the inability to make informed forecasting of state revenues due to lack of information. The participants asserted that, in recent years, state budget information has not been available prior to the adoption of their district budgets. The inability to adequately forecast the amount of state aid that will be received in a budget year is an issue that caused participants frustration. The participants in the study also explained how lack of timely and reliable information from the state impacts their budget process. In general, the participants felt that the lack of information

from the state led them to make more conservative estimates of the state revenue that is needed for their district budgets.

**Practical understanding.** The participants discussed how educating their stakeholders, including the board of directors, about the budget process and providing them with all the information that is necessary to make informed decisions is an important component of the budget process. The idea of educating the board of school directors on budgets and the budget process was a theme that was echoed by many of the participants. Participants reported that some school board directors assume the title without having a lot of experience with school district budgets. Education of the school board in the school district budget process is necessary in order to successfully achieve school board buy in and understanding of school district budgets. Education and communication are needed throughout the budgetary process.

**Balancing priorities.** The budget development process includes making hard decisions to achieve balance. The primary focus of school districts is the education of students. Balancing budgets involves making crucial decisions that may impact student outcomes. The participants discussed the difficulties they experience trying to reduce expenses that have the least amount of impact on educational programs.

**Controlling factor.** The theoretical proposition on which the case study was based, proposes that power, context and relationship can affect how organizational decisions are made (Helms Mills et al., 2010). Both the business managers and superintendents alluded to how power structures in their respective districts play a part in budget development.

First level budget decisions are made by the district administration. A commonality that was expressed by the participants was the need for the superintendent and other senior cabinet level administrators to make decisions on budget appropriations prior to them being presented to the board. The participants in the study acknowledged that some difficult budget decisions are made by their positions prior to the board approving the final budget project. The participants explained that superintendents need to make these decisions before making final recommendations to the board of school directors.

The participants confirmed that although district administration is responsible for the budget development, the board of school directors makes the final decisions. There was some frustration, from the participants, when they explained the challenges that are faced when seeking board approval on budgetary decisions. The participants acknowledged the power of the board and how this power plays out in the budget process.

### **District I**

District I has enrollment of over 5,000 students. The district covers approximately five square miles and serves multiple communities in the covered area. District I is a member of the Pennsylvania League of Urban Schools and has an aid ratio over .5000. District I has the highest aid ratio of all the districts that participated in the study. Districts with higher aid ratios tend to be more reliant on state and federal aid.

**Monica.** This participant is the superintendent of District I. Monica has over 20 years of school district experience. Her background includes being a teacher, principal, and assistant superintendent. She has been the superintendent of District I for two years.

**George.** This participant is the business manager of District 1. George has worked in school district administration as an accountant, assistant business manager, and business manager. He has been the business manager of District I for four years.

**Joint effort.** Superintendents and business managers are responsible for preparing school district budgets. This work is not done in isolation. Preparation of the general fund budget is a complicated process that involves the multiple departments and district stakeholders. When asked about budget preparation and development in District I, Monica and George both explained that the budget process involves teamwork. Monica explained:

I really do depend on the business department to guide me in this. You know, he says to me this is what our expenditures are, here's what our revenue is and then my biggest part of being in the budget process is helping him balance it.

George explained that the budget process not only involves working with the superintendent but also other school district administrators. George explained:

Generally we have a discussion amongst the top administrators of what we're trying to establish and you try to keep your goals for the next year by going by your strategic plan. So that's a lot of collaborative work between the business office and the top administrators and your curriculum department and your special education department.

Collaboration is an important part of the budget development process. Although the superintendent and business manager spearhead the development of the budget, teamwork is needed throughout the process. It is necessary for the superintendent and

business manager to meet with department heads to gather the information necessary to address district needs in the budget.

**Conservative expectations.** Districts that have higher aid ratios received higher amounts of state subsidies than districts that are more affluent. Being able to forecast state revenue amounts plays a large role in budget development. George discussed how his district is reliant on state funding and how the state has been slow and conservative in providing state funding. George explained:

On the revenue side,... the major part of our increase comes from state subsidies, so you're always on, in a stalled pattern or waiting pattern to see what state subsidies you receive. Um, we're a district that depends on state subsidies. There are other districts that are more affluent that don't have that, um, as, as great necessity, a great need for state subsidy increase as we do.

He went on to explain: “Historically, for the last couple of years, the state’s been kind of slow in releasing what the amount’s gonna be. They’ve been kind of conservative.”

In recent years, the state has not provided budget information to districts prior to the district budget adoption deadline. This lack of information has often resulted in district personnel making revenue projections that are more conservative. This lack of information makes balancing budgets more of a challenge for high poverty districts.

**Practical understanding.** The board of school directors has the responsibility of casting the votes needed for the budget adoption. Education of the board members is a necessary step to prepare them to make prudent decisions for the district. Monica described the difficulty educating the board about the budget process, she explained: “It is very difficult to educate them on... why we need this money and where we have to

spend it because all they can hear is that we're raising taxes." George explained how he has learned, in his experiences that the board and the community need to be educated about the budget process. He explained:

The biggest obstacle is trying to educate your board members, educate your community, on how the budget process works. I think that sometimes, that's the biggest obstacle that we have, and I think that people just sometimes want to cut this or cut that, but there are a lot of mandated costs that come with education.

He went on to explain that:

There's a lot of things that people don't know, and that's one of the biggest problems that we have is that you start your process, then when people get involved or people jump on...come into it, you realize that hey, wait a minute, I have to stop. I have to...You have to educate people.

These descriptions help to illuminate the need for board education. Education of the board members, on the budget process and the importance of the budget, is necessary to help them make the best decisions. Being able to provide the school board with the information that they need to make informed decisions should be an integral part of the budget process.

**Balancing priorities.** Participants in the study spoke about how developing the budget also involves making cuts that may affect the learning outcomes of students. More specifically, they spoke about trying to make decisions that would have the least impact on the students that their districts serve. George explained:

On prioritizing, what can we afford? And that, that's the big issue for us is what can we afford? So we'll lay it out to the board, then the...at some point you go

back and the board will, the board will weigh in, and we have a community that weighs in our budget process too. And a lot of times you have community members who say, hey, we would like to have this or we would like to have that. So there's a lot of give and take on both sides and it's more of a collaborative effort, and then, you try to make the best financial and best educational judgement to put a budget together for the students.

Achieving a balanced budget involves making programmatic decisions that could impact student outcomes. Balance needs to be maintained that does not overly tax community residents but still allows students to receive a quality education. Budget development sometimes involves a tradeoff between dueling priorities. District administration is charged with weighing the effects of budget decisions on student learning and leveraging those decisions against the desires of taxpayers.

**Analysis of board meeting minutes.** District I approved its final budget four days prior to the budget adoption deadline, at a regularly scheduled board meeting. After multiple board members' statements regarding budget appropriations and decreases, the budget was passed with eight board members voting yes and one board member voting no. Analysis of the board meeting minutes confirms the controlling factor theme that posits that board members assume and display a power role in the budget adoption process.

## **District II**

District II has student enrollment of approximately 3,500. The district covers approximately 11 square miles and serves four communities. While District II is not a member of the Pennsylvania League Urban schools, their aid ratio is over .5000. This

higher aid ratio signifies the district as a district with higher poverty levels, which requires more state revenue aid than a more affluent district with a lower aid ratio.

**Laverne.** Laverne is the superintendent of District II. Laverne was a teacher for 10 years before making the move to school district administration. Laverne has been at District II for 13 years and has been the superintendent for four years.

**Henry.** Henry is the business manager at District II. Henry has worked in school district business for 16 years. He has been the business manager at District II for four years.

**Conservative expectations.** Districts with higher aid ratios rely on state subsidies to provide necessary resources in their budgets. Not knowing the state budget amounts makes budget development challenging.

Henry explained that his district uses a zero based approach each year and does not carry over budget numbers year by year. When asked how revenue is forecasted in his district, Henry explained: “So to forecast revenue, a lot of times, I’ll look at historical data.” Henry went on to explain: “Yeah, I think primarily, I look at historical when doing the budget. And then any early projections that are provided for subsidies.” In districts with higher poverty, state subsidies provide a significant amount of revenue. Being able to project the subsidy amounts, with any amount of certainty, is a luxury that has not been afforded in recent years.

Laverne explained that:

We use a three-year analysis from the prior year. We try to make our best guesstimate but that's one of the issues is that there are years where we've had to create our budget before the state budget was finalized. That makes it challenging.

One of the challenges for high poverty districts is attempting to forecast state revenue amounts, when the state has not finalized their budget. Not having solid numbers, to use in their budgets, forces districts to make their best guess on the funding level. Early projections, from the state, leads to district “guessing” funding levels and dealing with the fallout of budget deficits if the guesses are incorrect.

**Practical understanding.** The board of school directors is responsible to approve each district budget. Some elected board members come on the board having limited exposure to school district budgets. Educating board members and providing them with the information that is necessary to make an informed decision is crucial for a successful budget process. Henry discussed how providing his school board with information helps to avoid disagreements:

We will do our best to present them with as much data as possible to support why we think maybe a certain initiative should be moved forward. Or even if we have to reduce something. What we’ve tried to do and kind of just started last year is almost giving them a menu of items. Showing them maybe here’s things you can reduce and having them prioritize them. So we try to make the decision as easy as possible. And really it’s just providing them with the data, with that menu.

Educating school board members about budget development is essential. Some board members lack knowledge of the budget and the budget process when they are elected. Board members need to receive education on the budget process in order to effectively make decisions and adopt a fiscally prudent budget.

**Balancing priorities.** The budget development process involves making difficult choices to achieve a balanced budget. School district administrators are faced with

decisions that could impact student education and outcomes. Henry stated: “Where we go first is to say “okay, what are the priorities that will help drive the instruction in the buildings?” Laverne elaborated on how priorities are established in her district. Laverne explained that:

Well, students first. After that, that's really cabinet sitting down and as the budget process progresses looking at our, if we have a budget deficit that we have to recover to be balanced or if we're looking at a year where we don't have as much to recover but our priority is always students and then, of course, maintaining our facilities. We try to, as much as possible; make decisions that don't affect our student achievement and programming.

Remaining student focused during the budget process is a tough endeavor. When faced with budget deficits, it is hard to reduce expenditures, from year to year, that will not affect students. The hard challenges include making cuts that will not affect classroom education, but as deficits continue to grow from year to year, the decisions get more difficult.

**Controlling factor.** The board of school directors has the final say in the budget process. The months long budget development process culminates with the board of school directors providing the final vote. Laverne discussed the how the superintendent merely makes recommendations to the board and they make the final decision:

We make recommendations to the board and they make the final decision. If one of our recommendations is not taken by the board and that's their ... That's why they're the board. They make that final decision. I do present when they disagree.

I try to present the data, try to present the rationale behind it, but eventually it is their final decision.

School district administrators make recommendations to the school board for budget appropriations, tax increases, program changes, etc. The board of school directors has the power to either accept the recommendations or not.

**Analysis of board meeting minutes and video.** District II approved its final budget at a regularly scheduled board meeting, 17 days prior to the budget adoption deadline. The final budget passed with a unanimous vote of all nine board members present. A unanimous vote signifies that all board members were in agreement with the budget appropriations and decisions that were recommended by school district administration. The budget adoption votes confirmed the controlling factor theme, with the board having the ultimate decision making power in the budget process.

### **District III**

District III has student enrollment of over 3,000. District III serves one borough of residents. District III is a member of the Pennsylvania League of Urban Schools and has an aid ratio over .5000. District III has a declining commercial tax base and relies heavily on state aid.

**Norman.** Norman is the superintendent of District III. Norman has worked in District III in a variety of capacities for over 10 years. He has been the superintendent for two years.

**Carol.** Carol is the business manager of District III. Carol has worked in school district business offices for five years. She has been the business manager for District III for half a year.

**Balancing priorities.** Budget preparation includes making hard decisions. After experiencing sharp cuts in state basic education funding, in 2010, some high poverty districts continue to struggle with what expenditures or programs they can decrease in order to balance their budgets. Norman discussed how students come first in the budgetary process. He explained: “Well, our budgetary priorities revolve completely around the students. It’s simple. I try real hard to not cut programs, and if I do, I do so in such a way that it hurts students the least.”

Norman went on to explain how District III has tried not to cut some programs. He explained:

So, we have held on to our music programs and our art program, and our co-curricular programs. However, what we also have done is create a skinny plan for education... We do what we can, but we do it at such a low level.

Carol described how the students in District III have needs such as special education along with coming from low socioeconomic backgrounds and how District III strives to benefit the students with the limited resources that are available:

You don’t come to District III to go make the money you make in other districts. You come because our kids have true needs and you know, you thoroughly understand their needs and are trying to formulate an education for them that’s gonna benefit them in the long run with the dollars we have, unfortunately.

She went on to explain that: “So, I mean, at the end of the day, something’s gotta give, and you know, we just work minimally.”

School districts are being tasked with making programmatic cuts that have the least impact on student programs. These cuts are being made every year and every year

there are fewer programs that are available to be cut. Choices have to be made between steadily increasing taxes on struggling residents or modifying programs to cut costs. In Pennsylvania, teachers cannot be furloughed for monetary purposes but they can be furloughed if a program is modified to require less teachers. These are just an example of the tough decisions that are faced during the budget development process.

**Practical understanding.** While the other districts in the study, proffered the need for board members to be educated about the budget and the budget development process, Norman maintained a contradictory opinion:

I think people in government and the public see school budgets as some kind of mysterious, yet simplistic process and they just have no idea. So this is what I run into all the time. We'll solve the world's problems if we fire all the administrators or pay them \$40,000.00 because all they do is sit behind a desk and push paper anyway. What they don't realize is that that at the end of the day, government budgets are no different than our own personal budgets.

Unlike the other participants in the study, Norman did not see the need to educate board members on budget development. It was Norman's opinion that school district's budgets are essentially no different than personal budgets.

**Controlling factor.** Each district has its own hierarchy. Some budget decisions are made at the building or department level, while some decisions are made by central administration. Norman explained that as the superintendent, his position is responsible for making first line budgetary decisions in his district:

At the end of the day, the business manager is not responsible for the budget. In my opinion, he or she is the CEO and the buck stops here, so I don't blame the

business manager for the single-ply toilet paper. At the end of the day, the business manager makes recommendations, but if it doesn't wash with me, it doesn't go, period.

Notwithstanding the power that the superintendent has on making budgetary decisions, the school board retains the final authority. School district administration presents their final recommendations to the board after months of hard work. Norman went to express frustration with the board of school directors having the final decision making authority:

We get the board involved and I'll be asking the board this year, "Listen, what are you looking for me to shoot for? Do I need to hit a double, a single, or a triple here because...Don't ask me to do one thing and I put a ton of work in to it and then change your mind later.

The day to day, hard work of the budget process is done by school district administration. School district administrators feel frustration, when at the last minute, their hard work can be undermined by school board members who hold the voting power.

**Analysis of board meeting minutes.** District III passed its final budget at a regularly scheduled board meeting, 11 days prior to the June 30<sup>th</sup> budget deadline. Five board members, that were present, voted yes to pass the final budget. Four board members were absent. In order for the budget to be successfully adopted, in this scenario, a quorum of all five members were required to vote yes. Having only five board members present for a budget adoption vote, displays and confirms the controlling factor theme.

## **District IV**

District IV has student enrollment of over 3,000 students. District IV serves four boroughs and covers 11 square miles. District IV is not a member of the Pennsylvania League of Urban Schools. The aid ratio of the district is over .5000, which signifies a reliance on state subsidies.

**Jessica.** Jessica is the superintendent of District IV. Jessica has worked in public education for 25 years at District IV. She has been the superintendent of District IV for five years.

**Dennis.** Dennis is the business manager of District IV. Dennis has worked in school district administration at District IV for 10.5 years. He has been the business manager of District IV for 5.50 years.

**Joint effort.** Developing the school district budget is a time consuming task that requires the input of multiple district stakeholders. The superintendent, along with the business manager spearhead the creation of the budget document. Jessica explained how she works closely with her business manager from November through the final budget adoption:

Dennis and I work very, very closely together on budget development. We meet regularly. Not so much from September, July through September/October, because we're really just finalizing the budget when the board passes it in June. For the next couple of months, we just kind of lay low, but once November comes along Dennis and I start to have those initial conversations. Him and I, he kind of gives me some estimates. Then in January is when our process really picks up, we

start to meet regularly. We have all of our initial rounds of meetings with all departments, with all principals and we do our initial go through of the budget. Jessica went on to say that “we just continue to meet weekly basically from January until the final budget is passed.”

Dennis also explained the teamwork that is involved in the budget process. Dennis described:

I sit with the superintendent, which I will be doing this week, sometime late January, and we sit with the departments and principals. We kind of go over their budgets and they bring their wish list, if you will, anything they might need that is out of the ordinary, so I can look at that. I sit with the superintendent, she and I decide whether they really need that kind of stuff or not. We tweak the budget from February to April, May. Then the board’s active, the finance committee gets really active in the budget process. I would say by April, May, I’m really comfortable that those are actually gonna be my final numbers.

School district budgets are not completed in isolation. Although the business manager and superintendent are the “authors” of the budget, a lot of work of other district stakeholders become part of the final budget document.

**Practical understanding.** School board members are elected positions. Some school board members take their seats on their board without having any prior knowledge of public education. The budget process is one of the most time consuming projects that goes on in the school district. School board members need to receive education on the process in order to make a worthwhile contribution prior to the school board budget vote.

Jessica described how in her district some board members assume their positions having preconceived notions. She explained:

I think that we work with a lot of boards, unfortunately, new members, when they come, come on with preconceived notions. They come on with their opinions and ideas already formed. Sometimes they are incorrect because they just haven't experienced what it's like to work in the realm of public education.

She went on to explain the importance of education of the school board members:

I think that one of the things that Dennis and I have had to do is spend time with our board members to educate them on how the educational world is not like the regular business world and that they're very different entities.

Dennis explained that in the past when they have gotten new board members, they have had to educate them. Dennis expounded:

The board before this one, we had four new members two years ago and that was really tough to educate them. A couple of them wanted to come in on white horse and be the shining knight, knight in shining armor and save the day. That mentality doesn't always work.

Dennis went on to say that: "Basically, this has been a really good board in the last year or two. I think that they've wanted to educate themselves to become better board member. I think it's a good thing going forward."

School board members are elected to either two or four year terms. Turnover of school board members brings new members that may not have direct experience with public education, specifically the budget process. Education of new board and the continuing education of returning members is necessary for the budget development

process. School board members have the responsibility of passing school district budgets and the responsibility includes knowledge of the process.

**Controlling factor.** Superintendents report directly to the board of school directors. In the budget process, it is the superintendent's duty to investigate departmental budget requests for viability. The superintendent presents the final budget document to the school board and recommends the budget for approval. Dennis explained how departmental requests are handled in his district. The participant explained that:

Principals bring some pretty silly stuff to the table, so that is the superintendent just saying, "No, you're not getting that." And that's just the end of that conversation. But as you go up to the next level, the superintendent and I will take all that information and put it into the budget after the meetings and we present it to the finance committee.

Jessica also explained the team effort of working on the budget but explained how ultimately, the final recommendations to the board come from the superintendent. Jessica explained:

Dennis and I do everything behind closed doors. Dennis and I go out there as a team. He looks to me for final recommendations, but it is completely a team effort. If he tells me we can't do this, then I try to figure out another way.

Jessica elaborated that although the budget process is a team effort, her position has the responsibility of presenting the budget to the board of school directors. Jessica explained: "I am the one that does make the final recommendations to the board."

Once the superintendent makes their final budget recommendations to the board, the board has the final say. The board has the option to vote against the budget in its

entirety or disagree with any component of the budget. The board, collectively, holds the budget adoption power.

**Analysis of board meeting minutes.** District IV passed its final budget nine days prior to the June 30<sup>th</sup> budget adoption deadline. Two board members were absent, two board members voted no, and five board members voted yes. The budget adoption vote is one of the most important voting opportunities during the school year. Pennsylvania school code requires that five board members vote in the affirmative on the budget adoption. School budget adoption, by the board of school directors, confirms the controlling factor theme as identified in this study.

### **District V**

District V has student enrollment of approximately 5,500. District V encompasses eight square miles and serves three communities. District V has an aid ratio of over .5000. District V has the lowest aid ratio of the districts that took part in the study and has a stronger commercial base than the other four districts. District V relies on state funding but not to the extent of most of the other districts that participated in the study.

**Ida.** Ida is the superintendent of District V. Ida has worked in District V for 28 years serving in various roles. Ida has been the superintendent of District V for eight years.

**Andrea.** Andrea is the business manager of District V. Andrea has worked in school finance for nine years. She has been the business manager of District V for five years.

**Joint effort.** Regularly scheduled meetings throughout the budget process are required to develop the ultimate final budget. According to what plan a district decides in

the course of budget development, they may have to produce a preliminary, proposed and final budget. Ida explained how the budget process begins in her district:

So we have a calendar, which we integrate our internal calendar with the state mandated calendar under Act 1 and that kind of directs all the individual functions that need to take place. Different people have different responsibilities with the budget. Andrea and I sat down weekly during October to go through what we call our first look budget, which is our projected cost as we get ready to make a presentation to the board to see if they want to pursue a preliminary budget in January and ask for exceptions or not.

Similarly, Andrea explained how she views the budget process in District V:

The superintendent and I pretty much work on our budget all throughout the year in terms of discussing things that we might need to do better for next year or different tidbits of information we get at conferences or different meetings, emails, newsletters, anything like that. We kind of do it all year long and discuss ways to better the budget process. We start technically really getting down to the nitty gritty probably by the end of September, beginning of October, and we go line by line within the expense accounts.

The budget process is, at minimum, a five month process. Throughout the months leading to the final budget adoption, multiple meetings are held to discuss budget appropriations and programmatic decisions. District principals and department heads play a part in developing the final project. Although the superintendent and business manager assume lead roles in the process, budget development involves the district initially working together as a team.

**Conservative expectations.** Developing the school district budget includes forecasting revenue items. In recent years, the state has not adopted a budget prior to the school district budget adoption deadline of June 30<sup>th</sup>. The uncertainty of the funding levels of state subsidies results in district being conservative with their revenue forecasts.

Both Ida and Andrea spoke about the unpredictability of state funding and how that uncertainty affects the budget process in their district. Andrea explained: “It’s kind of an unknown, what you’re gonna get from the state and federal government, until after the budget gets approved, pretty much. They give you the estimated or the quote unquote projected numbers.” Andrea went on to say: “That’s kind of a big guessing game with that.”

Ida also commented on the need to be conservative when forecasting state revenue numbers: “Now we’re very, especially the way the state budgeting works, we’re very conservative with our revenue forecasting. So we would rather underestimate revenue than overestimate.”

When reliable revenue numbers are not available, gaps in revenue have to be filled by other sources. The lack of information from the state leads school district administrators to make conservative guesses about the level of funding. Guessing about the state funding levels leads to overestimation in most cases.

**Practical understanding.** Education of school board members helps to prepare them for making informed budget decisions. Both Ida and Andrea explained how communication with and education of board members is crucial to the budget development. Andrea explained:

It's more just having a further in depth discussion to clarify and have it so that they can understand because I know if you don't work in the school district environment, it's hard to grasp some of the procedures and policies that we have to follow whether it's from school code or PDE or wherever the rules might be. We do certain things and make certain decisions based on what we know we're allowed to do whereas a board member who volunteers their time might not fully understand why went a certain direction with the budget or with whatever the decision might have been.

Ida explained that:

And I think that's the biggest piece that's a strength in our budget, is that we communicate with those players that are involved, and that part of the process is essential. That communication piece is huge. Because the more people understand, then the better they can communicate and articulate to others.

Educating school board members about the budget and the budget process helps them to understand the process prior to school budget adoption. In order to make knowledgeable decisions, board members should be afforded the opportunity to learn more about the process.

**Analysis of board meeting minutes.** District V passed its final budget 25 days ahead of the budget approval deadline. One board member was excused from the meeting. The eight members that were present voted unanimously to approve the final budget. A unanimous vote usually signifies that all board members are in agreement with budget appropriations and decisions. The controlling factor theme was confirmed with the school board members having the final say in the budget adoption process.

## **Business Managers' Perspective**

**District VI.** District VI has student enrollment of approximately 12,400. District VI encompasses eight square miles and serves three communities. District VI has an aid ratio of over .6000.

**Bradley.** Bradley is the business manager of District VI. Bradley has worked in school finance for seven years. He has been the business manager of District VI for one and half five years.

**District VII.** District VII has student enrollment of approximately 11,300. District VII encompasses approximately 11 square miles. District VII has an aid ratio over .7000, the second highest of the participants in the study.

**Frank.** Frank is the business manager of District VII. Frank has worked in school finance for 14 years. He has been the business manager of District VII for over 10 years.

**District VIII.** District VIII has student enrollment of approximately 3,400. District VIII encompasses approximately five square miles. District VIII has an aid ration of over .8000, the highest of the participants in the study. As such District VIII is very reliant on state aid.

**Edward.** Edward is the interim business manager of District VIII. Edward has worked in school finance for 32 years and he has served as the interim business manager of District VIII for 2 years.

**Conservative expectations.** The uncertainty of state funding levels is a concern during the budget process. In districts where state subsidies form a significant amount of revenue, the uncertainty of funding makes revenue forecasting difficult.

Bradley spoke about how not having a state budget is one of the factors that make it difficult to make informed budgetary decisions. Bradley explained:

You don't have a state budget. You may not have a state budget. Um, I won't have an IU budget, so I mean, a lot of it is guesswork. We don't know what our level of retirements are going to be. We don't know what our second look in medical is going to be. Um, so there's a lot of factors that are going to make those numbers change and bring that number down. Where actually it's going to land, we won't know until probably about April, with some level of confidence.

Frank explained that in the past, they would base their state funding projections on historical trends, but after the significant reductions of state revenue in the past, they no longer project any increases in state funding. Frank expounded:

Well, years ago we used to ... we trended it out. At one point we used to say, hey, whenever the governor was giving the stamp proposing, we actually would build that into the budget. And then the big deficits happened in 2010, 11, and 12. So we stopped doing that, and what we do is we keep it status quo from the basic ed because we get a little more than 50% of our funding comes from state. So, we don't get that now, we just say hey, here's what it is, here's what the governor's proposing. We never add it in our projections, we just let them know how much more it could be.

Being able to adequately forecast state funding levels is especially necessary for districts that experience higher poverty. State subsidies account for high percentages of the revenue that is necessary for the survival of high poverty districts. Districts need to have the real budget numbers from the state prior to approving their district budgets.

**Balancing priorities.** Students are the most important stakeholders in the budget process. School district personnel are charged with the duty of making decisions to that benefit students. When faced with budget deficits, decisions need to be made that could have a detrimental impact on student programming. Participants spoke about the importance of addressing student needs. Bradley explained: “Last year, our revenue components were coming in much higher than anticipated. Recommendations were then made to advance the instructional needs of the students.”

Frank also discussed the how the budget process is focused on students in his district. Frank explained how his district assigns budgetary priorities:

So the cabinet team refines them, but it's from a lot of input not only from the strategic plan, it's in line with the strategic plan, but it's also built on what schools need. Because, through the budget process, we meet with every school. We understand their staff every year, make sure we understand what's coming and going from the kids' standpoint throughout the community, that they have equitable resources.

Edward explained the difficulty that comes with trying to reduce expenses while also being cognizant of the needs of students:

Well, again, District VIII is unique in that one thing that happens is I've been involved on that for about three years and implementing every cost reduction imaginable. The superintendent has only been there six months, so the superintendent comes in and needs to understand the critical importance of continuing to implement cost reductions that might be counterintuitive to the superintendent's instructional initiatives. The best example is the vocational ed. It

was eliminated a few years ago because it was very high cost per student. Now the superintendent wants to restart it and the question is, how are you going to afford it? So I bring that stuff to the superintendent's attention as diplomatically as possible, but there's a healthy tension there for sure because of the financially distressed situation.

Dealing with budget deficits includes making the hard decisions that could affect student programs. District personnel have to remain aware of the affect that budgetary decisions may have on student programming and make the appropriate decisions.

**Practical understanding.** Educating the board members about the budget and the anticipated results of budget decisions is an important part of the budget process. Frank explained how he looks at the budget process and how he needs to keep his board members informed. He explained that:

I'd probably say in '07 I was more of about the numbers and accounting and kinda here it is, where now it's more about, really I think of us as financial, more like a financial investment service financing firm, and I think of the business office as a hedge fund if you will, so probably not the best term but our job is to... to think of the board members as industries in the community, our job is to educate them on where those investments should go and where they're gonna get the best bang for the buck. So I really have changed my mind structure from just the accounting standpoint to really how do we inform our constituents or our investors, if you will, that these are the right investments to make and here's what's gonna happen when you make those investments, here's what happens not only next year but

over time, here's why we feel it's important to put these dollars in these different places because this is what we're trying to do.

Being able to explain the budget process to the board and how different decisions will impact educational programming is necessary for the board to appreciate the ramifications of budget resolutions. Giving the board members all of the pertinent information, along with any potential complications of budget cuts will help them to make the most informed decisions.

**Controlling factor.** Participants spoke about how although the work of developing the budget ultimately lies with district administration, the board of school directors has the final say. Bradley explained:

Despite repeated attempts to identify what the tax rates, what tax rate they want during the year, they have not opined. So I went out with a final budget, for example, I went out with a final budget last year of an increase of 2.89%. They decided it was too high and lowered it to 2.79% and that was on June 20<sup>th</sup>. And that was just them saying, “oh, no 2.89, just do 2.79”, and then that was it. But there had been repeated meetings and repeated discussions with no input from the board.

Bradley went on to say: “The board’s ultimately the boss.”

The board of school directors may not be involved in the budget process as deeply as the district superintendent and business manager but they hold the final vote. The board of school directors hold the formal voting power. They ultimately can unravel months of hard work by district administration and this causes feelings of frustration among school district administration.

## **Summary**

The participants in this study described the process that they use to develop and negotiate their general fund budgets. The participants spoke of the multiple meetings that are needed in the process with the multiple stakeholders. They also spoke of how some uncertainties affect the budget process and the need to balance priorities. Furthermore, they discussed how some individuals display power during the budget process and how education of board members on the budget process is important.

## Chapter 5

### Discussion & Implications

Recently, legal mandates and legislative reforms have compelled states to increase state expenditures to more adequately fund education (Steinberg & Quinn, 2015). Over the past two decades, education in Pennsylvania has experienced dramatically different funding climates (Steinberg & Quinn, 2015). Pennsylvania school board members and administrators face an increasingly difficult challenge due to decreased state funding, flat local revenue and rising mandated costs, such as pension costs (Bruck & Miltenberger, 2013). A critical issue for education leaders, in the foreseeable future, will be the pressure to reduce costs without sacrificing student achievement (Bruck & Miltenberger, 2013).

The purpose of this qualitative, case study was to explore how business managers and superintendents in Pennsylvania school districts work together to develop adequate and equitable school district budgets in a time of funding inequity and uncertainty. Specifically, I sought to understand how business managers and superintendents make decisions, navigate organizational power and negotiate budgets that seek to balance student needs with the requirements of the board of school directors. The work reported here was guided by four research questions:

1. How do business managers and superintendents in high poverty districts negotiate annual school budgets while addressing the issues of organizational power and the social inequality promoted by persistent funding inequity?
  - a. How does this negotiation take into consideration students' needs?

- b. How does this negotiation take into consideration the requirements of school board directors?
- c. In what ways do business managers and superintendents act to balance these two considerations to address funding inequities?

Eight business managers and five superintendents, currently serving in high poverty districts in Pennsylvania, participated in the study. Data were obtained via interview questions and document review. The goal of the research was to explore and capture the experiences of the participants. As a result of the analysis, five themes were identified: joint effort, conservative expectations, practical understanding, balancing priorities, and controlling factor. The following chapter provides a discussion of the findings related to each research question, situated in the current, relevant discourse. There is also a discussion regarding the relationship of the conceptual framework. This chapter will conclude with a discussion of the implications of the research for practice, policy, leadership, and additional research.

### **Discussion of the Findings**

This study explored high poverty districts in the state of Pennsylvania. Pennsylvania was the single case, with the multiple districts as the embedded units (Yin, 2003). This study explored the comparative nature of the experiences in each district. The embedded units added opportunities to extensively analyze and enhance insight into the experiences of superintendents and business managers in Pennsylvania high poverty districts (Yin, 2003).

**Conservative expectations, joint effort, and controlling factor.** The first research question asked how business managers and superintendents negotiate annual school budgets while addressing the issues of organizational power and the social inequality promoted by persistent funding inequity. This question was answered by the participants explaining; how they handle uncertainty in the budget process, how corroboration is an important factor during budget negotiation, and the effects of power during the budget process.

*Conservative expectations.* It was discovered that lack of certainty about revenue levels led to many of the participants making conservative estimates or guessing about levels of state funding. The lack of information about state funding levels, when high poverty districts rely heavily on state aid, was a cause of frustration for many of the participants. Communities that do not possess sufficient taxable wealth to fund their schools rely on state level intervention (Malin, 2016). Consistent with this literature, the participants confirmed that their district's reliance on state subsidies resulted in overestimations of state funding in the absence of final state revenue numbers. Participants weighed the importance of state funding to their district and how the uncertainty of that funding affects their budget decisions. However, the findings from this study did not fully illustrate what measures the participants take to counteract this uncertainty.

This study extends the literature that asserts that there is a need for new approaches to maintain fiscal sustainability for Pennsylvania school districts (Bruck & Miltenberger, 2013), as the participants lacked answers as to what methods were available to them to counteract the uncertainty of state funding. Overwhelmingly, the

participants noted a lack of available options that would allow them to offset the shortfalls in state funding levels. In the absence of reliable state funding levels, the participants were left with options that either included raising property taxes or curtailing educational programs. The issue of stalled state funding has persisted since 2011 and has resulted in districts making drastic decisions, which included not filling vacant teacher positions, increasing class sizes, and cutting language and arts programs. Studies have shown that shortsighted education funding decisions do not fully consider the future impact of those decisions (Neher, Patterson, Duffield, & Harvey, 2017). Educational program changes, such as increased class sizes and elimination of language and music and arts programs can have long term detrimental side effects for students, including lower graduation rates (Neher, Patterson, Duffield, & Harvey, 2017).

*Joint effort.* The participants explained how budget development included working with many departments and district stakeholders throughout the process. The participants discussed the teamwork that was necessary to develop the general fund budget. The participants further elaborated that while the budget process was spearheaded by the superintendents and business managers, the inclusion of other district staff was important in the process. The joint effort theme supports the literature of Bird et al. (2009) and Bird (2010) who explained that school finance provides superintendents an opportunity to build trust among stakeholders and exert effective leadership. The superintendents assumed the leadership role in the budget development process and bore the responsibility of making the final recommendations to the board of school directors. The budget development process, as described in each district, was a process whereby leadership functions were disseminated throughout various departments. Specifically,

building level administrators were charged with preparing budgets to address the needs in their individual buildings. Cabinet level administrators evaluated the building level appropriations for adequacy and made suggestions to the superintendents. In doing so, the budget process allowed the opportunity to share and spread leadership functions across individuals and roles throughout the school organization (Diamond & Spillane, 2016; Louis et al., 2013; Spillane et al., 2004). Therefore, this study contributes to the literature by asserting that distributive leadership can be used as a means of improving the practice of leadership.

Furthermore, the participants in the study reported that budget development required the knowledge and input from other district stakeholders. The collaboration that was reported during the budget development process supports the construct of social capital that is a component of a local education agency's capacity (Spillane & Thompson, 1997). The tenets of social capital – trust, trustworthiness, collaboration, and a sense of obligation – form the underpinning of the budget development process (Spillane & Thompson, 1997). Social capital occurs when norms and habits of trust and collaboration facilitate efforts to work together (Spillane & Thompson, 1997). The participants revealed that the collaboration during the budget development process was built on a system wherein they relied on the superintendent to further the collective goals of the district.

The participants in the study described how their budget development process stretched over the leaders of the district and multiple stakeholders as they worked toward a common goal, consistent with the literature on distributed leadership (Spillane et al., 2004). Moreover, this finding corroborated the literature on school administrator

leadership and relationships that suggested that successful leaders have the ability to understand group member's abilities and make the best decisions under given circumstances (Williams & Kersten, 2013). Specifically, the participants explained that the superintendents were largely former educators and understood the programmatic needs of the district better than the business minded business managers. The superintendents depended on the business managers to provide the financial ramifications of budget decisions whereas the business managers relied on the superintendents to provide the necessary input on academic programs and needs.

The participants also explained how the business manager position works closely with the superintendent throughout the budget process. Williams and Kersten (2013) explained that school business officials serve as critical members of school district leadership teams, consistent with the joint effort theme in this study that showed that the business manager was an integral part of the budget development process along with the superintendent and other district stakeholders. Therefore, this study contributes to the limited research that focuses on the role of the school business official, by highlighting the importance of the school business manager in the budget development process and offering insight in to the plight of school business officials in high poverty districts.

***Controlling factor.*** The participants explained how there was a hierarchy within the budget process that manifested itself with the superintendent making first line budget decisions. This finding was consistent with Brazer et al. (2010) who explained that the superintendent is responsible for the strategic decision making of school districts. The participants noted that the superintendent held the responsibility of making all budgetary recommendations to the school board. This finding also extended the literature that stated

that the superintendent's power and dominance is a major factor in the collaborative nature of decision making (Brazer et al., 2010). In the hierarchy of the school district administrators, the superintendent holds a position of power over building and central administration. Although the superintendents modeled collaboration in the budget process, they also held the power to veto or advance departmental requests.

Additionally, the controlling factor theme corroborated the literature from Bird et al. (2009) who explained that only the superintendent possessed the positional authority to access the power domains of the school board. The participants acknowledged that the superintendent maintains the direct line to the school board members. They also described that in most instances; only the superintendent wields the authority to make recommendations directly to the school board.

Moreover, this finding corroborates the literature on superintendent and school board relations, specifically, the identification of both the school board and the superintendent as critical actors in school district governance (Petersen & Short, 2001). The participants explained the school board members held the position of "boss" in the district. The budget process highlights the power that both the superintendent and the school board members have in the district. The superintendent possesses the first line authority to approve or deny budget appropriations that are presented by department heads and central administrators. The superintendent also retains the authority to recommend the adoption of the completed budget document to the school board members. The school board members have the final authority to accept the recommendations as presented by the superintendent. Consequently, the budget process

illuminates the authority of both the superintendent and school board members in district operations.

**Balancing priorities.** The second research question asked how student needs were taken into consideration during the negotiation of the annual school budget. This research question was answered by the participants explaining the processes that were undertaken to address student needs in the budget process. The participants explained that students are a priority in the budget process and that the goal of any reduction is to have the least impact on students. The participants explained that trying to balance the budget involves making decisions that don't affect student achievement. Furthermore, the participants spoke of contemplating the effects of budget decisions on student learning and leveraging those decisions against taxpayer burdens. The balancing priorities theme coincide with a pervasive notion in the literature that due to the severity of fiscal challenges that school districts are facing, good financial decision making strategies are critical, in conjunction with the leadership of the superintendent (Bird et al., 2009; Bruck & Miltenberger, 2013). As stated earlier, the business managers rely on the instructional background of the superintendents when considering revisions to instructional programs. The business managers in this study noted that they sought assistance and affirmation from the superintendents prior to contemplating any programmatic changes. They elaborated that the symbiotic relationship between their position and the superintendent provided the balance that is necessary in the budget development process. While the business managers were focused on the financial impact of their decisions, the superintendents provided the curricular acumen that is needed when addressing budget reductions that may impact student programming.

**Controlling factor and practical understanding.** The third research question asked how the budget negotiation process takes into consideration the requirements of the school board. This question was answered by the participants explaining the power that school board members have in the budget process, while also addressing the need for school board members to have more training on the budget development process.

*Controlling factor.* The participants explained that the superintendents had the responsibility of making recommendations to the school board, but further clarified that the board members were ultimately in control and responsible for the final budget vote. The participants elucidated that, in most instances, the board members had limited participation in the budget process outside of voting on the adoption of the vote. The participants recognized the power of the school board and how that power manifests in the budget adoption process. This is evidenced in the lack of collaboration between business managers and the board, a board that often has little knowledge of budgets or training, found both in this study and in other studies (Lee & Eadens, 2014). The participants described how they were responsible for developing the budget from start to finish but the final ruling on the budget was out of their control. This corroborated the literature that asserted that although the budgeting process increased the involvement of different stakeholders, that participation did not translate into equal influence or power (Goertz & Hess, 1998). Regardless of the amount of effort that was undertaken by various stakeholders in the budget process, the school board members retained the power realm. According to a research study on the motives and power of school board members a “power over” paradigm existed whereby people located at the top of organizations exhibited hierarchal power over policies and program (Brunner & Schumaker, 1998;

Mountford, 2004). This “power over” paradigm is evidenced in this study by the power that the school board members hold in the budget process. The school board members are viewed as the de facto authorities of the school district and as such hold the power in the budget approval process.

***Practical understanding.*** The participants described how board members assume their positions having preconceived notions. The participants also acknowledged that board members lacked experience in public education. This finding is consistent with Lee and Eadens (2014) who explained that school boards are expected to professionally govern school districts while only receiving minor amounts of professional training. While the participants accepted the fact that the budget adoption is contingent on buy-in from the board, they expounded that board members have limited exposure to school district budgets and corroborated existing literature that calls for school board members’ training in order to be effective and productive (Lee & Edens, 2014; Rice, 2010). The participants expressed a need to educate board members on the budget process to allow them an opportunity to learn the nuances of school district finance. Moreover, this finding extends the literature of Korelich and Maxwell (2015) who proffered that effective professional development is needed in order for school board members to understand their roles and forge sound decisions regarding the district. School board members are entrusted with the power and authority to govern school districts while receiving little to no instruction on their role or the multifaceted processes that they must unswervingly support and ultimately vote upon.

While there is research that posits that there is a need for overall governance training as opposed to sessions dedicated to specific topics or information (Plough, 2014),

the research contained herein denotes the need for training specifically related to the budget development process. This study illuminates the need for school board members to receive targeted training on the budget development process and their overarching role in that process (Lee & Eadens, 2014). In order for school board members to make well-reasoned decisions on the budget, they need to receive formal training on the process.

**Balancing priorities.** The fourth research question asked how business managers and superintendents act to balance student needs with the requirements of school board directors during budget negotiation. This question was answered by the participants explaining the challenging decisions that are necessary to meet board requirements while also being cognizant of student needs. The participants explained the difficulties that were experienced as they considered budget reductions that may impact student programs. Furthermore, the participants spoke of the need to collaborate among multiple departments in order to make the best financial and educational judgements for students, consistent with literature that has highlighted the importance of collaboration in the budget development process (Bird et al., 2009).

Participants described how the scarcity of resources available in their districts has resulted in the need to scale back programs in an effort to conserve current resource levels. They also alluded to doing more with less in efforts to retain financial solvency, meet the requirements of the school board, and provide a quality student education. The balancing priorities theme confirms the literature that indicated that schools district officials are forced with the struggle of making hard budgetary choices and sacrifices (Malin, 2016). Participants elaborated that during the budget process, when they have had to make programmatic cuts to meet the requirements of the school board, they have tried

to make reductions that have the least impact on student programs. Specifically, the participants noted that they are approaching a point when the sustainability of programs has become more difficult.

### **Theoretical Framework**

Critical sensemaking was developed building on the framework developed by Weick (Thurlow & Helms Mills, 2000). The critical sensemaking approach has been used as a tool to provide insight in to organizational culture (Helms Mills et al., 2010). Critical sensemaking assumes that the individuals who possess more power in organizations also possess the capacity to exert additional influence on the sensemaking of organizational members (Helms Mills et al., 2010). This framework highlights the influence of organizational rules on individuals (Helms Mills et al., 2010). It also provides a framework that seeks to understand how individuals make sense of their environment while acknowledging the broader societal context of power relation (Helms Mills et al., 2010). Critical sensemaking offers insight into organizational identities and seeks to address the unequal balance of power in the sensemaking process (Thurlow & Helms Mills, 2000).

This study was guided by critical sensemaking, a theoretical framework that takes into consideration the issues of power and context and shifts focus to how organizational power and dominant assumptions privileges some identities over others and creates meaning for individuals (Helms Mills et al., 2010). Critical sensemaking provided a lens to analyze the power relationships that were present in the school districts and to examine the consequences of the effects of school board members' power for the participants (Helms Mills et al., 2010).

The data affirmed the theoretical framework and demonstrated the school board members' privilege and influence over the participants. As the final authority in the budget making process, the board members instilled a sense of decreased importance for the participants. The participants' reflections on the budget process revealed the obscurity that they experienced after budget development.

This study makes a worthwhile contribution to the body of research on critical sensemaking by using critical sensemaking theory to explore how the concepts of power and context affected the relationships between the superintendent, business manager, and school board members. This study contributed to the discourse on fiscal inequity that is prevalent in Pennsylvania school districts while using critical sensemaking theory to analyze the use of power in school district budget decision making and negotiation. Prior to this study there existed a gap in the literature that used critical sensemaking as a theory to analyze school district decision making in relation to budget issues and fiscal inequity.

### **Implications**

**Policy.** Based on the results of this study, high poverty school districts, which rely heavily on state funding, need to be able to rely on the amount and availability of state funding. More specifically, school districts have a deadline of June 30<sup>th</sup> to adopt their annual budgets. Receiving definitive budget information from the state prior to the deadline would eliminate the need for conservative estimations and guesswork for district budgets. In addition to requiring states to provide reliable budget information in a more timely matter, changes to the school funding formula would also provide additional funding to districts with higher poverty. Since the advent of this study a new formula has

been instituted but the amount of funding that flows through the new formula has not significantly been addressed.

Therefore, based on the findings of this study, I recommend that legislation be introduced that provides a way to fund the new formula more equitably to allow higher poverty districts to benefit from increased funding. Consequently, students in higher poverty districts will have access to the same quality of resources as students who reside in more affluent districts. Using business managers as policy entrepreneurs to pursue the changes necessary to secure adequate funding will allow business managers the opportunity to offer their unique insights on the situation and how it effects their organizational culture (Helms Mills et al., 2010).

I recommend that policies and procedures be put in place that will assist in facilitating the legislative assistance that high poverty districts need as opposed to hastening their descent to financially distressed status. As identified in the context of this study, high poverty districts continue to be affected by decreases in state were instituted in prior years. I recommend that in the pursuit of educational equity, those decreases be reinstated.

**Practice.** Based on the results of this study, it was found that school board members would benefit from additional education on the budget process. It was noted by the participants that education of the board members would help them to make more informed decisions relating to the budget. School board members receive very little preparation prior to assuming their role. I recommend that school districts find a way to stress the importance of the budget making process to their board members. Therefore, I assert that school board members should receive concentrated training on general fund

budget development and the importance of the process. Currently new school board members receive a one day training to learn about their roles and responsibilities. I recommend that in addition to the basic training, they receive an in depth workshop that educates them on the budget process, school district laws and mandates, as well as exposure to the elements of school finance.

I recommend that the workshop be tailored similar to the workshop sessions offered by the Pennsylvania Association of School Business Officials. These workshops would be held over the course of four weeks to allow sufficient training on the relevant topics that school board members need to be aware of prior to assuming their positions. Former or current business managers, who possess the expertise in each content area, should facilitate the workshops.

This study illuminates the need for increased school board member education. After all, school board members are elected for two or four year terms and each possess the responsibility of making multiple complex decisions throughout their tenure. Since board members do have the final say in the budget process, they should receive additional education that will ultimately allow them to make better more informed budget decisions.

**Research.** According to the findings of the study, high poverty districts are working “minimally” to provide students a quality education. However, the extent to which students are being affected is not immediately clear. I recommend that future research explore the effects that staff reductions and program changes have on student outcomes. A quantitative, explanatory study would provide the opportunity to study the possible effects that staff reductions and program changes may have on student outcomes.

Based on the findings of this study, school district administrators in high poverty districts are continually faced with the prospect of curtailing or cutting academic programs in order to balance budgets. This practice cannot continue without drastically impacting the future educational endeavors of the students that are educated by these districts. Therefore, I recommend that future research explore the effects that drastic budget cuts have on academic programming in high poverty districts.

High poverty districts are on the cusp of being designated as districts in financial distress and subject to state takeover. Although the data in this study did not shed light on ways to avoid being labeled as under financial distress, I recommend that further research be done to provide options to assist high poverty districts with financial sustainability.

Although issues with teacher hiring and retention was not a direct finding of the study, high poverty districts offer lower salaries than their more affluent counterparts. Further research is recommended to assess the potential teacher quality gap that may be present in high poverty districts (Goldhaber et al., 2015).

Additionally, I recommend that further research be done on the role of the school business manager, there was a definitive gap in the literature that explains the multi-tiered role of the school business manager. I recommend that additional research be conducted on the role as well as the relationship between the business manager and the school superintendent. While there exists literature that examines the relationship between the school superintendent and the school board, there is a gap in the research on the business manager role. The business manager undertakes the lead financial roles in school district administration and I recommend that further research be conducted on the position and its necessity to school district finance and school districts.

**Leadership.** Considering the findings of this study, educational leaders should strive to create more equity in education funding. It is recommended that educational leaders continue to collaborate with legislators to promote the need for educational equity in Pennsylvania school districts. Furthermore, educational leaders should search for ways to further publicize the need for equity in public education. I recommend that further advocacy is needed to highlight the plight of educational leaders in high poverty districts. I recommend that establishments, such as the Pennsylvania League of Urban Schools, continue and further their efforts to address the financial issues that are faced by Pennsylvania's urban school districts.

The findings from this study can be used to engage state legislators on the unique needs of high poverty districts. This study can help educational leaders to initiate discussions about fair funding. Social justice leaders can use this study to initiate conversation about the issues facing high poverty districts and the students that they serve.

This study illustrated how distributed leadership in the budget development process improved the leadership practice of the participants (Spillane et al., 2004). I recommend that distributed leadership be used as a tool to extend leadership practice within educational organizations. Specifically, the sharing of leadership functions and responsibilities in organizations will increase collaboration and promote effective leadership practice. The distributed perspective of leadership practice can be used to highlight the interdependencies that exist across educational organizations (Diamond & Spillane, 2016).

## **Conclusion**

The purpose of this qualitative case study was to explore how business managers and superintendents in Pennsylvania school districts work together to develop adequate and equitable school district budgets in a time of funding inequity and uncertainty. Eight business managers and five superintendents from Pennsylvania school districts participated in a semi-structured interview that explored the experiences that they encountered in the budget development process. School board meeting minutes and videos were also analyzed as a means of observing the outcomes of board votes.

It was found that business managers and superintendents experienced frustration with the lack of timely information that they receive in terms of state funding. High poverty districts are heavily reliant on state funding and not receiving information about state funding levels prior to the adoption of their budgets was a cause of frustration. School district officials were forced to guess state funding levels or make very conservative estimates, which could in fact lead to reductions of programs in order to balance budgets.

It was found that the budget process was definitely a team effort in each district. Furthermore, it was found that superintendents and business managers work closely together throughout the budget process. The superintendent did possess power over the budget process as they were the ones responsible for making recommendations to the school board.

Additionally, it was found that the power that the school board wields over the budget process was an area of contention. The adoption of the budget is left up the board of school directors, whom most participants felt lacked the necessary knowledge to make

such decisions. Therefore the study found that school district board members need education on the budget process to assist them with making more informed decisions.

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