

**BUDGETING PRACTICES OF SCHOOL DISTRICT LEADERS IN NEW YORK
STATE SINCE 2009**

**A Doctoral Research Project
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Assistant Professor John W. Johnson
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**Brett M. Miller
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Brett M. Miller

Date of Signature

John W. Johnson
Assistant Professor of Education
Doctoral Research Committee Chair

Date of Signature

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Since I began my career in education nearly twenty years ago, I have always aspired to achieve my doctorate. As a young boy, I always remember loving school. From the time I remember, I deeply enjoyed my friends, learning, my teachers, and coaches. From the beginning my parents instilled the importance of education and the difference it makes in people's lives.

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ABSTRACT

As the fiscal situation in New York State in 2009 worsened due to the Great Recession that began in 2008, pressure increased on school district leaders. In New York, reduced revenues and increased school accountability measures intensified pressures on system leaders in public education. This study seeks to examine how and in what ways school budgeting has changed since 2009. This study explores the personal perspectives and experiences of New York State superintendents and school business officials in the budget building process during fiscally difficult times and how these factors correlate to Bolman and Deal's (2013) organizational frames. This study interviews school superintendents and school business officials in six school districts from three distinct regions in New York State. This study seeks to expand upon and contribute to prior research and literature on school budget decision making by school district leaders in times of fiscal distress.

There are five key findings from this study. First, school district leaders acknowledged that on the job experience was essential to their abilities to manage school district budgets in times of significant crisis. Second, school superintendents are perceived as the key budget decision makers in school districts. Third, school budget decisions are perceived to be driven by and aligned to school district goals in times of economic crisis. Fourth, since 2009 New York's school districts have lost extensive revenues that have resulted in changed budget practices. Lastly, federal, state, and local factors have affected the school district budget choices.

This study has implications and recommendations for lawmakers, superintendents and school districts, and further study. There is critical information for lawmakers considering changes to mandates and school board members in districts making important hiring decisions in the future. Also, superintendents and school districts should consider these steps when

reviewing decisions regarding school budget processes and ultimately decisions. Finally, further study and analysis of the efficacy of superintendent decision making in fiscally constrained times with respect to student achievement in the context of federal and state legislative mandates and also high needs capacity school districts are warranted and necessary.

Key words: reduced resources, fiscal constraints, experience, leadership, mandates, district goals, environmental factors

CHAPTER 1: INTRODUCTION

Budget cuts in times of reduced resources have been addressed through educational research in a number of ways. Since 2009, due to the Great Recession, resources in New York State (NYS) public education have been constrained (DiNapoli, 2013; NYSED, 2013; NYSSBA, 2013). Beginning with the 2009 public school budget cycle, school districts increasingly face reduced revenues and increased costs. Consequently, school system leaders make difficult budget decisions to keep school district goals moving forward. School systems need to find ways to adapt to these changes in ways that do not compromise the ideals of public education.

Education leaders are entrusted to make careful decisions that prepare students for a complex and rapidly changing world. To this end, school district budget cuts in times of great uncertainty need to be done with educational goals in mind in spite of the pressures that continue to challenge decision making processes.

Research Problem

This study emerged from the pressures exerted on decision makers due to reduced resources and legislation since 2009. In NYS, decreasing revenues, declines in state aid, and strict accountability standards, have triangulated to intensify pressures on system leaders in public education (DiNapoli, 2013; No Child Left Behind: A Desktop Reference, 2002; NYSED, 2013; NYSSBA, 2013).

The researcher used literature and research to analyze school budgeting practices. A literature review was conducted to evaluate how school budget decisions were made before and after 2009. Budget decisions in six school districts in NYS through personally conducted interviews were explored. The researcher sought and analyzed to what extent the budget decisions were aligned to the goals of the district through interviews with participant school superintendents and school business officials (SBO). Participants were asked what strategies

were used and to what extent they have changed since 2009. Lastly, the researcher gathered information and analyzed the environmental variables impacting school budgets at the federal, state, and local levels. The researcher examined these decisions through a series of research questions designed to uncover emergent patterns and themes.

In the fiscal climate since 2009, it is imperative that school district leaders make budget decisions to their fullest potential in order to increase student achievement. The decisions have the potential to create sound fiscal environments that enable educators to deliver high quality education to students in NYS.

Research Questions

The qualitative study was based on five research questions:

1. How have superintendents and school business officials made budget decisions since the economic downturn in 2009?
2. What role did the superintendent and business official play in the decision making process for making the school budget in times of fiscal constraint?
3. How did superintendent and school business officials perceive their resource allocation decisions to align with district goals and impact student achievement?
4. What budgeting strategies were used in the budget development process during challenging fiscal times?
5. How did federal, state, or local factors affect the strategies used to make budget decisions?

Purpose of Study

The purpose of this multi-site case study was to examine how and in what ways budgeting changed since 2009. This study explored the personal perspectives and experiences of

NYS superintendents and SBOs in the budget building process during fiscally difficult times. A qualitative research design used interviews of superintendents and SBOs in six NYS school districts. The study included school districts from three distinct regions of NYS with low and average resource capacity needs.

Context of Study

The research suggested that five key topics ultimately influenced the budget decisions by school districts. They were: how have budget decision protocols changed since 2009, who made the decisions, how decisions were related to district goals, what strategies were used to reduce budgets, and environmental factors that influenced those decisions (Abshier et al., 2011; Rubio-Cortes, 2012; Senge, 2000; Taibi-Lewis, 2011; Waters et al, 2007; Witt, 2012; Zeehandelaar, 2012).

Budget decisions in fiscally difficult times.

This multi-site case study addressed school districts' ability to balance budgets in the context of fiscal pressures. One fiscal pressure is the Gap Elimination Adjustment (GEA) that since 2010 has reduced school aid by nearly \$8.5 billion (NYSSBA, 2013). The second is the tax levy limit passed by the NYS legislature in 2011, whereby property taxes levied by school districts cannot generally increase by more than two percent, or the rate of inflation, whichever was lower (DiNapoli, 2013). These legislative acts make the fiscal decisions facing school superintendents and SBOs challenging.

To manage change in an environment that has transitioned from fiscally stable to unstable placed demands on district leaders. NYS superintendents and SBOs were asked to manage change that resulted from the reduced resources since 2009. A focal point of the research was to address how leaders managed the changes.

School budget decision makers.

Literature spanning the last 20 years indicated that superintendents were central to the decision making processes in school districts across the United States (Abshier, 2011; Taibi-Lewis, 2011; Witt, 2012). However, in school districts with greater than 2,000 students, superintendents worked with others, most notably SBOs, to build school budgets (Kowalski, 1999). Therefore, SBOs were included in this analysis. Because schools with more than 2,000 students are less inclined to have unilateral decision making processes (Kowalski, 1999), the study included districts that ranged from 3,000 to 5,500 students. Literature showed that superintendents employed successful strategies to balance budgets in economically stressful times (Taibi-Lewis, 2011) and when facing new accountability measures.

Accountability measures on NYS school districts intensified after it won the federal Race to the Top (RTTT) grant funding. Superintendents could not rely on strictly traditional measures to address budget deficits (Kanappel & DeYoung, 1999; Odden & Picus, 2008). Literature revealed that superintendents were more powerful than school boards during the budget cycle and were the drivers of the decision making process (Bird & Wang, 2011; Witt, 2012; Zeehandelaar, 2012). In order to manage the complexities school superintendents needed to understand money management, school finance law, and problem solving (Abshier, 2011; Dlott, 2007, p. 112). The agenda and strategies for the process were typically within the control of the superintendents and ultimate responsibility rested with them.

Budget decisions related to school district goals.

The analysis addresses the extent to which budget reduction decisions were aligned with school district goals. Previous research showed that superintendents aligned their budget decisions with the interests of the students (Grogan & Smith, 1999). However, literature also

contended that some budget decisions were detrimental to students and schools and can be poorly done when based on the same assumptions used in fiscally superior times (Shakotko & Walker, 1999). As such, the ability to make both fiscally prudent and academically viable decisions were necessary to maintain school district financial solvency without compromising the interests of students.

Factors outside of the control of school superintendents influence budget decisions by school district leaders. Literature suggested that school districts can maintain fiscal solvency and act in the best interests of students (Kowalski, 1999; Zeehandelaar, 2012). Specifically, they reduced spending on teachers or cut expenditures in areas such as instructional programs, materials, transportation, and non-teaching staff (Kowalski, 1999; Zeehandelaar, 2012). Budget decisions in these areas ultimately, either directly or indirectly effected students

Strategies used in school budgeting.

In a typical budget cycle, school buildings, pupil services, and operational components are separated into divisions and receive discreet allocations (Hartman, 1988). Literature indicated that beginning in the late fall, preliminary meetings are organized by the superintendents as part of highly coordinated efforts to build balanced budgets based on revenue and expenditure projections by working with stakeholders both inside and outside of the school organization (Abshier, 2011; Taibi-Lewis, 2011; Witt, 2012). The study addresses these cycles and the extent to which these cycles were altered since 2009.

Literature indicated that historically, school leaders used strategies such as teacher layoffs, salary reductions, and educational program cuts (Burbank, 1971; Collins & Lucove, 1982, Hansot et al., 1984) to meet revenue shortfalls. Often, these traditional strategies compromised the quality of education of the schools with increased discipline issues, larger class sizes and

student teacher ratios, and an overall reduction in student achievement (Cohen & Duke, 1983). Leaders in the past were reluctant to reduce academic programs, extra-curricular activities, and faculty and staff and some chose to target areas such as special education costs (Taibi-Lewis, 2011). In part because of the mandates of the No Child Left Behind Act (NCLB) and the Race to the Top (RTTT) grants, district's need to keep student achievement moving towards established New York State Education Department (NYSED) and federal goals (Gao, 2011)

School superintendents are not only the financial stewards of their district, they also guide their district's vision and carry it out through their goals. Literature indicated that in order to create a climate that schools can thrive and grow, strong leadership was paramount (Martin-Kniep, 2008; Senge, 2000). Peter Senge (2000) argued that this took place when a learning orientation was adopted by all teachers, administrators, and school community members. Fundamental to this belief, were the five disciplines including developing personal mastery, creating shared mental models, establishing a shared vision, engaging in team learning, and systems thinking (Senge, 2000). In order to embed this model of organizational change, three nested systems of activity in the classroom, schools, and school community must work synergistically for the benefit of the school district (Senge, 2000). As such, in times when the fiscal and mandate pressures are challenging, the budget in and of itself becomes an expression of the values of the organization.

Superintendents with the guiding support of the SBOs, were charged with developing a guiding vision from which all decisions were made. Superintendents had the ability to develop a vision that combined the needs of the school district with fiscal realities (Hoyle et al., 2005b). Superintendents learned and worked with others including their faculty, staff, school community stakeholders, and others in leadership positions (Duckworth, 2008; Houston & Eadie, 2002;

Senge, 2000; Wilmore, 2008) to craft district visions and goals before and throughout budget processes. A shared purpose held organizations together in difficult times and was used by superintendents to implement difficult organizational changes (Martin-Kniep, 2008). If the purpose was wrapped around student achievement, strong leadership facilitated increased student achievement (Waters et al., 2007, p. 3). In times of fiscal distress, effective school leaders focused supports on the appropriate leadership practices to drive the learning orientations within their school districts (Hoyle et al., 2005b; Martin-Kniep, 2008; Senge, 2000; Waters et al., 2007). Well-developed goals that rested under a guiding vision helped school districts through difficult times through increased focus.

Environmental factors influencing budget decisions.

Literature showed that resource allocation decisions were influenced by environmental factors, including federal, state, and local. In recent decades, interest groups became increasingly involved in education at all levels of government (Bjork & Lindle, 2001; Salisbury, 1992; Spring, 1998). Interest groups have created environmental pressures that played a role in school board elections, budget votes, curriculum, and legislation (Opfer, et al., 2008). Over the last five years in NYS, environmental factors impacting school budgets were present at the federal, state, and local levels of decision making.

In February 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA) that included the Race to the Top Program. RTTT was:

Designed to encourage and reward States that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers; and implementing ambitious plans in four core education reform areas. (United States Department of Education, 2009, p. 2)

With the passage of ARRA and its inclusion of RTTT, New York's Legislature passed a statute looking to secure one of the large block grants. "On Friday, May 28, 2010 the New York State enacted historic new legislation that will not only improve educational opportunities and outcomes for our state's students and teachers" (NYSED, 2010). Following this legislation, the competitive federal RTTT grant was awarded to NYS and signed into law soon after. RTTT was the largest competitive grant ever offered by the United States Department of Education (NYSED, 2013) of which New York was awarded \$700 million. RTTT required the implementation of a new teacher and evaluation system, raised the charter school cap from 200 to 460 schools, and enabled persistently low-performing schools to enter into contracts with educational partnership organizations (NYSED, 2013). RTTT was intended to improve schools but had implementation costs that would impact school budgets in NYS.

An environmental factor facing NYS school districts was reduced state aid from the NYS Legislature. In 2009-2010 New York's Legislature enacted the Gap Elimination Adjustment (GEA). The GEA reduced state support to school districts to close the state budget gap and through 2013 has reduced aid to school districts by nearly \$8.5 billion (NYSSBA, 2013). Concurrently, the Legislature in 2011 established a tax levy limit that affected all local governments and school districts exclusive of the Buffalo, New York City, Rochester, Syracuse, and Yonkers city school districts (DiNapoli, 2013). Tax reformers in NYS supported the change, "recognizing the rapid growth in already high property taxes was fueling New York's negative tax climate reputation, Governor Cuomo and the NYS Legislature enacted NYS's first ever property tax cap" (NY Works, 2012). In this political context, the failure of school districts to remain within the levy limit required district voters to approve local budgets with a supermajority 60% vote (DiNapoli, 2013). Thus, superintendents had to contend with reduced

resources driven by factors beyond their immediate control. Fiscal solvency was a priority for superintendents and has been more difficult to achieve in New York since 2009.

Some literature suggested that the competing forces of school boards, superintendents, and teachers unions influenced spending decisions did not always result in the alignment of goals to spending decisions (Zeehandelaar, 2012). Strategies used to influence budget decisions included contacting board members, survey data, organizing teachers, community awareness campaigns, online campaigns, letter writing, and speaking directly at board meetings in a public forum (Kollman, 1998; Opfer, et al., 2008; Poole, 1999). Studies broadly supported that school districts were political and school boards and superintendents were partially motivated by their control over certain aspects of the school districts (Bjork, 2008; Lutz & Iannaccone, 2008). In the context of the school budget, resources can be influenced by special interest groups.

Contextual summary.

The multi-site case study analyzed decisions made by school district leaders that was framed by literature on the subject. The peripheral research indicated that budget decisions made during difficult fiscal times could be done judiciously without compromising student achievement and discipline (Abshier et al., 2011; Rubio-Cortes, 2012; Senge, 2000; Taibi-Lewis, 2011; Waters et al, 2007; Witt, 2012; Zeehandelaar, 2012). However, the choices were influenced by environmental factors that superintendents and SBOs needed to wisely manage as they strove to increase achievement and maintain fiscal solvency (Bjork, 2008; Bjork & Lindle, 2001; DiNapoli, 2013; Kollman, 1998; Lutz & Iannaccone, 2008; NYSSBA, 2013; Opfer, et al., 2008; Poole, 1999; Salisbury, 1992; Spring, 1998; Zeehandelaar, 2012).

Significance of the Study

The research presented in this qualitative study isolated the resource allocation decisions in six low and average need capacity school districts in NYS. The researcher sought to ascertain if the decisions made in the greater than 3,000 student districts were made collaboratively and how the processes in each compared. The researcher inquired if the budget cut decisions were aligned with district goals and to what extent environmental factors influenced the decisions. Since significant fiscal pressures have occurred since 2009, increased attention on the decisions due to high stakes accountability measures were analyzed through the lens of the qualitative study. The qualitative study gave context to key decisions and highlighted thought processes that led to key decisions in school districts. By analyzing decision makers and their decisions, education professionals were able to assess their own decision making with greater focus and intensity.

Conceptual Framework

As stated earlier, the main purpose of this study was to examine how and in what ways NYS school district budgeting has changed since 2009 due to fiscal uncertainty. Bolman and Deal (2013) provide a framework for examining the school district budgeting changes since 2009. The framework was built around four frames from which organizational decisions were made. The frames included a: structural frame, human resource frame, political frame, and symbolic frame. This study applies Bolman and Deal's (2013) framework to the multi-site case study that was conducted through interviews and supporting literature.

This study focused on the processes used to determine how budgeting has changed due to fiscal uncertainty. Frames were used to filter out the decisions that were made and helped order the participant responses that were given during the research process. The structural frame

emphasized goals, specialized roles, and relationships that existed in NYS school districts. Given the profound changes that have occurred since 2009, the structural frame allowed the researcher to view the problems that arose when the structure did not fit the situation. The human resource frame viewed people in organizations, provided insight into how to build organizations to meet human needs, and built positive interpersonal and group dynamics to get the job done. The political frame examined how organizational leaders understand power and conflict, built coalitions, and honed political skills. Thus, political forces on budget decisions since 2009 were examined. The symbolic frame provided insight into how leaders and managers shaped culture, created organizational drama for internal and external audiences, and built organizational spirit through various measures.

In order to effectively answer the research questions, the interview data were analyzed using Bolman and Deal's (2013) four frames.

Definition of Terms

Environmental factors: Factors that influence school budgets at the national, state, and local levels including legislation, political environment, and local special interest groups.

Need/resource capacity: a measure of a district's ability to meet the needs of its students with local resources (NYSED.gov, 2014).

Resource allocation decisions: The spending decisions made by school districts during the budgeting process.

School business official: The name given to the primary business official in the interviewed districts. The school business officials have different titles in various school districts.

Scope of the Study

The scope of the study focused on the superintendents and SBOs in six school districts, located in NYS with average to low need resource capacities. The interviews, documents, and literature review were used to uncover patterns and motivations behind key resource allocation decisions since 2009. Individuals covered within this research included superintendents and SBOs.

Limitations and Delimitations of the Study

This study was limited to the perspectives, opinions, and perceptions of the school superintendents and SBOs who participated in the study. It was taken into consideration that the participants' answers to the questions were not entirely complete, due to the sensitive nature of the budget decisions made in their respective districts. Also, the responses may have been limited due to the lack of professional relationships with the researcher. In addition, the inability of all of the participants to authoritatively discuss the budget process in their current district since 2009 was due to the fact that they had not all assumed their positions since that date. The participants in some cases drew upon their experiences in prior districts. Each superintendent and SBO had job specific experience building budgets both prior to and since 2009.

The study was delimited in that it focused only on NYS school superintendents and SBOs in low to average need resource capacity school districts. The sample size was small and, therefore, findings cannot be generalized to all school superintendents and SBOs from low to average need capacity school districts in NYS. In addition, the participants involved in resource allocation decisions may have had divergent viewpoints and experiences from those working in high needs rural or urban settings that have greater poverty and fewer community financial resources for their students. Additionally, the data were primarily gathered from interviews.

The conclusions in this study were drawn from interview data and public resources inclusive of district documents and state reports. The data were not drawn from witnessing closed door budget meetings, board of education meetings, or community forums.

Organization of the Study

The research presented in this dissertation is organized into five chapters:

- Chapter 1 introduces the study including the background, statement of the problem, questions, terms, scope and limitations of the research.
- Chapter 2 explores through a literature review provides relevant research in the field and was aimed at highlighting the gap in this research.
- Chapter 3 includes the methodology and approach of the research.
- Chapter 4 analyzes the research and informs the conclusions and findings.
- Chapter 5 presents the conclusion.

Summary

In this chapter, the researcher provided an overview of previous studies related to the resource allocation decisions since 2009. The researcher sought to identify who made decisions and how decisions were made in school district with greater than 3,000 students. In addition, the researcher analyzed the extent to which the decisions were aligned with district goals and the extent to which the decisions were influenced by environmental factors. The significance of the study was stated, a definition of terms was provided, and limitations and delimitations of the study were noted.

In Chapter 2, the researcher reviews literature that pertained to budget decision makers, strategies for decision making, budget choices relative to district goals, and environmental factors that influenced decision making.

CHAPTER 2: LITERATURE REVIEW

Since 2009, due to the onset of the Great Recession in October 2008, the fiscal climate has been challenging as NYS school district leaders contend with reduced resources and new mandates. NYS schools are challenged by K-12 reforms in curricula, instruction and assessments, federal RTTT grant funding with explicit federal mandate criteria, state and local resistance to tax increases, and decreased state aid to school districts. The challenges facing school district leaders, in particular school superintendents and SBOs, are numerous (DiNapoli, 2013; NYSSBA, 2013).

This chapter explores the literature regarding school district resource allocation decisions in times of fiscal constraint and change. Prior research explicitly linked to decision making in fiscally difficult times is limited. In an effort to understand what the driving forces behind district resource allocation decisions have been, books, dissertations, journal articles, studies, and scholarly papers were reviewed. The literature review focused on budget reduction strategies, who was responsible for making these decisions, the role of school superintendents and SBOs in decision making, budget strategies related to district goals, and environmental factors that effected decisions made.

This chapter is organized around seven key topics: (1) School Budget Decisions in Fiscally Challenging Times; (2) School Budget Decision Makers; (3) Budget Decisions Related to District Goals; (4) Budget Reduction Strategies; (5) Environmental Factors Impacting Budget Decisions; (6) Bolman and Deal's Leadership Frames; and (7) Summary and Conclusions.

School Budget Decisions in Fiscally Challenging Times

School administrators have faced increased pressures since 2009 due to increased costs and reduced revenues (Brown & Cornwell, 2000). Therefore, for school districts and school

superintendents, the district budget caused great stress and was the source of their most serious challenge (Glass & Franceschini, 2007; Hayes, 2001). Literature spanning the last 20 years indicated that superintendents were central to the decision making processes in school districts across the United States (Abshier, 2011; Taibi-Lewis, 2011; Witt, 2012). Superintendents formulated budgets, provided information, and budget recommendations to their school boards in all fiscal climates (Dlugosh et al., 1996).

School superintendents were responsible for large budgets inclusive of revenue collection, budgeting, fiscal oversight, and federal and state statute and regulation compliance (Hartman & Stefkovich, 2005). However, in school districts with greater than 2,000 students, superintendents worked with others such as SBOs to build the school budget (Kowalski, 1999). Research indicated that superintendents needed financial knowledge to facilitate and oversee the budget process that was expected from the school board and public (Kowalski; 1999). SBOs were included in this analysis due to the fact that the size of the schools being studied larger than 3,000 students. Superintendents and SBOs needed financial and programmatic knowledge as they pertained to district goals.

Research described school budget building as a highly prescriptive process requiring a highly coordinated effort that the superintendent organized to create the budget (Edwards, 2007). Traditionally, superintendents along with school boards built budget calendars that articulated the goals of the meetings to take place (Hartman, 1988). In a typical budget process, schools within the district were separated into the division budget and received discreet allocations, along with requirements from other departments and groups such as transportation, food services, and others were also discovered (Brimley, Burrup, & Garfield, 1996; Hartman, 2007; Kowalski, 1999). The superintendent worked with the school board and budget team and decided the needs

for the each division, constructed and organized the budget goals and objectives for the divisions, and developed a budget that met those objectives and goals (Brimley, Burrup, & Garfield, 1996; Kowalski, 1999).

Superintendents were at the center of the budget development process (Abshier, 2011; Taibi-Lewis, 2011; Witt, 2012) and in times of fiscal crisis superintendents continued to assume this role. Effective money management was crucial to the success and survival of school districts (Abshier, 2011). This reality required school leaders to “exhibit an understanding of school finance including data management, budget creation, budget management, legal aspects of managing resources and problem solving” (Dlott, 2007, p. 112). Schools in challenging times needed to increase student achievement due to the imposition of accountability mandates (Kanappel & DeYoung, 1999; Odden & Picus, 2008). As fiscal pressures have mounted, superintendents needed to make decisions that not only established a sound fiscal position but also moved student achievement forward.

School Budget Decision Makers

While many believed school boards drove decision making processes in schools, research indicated that superintendents drove the budget development process (Bird & Wang, 2011). Superintendents in large school districts delegated the daily budget responsibilities to the business manager; thus, they needed to have honest and trustworthy business officials (Edwards, 2006). Although daily operations were entrusted to the SBOs, superintendents needed to be equipped with the requisite skills for success in the budget making process. According to a 10 year study completed in 2000 by the American Association of School Administrators, school finance was the largest challenge superintendents faced (Edwards, 2006). In fact,

superintendents cited that fiscal constraints most hindered their professional efficacy (Glass et al., 2007).

As decision makers in fiscally challenging times, superintendents with support from SBOs, were forced to make difficult decisions. At the local level, decisions were often driven by cuts made by state lawmakers with aid reduction, further impeding their ability to manage the educational needs of the students (Glass et al.; 2007; Zeehandelaar, 2012). They reduced spending by cutting the teacher workforce or expenditures in areas such as instructional programs, materials, transportation, and non-teaching staff (Zeehandelaar, 2012). The literature demonstrated how political power was exerted by competing forces including school boards, superintendents, and teachers unions in attempts to influence resource allocation (Zeehandelaar, 2012). Although these groups were highly influential in budget decisions, superintendents were more powerful than school boards and were typically more effective working with stakeholders to establish the priorities for the budget cycle (Witt, 2012; Zeehandelaar, 2012). Superintendents who worked in large school districts had less control of the day-to-day operations on financial matters but were the key decision makers in school districts (Bird & Wang, 2011; Carter & Cunningham, 1997; Kowalski, 2006; Taibi-Lewis, 2011; Witt, 2012; Zeehandelaar, 2012). Implications of this research for budget reduction strategies were that superintendents had power at the local level and were capable of driving both the budgeting processes and decisions.

Budget Decisions Related to District Goals

Superintendents and SBOs faced many pressures when building school budgets. Traditional literature showed that school budget cuts included faculty and staff, educational programming, and operational costs such as transportation, security and energy often to the detriment to student discipline, higher teacher student ratios and declining student achievement

(Burbank, 1971; Collins & Luove, 1982; Hanson et. al, 1984). More recent literature suggests that superintendents who focused on the value of each budget choice, helped the entire organization understand the overall goals and mission of the school district (Maguad, 2007). Superintendents tried to align their decisions to what were in the best interests of the students in their schools (Grogan & Smith, 1999). However, some budget cut decisions did not work out and were poorly done and many such decisions were often derived from fewer options available to superintendents due to fiscal constraints (Shakotko & Walker, 1999).

Peter Senge's *Schools That Learn* (2000) provided a perspective that asserted that schools can thrive and grow, "it is becoming clear that schools can be re-created, made vital, and sustainably renewed not by fiat or command, but by taking the learning orientations" (p. 5). Senge argued that by embracing a learning orientation, schools were effective. To do this, all teachers, administrators, and school community members needed to develop the capacity to learn. This indicated that superintendents and SBOs need to be open-minded and flexible when faced with challenges.

Senge's earlier work outlined the use of five disciplines central to the learning orientation. The five disciplines were developing personal mastery, creating shared mental models, establishing a shared vision, engaging in team learning, and systems thinking. He organized his model for organizational change into three nested systems of activity that were the classroom, the school and the school community (p.11). Senge did not offer a specific plan for schools to follow, but believed that trial and error approach was best. He asserted that leadership drove organizational success. Superintendents who ran effective schools led superior performance that depended on superior learning (Senge, 1992). Thus, budget decision making that linked to collaboratively developed goals should be researched further.

Giselle Martin-Kniep in *Communities that Lead, Learn and Last* (2008) asserted that the ultimate goal of education is keeping organizations moving forward through shared learning. Martin-Kniep (2008) suggested that conditions need to be created that support the professional learning community environment that creates a vision and focus. Organizational success was built around participation, learning opportunities, alignment of individual and organizational work, relationship between the communities work and its supporting organization, and disposition of practice. A shared purpose for the betterment of the school held the concept together and it was the community that held the culture, history, and mission together (p. 78).

Tim Waters, Robert Marzano and Brian McNulty (2007) asserted that effective leadership in schools increased student achievement. Through meta-analysis of research, Waters et al. (2007) identified 21 leadership responsibilities that were significantly associated with student achievement (p. 2). These responsibilities were marshaled into a balanced leadership framework that provided a roadmap for leaders to positively impact student achievement (Waters et al, 2007, p. 2). The framework was developed based on 30 years of quantitative research, an exhaustive literature review, and the collective experiences of the research team (Waters et al., 2007). Research found a statistical correlation between leadership and student achievement. School districts achieved desired results if systems leaders developed leaders and focused supports on the appropriate leadership practices that drove the learning orientations in their district (Waters et al., 2007). Strategies that embraced balanced leadership principles helped build consensus in all times including the fiscally challenging. School leaders facilitated change through leadership and sound decision making through the budget process.

Since strong leadership effected positive outcomes for schools, renewed focus was placed on the efficacy of budget cuts in fiscally challenging times (Grogan & Smith, 1999; Rubio-

Cortes, 2012). Organizations managed to promote fiscal sustainability by changing the culture of the organization to emphasize partnerships with district staff, building public trust and increasing organizational fiscal awareness (Rubio-Cortes, 2012). Fiscal strategies in times of declining public funds, led some leaders to establish a more inclusive budget process made up of community stakeholders (Rubio-Cortes, 2012). With this more inclusive approach, leaders built fiscally sustainable models, trust, district wide fiscal literacy among stakeholders, and long term strategies for fiscal sustainability (Rubio-Cortes, 2012). The implications are that budget cut decisions do not need to undermine district goals and do not correlate necessarily with achievement declines.

Budget Reduction Strategies

School leaders face the challenge of managing change from a sound financial base prior to 2009 to a less sound base since. William Bridges (2009) addressed change in *Managing Transitions: Making the Most of Change*. Bridges (2009) identified three phases of the transition process that focused on helping people through the change process.

Ending, losing or letting go of the old ways is the first element of change. At this stage, many people reacted with a range of emotions including fear, anger, denial disorientation, and uncertainty. Bridges encouraged leaders to listen empathetically and communicate openly to get employees through the initial change process. Secondly, Bridges (2009) said that employees enter the neutral zone knowing that change is coming, but still may experience resentment, low morale and productivity, anxiety, and skepticism about the change. However, at this stage Bridges (2009) pointed out that employees begin to be enter a phase of creativity, innovation and professional renewal. In order for leaders to get through the neutral zone, Bridges implored leaders to foster a spirit of entrepreneurship where intelligent failure is accepted, quick feedback

is given, and short-term wins are celebrated (para. 1156). Lastly, Bridges coined the “new beginning” stage where beginnings are marked by a release of new energy in a new direction (2009, para. 1213). This stage creates openness to learning and group commitment. Reduced resources since 2009, have compelled superintendents to make difficult budget choices that often lead to significant changes in school district operations (Grogan & Smith, 1999; Rubio-Cortes, 2012). The substantial change represented by the fiscal realities since 2009 necessitates that school leaders embrace change and look for ways to improve their organizations.

Although power is disproportionately vested in school superintendents, budget reductions can be driven by local and external forces. Reductions have resulted from federal and state aid reductions driven by fiscal realities facing governmental entities. Some school leaders employed successful strategies to balance budgets in economically stressful times (Taibi-Lewis, 2011). Increasingly, superintendents were looking at anything in the process that did not add value for school districts (Foster, 2007) to balance budgets with fewer resources. In education, waste was harder to see since the largest expenditure was knowledge work that was difficult to quantify (Maguad, 2007).

Because resources are constrained, identifying areas to cut is challenging. Superintendents preferred not to reduce programs and sections, extra-curricular programs, faculty and staff, or consolidate programs but they sought to reduce special education costs (Taibi-Lewis, 2011). Strategies have historically included teacher lay-offs, salary reductions and/or educational programs to be cut (Burbank, 1971; Collins & Lucove, 1982, Hansot et al., 1984). Historical research indicated that the results of these budget cuts increased discipline issues, larger class sizes and student teacher ratios, and reduced student achievement (Cohen & Duke, 1983). It is in the interest of current school leaders to look for alternative strategies to cut

budgets and generate revenues. Recent findings showed that skillful superintendents developed strategies that increased school budget income, such as analyzing state funding systems and looking for out-of-state transfer students, to create ways to maintain quality programming for students (Abshier et al., 2011)

Since 2009, the context for budget building changed. Prior to this and since, strategies were used to maximize efficiencies to build budgets. In NYS in part due to the GEA in 2009 and the NYS tax levy limit in 2011, school district leaders built budgets with fewer resources. Leadership strategies to build school budgets to overcome NYS political decisions, meet voter approval, and meet student needs became more difficult. Literature showed that changes in income had an effect in the likelihood for budgets to pass or fail (Ehrenberg et al., 2004). Extrapolated, when economic conditions were good there was a greater likelihood for budget success (Ehrenberg et al., 2004).

Earlier research asserted that superintendents dealt with forces more complex and threatening than their predecessors (Carter & Cunningham, 1997). Before and since 2009, federal and state legislatures have at times chosen to reduce resources for public schools. Gao (2011) noted that school superintendents since 2009 managed dwindling resources with simultaneous mandates for greater achievement and accountability. Both earlier and more recent literature indicated that superintendents and other budget decision makers needed to be skilled in seeing the trends (Carter & Cunningham, 1997, Gao, 2011).

In the 1990's, state legislatures used budget surpluses to fund public schools and provide property tax relief. Research showed, that cuts in property taxes by boards in the 1990's were not sustainable over time (McCarthy Snyder, 2003). The lack of sustainability was due to additional spending on education required by federal and state mandates, economic fluctuations

that effected a state's ability to aid schools, and the desire for local control of spending (McCarthy Snyder, 2003). Furthermore, research suggested that per-pupil expenditure was statistically related to differences in student achievement (Gao, 2011). Consequently, school leaders who faced potential funding losses that potentially hindered student achievement needed to be focused in their decision making.

Strategies to overcome reduced resources varied. In schools with declining revenues, school superintendents who tried to improve the financial well-being of their school districts increasingly relied on the resources available to them (Abshier et al., 2011). One management strategy utilized state funding systems to their advantage (Abshier et al., 2011; Taibi-Lewis, 2011; Witt, 2012). School officials skilled at accessing funding streams such as shared services with other school districts, special education reimbursement, and others helped their district overcome reduced resources.

Environmental Factors Impacting Budget Decisions

Factors outside of the control of school superintendents effected budget decisions made by school district leaders. At the local level, school districts had two courses of action to maintain fiscal solvency and raise student achievement. Specifically, they reduced spending on teachers or cut expenditures in areas such as instructional programs, materials, transportation, and non-teaching staff (Zeehandelaar, 2012). Fiscal solvency in recent years was also driven by budgetary pressures faced by state and national governmental pressures.

Federal factors.

Federal accountability measures intensified since NCLB in 2001 forced strict accountability measures on public schools (No Child Left Behind: A Desktop Reference, 2002). NCLB increased the role of federal government in determining outcomes for students and school

systems and held states and school districts accountable for student performance. Additionally, superintendents were required to meet the demands of the RTTT federal grant that was awarded to New York in 2010. Inclusive in the ARRA in 2009, were \$4.35 billion in education grants that prompted the competitive process for the RTTT monies (NYSED, 2009). RTTT was the largest competitive federal grant program ever offered by the United States Department of Education (NYSED, 2013). New York was awarded \$700 million (NYSED, 2013). A total of 50% of the funds went directly to school districts and charter schools and the remaining 50% of the state's award was used to implement state-level initiatives to benefit all districts (NYSED, 2013). New York's RTTT application signed into law by the Governor in May 2010 included the following that directly affected school budgets:

1. Established a new teacher and principal evaluation system that made student achievement a substantial component of how educators are assessed and supported.
2. Raised New York's charter school cap from 200 to 460 and enhanced charter school accountability and transparency.
3. Enabled school districts to enter into contracts with educational partnership organizations for the management of their persistently lowest-achieving schools (NYSED, 2013).

The teacher and principal evaluation systems along with the new student achievement systems based on the RTTT provisions made budget reductions more challenging. The evaluation systems created new line items in budgets such as the APPR and the implementation of the Common Core Learning Standards (CCLS).

New York state factors.

In 2009-2010 the NYS Legislature enacted the Gap Elimination Adjustment (GEA). It reduced the state support to public schools to help close the state's budget gap (NYSSBA, 2013). The process allocated aid to school districts and took away a portion of that aid through the GEA (NYSSBA, 2013). GEA stated that if the amount of state aid that flowed to schools exceeded the projected growth in the state's personal income, then the GEA was increased (NYSSBA, 2013). This contained the overall growth within legislated limits. If programmed state aid increases were less than the limit established by growth in the state's personal income, or if lawmakers wanted to exceed the state aid cap, they lowered the GEA (NYSSBA, 2013). Generally, unless the Legislature and governor enacted a provision, the GEA continued at the previous year's levels (NYSSBA, 2013). Schools in New York continued to receive reduced state funding levels in the form of total state aid. The GEA effected school districts and constrained fiscal resources for school districts to implement programs and serve pupils.

GEA reduced state aid to schools budgets from 2010 through 2014 by nearly \$8.5 billion (NYSSBA, 2013). An average of nearly \$12.6 million per district over the four-year period was reduced compared to school funding legislation before 2009 (NYSSBA, 2013). Cuts in state aid to schools caused many districts to reduce educational programs and staff. For instance, according to a survey conducted with the NYS Association of SBOs, 64% of districts cut teaching positions in their 2012-13 budgets, while two-thirds of them cut non-teaching positions (NYSSBA, 2013). In addition, 53% of NYS school districts increased class sizes, 44% reduced electives and 36% reduced or eliminated extracurricular activities such as athletics (NYSSBA, 2013). Because GEA was a part of NYS law, it will remain in effect until it is amended by state lawmakers. The GEA has significantly reduced resources in NYS.

In 2011, Chapter 97 of the Laws of 2011 established a tax levy limit that affected all local governments and school districts in NYS except New York City and the dependent city school districts of Buffalo, New York City, Rochester, Syracuse, and Yonkers (DiNapoli, 2013). Under this law, the property taxes levied by affected local governments and school districts generally cannot increase by more than 2%, or the rate of inflation, whichever is lower (DiNapoli, 2013). The law did allow school districts to levy an additional amount for certain excludable expenditures and an override of the levy limit was also permitted (DiNapoli, 2013). School districts who exceeded the allowable limit needed to seek a voter override to approve the budget by a 60% vote (DiNapoli, 2013). This legislation fiscally limited school districts.

Local factors.

Locally, findings showed that political power was exerted by the competing forces of school boards, superintendents, and teachers unions to influence resource allocation. These groups were highly influential in school budget decisions (Zeehandelaar, 2012). Zeehandelaar's (2012) major findings were: powerful unions were not vocal but rather invited to act from within; boards of education were not powerful in comparison to superintendents and teachers unions; superintendent's power was determined by that ceded by the board and permitted by the public; and environmental conditions decreased resource value and strategy effectiveness for power groups. Budget decisions were often motivated and influenced by factors other than student achievement. Research showed that alignment of resources to the goals of the school districts was not always a key factor in determining where money was allocated (Zeehandelaar, 2012).

School budgets contained programs that were planned for the future, the amount of revenues that were anticipated, and the amount of expenditures that were expected (Kowalski,

1999). Revenues often changed dramatically from year-to-year and even during the current fiscal year. School leaders were not always able to accurately predict what happened throughout the whole school year when costs for items and services increased or decreased and needed to be careful that there was not a large shortfall or surplus in the budget because the community viewed them as not being able to effectively handle a budget (Kaplan & Owings, 2006, Kowalski, 1999).

Bolman and Deal's Leadership Frames

Bolman and Deal's (2013) *Reframing Organizations: Artistry, Choice and Leadership* provided a model to assess the decision making processes of superintendents and SBOs who participated in the research study. Bolman and Deal's (2013) framework model has been applied to all types of organizations and provided a lens to understand decision making in multiple contexts.

Bolman and Deal's (2013) structural frame allowed readers to view a school district as a collective whole. This approach emphasized the achievement of goals and objectives through rational decision making, efficiency through division of labor, policies and procedures creation and analysis, and systems (Bolman & Deal, 2013).

The human resource frame of Bolman and Deal's model (2013) viewed organizations as a family comprised of individuals with unique abilities, needs, and limitations (Bolman & Deal, 2013). Leaders who utilized the human resource frame brought together the needs of the individuals with those of the organization (Bolman & Deal, 2013). Leaders who favored this approach believed that organizational effectiveness depended on quality of interpersonal relationships within the organization that were used to empower and satisfy employees (Bolman & Deal, 2013).

The political frame was characterized by competition, persuasion, and power. This frame asserted that results are attained by leaders given a finite amount of resources (Bolman & Deal, 2013). This frame showed organizations as places where there were:

- coalitions of individuals and interest groups;
- enduring differences among coalition members;
- important decisions that involved the allocation of scarce resources;
- conflicts that were central to the organization that made power the important resource; and
- goals and decisions that arose from bargaining, negotiation and jockeying for position among stakeholders (Bolman & Deal, 2013).

Lastly, the symbolic frame utilized metaphors, stories, and rituals in an attempt to inspire the organization to achieve its full potential (Bolman & Deal, 2006, Bolman & Deal 2013). In the symbolic frame, leaders created a vision for their organization and used rituals, ceremonies, stories, heroes, and myths to inspire the organization rather than relying on rules, policies and managerial power (Bolman & Deal, 2013).

Superintendents and SBOs were capable of working within Bolman and Deal's (2013) four leadership frames (Ward, 2006). Bolman and Deal (2013) asserted that all frames were important and that none is more necessary than another. Structure, people, power, and symbols were all important elements of effective leadership (Bolman & Deal, 2013). Bolman and Deal's (2013) conceptual lens provided a way to examine the budget decision making and decisions of participant NYS superintendents and SBOs since 2009.

Summary

Despite the lack of literature that existed regarding NYS school district leaders and budget decisions since 2009, the research indicated that budget decisions made during times of economic stress can be done judiciously without compromising student achievement and discipline (Abshier et al., 2011; Rubio-Cortes, 2012; Senge, 2000; Taibi-Lewis, 2011; Waters et al, 2007; Witt, 2012; Zeehandelaar, 2012). School district leaders who operate in a difficult fiscal context can affect positive change. Setting clear goals and aligning budget decisions with goals has the capacity to change school culture and initiatives within individual districts. Knowledgeable superintendents and SBOs in large school districts can develop budgets that balance local, state, and national pressures that enable their districts to progress towards their goals.

Through the lens of Bolman and Deal's (2013) four organizational frames, the study seeks to answer five research questions. This study provides school district leaders with information related to the budget process in difficult fiscal times. Superintendents and SBOs in six NYS school districts were interviewed in order to identify emergent themes related to the difficult fiscal times faced since 2009. Chapter 3 of this study includes a description of the methods used to collect and analyze the data found in this study.

CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY

In order to develop an understanding of if and how budgeting has changed since 2009 due to cuts and fiscal uncertainty, this researcher conducted a qualitative study using Bolman and Deal's (2013) four frames as an analytical lens. This chapter provides an overview of the research design and methodology used to collect and analyze qualitative data related to the resource allocation decisions of six school districts in NYS. The chapter contains eleven distinct sections: (a) purpose statement and research questions; (b) research design; (c) sample and sampling procedures; (d) instrumentation; (e) pilot study; (f) interview preparation; (g) data collection procedures; (h) data analysis; (i) validity; (k) reliability; and (l) summary.

Purpose Statement and Research Questions

This qualitative study was designed to better understand how and in what ways budgeting changed since 2009 due to changing fiscal constraints in NYS. A qualitative research design was used that employed interviews of superintendents and SBOs from six NYS school districts. The participants represented three low resource capacity and three average resource capacity school districts with populations in the 3,000-5,500 student range.

This study was designed to give the researcher useful data related to the understanding of resource allocation decisions made by superintendents and SBOs.

The research questions were:

1. How have superintendents and school business officials made budget decisions since the economic downturn in 2009?
2. What role did the superintendent and business official play in the decision making process for making the school budget in times of fiscal constraint?

3. How did superintendent and school business officials perceive their resource allocation decisions to align with district goals and impact student achievement?
4. What budgeting strategies were used in the budget development process during challenging fiscal times?
5. How did federal, state, or local factors affect the strategies used to make budget decisions?

Research Design

The qualitative study was designed to gain insights into the decision making processes used by school superintendents and SBOs, since the economic downturn in 2009, for resource allocation decisions made within their school districts. The researcher used the interview results to identify and find meaning in the answers to the questions (Mason, 1996). A qualitative approach was selected because that type of research uses how or what questions and explained the topic in depth (Creswell & Miller, 1997). The researcher interpreted the participant's verbal answers to the interview questions and found meaning from the answers (Creswell, 2009; Mason, 1996).

The qualitative design was selected to gain an in-depth understanding of the decisions of participant school superintendents and SBOs and allowed the investigator to explore topics in greater detail that uncovered commonalities in the participant responses (Creswell, 2009). The research questions required in-depth answers and specific information, on a topic where limited research had been done, that necessitated the use of the qualitative design (Creswell, 2009). Budgeting experience superintendents was assumed prior to the data collection. However given the dramatic economic downturn, the research questions provided were exploratory allowing for findings to develop (Creswell, 2009). Unlike a quantitative approach where the researcher

identified variables and hypotheses prior to research (Maxwell, 2005), the qualitative researcher needed to first gain a clear understanding of the budget process from the perspective of the superintendents and SBOs.

The theoretical lens of the low to average resource capacity school districts provided a contextual frame to organize the resource allocation decisions that were made. Since the GEA began in the 2009-2010 school year, NYS school districts with greater state aid saw greater increases in their tax levies compared to wealthier school districts that have intensified fiscal pressures (Timbs, 2011). In order to reduce the effect of resource capacity on this study, similar resource capacity districts were selected.

Qualitative research, as Creswell (2009) stated, is interpretive and allowed the investigator a sustained and intensive experience with participants. The qualitative researcher looked for patterns through the decision making processes of the superintendents and SBOs. The narratives of the individuals, often through direct quotations (Creswell 2009), were used to highlight the interviewees' passions, emotions, and feelings regarding the questions. (Creswell, 2009; Myers, 1995; Patton, 1990). Through the sustained and intensive experience with participants findings emerged and enabled categorization for analysis.

Population and Participant Selection

Purposive sampling was used to select participants who fit research criterion and had characteristics that the researcher desired to study (Creswell, 2009; Patton, 1990). In this study, the researcher desired results from a small sample group of superintendents and SBOs from average to low resource capacity NYS school districts. As a result, purposive sampling was conducted prior to data collection and the individuals interviewed had first-hand and meaningful experience in the area of school budget building (Creswell, 2009; Patton, 1990). The purposive

sampling was done through the use of the NYSED website and contacts in the field to identify school districts meeting the criteria of school district size and geographic location. In addition, each participant interviewed had experience building budgets in NYS in their current role.

Data were collected from six superintendents and SBOs. The six superintendents and SBOs were chosen from average to low resource capacity school districts in three regions of NYS inclusive of Western New York, the Capital District and the Lower Hudson Valley. The school district resource capacity and student population were the determining factors. School districts with similar resource capacities and school populations ranging from 3,000 to 5,500 students were included in the study. In an attempt to ensure that demographic factors did not have a significant impact on the perceptions of the participants, the participants were chosen from districts with similar demographics and enrollments (Creswell, 2009; Patton, 1990).

Purposive sampling was used for two reasons. First, the researcher attempted to gather information from school superintendents and SBOs in order to learn from their experiences, beliefs and perceptions. Secondly, in NYS there are nearly 700 school districts and nearly 180 of those districts have greater than 3,000 students (NYSED, 2014). In an attempt to ensure that demographic factors did not impact the research data, the superintendents and SBOs in the case study, led school districts with similar resource capacities and enrollment (Creswell, 2009; Patton, 1990). Information regarding the resource capacities of the school was defined by publically available information through the internet (NYSED.gov, *Information and reporting services*, 2014). In all six districts, the superintendent and SBO participated in the study. Each administrator interviewed had extensive experience in administrative roles including their current positions.

The researcher applied to the Sage Institutional Review Board. Once approval was received, letters to participate in the research were sent to the six superintendents and six SBOs identified for this research (Appendix A). The participants were mailed an introduction letter formally requesting an interview and an informed consent form (Appendix B). Once confirmation of participation was received, each participant was emailed the research questions (Appendix C) and given two weeks for reflection prior to the interview. In order to protect the identity of the participants their names, and the names of their districts, were changed.

Instrumentation

As stated earlier (Creswell 2009), qualitative research was used for the purpose of gaining an in-depth understanding of the participants. The open-ended nature of the interview questions allowed the researcher to gain a vantage point that was deep and nuanced (Patton, 1990; Richards, 2009).

Interviews consisted of 11 questions. The questions were reviewed by the researchers Doctoral Chair, one sitting superintendent, and one SBO with extensive budget building experience. All 12 participants in this study were interviewed individually utilizing standardized, open-ended interviews (Patton, 1990). The interview questions were sequenced to ensure they were answered in identical order by each of the respondents. The questionnaire developed by the researcher was built around the five research questions. The instrument was an 11 question document which correlated with the following five key concepts: budget decisions, fiscal constraints, district goals, budget strategies, and environmental factors effecting budget decisions. The responses were coded and findings were identified and organized.

The interviews lasted twenty minutes to an hour, and were conducted from March 2014 through June 2014. The instrument and questions were predetermined and each respondent was

given two weeks prior to the interview to reflect upon the questions. A digital recorder was used during the interviews (Appendix C). The responses were transcribed, coded, and themes were identified. Once themes were identified, conceptual maps were created to organize the research findings. Participants were provided opportunities to share any documents that supported their interview responses. Three participants provided information to highlight interview responses. Additional information helped assist with the analysis of responses including district goals, overviews of past budgets and trends, and other relevant data

All interview transcripts were kept on file and kept confidential in a secure area for future reference by the researcher. Permission was given for the researcher to digitally record responses. A final transcript was typed and sent to each participant for their review. All interview responses will be stored on a password protected computer and encrypted flash drive until the research has been completed. The research will be secured in a personal safe at the researcher's residence for three years. After three years the laptop will be obsolete and the hard drive will be extracted and then destroyed along with the flash drive.

Pilot Study

Prior to the completion of the standardized, open-ended interview questions that were administered to the participants, the researcher conducted a pilot study with a panel of experts in early February 2014. Voluntarily participating in this pilot study were a superintendent and SBO from a district near the researcher's home. The superintendent and SBO had been working together and had developed budgets together in the past. Each offered suggestions to strengthen the questions. The volunteers were not included in the research but helped determine the relevancy and clarity of the questions as well the length of the interviews.

Interview Preparation

Prior to conducting research, the investigator contacted potential participants through telephone and e-mail asking them to take part in the study. An overview of the research study was provided to each participant that included the study's purpose and methodology. The researcher explained the potential value of the study to the profession.

Once the researcher obtained the respondents' acceptance to participate in the study, the researcher sent each a formal letter of introduction (Appendix A), along with relevant information regarding the study. Included in this packet of information were the interview questions (Appendix C) and the Informed Consent Form (Appendix B). The participants were told that audio recordings, as well as any documents collected, were to be stored and disposed of three years after completion. Lastly, each respondent was a volunteer for the study and was guaranteed confidentiality with both the participants and districts assigned pseudonyms.

The participants and districts were assigned pseudonyms (Table 1):

Table 1

School District and Participant Pseudonyms

School District	Participant	Position
Abbey Glen Central School District	Joseph Huntley Matt O'Toole	Superintendent Business Official
Mountain Central School District	Tim Matthews Samantha Day	Superintendent Business Official
Glenbrook Central School District	Mary Welsh Nelson Smith	Superintendent Business Official
Owensville Central School District	Ryan Santiago Alison Zanetti	Superintendent Business Official
Island View Central School District	Jason Coffey John Boscov	Superintendent Business Official
Overland Springs Central School District	Mitchell Moore Jeremy Peake	Superintendent Business Official

Data Collection Procedures

For the study, 12 participants, including six superintendents and six business officials took part in twenty minute to one hour interviews. Each of the interviews took place in person, using Facetime, or telephone.

The digital audio recording files were saved on a digital recording device and secured in a personal safe at the researcher's residence. Digital copies were stored on the password protected hard-drive of the researcher's home computer. The audio files were transcribed by a transcriber approved by the Sage Colleges Institutional Review Board (Appendix D) who agreed to maintain confidentiality. The transcriber was not aware of the participant's names or home school districts. The transcripts were stored on a password-protected personal computer and also

a password-protected encrypted flash drive. After three years the laptop will be obsolete and the hard drive will be extracted and then destroyed along with the flash drive.

After the transcriptions were completed, they were e-mailed to the participants for review and editing if needed to ensure accuracy of answers. If no editing was needed after two weeks, it was deemed that the participants concurred with the transcript. At any time during the process, the participants had the right to ask the researcher any questions they wanted.

Data Analysis

The methods from Creswell (2009) were used to analyze the data gathered from the 12 interviews. The following methods were used to review the data from the interviews:

1. Coding the Data: the material was organized into segments of text before discerning meaning and then labeling the coded categories. Used the coding process to generate description and themes (categories).
2. Display Data: identified interrelated themes and descriptions.
3. Conclusions: interpreted the meaning of themes and descriptions.

After the Creswell (2009) procedures were followed, the qualitative data were open-coded through the analysis of the interview transcripts to determine the correct categories where the information fit. (Creswell 2009).

Validity

One of the strengths of qualitative research was validity that allowed the researcher to determine whether the findings “were accurate from the standpoint of the researcher, the participant, or the readers of an account” (Creswell & Miller, 2000). Validity in qualitative studies allowed the researcher to check for accuracy of the findings through the use of several procedures in order to determine whether or not the results of the study were generalizable or an

anomaly (Creswell, 2009). Creswell (2009) discussed eight strategies that are implemented to provide validity including triangulation, member checking, use of rich, thick description, researcher bias, negative or discrepant information, prolonged time in the field, peer debriefing, and use of an external auditor. To provide trustworthiness of the data analysis, the researcher was advised to choose at least two forms of verification for validity (Creswell & Miller, 1997). For this analysis, the researcher used three strategies for validity: triangulation; rich, thick description; and clarifying researcher bias.

Triangulation.

Triangulation allowed the researcher to check and establish validity in their studies by analyzing research questions through multiple participant perspectives (Patton, 1990).

Triangulation enabled the researcher to use a number of data sources to build a coherent justification for themes (Creswell, 2009). The researcher used triangulation to develop emerging themes from the collected data, and then the different data sources and perspectives of participants were checked against each other to confirm emergent themes or point out disparities (Creswell, 2009). The goal of triangulation was not to arrive at consistency across data sources; but rather used to uncover deeper meaning from the data collected (Patton, 1990). Data sources used in this study included personal interviews, public websites and documents, and relevant research literature. The researcher used the transcripts from the interviews in the qualitative analysis process.

The potential validity threats were addressed through triangulation (Creswell 2009) that examined evidence from sources to build coherent themes. An internal threat to the validity was that the participants could be predisposed to certain answers due to their experiences (Creswell, 2009). For instance, the school superintendents may have had specific negative experiences with

school boards that influenced their answers and also that SBOs believed that stakeholder groups unduly influenced school budgets. The researcher assumed that participants answered the questions candidly based on the research instrument.

Use of rich, thick description.

The use of rich thick description provided validation to research findings through description. By using rich, thick description the researcher gained access to the settings being described and the shared experiences of the participants (Creswell, 2009). When qualitative researchers provided such experiences, the results became more realistic and rich which added to the validity of the findings (Creswell, 2009). In Chapter 4, rich description was given for each participant and the school district setting, that enabled the reader to view the participant's background and perspectives through his or her responses. An interview guide was used in the study. The interview guide allowed the participant answers to be grouped around the research questions that provided a descriptive analytical framework for analysis (Patton, 1990), that provided validity.

Researcher bias.

Based on the interpretive nature of qualitative research, researcher biases were in the report of the findings (Richards, 2009). The researcher understood that he would not enter the research process without preconceived notions based upon two-decades of work in the education field. Researchers were not always negatively affected by bias (Creswell, 2009; Richards, 2009). Despite biases and professional background, the researcher attempted to remove bias from the instrument and analyzed data and presented recommendations with a desire to help professional practice of superintendents and SBOs.

Potential sources of bias were the budget resource allocations that adversely affected teachers and the ability of building leaders to achieve student achievement goals. The researcher worked as a building principal in NYS for seven years. The last five have been at a high-achieving, large school with a student population ranging from 2,000-2,500 students. In the latter role, the researcher has worked in close collaboration with school superintendents and has been included in key decisions affecting the educational processes therein.

The researcher's professional experiences have taken place in large and moderately sized school districts. The districts have been low and moderate needs that have provided unique challenges for the superintendents and SBOs. While not a superintendent, the researcher understood the complexity, magnitude, and responsibilities that district leaders faced in building viable and sustainable budgets in fiscally constrained times.

The most impactful bias was the researcher's belief that superintendents should always act in the best interests of their students. The researcher believed that effective leaders can marshal resources in ways that have positive benefits for school children. Therefore, it was possible that the researcher's work experience and background may have influenced his judgment, and resulted in unconscious bias.

The researcher was aware of the biases existed prior to the final research design, and data being collected and analyzed. Therefore, the researcher carefully followed the interview instrument and avoided projecting his beliefs and opinions to the participants' responses to the questions. Professional transcription diminished researcher bias in his remembrance of the participant interview responses that could have affected the data analysis and subsequent findings.

Reliability

Reliability in qualitative research was associated with the ability of the researcher to reproduce the results from the study. It was important that subjects were consistent in responses to questions. The results needed to be based on the data collected. To develop reliability within the study and to help participants feel comfortable, the researcher assured absolute confidentiality. The participants were assigned pseudonyms and the names of school districts were altered throughout. Reliability strategies of rechecking the accuracy of the transcription and the consistency of the coding were done (Creswell 2009).

In an attempt to reduce bias, triangulation was used to analyze the data. For the purpose of this study, triangulation was used to review data repeatedly including listening to transcription once and reading each transcript three times. The typed transcripts were closely compared to the audio recordings and any inaccuracies were corrected.

Summary

This chapter included information pertaining to the purpose statement and research questions, research design, sample and sampling procedures, instrumentation, pilot study, interview preparation, data collection, data analysis, researcher bias, reliability, validity, and summary. The Institutional Review Board committee of The Sage Graduate Schools approved this research design and study on February 11, 2014 via email. Invitation letters were sent on March 3, 2014 through May 25, 2014 to each respective participant. Telephone contact was made on between March 5, 2014 and May 25, 2014. The participants in this study participated on their own volition and gave the researcher permission to use the data gathered from the interviews. The respondents understood their role in the study and could withdraw at any point pending any concern.

Chapter 4 provides an analysis of the collected data. From the data analysis, the researcher uncovered the key themes.

CHAPTER 4: PRESENTATION OF RESEARCH FINDINGS

The purpose of this chapter is to analyze data as they applied to the research questions of this study. Included throughout the chapter, each research question is restated and followed by data obtained from the twelve research participants at six different school districts selected for the purpose of this qualitative study. Findings from the interview questions asked of the six superintendents and SBOs are presented throughout.

The chapter contains two sections. The first is a profile of each of the school superintendents, school business officials, and the districts that they lead. The second is dedicated to the each one of the research questions, research question findings, and introduces the fifth chapter.

Profiles of School Districts, Superintendents, and School Business Officials

The case study focused on six superintendents and SBOs who worked in low to average need capacity school districts that ranged from 3,000 to 5,500 students. The superintendents had experience in the job ranging from two to over 20 years. The experience range of the SBOs was two to 15 years. To supplement the information provided about the superintendents and SBOs, an overview of the school districts was included. The data was gathered through interview transcripts, conversations, and information found on school district websites, and state education department public records. The superintendents, SBOs, and school districts were assigned pseudonyms in order to protect their confidentiality (Table 1).

Abbey Glen School District.

Abbey Glen School District is located in a rural-suburban area in New York's Capital District region. The enrollment for the 2013-2014 school year was in the range of 3,000 to 3,500 students. The school district has multiple schools for its kindergarten through 12th grade

students. Abbey Glen Central School District, is a major employer in town and has between 300 and 500 staff. The school district also had a combined free and reduced lunch rate that placed it as an average needs capacity school district in 2012-13. Almost 90% of its graduates planned on pursuing post-secondary education.

Superintendent Joseph Huntley.

Superintendent Joseph Huntley has been in education for well over 30 years. He earned a bachelor's, master's, and doctorate. He had experience teaching high school English, and was an administrator out of NYS. Superintendent Huntley took an administrative position as a middle school principal in NYS and later served as an assistant superintendent for curriculum and instruction. Huntley then served as the superintendent at a moderately sized rural school district for four years before assuming his current position in Abbey Glen in the past couple of years.

SBO Matt O'Toole.

SBO O'Toole has been in education for nearly 15 years as a SBO. He earned a bachelor's and master's and was eventually was certificated as a SBO. SBO O'Toole worked for nearly a decade in another NYS district before starting at Abbey Glen a few years back.

Mountain Central School District.

Mountain Central School District is located in a suburban area in New York's Hudson Valley north of New York City. The enrollment for the 2013-2014 school year was in the range of 4,500 to 5,000 students. The school district has multiple schools for its kindergarten through 12th grade students. Mountain Central School District, is a major employer in town and has between 550 and 600 employees. The school district also had a combined free and reduced

lunch rate that placed it in the low resource capacity category. Nearly 90% of its graduates pursued post-secondary education.

Superintendent Tim Matthews.

Matthews has been in education for well over years. He earned a bachelor's and two master's degrees. He has experience as a social studies teacher in another state before moving back to NYS where he held various building and district level administrative positions. For over 15 years he served as a superintendent of schools with the last several at Mountain Central.

SBO Samantha Day.

SBO Day graduated with a bachelor's and master's before earning her NYS certification as an SBO. Professionally, Day spent several years as an assistant SBO district before moving to Mountain a few years ago to assume the SBO position.

Glenbrook Central School District.

Glenbrook Central School District is located in a suburban area in New York's Capital District region. The school district enrollment for the 2013-2014 school year was in the range of 4,750 to 5,250 students. The school district has multiple buildings for its students. Glenbrook Central School District employs between 575 and 675 in staff. The school district had a combined free and reduced lunch rate of that is below average in NYS and was characterized as a low resource capacity district. Nearly 90% pursued post-secondary education.

Superintendent Mary Welsh.

Welsh has been in education for over 20 years in NYS. She earned a bachelor's, master's and doctorate. She has experience teaching English and served in various administrative

positions including as an assistant superintendent. Welsh has served as a superintendent for nearly a decade and has spent around five years in Glenbrook.

SBO Nelson Smith.

Smith graduated with a bachelor's and master's. He has been an SBO for nearly 15 years. Prior to his career as an SBO, Smith worked in other capacities within school districts including time as a treasurer and purchasing agent. He has been employed at Glenbrook for nearly 10 years.

Owensville Central School District.

Owensville Central School District is located north of New York City in the Hudson Valley region. The kindergarten through grade twelve enrollment for the 2013-2014 school year is in the 4,000-5,000 student range. The school district has multiple schools for its kindergarten through 12th grade students. Owensville Central School District, is a major employer in town and has between 550 and 650 employees. The school district also had a combined free and reduced lunch rate that places it in the category of average needs capacity by NYSED. Nearly 90% of Owensville's graduates planned on pursuing post-secondary education.

Superintendent Ryan Santiago.

Superintendent Ryan Santiago has spent close to 20 years in the NYS education system. Santiago earned a bachelor's, master's, and was working on completing his doctorate. After beginning his career as an elementary school teacher, he went on to administration serving in various building and district level capacities including time as an assistant superintendent. He recently began serving as Owensville's superintendent of schools.

SBO Alison Zanetti.

SBO Alison Zanetti has worked in the school business administration field for nearly 15 years. Zanetti earned a bachelor's and master's degree before becoming certificated as a SBO. After working in a neighboring district in a few capacities, she took her current position at Owensville, which she has held for several years.

Island View Central School District.

Island View Central School District is located in the Western NYS area. The enrollment for the 2013-2014 school year was between 3,000 and 4,000 students. The school district has multiple schools. Island View Central School District has between 380-480 employees. The school district also had a combined free and reduced lunch rate that categorizes it as an average needs school district by NYSED. About 90% of Island View's graduates pursue post-secondary education.

Superintendent Jason Coffey.

Superintendent Jason Coffey has been in education for well over 30 years. Coffey earned a bachelor's and master's degree. He taught physical education before beginning his career as a school administrator. Coffey has served in multiple building and district administrative roles. He has been the superintendent of Island View for over ten years.

SBO John Boscov.

SBO John Boscov has been in education for nearly 20 years. Boscov earned a bachelor's and master's degree. He was a science teacher before moving into different administrative roles

within Island View. Most of his 20 years has been spent at Island View where he has recently been their SBO.

Overland Springs Central School District.

Overland Springs Central School District is located in the Western NYS area. The enrollment for the 2013-2014 school year was in the range between 4,500 and 5,500 students. Overland Springs has multiple schools for its kindergarten through 12th grade. The school district employs between 475 and 575 individuals. The school district also had a combined free and reduced lunch rate that placed it the low needs resource capacity in NYS in 2012-13. Nearly 90% of graduates planned on pursuing post-secondary education.

Superintendent Mitchell Moore.

Superintendent Moore has been in education for over 20 years. He has earned a bachelor's and master's degree. Prior to his administrative career, Moore was a science teacher. After building and district level positions he moved to a school superintendent position. For the last several years he has been at Overland Springs. In total he has spent close to ten years as a school superintendent in NYS.

SBO Jeremy Peake.

SBO Jeremy Peake has close to 20 years as an SBO in NYS. Peake earned a bachelor's and master's degree. He is a certificated SBO. Peake has been employed at Overland Springs for nearly ten years.

Summary.

To gain an understanding of the participant school districts and participants, brief overviews were provided along with supplemental information (Table 2). Each school district

was either a low or average resource capacity district and ranged from 3,000 to 5,500 students. Participant school districts had cultures of high achievement for their students as evidenced by the large percentage who pursue post-secondary education. In fact, five of the six participant districts increased graduation rates from 2008-09 to 2013-14 despite reduced resources. Additionally, five of the six participant districts have seen decreases in state aid as a percentage of their total budget and five in six have seen free and reduced lunch percentage rates increase during the same time.

The data show that participant superintendents possessed a range of administrative experiences that enabled them to share deep insights gained through experience. Also, SBO participants had deep experience in their profession that provided the researcher with detailed and rich experiential knowledge that enhanced the research findings. Data provided by participants and supplemental information provided by NYSED, indicate changes since the 2008-09 school year. Overall in participant districts, state aid revenue has decreased, poverty has increased, and despite these factors graduation rates are trending upward although no correlation is asserted (Table 2). In the fiscal climate since 2009, school district leaders have had to make sound budget decisions in the face of intensified pressures. The decisions of school leaders have the potential to stabilize school district finances and deliver high quality education to students in NYS.

Table 2

Participant School District Demographic Characteristics 2008-09 and 2013-14

School District/ School Year	Free and Reduced Lunch	School Budget (millions)	State Aid % of Budget	Graduation Rate
Abbey Glen CSD				
2008-09	12%	\$54	56%	89%
2013-14	16%	\$54	43%	94%
Mountain CSD				
2008-09	4%	\$105	33%	90%
2013-14	8%	\$115	25%	93%
Glenbrook CSD				
2008-09	7%	\$84	28%	89%
2013-14	10%	\$91	23%	91%
Owensville CSD				
2008-09	38%	\$100	19%	69%
2013-14	38%	\$110	15%	78%
Island View CSD				
2008-09	15%	\$62	47%	88%
2013-14	20%	\$66	47%	93%
Overland Springs CSD				
2008-09	5%	\$74	41%	94%
2013-14	8%	\$86	26%	94%

Factors Related to Resource Allocation Decisions in New York State Since 2009

This section provided information gathered from the interviews regarding budget decisions made since the onset of the Great Recession. The interviews were conducted in six school districts ranging in size from 3,000 to 5,500 students and involved the superintendent and SBO from each district. The interview questions for each school district participant were listed as they corresponded to the research questions of this study. A detailed overview of findings is presented here.

Findings related to research question one: How have superintendents and school business officials made budget decisions since the economic downturn in 2009?

To address this research question, the researcher asked the superintendents and SBOs three questions each. The participants were first asked what their experience was in building school district budgets. In order to ascertain how budget decisions were made by each participant, an understanding of their level of experience was needed. The range of experience varied from two to over 20 years for superintendents and two to 15 years as a SBO or position in similar capacity.

The level of experience of the superintendents had in the budget building process was viewed as an invaluable resource as they sought to manage the issues faced since 2009. With respect to building budgets Superintendent Huntley noted:

Well I started a dozen years ago when I went to a school district in 2002 and I was an assistant superintendent there. I was responsible for putting together all of the curricular budgets for the district and I was also in charge of personnel. So I was responsible for making sure what the salary was worth in those areas. Of course in my next district, it had a very small administrative staff, the central office administration, the assistant of the business official, and me. So I got to be very cognizant of every aspect of the budget because I was deeply involved in all of it. Which helps me a lot here in Abbey Glen because it's not a situation where I'm not going to be surprised by making it when it comes along. It's going to be something where I'm aware of it and I have hands on knowledge of working it. So, it probably has done me a great deal of good to have that kind of experience (J. Huntley, personal communication, March 17, 2014).

When asked the same question, other superintendents spoke about their experiences building budgets and the value of rich experience. Superintendent Coffey stated:

Well certainly going through the years of experience as you move into administrative positions you start to build departmental level and then building level budgets. You start to understand how buildings and building budgets fit into a district budget, and then as you move into the district level jobs you start to take the more global view and, and understand how that all comes together into what we currently are involved in about a 70 million dollar budget here at Island View (J. Coffey, personal communication, May 8, 2014).

Coffey placed great value on his on the job learning. He emphasized how his experience provided a broad view and understanding of school administration that began for him in the 1980s. Superintendent Matthews also emphasized the importance of experience building budgets. Matthews spent over 20 years of his career as a school superintendent, “you really haven’t built a budget until you are a superintendent, you have to look at the whole picture so you see all the parts fit” (T. Matthews, personal communication, March 17, 2014).

Superintendent Santiago was the least experienced of the participant superintendent with a few years of experience. However, as was expressed by all others interviewed, Santiago contended that his experiences leading up to his current role were beneficial for his current position:

At the district level, in the eight years I’ve been in the district level, I’ve seen the budget from the personnel side but I’ve also been very involved in the curriculum budget for the school district. As assistant superintendent, I oversaw the entire curriculum budget and responsibilities for human resources now as superintendent the roles have slightly

changed. I have responsibility for everything, but in doing so I try to facilitate and make sure that everyone put the parameters in place and everyone else works on the details behind that (R. Santiago, personal communication, March 16, 2014).

Similar to Santiago, Superintendent Welsh brought superintendent experience and emphasized the importance of the prior experiences and perspectives. Welsh noted:

All of my budget development at the school district level has been at a time of terrible fiscal conditions. My first district was broke when I got there. They were in extreme financial crisis, negative fund balance, on all kinds of lists for being nearly insolvent. So, we were in a real how-do-we-turn-the-district-around kind of mode? So, that was not a typical budget-building experience (M. Welsh, personal communication, March 13, 2014).

Collectively the participant superintendents were initially teachers who rose to various building and district leadership positions prior to their superintendent roles. Each discussed the experiences of the other positions in the context of curriculum and instruction but not all had superintendent specific budgeting experience at the district level prior to ascendency to the position. Each participant indicated the value that building budgets had for them in their current roles.

Similarly, the SBOs placed a great deal of value on their experience building budgets. When asked about his budgeting experience, SBO O'Toole of Abbey Glen noted:

I have twelve years of school budget development that includes all facets of school budget development. I mean every aspect of it. From the individual planning of particular year of long-range forecasting, development of all the support area program budget working with them in depth developing their budget of buildings and grounds,

transportation, school lunch. Nearly everything I do is about budget management or budget development (M. O'Toole, personal communication, March 17, 2014).

When asked the same question, SBOs spoke of the length of experience and the extent to which that effected their role. SBO Smith remarked:

I've done everything directly. I've assisted in the process during my time as a treasurer and purchasing agent for years; and have been responsible for the development of budgets for the last 12 years, between my former district and here (N. Smith, personal communication, March 13, 2014).

Similarly, the Overland Springs SBO placed great value on his extensive budget building experience as did SBO Zanetti from Owensville. Zanetti, also with over ten years of experience stated, "my primary experience is building budgets for school districts. I've done it more on my own here, it's my primary responsibility here" (A. Zanetti, personal communication, March 10, 2014). Each of the aforementioned SBOs had worked extensively with school budgets.

SBO Day expressed that she had five years of experience and discussed how each district she worked in had distinct cultures that compelled her to adapt. She stated:

Every district is different, they utilize their staff in different ways. Here, in this district, the assistant business manager has not been involved with the building of the budget, so it really is me along with the administrators and the superintendent and the management level people. However, in another district I understand that different types of people will participate" (S. Day, personal communication, March 17, 2014).

Not all of the interviewees had extensive backgrounds building school budgets. When asked the same question SBO Boscov remarked, "my experience is really in terms of district wide, it's really been limited to these last few years. In terms of actual experience it's been really

these last few years within the Island View School District” (J. Boscov, personal communication, May 8, 2014). The experience level was important, as was developing an understanding and knowledge of the culture of the districts they work in.

Second, each participant was asked to describe the fiscal condition of their school district and how it had changed since 2009. School leaders spoke of a number of indicators in reference to their district’s fiscal condition including fund balance and reserves (Table 3).

Table 3

School District Fund Balances and Reserves

School District	Fund balance (% of total budget)	Reserves change since 2009 (millions)
Abbey Glen Central School District	3.25%	-\$2.0
Mountain Central School District	3.5%	-\$0.9
Glenbrook Central School District	3.05%	-\$2.1
Owensville Central School District	4.0%	+\$6.9
Island View Central School District	4.0%	-\$3.6
Overland Springs Central School District	3.24%	+\$3.9

The fiscal conditions of the districts were described as unsustainable to healthy.

Superintendent Huntley expressed strong concern over the fiscal health of his district:

Our fiscal condition is unsustainable. We are currently in the situation where our revenues are less than our expenses in terms of growing up. We have an average of a 3% increase in revenues, 3.5% increase in expenses each year. Our revenues are growing up about 2% if we continue to go along the path that we're going. We don't have the money in our fund balance to make up for deficit so we are in a situation where almost every year we're going to be having to make cuts. We have for the last four years, going into our fifth year where our budget for the coming year will be less than it was the previous year. As far as where it was in 2009, we had approximately 25% more teachers, 25% more administrators, an incredible number of offerings for students and electives in high school which no longer exist (J. Huntley, personal communication, March 17, 2014).

Huntley's concerns were in line with Superintendent Welsh who spoke of deep cuts that had struck her district since 2009:

We recently were notified that we're on the comptroller's list of school districts susceptible to fiscal stress and it's a function of a decision to spend fund balance in order to preserve programming. It's actually about striking a balance between those two things. But we have, in recent years, been mindful of the need to spend fund balance to keep programs that people value and not raise taxes too much. Or raise them as high as we can under the tax levy (M. Welsh, personal communication, March 13, 2014).

Both Huntley and Welsh were in districts with fund balances that have been depleted from 4% each in 2009 to 3.25% and 3.05% in 2014.

Where healthy reserves and fund balances existed, the outlooks were different. Superintendent Matthews stated that "we are in good financial position, we have several reserves, tax certiorari, legal liability, we have an unencumbered reserve of about 4% little less

than 4% which is what the state allows you to carry legitimately” (T. Matthews, personal communication, March 17, 2014). Similar to Matthews, Superintendent Coffey stated that his district was in good financial condition, although that position was tenuous, “I believe that we are fiscally sound. But we are facing decisions that will directly affect the burden of the property taxpayer in support of our school district now that we have actually run out of strategies to cover decisions made by other agencies upon the school district” (J. Coffey, personal communication, May, 8, 2014).

Similar to Coffey, SBO Zanetti expressed that her district was in sound fiscal condition, “I think we are in a good position. We've been able to maintain our double A two rating, our bond rating. We've looked very closely at our major expenses like health and insurance, transportation, and our administrative expenses” (A. Zanetti, personal communication, March 10, 2014). Similar to Owensville, Overland Springs SBO Peake stated,

Over the last five years or so, since the economy took the hit, we have really been able to hold onto our reserves at much is possible. Our fund balance is a little over 3 percent right now, so that's taken a bit of a hit. But our reserves are still at probably about \$4.5 million, so we really didn't have to use much. We really looked at our programs and tightened our belt and reduced a few positions here and there, both teaching and support staff, to meet the needs, without really impacting our program too much (J. Peake, personal communication, June 11, 2014).

Participants who identified their districts were in healthy condition pointed to fund balances that approached the NYS limit of 4% as well as healthy reserves to meet future contractual obligations such as health care benefits for retirees. Districts who had depleted reserves and lower fund balances viewed their districts as fiscally unsound.

When participants were asked specifically what has changed the fiscal condition since 2009, similar answers came from the interview participants. Namely, sharp reductions in state aid through the GEA and foundation aid reduction as well as the NYS tax cap legislation passed in 2011. In five of the six districts, the GEAs sharp cuts in state aid were described as a significant change since 2009. SBO O'Toole spoke of the effects of GEA on his district:

It's dire. I mean I can sum it up but it's not that simple. We have reduced our staff, our faculty teaching staff by about a quarter. We have 240 now but the time when I first came here in 2007, seems like so long ago that we had 320 faculty members. So we've reduced our staff substantially. We are closing in on \$16 million worth of cumulative Gap Elimination Adjustment (M. O'Toole, personal communication, March 17, 2014).

Each district researched has incurred significant losses in state aid through the GEA since its inception (Table 4) and acknowledged the monetary effects of GEA since its inception.

Table 4

School District State Aid Lost Through GEA 2009-2015

School District	GEA Losses (in millions)
Abbey Glen Central School District	-\$13.6
Mountain Central School District	-\$17.1
Glenbrook Central School District	-\$19
Owensville Central School District	-\$12
Island View Central School District	-\$11.4
Overland Springs Central School District	-\$21.2

Along with the GEA, the tax levy limit has also placed increased pressures by forcing districts to remain under the limit to avoid a supermajority vote. Island View chose to put a budget over the tax levy before voters on May 20, 2014. SBO Boscov stated, “right now we’re projecting, another large tax levy increase of 3.9%, which puts it above the tax cap and obviously causes us concern as we face our budget vote on the 20th of May” (J. Boscov, personal communication, May 8, 2014). Superintendent Coffey reiterated that “We are only increasing our budget by 1.8% this year. But we have to go out at a 3.9% tax levy increase because we can’t, we can’t spend any more reserves or we will jeopardize the fiscal integrity of the district” (J. Coffey, personal communication, May 8, 2014). The budget was voted down twice and Island View has resorted to significant staffing and programmatic cuts. Between one and two

million dollars in cuts were made that included between 15 and 20 staff cuts including over five teaching positions. The fiscal situations have changed due to the pressures brought about since 2009 due to GEA and the tax cap.

Summary of research question one data analysis.

This study's first question identified "how have superintendents/school business officials made budget decisions since the fiscal constraints that began in 2009?" This section examined a number of interview questions asked to school superintendents and school business officials in NYS. Through this analysis a series of points were identified related to participant thinking, knowledge and practice that result from the collective experiences discussed:

1. Ten of the twelve participants had budget building experience in school districts prior to 2009.
2. Each superintendent valued prior budget building experience to understand the processes in place to manage the difficult fiscal times.
3. On the job training was the perceived primary vehicle to understanding the budget process as participant superintendents were not selected for positions based on their budgetary expertise.
4. Participant SBOs in the large school districts, with the exception of one, had extensive experience in comparable positions in NYS.
5. Superintendent participants perceived that they were the key decision makers in the budget process in their respective school districts.
6. Fiscal conditions in the participant districts varied but each district had experienced decreased revenues and were forced to consider using fund balance and reserves to balance budgets and preserve programs.

7. Decisions have been made in the context of the legislative mandates of the GEA and NYS tax cap.

The key finding in research question one is that school leaders perceive that on the job experience is essential to their ability to manage school budgets in times of significant crisis. Both superintendent and SBO participants consistently expressed that their budget building experiences helped them during the difficult fiscal times since 2009. Through Bolman and Deal's (2013) structural frame, the specialized role of school superintendents and SBOs came into focus. On the job training provided participants the background needed to build budgets with scarcer resources. Bolman and Deal's (2013) structural frame highlights the structural expertise required in times of reduced resources. The organization, the school district in this case, increased efficiency through the specialization of the roles of the superintendents and SBOs. Consistent with research literature the participants perceived that they were the key decision makers in their school districts during the budget process (Abshier, 2011; Dlugosh et al., 1996; Taibi-Lewis, 2011; Witt, 2012). Due to fiscal constraints posed by decreasing revenue participants acknowledged that using fund balance and reserves to balance budgets and preserve programs was necessary.

Findings related to research question two: What role did the superintendent and business official play in the decision making process for making the school budget in times of fiscal constraint?

The findings related to decision making processes varied depending on the leadership and professional positions of the participants. The superintendent participants provided explicit responses when asked about their role in the budget decision making process and how the process evolved since 2009.

Role of superintendents. Superintendent Matthews stated, “I set the tone, I set the expectation” (T. Matthews, personal communication, March 17, 2014). Matthews said that after the tone is set for the process:

You look at all those expenditures you anticipate all revenue. Then you take look at the areas where you might able to trim cause you know you have to present like, unlike the federal government you have to have a balanced budget when you have to submit your budget to the voters for approval in May. So we take a look at expenditures, anticipate our revenues can’t really nail anything down until the state gives you a final state aid figures and that’s I will wait for (T. Matthews, personal communication, March 17, 2014).

Matthews’ team effort approach that has been in place since he started in 2009. However, ultimate decision making authority remained with him:

I am the kind of very direct hands on leader I tell people what I’m thinking, what I want, what my main goal is. People can discuss that with me and if you can change my mind that maybe it’s not working , it’s not where we want to be, I will listen to you but you’re going to present some really good reasons as to why (T. Matthews, personal communication, March 17, 2014).

This approach has vested decision making authority with him, “there are situations that require superintendents to make decisions and you do” (T. Matthews, personal communication, March 17, 2014).

Similar sentiment was expressed by Superintendent Santiago:

I’m it. I’m basically I’m the tie breaker if there’s issue if there’s needs to be decision between one program and the other I weigh, listen. In the end all I have the final

decision. That being said what I feel is important and one of roles is to help individuals understand why the decisions are being made. I don't make decisions without really talking it out and having everyone thoroughly understand the rationale for it and at least feel that their voices were heard. Even though it may not be the decision that they wanted. My role is to also ensure that what we offer and what we present to our school district towards in our community are the programs that work (R. Santiago, personal communication, March 10, 2014).

Like Matthews, Santiago viewed himself as playing the key role in the budget process. Both leaders saw themselves as the final decision makers in their district.

In Glenbrook, Superintendent Welsh saw her role as the leader of the budget process: I would say a pretty central role. The budget that goes to the board at the end of February. Now obviously I don't make them in a vacuum when I work with our leadership team and the principals and lots of people. But when all is said and done, that first draft of the budget is a statement of my recommendations of what are the best choices among bad options for next year? So, I think I'm right in the middle of it (M. Welsh, personal communication, March 13, 2014).

She spoke of working with the structure of the organization, including the ultimate authority of the board, as well as significant input from her administrative team. Similarly, Coffey referred to himself as a facilitator:

Well I facilitate the team of eight we call ourselves, the seven board members and myself, ultimately make the final decisions. I facilitate that process. I try to guide the board members towards their decisions. I have a real good feel for where they are and

how courageous they are. They have been courageous over the years, and that has really helped us do the right thing (J. Coffey, personal communication, May 8, 2014).

Coffey acknowledged that authority is shared and distributed in his organization. Similarly, Superintendent Huntley used a collaborative approach:

Well at this point I probably have the key role outside of the board of education. I work with the administrators, I have two incredibly good assistant superintendents like Matt O'Toole our assistant superintendent for business, he's got an MBA, and he has a very keen mind for this (J. Huntley, personal communication, March 17, 2014).

Both demonstrated that the board of education played a role in the eventual outcome of the budget but were not the key decision makers.

In Overland Springs, Superintendent Moore saw himself as the final decision maker if budget decision consensus was not reached:

I'm basically the tie breaker. If there is an issue that needs a decision between one program and the other I weigh, listen. In the end I have the final decision. But that being said what I feel is important and one of roles is to help individuals understand why the decisions are being made. I don't make decisions without really talking it out and having everyone thoroughly understand the rationale for it. They need to at least feel that their voices were heard even though it may not be the decision that they wanted (M. Moore, personal communication, June 9, 2014).

The superintendents each saw themselves in pivotal decision making roles. Each participant superintendent saw it as their role to be the final decision maker in the budget process. In terms of the process, Matthews viewed himself as the driver of the budget conversation who gathered information and perspectives from his team before final decisions were made by him prior to

submitting to the board of education. The remaining participant superintendents did not explicitly mention tone setting. Rather, they saw themselves as leaders or facilitators of a collaborative process. Each superintendent stated that they have the final say during the budget process.

Role of school business officials. SBOs that participated in the research, did not collectively view themselves as the primary decision makers in the budget process. They described their roles in a support and facilitator capacity. Participant SBOs were central to the development process but did not act as final decision makers.

When SBO Peake was asked about his role in the budget decisions in his district he responded:

I have a huge role. Besides putting the budget together, I really lead all the discussions with budget development. Obviously, the superintendent and I work together on that. Decision wise I'm more of a chair of an administrative committee where we get input from the principals, directors, the other assistant superintendents and so on. We really work as a team to come up with a recommended budget for the board. But I chair and take a charge and, obviously, do the costing out of different scenarios and so on (J. Peake, personal communication, June 11, 2014).

The concept of bringing the stakeholders in during the process was consistent with the other SBO officials. SBO Smith stated:

I know some school districts, where the business official does the budget. That's not the way we do it here. I put the budget together. So, I have a big part in looking at all the data and making sure that it gets put into the proper format and we calculate everything correctly. But in terms of the budget decisions, we have a district office team and an

administrative team. And we're here trying to make the best decisions that we can (N. Smith, personal communication, March 13, 2014).

Similar to Peake, Smith gathered information and facilitated the building of the budget during the school year. SBO Day expressed a similar sentiment, "when it comes to making decisions, I approach it as I want to present all of the options and then make a recommendation as to where I think the percentage increase should be" (S. Day, personal communication, March 17, 2014).

Peake, Smith, and Day saw themselves as facilitators of the budget process. Each was responsible for letting the superintendents know if the school district had the fiscal capacity to carry out their wishes.

In Abbey Glen, SBO O'Toole, held dual roles. He was the head of Operations and Maintenance and also Transportation that each have their own discreet parts within the budget:

Cuts in the areas that I supervise, I would have substantial input in defending or coming up with the plan for making that work or explaining why it won't work. In the instructional area, I rely on other people. That's their sphere of knowledge (M. O'Toole, personal communication, March 17, 2014).

A consistent theme was that the SBOs assumed the role of providing information and guidance as they facilitated the budget building process. In addition, participant SBOs had significant input on decisions and provided significant information regarding the fiscal feasibility of all budget decisions.

Budget decisions in times of fiscal constraint.

Changes have taken place in the budget making process school districts since 2009. The decisions have required a different level of communication with stakeholders and also placed a greater scrutiny on the spending decisions that are made in the school districts.

Communication. Since 2009 the participants stated that budget decisions have changed. Findings from the superintendent participants indicated that greater communication has taken place with greater scrutiny of each budget choice.

In Island View, Superintendent Coffey stated “I think we’ve been pretty consistent” (J. Coffey, personal communication, May 8, 2014). However, Coffey acknowledged that one change made was a greater personal connection with the board members. “I started those individual conversations and discussions with each board member. I made sure they understood one-on-one why we were saying this and where we thought we had to go. So that's one thing I've done because of the recession” (J. Coffey, personal communication, May 8, 2014). Coffey increased the focus on board relationships as the choices became more difficult.

Communicating the budget to stakeholders became a larger part as resources were constrained in NYS. Referring to the budget, Santiago stated:

I’m sure that it’s been a lot more public that it has been in the past we’ve always been public but we’ve really tried to get more community involvement than we have in the past everyone needs to understand details. We have created activities and involved individuals within our community that gave us their priorities. We’ve done surveys that we haven’t done in the past to solicit information from our community (R. Santiago, personal communication, March 11, 2014).

After the information was gathered the budget presentations in Owensville were tailored to answer questions of the community:

We had a whole process we called them mini-lessons and basically it was a five minute mini-lesson on this is what we can cut this is all we can offer in lieu of it, and this is the overall savings. We had three nights where we gave a variety of mini-lessons of the

topics we went thru a series of mini-lessons and we just heard from the community we had them voice their opinions what we left with was that they facilitated a deeper understanding of the budget (R. Santiago, personal communication, March 11, 2014).

Community participation was not universally adopted in all districts. Abbey Glen moved away from extensive participation as it had negative effects on the community:

There was nothing but community engagement. No that's the problem. It was the community killing each other. So what I did is that I took that out of the mix. It wasn't that I didn't listen to people but it was more of a, look nobody wants anything cut so whatever recommendation is made somebody is going to be against it. Why continue to have that community just rip each other to shreds every year (J. Huntley, personal communication, March 17, 2014).

Prior to 2009, Huntley shared that Abbey Glen's budget process was not as inclusive with the community. The difficult choices faced by the district, led Huntley's predecessor to create an open forum type process that divided the community. He decided to reclaim administrative control of the process to reduce community tension. Huntley judged that the process needed control and returned to a process similar to the period before 2009.

Glenbrook had a high level of community participation that changed as well:

Before I came here, we used to have a community budget advisory committee, 40 people who were nominated by the board who would walk through the budget, line by line by line by line. And in a series of meetings, ask program leaders every program leader, so why are you spending \$500 on this particular items? And why are you doing this? And why are you doing that? How come you're spending \$100 more this year than you did

last year? They would just grill them. It was miserable. (M. Welsh, personal communication, March 13, 2014)

The meeting Welsh referred to provided feedback in March that was well into the process. “We transformed all of that in my time here so that we share with our community, in January, a list of every potential change in the budget we’re going to make” (M. Welsh, personal communication, March 13, 2014). Feedback was gathered and used to build the budget along with information from program leaders and building leaders regarding programs and needs.

Communication practices regarding budget processes in participant districts were considered since 2009. Island View, Glenbrook, and Owensville participants stated that there had been a greater attempt to engage stakeholders in the process. Meetings with board members, community groups, and public board workshops were some of the vehicles to communicate and provide feedback to participants. Abbey Glen chose a more open community engagement that became too divisive and necessitated a change back to a more closed process. Participants acknowledged that communication methods had changed in some way since the fiscal crisis.

Higher degree of scrutiny. One consistent change across all participating districts was a higher level of scrutiny of spending decisions. This was acknowledged among all participants in all districts. GEA and the tax cap changed the perspective on budgets. “In the past, those budget recommendations often contained increases. What we’re really getting down to now is we start with the premise that we’re going to have reductions” (N. Smith, personal communication, March 13, 2014). This sentiment was reiterated in Abbey Glen, where SBO O’Toole stated:

In the past we would be talking about the program goals and how are we going to accommodate those goals? We talked about building level allocations and things we were increasing. I mean, now we've cut those so far back, to cut any further would say

‘Why bother run a program if you'll not going to supply with necessary materials and things to properly run them’ (M. O’Toole, personal communication, March 17, 2014)?

The fact that reductions were needed changed the process. SBO Boscov said since 2009 Island View has “adopted a scalpel approach to developing the expenditure side of the budget” (J. Boscov, personal communication, May 8, 2014). This approach led to greater scrutiny of the budget lines included within the budget. In Mountain, the superintendent and board of education reflected the desire for greater specificity. “They were looking for more detail in their budgets so that when they looked at a standard budget document, the lay person would be able to understand what was included in the codes and why” (S. Day, personal communication, March 17, 2014). In Mountain, Superintendent Matthews, instituted zero-based budgeting, “we’re in zero-based budgeting where we’re getting down to a very granular level by budget code within department or in the buildings” (T. Matthews, personal communication, March 17, 2014). This shift was also expressed by Island View, “I talk to them like don't just take what you spent in supplies last year, what you put in for supplies look at what you actually are spending this year and use that as your benchmark. So that's been a, a pretty big shift” (J. Boscov, personal communication, May 8, 2014).

Within the districts administrators were asked to provide justifications for budget recommendations. In Glenbrook, data were relied on to make decisions. “I think they’re getting a better appreciation and it is much better to articulate your point of view when you have data to substantiate your position” (N. Smith, personal communication, March 13, 2014). The closer scrutiny of specific budget lines was consistent in the findings.

Summary of research question two data analysis.

This study's second question looked to identify "what role did the superintendent and business official play in the decision making process for making the school budget in times of fiscal constraint?" This section examined a number of interview questions asked to school superintendents and SBOs in NYS. Through this analysis a series of points were identified related to participant thinking, knowledge and practice that resulted from the collective experiences discussed:

1. Participant superintendents were perceived as the key decision makers in their school districts.
2. Superintendents viewed themselves as the leaders of the teams that created budgets that were ultimately presented to boards of education.
3. Significant input was gathered from building and departmental leaders during the process.
4. Participant SBOs were not the primary decision makers in the process.
5. Participant SBOs put the budgets together and facilitated the process to make that happen.
6. Since fiscal constraints of 2009, communication patterns with stakeholders were altered. (Table 5)
7. Participant superintendents required a higher level of budgetary scrutiny and detail.

Table 5

School District Decision Making in Participant Districts 2009-2014

School District	Key Decision Maker	Changed Communication Practices
Abbey Glen Central School District	Superintendent	Decreased communication with community since, earlier budget timeline, targeted administrative discussions prior to January
Mountain Hills Central School District	Superintendent	Increased communication among administrators within district, earlier budget timeline, zero-based budgeting to justify all spending
Glenbrook Central School District	Superintendent	Increased communication with community through forums, earlier budget timeline, data to rehire all vacated positions needed
Owensville Central School District	Superintendent	Increased communication with community, earlier budget timeline, board mini-lessons, outreach to minority populations, extensive collaboration with district administration
Island View Central School District	Superintendent	Increased communication with board of education, earlier budget timeline, data to validate all hiring
Overland Springs Central School District	Superintendent	Earlier budget timelines, increased communication with administrators, community input for what they value

The findings for this research question suggested that superintendents were the key decision makers in their school districts. Consistent with Bolman and Deal's (2013) structural framework, the superintendents were the key decision makers and the SBOs were the key facilitators during the budget process. SBOs provided a framework from which the superintendent could base key decisions from. The human resource frame was also evident in the findings (Bolman & Deal, 2013). All participant superintendents promoted collaboration and empowered others to strive for success in the interest of the organizational goals (Bolman & Deal, 2013). The data did not suggest that certain patterns for decision making were followed based on the fiscal state of the districts. The fiscal upheaval since 2009 have altered communication patterns with stakeholders in all but one participant district.

Findings related to research question three: How did superintendent and school business officials perceive their resource allocation decisions to align with district goals and impact student achievement?

The researcher asked one question to all district participants specifically related to the third research question. The interview question asked participants how district goals influenced budget decisions in their districts. Each participant spoke of alignment of goals to budget decisions as being important to their decision making processes. In five of the six participant school districts, the goals had been modified between 2008-09 and 2013-14 (Table 6). There were no clear trends to the changes in goals of the participant school districts. District goals ranged from general to specific in both school years and in all cases allowed for flexibility for participant school leaders to justify budgeting decisions in the current climate of reduced resources.

Table 6

Participant School District Goals for 2008-09 and 2013-14 School Years

School District	2008-09	2013-14
Abbey Glen CSD	Six broad goals were present including instruction/student achievement, budget, community, school culture, human resources, and facilities; quantitative outcomes not included in district goals	Eight broad based goals include wellness, community, respect, college and career readiness, personal responsibility, fiscal stewardship, advancing initiatives in spite of NYS and regulatory changes; quantitative outcomes not included
Mountain CSD	Open ended goals, non-quantifiable targets for NYS accountability measures; goals are general and emphasize communication, technology, curriculum development and professional development	Open ended goals that do not set specific targets in graduation rates NYS assessments, college and career readiness; goals are general and include areas such as school safety curriculum alignment and evaluation, and building academic support systems
Glenbrook CSD	Goals were open ended and non-specific; fall under three categories that included health and safety, global citizenship; and academic challenge	Goals are open ended and non-specific; fall under three categories that included health and safety, global citizenship; and academic challenge; goals have not been modified since 2008
Owensville CSD	Goals included academic goals without achievement targets that included subgroup performance; multiple academic program reviews; succession planning for retiring administrators; and facilities improvements	Five goals including curriculum, visioning, contracts, fiscal responsibilities and facilities; no specific targets were set and were long term and impressionistic

Island View CSD	Specific goals around targets for NYS accountability measures for 3-8 English Language Arts and Math, high school accountability measures including graduation rates; goals also included non-specific goals for communication	Specific targets for graduation rates, NYS testing scores, college credits, diploma types; culture and climate and managing change goals are open-ended and include community involvement and partnerships, and managing political and economic changes
Overland Springs	Open ended goals with areas that address achievement, community engagement, and facilities, no targets explicitly drafted	Open ended goals that do not explicitly address targets for graduation rates, NYS assessments, college and career ready measure; character education and facility improvements impressionistically mentioned; refer to CDEP but not explicitly

In each district there was consistency from the participants when responding to the interview question. In Owensville, Superintendent Santiago responded:

They basically drive them, we do have board goals and we always say any recommendations that come out of these goals are contingent on the budget. But the number one goal is student achievement. That means the dollars the budget is provided gives us the resources to reach that set goal. Every program we looked at we looked at from that lens. We also looked at the board goals that focus on the whole child, and we also talked about the three a's not just academics but we talked about the arts and athletics we want to see that reflected in our work (R. Santiago, personal communication, March 11, 2014).

Santiago reflected a commitment to the goals of the district and that spending choices needed to reflect a commitment to student achievement and the whole child. SBO Zanetti supported Santiago's assertion:

The goals are primary. I'm working on a budget presentation right now and at the start of the presentation is the goals and how does the budget align with our goals. My goal at all times was to make sure that the cuts that we have to make didn't impact the classroom. So like I said, we focused on non-classroom cuts. We made reductions in expenses related to transportation, health and also administration (A. Zanetti, personal communication, March 10, 2014).

Commitment to student achievement goals are reflected in the budget decisions in Owensville.

Mountain CSD participants expressed a similar consistency with respect to district goals and budget decisions. Superintendent Matthews stated:

We have strategic plans that lay out our broad goals for a three to five-year period each year. Within that period we are defined by objectives, things we wish to accomplish and we then crosswalk our budgetary document with the strategic plans. We say this is where we want to be, and this is what we have to deliver on our goals and objectives. Then do we have money in the right places in the budget and enough to get there. Realizing that it is a journey and then we never do everything in one year. That's why it's three to five-year plan so we crosswalk at the district level, we crosswalk at the building level and at the department level (T. Matthews, personal communication, March 17, 2014).

Mountain had an annual goals setting process of establishing, recording and presenting the school district goals tied to the district's strategic plan. SBO Day stated:

I think that a lot times the goals are based on what types of things are happening around us. Obviously with the new APPR and the new requirements for alternative instruction for those students that need additional help. Those things all impact us in some way but

it also impacts how I do budgeting in the district (S. Day, personal communication, March 17, 2014).

Abbey Glen participants discussed how district goals provided a framework for the budget decision making process. Both Superintendent Huntley and SBO O'Toole agreed that budget decisions were driven by the district goals. Huntley articulated:

Last year, one of the first things I did when I came on board was I put together a group to develop a strategic plan for the district. That has been our guide post as we move forward. We followed that as our guide for our budget decisions last year, programs we're putting in place for this year, that's all tied to how does it, everything we talk about is how does that relate to the strategic plan (J. Huntley, personal communication, March 17, 2014).

The strategic plan entitled *AG-2020* provided the basis for budget decisions at the district level. O'Toole agreed with Huntley, "primarily the decisions are made on what the goals are. I mean, we have *AG-2020* strategic plan that we have actually use specifically to tailor the decisions we made over the past couple of years" (M. O'Toole, personal communication, March 17, 2014). O'Toole acknowledged the challenge in these times to keep the vision moving forward with budget cuts amidst fiscal pressures and increased mandates brought on by CCLS, APPR, and others. O'Toole elaborated:

For professional development opportunities, we also had increased our budget because we brought back some of our own retirees to work with our faculty, to push out the common core. But in doing so, we had to increase budget in those areas, so we had to make decisions in other areas where we had to cut and that was things like

extracurriculars, school counseling services, guidance, and things like that (M. O'Toole, personal communication, March 17, 2014).

In the midst of profound challenges, Abbey Glen worked to align decisions to district goals.

Glenbrook's goals were not as explicitly defined, however both participants expressed an alignment of decisions to goals. Superintendent Welsh stated:

That's where we start. I mean, the first words out of my mouth in any presentation I do is let's talk about our mission. Let's talk about our priorities. What is it that we try to do every day? So that's really the whole thing. Because when you make money decisions, what you're really doing is making program decisions. So, that's the whole point. What are we trying to accomplish for kids? That's the whole deal (M. Welsh, personal communication, March 13, 2014).

Welsh acknowledged that learning targets and goals were not explicit:

You know we have typically 93%, 94%, 95% graduation rate in any given year. Our kids go to great schools. A vast majority go to some kind of post-secondary education. People in this community seem to value those softer skills. So, if I were to say we're going to create these goals, they wouldn't be compelling for, I think, the broader sense of our community (M. Welsh, personal communication, March 13, 2014).

SBO Smith concurred that decisions were aligned to goals, "it has a big impact on our district when we're heavy on mission vision goals. So, we do keep that in the back of our mind. What direction are we heading? Where should we put the resources" (N. Smith, personal communication, March 13, 2014)?

In Island View, budget decisions were aligned to district goals. The goals in Island View were reviewed and recalibrated every August (J. Coffey, personal communication, May 8, 2014).

With respect to the specific goals, Coffey stated:

If you're able to align the systems in a way so that everybody understands it is about instruction, it is about learning and achievement, and everything we do has to move towards that goal, and you know, our, our motto around here is each child belongs to all of us. If you think about that then it's not hard for your budget decisions to be about each child potential being challenged (J. Coffey, personal communication, May 8, 2014).

Coffey was committed to K-12 systemic alignment. All budget discussions and decisions were built around district goals. In concert with Coffey, SBO Boscov said, “the district goals really drive the budget decisions and we've been able to make it work so far, and the tricky thing we face this year is how to meet those goals with the continued loss of revenue” (J. Boscov, personal communication, May 8, 2014). Boscov elaborated that the district has made all attempts to protect programs such as AP courses, electives, and neighborhood schools in light of the fiscal realities facing NYS school districts.

Lastly, Overland Springs’s participants discussed budget decisions being based on goals as well. Superintendent Moore stated:

Because the funding is so limited, you have to make sure that you’re narrowing your goals and working toward those goals that are within the District Education Plan (DEP) and that you can afford them within you budget. So, that DEP plan right now is something that really drives it (M. Moore, personal communication, June 9, 2014).

Moore referred to the DEP often as he spoke of budget decisions and used it as the backdrop for all decisions. SBO Peake reiterated Moore’s assertions:

The district goals that have been set are pretty much the direction we're going and kind of long-range planning the direction we're going, anyways. Obviously, some of the goals would have financial impacts, depending on what they are. But it's generally in the direction we're going anyways. So it, it's kind of already been laid out and planned out (J. Peake, personal communication, June 11, 2014).

Peake referred to the DEP, in place since 2010 in Overland Springs, as the primary driver of budgetary decisions.

Summary of research question three data analysis.

This study's third question identified "how do resource allocation decisions align to district goals and impact student achievement?" This section examined a number of interview questions asked to school superintendents and SBOs in NYS. Through this analysis a series of points were identified related to participant thinking, knowledge, and practice that resulted from the collective experiences discussed. Findings included:

1. Spending decisions since 2009 were perceived to be driven by goals in participant districts.
2. Participant districts have targeted cuts around non-classroom cuts to align with district goals.
3. Strategic plans are the framework for the budget decisions in fiscally stressed times.
4. Long-term planning provided by district goals and decisions since 2009 had to meet the district needs.

Findings revealed that fiscal stress since 2009 has not compelled school districts to deviate from their district goals. Spending decisions were perceived to be aligned to goals in each participant district. Bolman and Deal's (2013) structural lens was demonstrated by the

participants who spoke of the district goals being vital to the decisions. The structural frame compelled all six of the participants to concentrate on the organization's collective goals (Bolman and Deal, 2013). In addition, many participant superintendents spoke of their district's mission with respect to decisions. In the symbolic frame, leaders are expected to create and articulate the vision and mission of the organization (Bolman & Deal, 2014). By linking the vision to the budget cuts, all of the participant superintendent's perceived decisions can be viewed through the symbolic lens.

Findings related to research question four: What budgeting strategies were used in the budget development process during challenging fiscal times?

To address this research question, the researcher asked the superintendents and SBOs two interview question regarding the specific fiscal constraints and also strategies employed by school districts during times of fiscal constraint.

To frame the question and strategies the participants were asked to describe the specific fiscal changes to their school districts.

GEA, tax cap and foundation aid. Table 2 illustrated the extent that the participating school districts lost state aid through the GEA and the pressure that it placed on individual school budgets. In addition, school districts in NYS had to comply with the tax cap. The NYS tax cap often referred to as the *2% tax cap*, did not restrict any proposed tax levy increase to 2%. It required at least 60% voter approval for a school budget if the proposed levy increase exceeded a certain amount (DiNapoli, 2013). That amount, called the tax levy limit, was calculated by each district according to a complex formula outlined in the law, and varied by district. In districts less reliant on state aid, the tax cap limited the amount of budget revenue they could raise to balance their budgets in the face of escalating contract salaries, health care obligations, and other

budget stressors (DiNapoli, 2013). The NYS budget allocated the vast amount of operating aid to school districts through the Foundation Aid Formula that used objective criteria to better target NYS funds to high-needs districts (NYSSBA, 2013). All of these factors significantly affected the participating school districts.

When asked to describe the ways in which the specific fiscal constraints imposed by NYS influenced budget choices, there was consistency among the school districts and the regions as well. The participating districts were categorized as low to average resource capacity school districts by NYSED from three distinct regions in NYS.

In the lower Hudson Valley region, both Owensville and Mountain expressed strong concern regarding the changes since 2009. Superintendent Matthews stated, that foundation aid reductions and the GEA significantly hampered the school district's ability to fund its program (T. Matthews, personal communication, March 17, 2014). Mountain's SBO Day reiterated his concern:

You no longer have that flexibility to say well whatever ends up and then we can tweak it up or down, depending on what are our initiatives. And we really are restrained or constrained within that limit and that's a completely different way of looking at how you build a budget" (S. Day, personal communication, March 17, 2014).

The participants in Owensville expressed similar thoughts about the GEA and tax cap and also discussed foundation aid in length. Superintendent Santiago stated:

I think the gap elimination is not so different than the foundation aid, in that we've just seen a reduction in our aid and we have to compensate for it. We've worked really hard as school district as result of gap elimination and foundation aid losses. We've addressed our expenditures across the district and with that it slowed expenditure costs across the

board. For example transportation, health insurance, contract negotiations, and they involve all areas, have been addressed. We looked at the deeper and obvious results of gap elimination and foundation aid loss. I think it led to our unions become more willing to make concessions as a result to this because they could see things are going to go down the path of losing many positions (R. Santiago, personal communication, March 11, 2014).

SBO Zanetti also agreed that the problem was significant, “well I, I have a strong belief that we have a revenue problem but we don't have an expense problem” (A. Zanetti, personal communication, March 10, 2014). The revenue problem referred to were losses in foundation aid, GEA, and the tax cap. Foundation aid was the largest concern for Zanetti:

Foundation aid is the bigger problem for us and in schools. Mainly because the foundation aid formula was frozen at 2008-9 levels. There's a hold harmless provision that negatively impacts us today. The foundation aid is supposed to provide all students in NYS with a sound basic quality education and it's failing to do that. Because it's no matter where you live, no matter what zip code you live in, you're supposed to get the same education as any other student. It looks at things like poverty, student need, and community's ability to pay. If all of those things if they were addressed and they were up to date and the information that we provide to SED was up to date, we would have had an additional 35 million dollars since 2008 (A. Zanetti, personal communication, March 10, 2014).

Both Hudson Valley districts expressed concern although in Owensville, foundation aid was the most significant problem.

In the Capital District both Abbey Glen and Glenbrook acknowledged the profound changes that resulted from the GEA and tax cap. “The amount of revenue coming in is not enough to cover the increase of our costs. For example this year, the increase state aid from the governor's proposal is less than our increase in state pension costs” (J. Huntley, personal communication, March 17, 2014). Huntley expressed concern about Abbey Glen’s ability to meet budget realities moving forward, “it's a combination, a perfect storm of reduced revenue and high, and out of control increases in some costs” (J. Huntley, personal communication, March 17, 2014). SBO O’Toole discussed the situation in Abbey Glen and cited the same reasons as his superintendent.

Glenbrook also faced similar challenges. When asked about the impacts imposed by NYS, Superintendent Welsh said, “people see the levy limit and the GEA as beginning, more than beginning to dismantle, really high-quality, beloved programs that we just cannot afford anymore” (M. Welsh, personal communication, March 13, 2014). SBO Smith concurred:

Certainly I don’t think it’s good for children. It’s really backwards. I mean, we’re trying to fit programs and mandated programs and other programs into a model of limited resources with stakes that are very high. And you know as well if you go and try to exceed the tax levy limit and it’s defeated twice, you’re going back to your previous year’s tax levy limit, which would be devastating to a school district (N. Smith, personal communication, March 13, 2014).

The participants from Western NYS stated that the fiscal constraints were very difficult to contend with. Island View struggled to maintain quality programs in the face of the fiscal pressure. Superintendent Coffey stated:

Well the, the biggest impact of the gap elimination is that we have spent down our reserves to cover that. The recession has forced us to be very considerate about the property tax payer. In Island View we pay the second highest tax rate in the county. Not because we have the highest per pupil costs, as a matter of fact our per-pupil cost is below the mean of the 20 districts in our county. It's because we don't have enough businesses to offset the cost of the property taxpayer. We don't have enough businesses to offset the burden on the property taxpayer (J. Coffey, personal communication, May 8, 2014).

According to Coffey, lost aid and the inability to raise revenue to the local tax burden, Island View will have to cut programs once reserves are spent down.

Current budget strategies used by school districts. Prior to and since 2009, participant districts used a collaborative approach that included various stakeholders within the school community. Since the fiscal constraints were imposed, collaboration with school district leaders has increased, timelines for budget creation start earlier, and various levels of stakeholder and community outreach are utilized.

Collaboration with school district employees. Across the participant school districts, the leaders stated that they used their staffs in highly collaborative processes to make budget decisions. A team approach was needed as the complexities of limited resources became a reality. SBO O'Toole expressed the need for collaboration:

We have constant communication either through when we met as an administrative team, when we just by together every other Wednesday and I'm talking to people constantly. I mean I don't live in like a little bubble. I'm communicating with the principals all the time and I'm trying to find what they need and having a lot of those conversation. I work

very closely with the people in our Special Ed department. To understand what the placements are, what's coming in the future or kids are aging out. There's a lot that goes into what we do and there's constant communication (M. O'Toole, personal communication, March 17, 2014).

Similar communication by building administrators took place in other participant districts.

Mountain Superintendent Matthews stated, "we sit around and we sit down and we talk, we also have once a month meetings where we have five principals join the cabinet and we have a joint meeting. As we get in the budget cycle, more and more of our attention turns to the budget" (T. Matthews, personal communication, March 17, 2014). Working closely to determine needs was ongoing. SBO Smith educated all administrators about their budgets so they have an understanding of the decisions they make. This enabled a collaborative process:

It's a collaborative process in that we're seeking information from administrators, decision makers, and we're also telling them up front we need to make sure your needs are being met. Because if not, I'm coming back to you, saying, if you don't have enough money here, where in your in your budget are you going to cover that from? So, they're vested in the process and they understand (N. Smith, personal communication, March 13, 2014).

In Island View, constant communication with principals and directors was practiced. SBO Boscov shared:

We work closely with building principals in terms of what are staffing needs for next year. So that's ongoing throughout the year. What do we know in terms of retirements? Because we know you know, salaries and expenditures are 75% of the budget. I also work with all of the directors and principals around their needs around supplies and

equipment and any potential renovation. So the process kind of gets kicked off in the fall where they start to make budget requests, so we have meetings and discuss what their needs are, where they are this year (J. Boscov, personal communication, May 8, 2014).

A consistent finding was the important role that communication with building and district leaders was a strategy applied across all school districts.

Timelines for budget development. NYS school districts adhere to a typical timeline:

- mid-February NYS school districts receive their tax base growth factor from the Commissioner of Taxation and Finance;
- early March NYS school districts submit any information necessary for the calculation of the tax levy limit to State Comptroller and the Commissioners of Education and Taxation and Finance;
- early April NYS school districts must publish first of four legal notices of budget vote and board election;
- third week of April the school board candidate nominating petitions and voter submitted petitions must be submitted 30 days before the vote;
- last week of April school districts must submit *Property Tax Report Card* to SED;
- early May all school districts must complete budget seven days before public hearing;
- seven to fourteen days before the vote the school board must hold a public hearing;
- copies of the budget must be available to residents upon request;
- six days before the vote the mailing of the “Budget Notice” takes place; and
- during the third week of May the budget vote takes place (NYSSBA, 2014).

Participant data showed that the budget process began much earlier for each district than the aforementioned NYSSBA (2014) guidelines suggest.

The budget process in participant school districts began in the fall. SBO Peake from Overland Springs expressed that the process began earlier since 2009. The process began in mid-November:

I send a budget development package out to each of the administrators. Then I ask for it back right after Christmas break. The first week in January I ask for those packets back from them. I take the month of January to put together all the requests, go over them with the superintendent. Then we have a few administrative meetings to come up with our first draft budget (J. Peake, personal communication, June, 11, 2014).

The timeline in Glenbrook changed due to the paradigm shift that reductions are inevitable since 2009, “we start with the premise that we’re going to have reductions” (N. Smith, personal communication, March 13, 2014). Since the paradigm changed, the administrators were asked to look for reductions in the early fall:

We started the process this year, right from the beginning, to say, we’re going to give you a target. We also found that, with reductions, if you don’t give a target, there’s nothing to shoot for and it makes it very difficult. So, we went back and we go to each area of the budget. We figure out what five percent of the current budget is and we ask people to come back in their area and provide us with priority order reductions equaling that five percent, which is a heavy target to hit. And asked them to put together their rationale and impact (N. Smith, personal communication, March 13, 2014).

Community Outreach. Due to difficult budget cycles, strategies related to community outreach changed. As mentioned earlier, Abbey Glen reduced the level of community outreach from what had existed since 2009 since the hiring of Superintendent Huntley. SBO O’Toole stated:

Times were we have these community coffee talks where there was a chance for the community to share in the budget process and to prioritize and tell us what's important to them. We've done road shows where we've going out to the churches and places like town halls. Actually, I don't even really find those effective because we didn't really get much response and people tend to come to board meetings. Honestly, I don't think people weren't really buying the difficulties of the budget. There was almost a feeling that we were creating a crisis for what really wasn't. It seems like they've gotten use to the fact that we don't have the ability to fund the programs because the state aid has been basically cut-off. We've had substantial drop in state aid so people aren't showing up to the budget meetings that they used to (M. O'Toole, personal communication, March 13, 2014).

Superintendent Huntley changed the community outreach model due to the turmoil created within the district. Huntley said:

There was nothing but community engagement. No that's the problem. It was the community killing each other. So what I did is that I took that out of the mix. It wasn't that I didn't listen to people but it was more of a, look nobody wants anything cut so whatever recommendation is made somebody is going to be against it. Why continue to have that community just rip each other to shreds every year (J. Huntley, personal communication, March 17, 2014).

As school revenue and staff were cut, in Abbey Glen's case a 25% reduction in staff, the once divided community was marginalized in the process and budgets were passed budgets.

In Owensville, there was an increase in community outreach as a strategy to build support for the problems facing the school district. In Owensville, the outreach educated and built an

understanding of the process, program, and needs of the students. Superintendent Santiago explained:

We have really tried to get more community involvement than we have in the past because everyone needs to understand details. We have created activities and involved individuals within our community having giving us their priorities we've done surveys that we haven't done in the past to solicit information from our community (R. Santiago, personal communication, March 16, 2014).

As Santiago remarked, "really nothing is sacred anymore. We have to make some really serious decisions about what to maintain or not that's never been there in the past" (R. Santiago, personal communication, March 16, 2014). In order to do this, Owensville used various ways to educate the public about the budget. SBO Zanetti said, "I'm supposed to really market a budget but for me it's very important to appropriately message a budget" (A. Zanetti, personal communication, March 10, 2014). Information about the tax cap was provided through *Five Fast Facts* and also mini-lessons for the public to give them an understanding of what factors effected the budget and the choices facing the school district. The community outreach was also extensive with the Latino population that is 50% of the district. Many in the Latino community were non-voters, however their support was crucial to the vitality of the school district. Santiago stated, "We have a group equivalent of a PTA of Latino families that goes out and does a symbolic vote where individuals participate in that, it's a 199 to one in favor for the voting budget" (R. Santiago, personal communication, March 16, 2014).

School districts are required by statute to communicate with their communities regarding the school budget (NYSSBA, 2014). As discussed these patterns have evolved in participant districts since 2009.

Summary of research question four data analysis:

This study's fourth question was "what budgeting strategies were used in the budget development process during challenging fiscal times?" This section of Chapter 4 examined a number of interview questions asked to school superintendents and SBOs in NYS. Through this analysis a series of points were identified that related to participant thinking, knowledge and practice that result from the collective experiences discussed.

1. All participant districts have lost extensive revenues through the GEA, foundation aide, and the NYS tax cap.
2. Reserves and fund balance expenditures have been used to offset revenue losses in participant districts.
3. Since 2009 a highly collaborative approach to budgeting has been prevalent in NYS districts inclusive of the district leaders.
4. Timelines for budget development have been altered as a greater degree of specificity has been required.
5. Community outreach strategies have changed since 2009 in participant districts.

Participant school districts lost extensive revenues since 2009 and took measures such as using fund balance and reserves to maintain programs and services. Participant superintendents operating in the human resource frame, perceived themselves as the primary decision makers but oversaw a collaborative budget process (Bolman & Deal, 2013). A high level of collaboration was needed as all participants stated that budgeting timelines were moved earlier to provide a greater level of budget specificity that is now required. As the fiscal climate became more difficult, the structural frame required all participant school district leaders to examine budgets with a high degree of specificity. "Dramatic changes in technology and the business

environment rendered old structures obsolete at an unprecedented rate, spawning a resurgence in organizational design” (Bolman & Deal, 2013, p. 42). The fiscal upheaval compelled leaders to collaborate and develop structures designed to navigate budget processes.

Findings related to research question five: How do federal, state or local factors affect the strategies used to make budget decisions?

Specifically related to this research question, the researcher posed a specific interview question to each of the participants. Participants were asked to what extent do federal, state, and local factors influence budget decision making decisions. Answers at the federal and state level were consistent while each district had idiosyncrasies with respect to the local factors. Factors included the following (Table 7).

Table 7

Environmental Factors Impacting School Budget Decisions

Environmental Level	Factors
Federal Level	Race to the Top, No Child Left Behind Act, Individuals With Disabilities Act,
State Level	Gap Elimination Adjustment, reduction in NYS foundation aid, NYS Tax Levy Limit, Triborough Amendment, unfunded and underfunded mandates
Local Level	School boards, parents and community groups, labor unions

Federal factors. Superintendent Welsh responded to federal mandates by discussing the effects of RTTT. Welsh responded, “federal has been probably the largest factor, you know the whole race to the top business that came from the feds through the state” (M. Welsh, personal communication, March 13, 2014). The RTTT initiative has a projected implementation cost to

Glenbrook of \$1 million with monies reimbursed only \$120,000 through 2015 (M. Welsh, personal communication, March 13, 2014).

Superintendent Matthews also spoke of federal monies as a driver of school decisions: We aren't getting a whole lot of federal aid, well I mean it might be a couple a million dollars but it's not a lot. Most of the federal aid funnels to the state, and then state parses that out to school districts. So we have Title 1, Title 2, Title 2-A, Title 3, Title 3-A, and other variations, federal monies add a couple a million dollars to a 115 million dollar budget, it's not chump change (T. Matthews, personal communication, March 17, 2014).

Another federal factor was legislation that placed mandates on school districts.

Superintendents Coffey and Matthews also discussed special education mandates that are part of the Individuals with Disabilities Act (IDEA) that have compelled school districts to provide students with the least restrictive free and appropriate public education since 1975. The IDEA mandates continued to place pressures on school districts along with the mandates imposed by NYS's successful bid to secure the RTTT grant in 2011.

State factors. The GEA and the tax cap placed fiscal pressures on school districts. In addition to mandates, other variables effected school district decision making.

Gap elimination adjustment and foundation aid. The GEA was cited by each participant school district as a significant factor impacting decision making. SBO Smith stated, "Gap Elimination has been significant" (N. Smith, personal communication, March 13, 2014).

Because of the loss of nearly \$17.1 to GEA in Glenbrook, Smith reiterated,

Because of the really huge loss on the revenue side we have to pick up revenue losses through expenditure reductions or tax increases. And now, tax increases are limited as

well. So, it puts a lot of pressure on being able to come up with expenditure reductions (N. Smith, personal communication, March 13, 2014).

The influence of GEA and foundation aid were felt by all of the school districts (Table 2).

To make up the lost revenue, school districts relied on reserves to preserve academic programs.

Superintendent Coffey elaborated:

So over the, over the past few years we have lost over 12 million dollars of promised money. We have covered that difference, the reduction due to the gap elimination with our reserves. We've covered it with budget-to-budget cuts. Over the years if you were to look at a graph of our reserves you would see a downward trend over the past five years (J. Coffey, personal communication, May 8, 2014).

As school districts had state aid reduced, other districts used a similar approach to preserve programs. SBO O'Toole, responded, "we are closing in on \$16 million worth of cumulative GEA. We've exhausted all our fund balances. We've used every reserve we have" (M. O'Toole, personal communication, March 17, 2014).

Since the crisis, Glenbrook adopted a strategy to preserve programs due to the sharp reduction in state aid due to GEA. Superintendent Welsh commented:

We recently were notified that we're on the comptroller's list of school districts susceptible to fiscal stress. It's a function of a decision to spend fund balance in order to preserve programming. It's actually about striking a balance between those two things. But we have, in recent years, been mindful of the need to spend fund balance to keep programs that people value and not raise taxes too much. Or raise them as high as we can under the tax levy. In that context, we've been trying to convince our board that we need to spend less and less of that fund balance or we're going to be out of it soon. So, if you

were to look at our recent, like in the last few years, and then, this current year, approach to using fund balance, it is going down. We need to wean ourselves from that as a revenue source (M. Welsh, personal communication, March 13, 2014).

Most participant districts resorted to using fund balance and reserves to balance budgets and preserve programs. As the participants indicated, depleting reserves is not judicious long term but it brought stability to school districts in the short term.

The one district that offset the trend of using reserves and fund balance to finance revenues lost due to GEA is Overland Springs. SBO Peake spoke of the need to maintain the fund balance and reserves of his district. Despite the lost revenues Peake stayed committed to fund balance:

Over the last five years or so, since the economy took the hit, we have really been able to hold onto our reserves at much is possible. Our fund balance is a little over 3 percent right now, so that's taken a bit of a hit. But our reserves are still at probably about \$4.5 million, so we really didn't have to use much. We really looked at our programs and tightened our belt and reduced a few positions here and there, both teaching and support staff, to meet the needs, without really impacting our program too much (J. Peake, personal communication, June 11, 2014).

NYS tax levy limit. In addition to lost revenues due to GEA, the tax cap made it difficult to raise revenues for school districts. The participant districts viewed this NYS statute as a hindrance to maintaining fiscal health. SBO Peake spoke explicitly about his district's position:

Well, a district like Overland Springs, we only get about a third of our revenue through state aid. The rest is through property taxes. So, when the tax cap came into place a few years ago, that really drastically negatively impacted our budget, almost more than the

state aid reductions. Obviously, the \$4 or \$5 million in state aid reductions had a huge impact. However, with a wealthier district like Overland Springs that relies on the tax payers when the state initiated the tax cap, that's really took that taxing capability away to go much above the tax cap. We used to, regularly, have 5% to 6% increases in tax levy, we're now really kept to that 2% to 3% percent is what ours ends up being, once you take exclusions into account (J. Peake, person communication, June 11, 2014).

The sentiment expressed in other districts spoke to the difficulty in raising funds due to constraints.

The Lower Hudson Valley districts received less state aid as a percentage of their school budgets and the concern over the tax cap was strong. Owensville SBO Zanetti stated, "our state aid percentage is 16% of our total budget" (A. Zanetti, personal communication, March 10, 2014). Superintendent Santiago pointed out his concerns, "the tax cap is very, very challenging" (R. Santiago, personal communication, March 16, 2014).

In the Capital Region, Superintendent Huntley responded to the effects of both stated, "a 2% tax levy limit and approximately 2% or so increase in state aid is actually a non-increase in state aid reduction given the GEA. It is not enough to cover our increases in costs" (J. Huntley, personal communication, March 17, 2014).

Unfunded and underfunded mandates. Another consistent variable across participants were unfunded mandates that were seen as a limiting factor in the budget making process.

Unfunded mandates were a pressing concern. Superintendent Matthews commented:

The thing that probably is more irritating to the district and of concern more than anything is really a concern are the unfunded and underfunded mandates, we did a study of this current school years budget 115.3 million dollars and I'm thinking 21 million

dollars of the budget is devoted to paying for mandates whether on, either unfunded or underfunded (T. Matthews, personal communication, March 17, 2014).

Matthews also commented that NYS Part 200 regulations in special education were excessive and costly to school districts, “a lot of them, not all exclusively, but there are number of them that are for special education, our Part 200 regulations are excessive when you compare them with federal regulations, pare it back to the federal regulations” (T. Matthews, personal communication, March 17, 2014). Similarly, Superintendent Coffey expressed significant concern over special education costs:

What I think could have happened in the past four or five years with the recession and all the other things we've talked about is that the state legislature could have said, you know what? For the next two or three years we're going to give you total local control on special education, and we're not going to send you any more mandates. We've already sent you 212 more requirements than the federal government in NYS, all of them well intentioned. But many of them not necessary for every school district. But because we have to practice malpractice avoidance administration with all of these things you know, we spend a lot of money because of these special education mandates that if we had local control and were able to build trust and work with our parents then we could save a lot of money (J. Coffey, personal communication, May 8, 2014).

The costly mandates made budget choices more limited as district leaders were presented with fewer choices to cut. Huntley concurred:

I could print it out for you if you would like to see, pages of mandates that we're required to follow that were given no additional funding to do. The state has done the same thing. A perfect example, the governor, our current governor was elected on we're going to get

rid of all the mandates. Stop the increase in unfunded mandates and we're going to do tax reform, well we did tax reform by putting a cap on it, nothing about the mandates in fact it added to them (J. Huntley, personal communication, March 17, 2014).

Another state factor impacting school budgets were the APPR mandates. To implement the system, Abbey Glen had to pay \$230,000 in 2013-2014 (J. Huntley, personal communication, March 17, 2014). Glenbrook estimated that APPR will end up costing \$1 million by 2015. In Owensville, Superintendent Santiago expressed similar concern:

APPR is a great example of something that led us to implement assessments and put money towards assessment that we didn't otherwise plan on doing. There's a variety of mandates that come down from the state that eat up local dollars RTTT has led to the significant amount of cost the we have to incur locally, contrary to the belief of maybe the state education department and other legislators. But locally districts have put a significant amount of dollars around that set initiative that came top down. Because we have to make sure that we are compliant and it's added another layer to the work (R. Santiago, personal communication, March 16, 2014).

Another state factor impacting school budgets was the cost of APPR mandates. To implement the system, Abbey Glen had to pay \$230,000 in 2013-2014 (J. Huntley, personal communication, March 17, 2014). Glenbrook estimated that APPR will end up costing \$1 million by 2015.

Triborough amendment. Another environmental challenge is the Triborough Amendment to the Taylor Law that was passed in 1982. The Triborough Amendment made it an improper practice for an employer to refuse to continue all the terms of an expired agreement until a new one was negotiated. "The amendment has been interpreted by the courts to mean that

when a contract expires, the current provisions of the contract remain in place and certain provisions for continued salary increases must be honored; meaning, any salary increments contained within a contract's salary schedule are paid despite expiration of the contract" (NYSSBA, 2013). Superintendent Huntley stated, "our salary increase is based upon the Taylor Law, which we can't change because of Triborough, is a half a million dollars" (J. Huntley, personal communication, March 17, 2014). Without the authority to freeze contracts inclusive of salary and benefits, school district leaders found it more difficult to control labor costs.

State factors impacting participant budgets have been significant and included the following,

- Gap Elimination Adjustment;
- reductions in foundation aid;
- NYS Tax Levy Limit;
- Triborough Amendment; and
- unfunded and underfunded mandates.

The state imposed fiscal pressures have intensified since 2009 as the participant data demonstrated.

Local factors. School district governance in NYS required elected school boards to provide oversight and have decision making authority. As such, local factors influenced the decisions that were made by school district leaders.

School boards. Common to all participant districts, school boards were involved in the budget process in different ways. In Glenbrook, Superintendent Welsh discussed changing the culture and mindset of the board of education in order to stabilize the finances of the district.

Welsh stated:

We have, in recent years, been mindful of the need to spend fund balance to keep programs that people value and not raise taxes too much. Or raise them as high as we can under the tax levy. In that context, we've been trying to convince our board that we need to spend less and less of that fund balance or we're going to be out of it soon. So, if you were to look at our recent budgets, like in the last few years, and then, this current year, approach to using fund balance, it looks like this. Going down, because we need to wean ourselves from that as a revenue source (M. Welsh, personal communication, March 13, 2014).

As Welsh explained, the board of education worked to keep the tax levy as low as possible and simultaneously cut the budget. In Island View, Superintendent Coffey related the need to get the support of the board before the budget process went public. Coffey elaborated:

I have changed processes with the board because of the recession, GEA, and outside variables from the federal government and the state government. That's one thing I've done to allow each board member to look me in the eye, ask me the tough questions and not worry about what other people are thinking about their comments (J. Coffey, personal communication, May 8, 2014).

As was the case in several districts, the board of education role in the budget process has not changed significantly since 2009. Overland Springs's SBO Peake stated,

Early on, no input. Really, the first time they hear about it and get involved is after that first draft budget is presented. Even then we only get some minor feedback from them really on where they want to see it end up. Our board is excellent. They really understand the process and their role, and they really take the administrative recommendations (J. Peake, personal communication, June 11, 2014).

Similar sentiments regarding the role of the boards of education were expressed by Abbey Glen. Superintendent Huntley stated that he was not pressured to make certain decisions by the board of education, “I’ve tried to help them in not having to make that ultimate decision. Instead they provide, what their role is supposed to be, advising consent. I give them my recommendations and then they make decision” (J. Huntley, personal communication, March 17, 2014). Huntley acknowledged the importance and ultimate authority of the board of education but had developed a relationship where he had authority to make decisions.

SBO O’Toole commented that the dynamics have changed in his district as the board has changed over through election. The negative attitude that had existed has changed. O’Toole stated, “the board tends to engage and listen more to the administrative group, central office and the principal group” (M. O’Toole, personal communication, March 17, 2014). Overall, school boards were involved but did not exert their authority over participant decision makers.

Parents and local special interests. Since 2009 school budgets became contentious at the local level. As was acknowledged by Superintendent Welsh, there are local groups that pressure budget decisions effectively:

People who come to the board and say their peace sway the board, without a doubt. And the board really doesn’t care about what data you show. They are pure emotion and this is what they value and they put it in. So, it’s kind of an interesting balance there (M. Welsh, personal communication, March 13, 2014).

Glenbrook SBO Smith agreed with Welsh,

I’ll say, candidly, our board of education tends to be very swayed by people that come to the podium during budget season. So, if little kids come forward and talk about music or art or enrichment, we have made decisions or the board has made decisions when

adopting the final budget that may include adding back resources in those areas because of those types of things (N. Smith, personal communication, March 13, 2014).

The impact of public pressure depended on the board as well as the culture of the community. Superintendent Coffey acknowledged the public pressure, but also believed that strong school districts needed to absorb public pressure:

I will tell you that there are only a few things that will cause me to resign or retire. And if, if the board of education were to do what another district did, they had made a decision, I'm not going to tell you which town this was. They had made a decision about something in the music program. Opponents went to a board meeting. During public comment three or four music teachers made comments. Before the music teachers left the board had decided to go back on that decision, reinstate that position and look for other cuts. Now that is a terrible, terrible decision by a board of education. It shows a dysfunctional group that can, that will bend to that pressure (J. Coffey, personal communication, May 8, 2014).

Coffey stated the need for school leaders and boards of education to be unified in their approach to budgeting. Since resources became depleted, community pressure has changed.

Superintendent Huntley stated:

We had a aftercare program run by the district that was eliminated and every one of those things when they come forward there is a constituent group for those to keep those programs in place that are just livid because you're taking away something that means a lot to them. And I understand that, that's perfectly understandable (J. Huntley, personal communication, March 17, 2014).

In Overland Springs, Superintendent Moore and SBO Peake spoke of pressure from music and sports groups who consistently expressed concerns over potential cuts.

Labor unions. Participants agreed that NYS school districts faced challenging labor union issues due to the Triborough Amendment and their collective power. Superintendent Matthews discussed the power and influence of unions, “pressures that we get from our unions would be a pressure point for sure, and unions get people elected to boards of education” (T. Matthews, personal communication, March 17, 2014). In Abbey Glen, SBO O’Toole believed that the teacher’s union was still not fully understanding the severity of the fiscal crisis, “that they feel like the community should be doing more and should support budgets that exceed the tax caps and things like that” (M. O’Toole, personal communication, March 17, 2014).

Superintendent Moore acknowledged that significant budgeting challenges were met with personnel reductions. He stated, “we have different unions that communicate with me that they don’t want reductions in their ranks anymore, and so we try to communicate clearly with them that – and this is a good term to use, but staffing is where the money is” (M. Moore, personal communication, June 9, 2014). As labor unions contended with staffing losses since 2009, they chose between losing more staff or reducing salary and benefits.

Summary of research question five data analysis.

This study’s fifth question identified “how do federal, state or local factors affect the strategies used to make budget decisions?” Through this analysis a series of points were identified that related to participant thinking, knowledge and practice that resulted from the collective experiences discussed.

1. Federal mandates have increased costs to school districts and revenues have not offset budgetary impacts.

2. NYS unfunded and underfunded mandates including Part 200 special education mandates, CCLS testing, and APPR limited the budgetary flexibility of participant districts.
3. Lost and limited revenues impact the capacities of participant districts to maintain academic programs and increased the use of fund balance and reserves.
4. The Triborough Amendment continued to make it difficult to control wage and benefits in labor contracts.
5. Local factors varied in each participant district but influenced the budget choices that were made.

Participants acknowledged that environmental factors influenced the budget process in their school districts. Bolman and Deal's (2013) political frame asserted "that in the face of enduring differences and scarce resources, conflict is inevitable and power is a key resource" (p. 167). Participant data demonstrated that coalitions formed in response to the competition for resources and that leaders utilized the political frame when making budget decisions. Participants also acknowledged the impacts of various local stakeholders on the budget process. Bolman and Deal (2013) stated that politics will be "more salient and intense in difficult times" (p. 167) and the interviewee data showed that this was perceived as true. The findings presented in this chapter showed that budget decisions in an environment of reduced resources has changed in NYS since 2009. Viewed through the four framework lens of Bolman and Deal (2013), participant responses were more clearly understood in the context of fiscal pressures since 2009. Perceived changes that school district leaders acknowledged were that:

- on the job experience was perceived as essential to their ability to manage school district budgets in times of significant crisis;

- superintendents were the key budget decision makers in school districts;
- budget decisions were perceived driven by school district goals;
- since 2009 extensive revenues lost by school districts have changed budget practices;
- and
- federal, state, and local factors effected budget choices in participant school districts.

These findings were largely consistent with recent research on budget decision makers and processes (Abshier, 2011; Bird & Wang, 2011; Carter & Cunningham, 1997; Kaplan & Owings, 2006; Kowalski, 1999; Kowalski, 2006; Rubio-Cortes, 2012; Taibi-Lewis, 2011; Witt, 2012; Zeehandelaar, 2012). The findings from the research data analysis, related to the five research questions, are summarized in Chapter 5 with an outline of summary findings, an examination of specific conclusions, and the detailing of the research implications for further research and professional practice.

CHAPTER 5:

SUMMARY, CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS

This chapter includes the summary of findings, conclusions, implications and recommendations for future study related to the research questions. Beginning in 2009, NYS school districts have faced increasing fiscal challenges. School superintendents have made difficult budget decisions in an environment of reduced resources while balancing federal, state, and local pressures. It is critical to understand the factors and conditions under which school budget decisions are made in the face of the new pressures. This study's research questions were developed to investigate the budget decision makers, their decisions, and the pressures they face to build responsible budgets. The research questions are:

1. How have superintendents and school business officials made budget decisions since the economic downturn in 2009?
2. What role did the superintendent and business official play in the decision making process for making the school budget in times of fiscal constraint?
3. How did superintendent and school business officials perceive their resources allocation decisions to align with district goals and impact student achievement?
4. What budgeting strategies were used in the budget development process during challenging fiscal times?
5. How did federal, state, or local factors affect the strategies used to make budget decisions?

Chapter 4 provided an analysis of how and in what ways budgeting changed since 2009. This study explored the personal perspectives and experiences of NYS superintendents and SBOs in the budget building process during fiscally difficult times. A qualitative research design

used interviews of superintendents and SBOs in six NYS school districts. The interviews provided significant depth of responses from the participants. As noted earlier, prior research linked to decisions related to decision making in fiscally difficult times is limited (Abshier et al., 2011; Rubio-Cortes, 2012; Taibi-Lewis, 2011; Waters et al, 2007; Witt, 2012; Zeehandelaar, 2012).

The final chapter is divided into the following sections: summary of findings; discussion of research finding one; discussion of research finding two; discussion of research finding three; discussion of research finding four; discussion of research finding five; recommendations and implications for school superintendents; recommendations and implications for policymakers; conclusions; and final considerations.

Summary of Findings

There are five key findings from this study. The findings were based on in-depth interview analysis conducted with participant superintendents and SBOs in six school districts that range from 3,000 to 5,500 students in New York who participated in the study. This study aims to discover who the key decision makers are, how decisions are made, and the factors that influence decision making. The data reveal the following key findings:

- School district leaders acknowledge that on the job experience is essential to their abilities to manage school district budgets in times of significant crisis;
- Superintendents are the key budget decision makers in school districts;
- Budget decisions are perceived to be driven by and aligned to school district goals;

- Since 2009 extensive revenues have been reduced by school districts in New York resulting in changes to budget practices; and
- Federal, state, and local factors impact the budget choices in school districts.

These findings illustrate a number of factors that have impact budget decisions in school districts in New York since 2009. The data also support findings that due to the fiscal difficulties, superintendents led efforts in their particular districts to change budget practices that increasingly become more heavily scrutinized.

Discussion of Finding One

The first finding associated with this study can be summarized as leadership experience matters, especially in difficult times. As the literature discussed (Abshier, 2011; Brimley, Burrup, & Garfield, 1996; Dlott, 2007; Dlugosh et al., 1996; Edwards, 2006; Kowalski, 1999; Taibi-Lewis, 2011; Waters, Marzano & McNulty, 2007) and participant superintendents and SBOs perceive that experience garnered over the course of their careers is beneficial during times of fiscal crisis. The superintendents spoke of the complexities of building budgets and how the challenges intensified with less revenue resulting from the GEA and New York's tax levy limit legislation. Each superintendent participant acknowledges that they did not begin their careers as formally trained budgeters and had to learn through experience. Most SBO participants entered their current positions with financial backgrounds. These backgrounds included training as accountants and school-related financial positions such as treasurers in addition to roles as SBOs in other school districts. All participants perceive that experience is crucial in the current environment and that superintendents need to be skilled in budget building. Consistent with Kowalski's (1999) findings, the data showed that superintendents perceived that

they must have strong financial knowledge to facilitate and oversee the budget process as expected by the school board and public.

In the previous chapter, leadership experience is a central theme founded on the data. In five of the six school districts that participated, each superintendent gained experience at a smaller school district prior to their current positions in a larger school district. Participant data in Chapter 4 data show that due to scarce resources, experience garnered through on-the-job training is vital. Interviewees perceive that knowledge gained through the job experience, they are able to create organizational efficiency to contend with a scarcity of resources.

Large complex organizations are reliant on skilled leaders especially in difficult times (Bolman & Deal, 2013). Superintendents since 2009 faced drastic reductions in state aid, reduced revenues through New York's tax levy limit, and continued pressure from unfunded and underfunded mandates. As such, participant school leaders perceive that school districts have a vested interest in having superintendents and SBOs with strong budget building backgrounds to cope with the economically difficult times.

Discussion of Finding Two

The second finding is that superintendents are perceived to be the key decision makers in the budget process at their schools. All participating school districts have experienced cuts in state aid ranging from \$11.4 to \$21.2 million (Table 3) and have coped with New York's tax levy limit that have combined to result in reduced revenues. In this context, superintendents are the key budget decision makers in this process.

Contrary to Kowalski's (1999) findings, superintendents assume this role in school districts far greater than 2,000 students. The participant data indicate that SBOs play an important role as facilitators of the budget process, superintendents play the key role in each

district. The participant data was consistent with Bolman and Deal's (2013) structural framework of division of labor, the superintendent's play the role of key decision makers and the SBOs fulfill the roles of process facilitators and data gatherers for decision making.

Participant data show that school boards and other entities are not perceived to drive the budget process. Consistent with research literature, superintendents are at the forefront of the budget development process (Bird & Wang, 2011). Data show that in the studied large schools districts, the superintendent delegated the daily budget responsibilities to the SBOs. However, the superintendents are the primary decision makers in each participant district. These findings are consistent with earlier literature discussed (Bird & Wang, 2011; Edwards, 2006). Edwards (2006) found that school finance is the largest challenge superintendents faced.

Data reveal that superintendents with support from SBOs, are forced to make difficult budget decisions in fiscally challenging times. This study finds that the following are related to the overarching second finding:

- Superintendents view themselves as the leaders of the teams that make and create budgets ultimately presented to boards of education;
- significant input is gathered from various stakeholders during the process; and
- since fiscal constraints of 2009, greater communication patterns with stakeholders are now altered to communicate the school budget.

Participants collectively acknowledge that school superintendents are the primary drivers in school budget building. Constrained resources compel superintendents to rely on past experiences to lead their districts through difficult times.

Discussion of Finding Three

The third finding of this study is that budget decisions are driven by and aligned to school district goals in times of economic crisis. Each participant acknowledges the importance of aligning school budget decisions to goals in all times including crisis.

It is perceived by all 12 participants that the conditions posed by scarce resources since 2009 made the spending decisions more focused. Participants state that budgets demand more precision and are thus tied to the goals of the school districts. As the research indicates, superintendents should focus on values and people, and help the entire organization understand the overall goals and mission of the school district (Maguad, 2007). Consistent with prior research, participant superintendents align their decisions with what is in the best interests of the students in their schools (Grogan & Smith, 1999). If the cuts are not done judiciously, they can adversely affect schools and student achievement (Burbank, 1971; Collins & Lucove, 1982; Hanson et. al, 1984).

This data are important for leaders to consider as they make budget decisions moving forward. In light of new mandates in New York including APPR and the common core assessments, leaders need to carefully consider what to cut. All participants shared that their decisions align to district goals with student achievement central to the goals. As stated earlier, if they are not judicious the effects can be detrimental to students and schools.

Participants reveal that fiscal stress since 2009 has not compelled school districts to deviate from their district goals. Spending decisions continue to align to goals in each participant district as leaders indicate they have chosen to first target areas that do not directly impact the classroom. Additionally, data suggest that strategic plans are the basis of decision-making. Strategic plans provide a framework for long term planning that shape the spending

decisions for leaders, especially since 2009. The study reveals that these frameworks were perceived to give superintendents the focus needed to make difficult decisions that keeps their focus on district goals.

Discussion of Finding Four

The fourth finding of this study is that since 2009 extensive revenues have been lost by school districts in New York. These losses result in changes in budget practices. As a result of the GEA, foundation aid reductions, and the NYS tax cap, NYS school districts changed their budget practices. Research indicates that superintendents need to be adept at strategies to balance budgets in economically stressful times (Abshier et al., 2011; Taibi-Lewis, 2011; Witt, 2012). Participants acknowledge that different approaches are used to remedy revenue shortfalls.

Participant school districts use a blend of unrestricted fund balances and restricted reserves to balance their respective school budgets. Four of the six participant districts have their reserves depleting while two do not. Restricted reserves, enabled by NYS statute, allow school districts to set aside reserves for financial obligations, such as health care benefits for retirees. Unrestricted fund balance, may not exceed 4% of the total school budget. To meet fiscal challenges superintendents and SBOs use fund balance and reserves.

Participants favor a collaborative approach to budgeting since 2009 that includes community outreach. Giselle Martin-Kniep's seminal work *Communities that Lead, Learn, and Last* (2008) asserted that the ultimate goal of education is keeping organizations moving forward through shared learning. Participant data indicates that through the budget process, shared learning through information exchanges is vital to developing budgets. Data show that each superintendent has a process in place to utilize the expertise within their school district for collaboration. To meet these challenges, participant data show that budget timelines are moving

to earlier in the school year due to constrained resources. As pressure mounts for superintendents, more scrutiny is required of individual budget lines to maximize resources as evidenced by SBO participants. As research indicates, a balanced leadership approach that builds consensus for decisions can help school districts achieve desired results (Waters et al., 2007).

Community outreach strategies changed since 2009 in each participant district. Similar to earlier research, participant districts manage to promote fiscal sustainability by changing the culture of the organization to emphasize partnerships with district staff, building public trust, and increasing organizational fiscal awareness (Rubio-Cortes, 2012). Data show that school leaders adopt a variety of strategies to engage their communities since 2009. Community forums, presentations, coffee discussions, among other vehicles are used to inform and engage the public about fiscal realities and the budget choices they face. The research shows that fiscal strategies in times of declining public funds, lead some leaders to establish a broad budget process made up of community stakeholders (Rubio-Cortes, 2012). Data reveal that more community outreach is a change employed by some school districts in New York.

Discussion of Finding Five

The final finding of this study is that federal, state, and local factors did indeed impact the budget choices in participant school districts since the onset of the fiscal crisis in 2009. Participant data show that school districts see increased costs due to mandates from both the federal and state legislatures.

Participants state that federal laws including the NCLB and RTTT continue to constrain budgets without revenues to offset the pressure. Data show that mandates for increased student

achievement, implementation of new common core curricula and their assessments, and new principal and teacher evaluation systems increase stress on school districts.

In New York, several variables impact budget decisions. Also, data also show that that mandates at the state level limited the flexibility of school district leaders to make cuts in certain areas. For instance, participants indicate that Part 200 regulations in NYS go above and beyond federal IDEA mandates and prove costly to schools. The \$700 million awarded to NYS for the RTTT grant did not cover school district costs for the implementation of the common core and evaluation systems for teachers and principals. Participants also share that the new mandates have come at the same time as the GEA and NYS tax levy limit legislation. As such participant superintendents in many cases chose to use restricted reserves and fund balances to balance programmatic shortfalls in the short term.

In each of the participating districts, local factors play a part in the process. Consistent with research, participants acknowledge that school boards, local groups, and teachers unions are influential in budget decisions to various degrees (Zeehandelaar, 2012). Participants acknowledge that they are cognizant of the potential influences of community groups. The data reveal that community groups were engaged in the budget making process, but do not always alter the decision outcomes.

Recommendations and Implications

There are several important implications for both policy and practice. Participant data is critical information for lawmakers considering changes to mandates and school board members in districts who might well be making important hiring decisions in the future. Superintendents and school districts should consider the participant responses on how to guide and improve

superintendent budget leadership. Finally, further study and analysis of the efficacy of superintendent decision making in fiscally difficult times is needed. Specifically, study of student achievement in the context of RTTT mandates including common core assessments and high needs capacity school districts are warranted and necessary.

Recommendations and implications for lawmakers and school boards.

Legislation at the federal and state levels in recent years has been challenging for school districts in NYS. This study reveals that the financial impacts of unfunded and underfunded mandates are challenging for school districts due to the fiscal constraints of GEA and the NYS tax levy limit. School districts are forced to contend with the mandates including teacher evaluation systems, accountability assessments, and investing in information technology systems to interface with New York's instructional data system. In addition, the Part 200 regulations that exceed federal IDEA mandates, often create challenges for school districts. Since these mandates require all NYS school districts in are challenged to comply. This study suggests that because of these newly legislated costs, NYS school districts with revenue losses due to GEA and the tax levy limit, have been challenged to balance school budgets. Participant districts were able to meet the fiscal challenges in the short term through the combination of strategic cuts, the use of fund balance, and reserves. However, the long term sustainability of school district funding is in question and warrants consideration for legislative reform by the federal and state governments.

School board members should carefully consider who they hire as their superintendent. The study indicates that large school districts are complex organizations made of hundreds of employees and diverse stakeholders. As a result, superintendents rely on a deep reservoir of experience to guide budget processes in fiscally difficult times. Due to the complex

environment, superintendents need to be professionally prepared when hired in this era and budget building experience is at a premium. To that end, SBOs provide crucial support and as the study shows, experience among the SBOs provided expert facilitation for school districts. School boards should design hiring processes that not only focus on the educational leadership vision of candidates, but should also focus on the more pragmatic school finance qualifications of the candidates.

Recommendations and implications for practice and professional development.

The findings of the research can be used to guide and improve superintendent budget leadership in school districts. The findings guide school districts to find highly skilled superintendents and also develop strategies to provide professional development to address lack of experience in budget building. This study finds that school superintendents are the key budget decision makers; that decisions are aligned to district goals in times of economic crisis; and that local factors have an impact on school budget decisions. It is recommended that school superintendents have a clear understanding of the budgeting when hired. If not superintendents must be provided with professional development. Specifically, doctoral programs in educational leadership and other programs, such as the Superintendents Development Program offered at the State University of New York at Oswego and the New York State Council of School Superintendent's Future Superintendents Academy, are to be considered by superintendents who lack deep experience in budget building. Additionally, superintendents need to be invested in strategic planning, goal setting and visioning for their school districts. As the research suggested, goals are attainable even in times of fiscal crisis. School superintendents need to be aware of local influences affecting decisions and ensure that they align with collaboratively developed district goals. Special interests need to be skillfully handled and strong relationships

maintained. Special interests should not compel superintendent's decision making process to deviate from district goals.

Recommendations for further research.

Two key areas that warrant further analysis are the efficacy of decisions that are made with respect to student achievement and whether or not high needs districts are able to align budget cuts to district goals. Further study should occur to quantitatively analyze whether or not budget decisions have effected student achievement in school districts since 2009. Five of the six participant districts showed graduation rate increases despite reductions in state aid as a percentage of their school budgets from 2008 through 2014. Also, it is important to note that each of the participant school districts have fund balances approaching the 4% NYS limit and reserves to offset shortfalls in revenue reductions while adhering to district goals. Therefore, additional study for high-need school districts is warranted. Superintendents in such districts may not be presented with the same budget cut options given that they are more dependent on state aid and may have smaller fund balances and reserves.

Conclusions

This study intends to expand upon and contribute to prior literature and research on school leader budget decision making in times of fiscal crisis through a multi-site case study in distinct regions of New York State. This study has implications and recommendations for further research, professional practice, and lawmakers including:

- Revisiting current legislation to ensure that mandates are properly funded to carry out RTTT initiatives;

- ensuring that high quality superintendents with strong budget background are in place through strong hiring practices and professional development; and
- engaging in further research to determine if student achievement outcomes, including Common Core Learning Standards assessments and graduation rates, correlate to budgeting decisions aligned to goals in fiscally challenging times; and
- studying the budgeting decisions of high needs capacity school districts in times of reduced resources.

These conclusions are based on the perceptions of the leaders who participated in the study.

Their perceptions are that:

1. Declining revenue for school districts in New York State juxtaposed with new and prior mandates have compelled superintendents to make targeted budget decisions that align to school district goals.
2. Funding for unfunded and underfunded legislative mandates is inadequate, data from the study reveal that schools have resorted to using fund balances and reserves to maintain program and compliance with mandates.
3. Due to the challenging work associated with being a superintendent in fiscally challenging times, it is important for superintendents to have budget building backgrounds with strong professional development to offset deficiencies if needed.
4. Skilled superintendents are needed to manage local special interests in order to focus budget decisions on district goals and visions.

Conclusion One

This study finds that declining revenues for school districts in New York since 2009 have been nearly simultaneous to new mandates imposed by RTTT. Superintendents in participant districts make budget cut decisions that are perceived to align to school district goals. Also, participant superintendents perceive that the current fiscal crisis has led to greater focus on essential school district goals. No participant in this study states that their decisions are arbitrary and all assert that their decisions are closely tied to goals. All participant superintendents perceive their budgets as a reflection of the values of their respective districts and acknowledge that timelines have changed to gather as much information as possible to contend with the growing challenges. The question of whether or not the choices enhance accountability targets and district goals have yet to be answered and warrant additional research. Assessing future achievement data and organization goal attainment is needed to serve this end.

Conclusion Two

Funding for unfunded and underfunded legislative mandates is perceived by study participants to be inadequate. Participant data from the study reveal that five out of six school districts have used fund balances and reserves to maintain program and compliance since 2009. Also, the data indicate that fund balances are currently at or heading towards 4% and reserves had stabilized in participant districts. If the fiscal environment improves, all superintendent interviewees consistently perceive that they have gained invaluable experience streamlining budgets that focus on goals and their future decisions will be more informed. Lastly, participant superintendents perceived that the current environment with reduced resources in public schools has the potential to create a greater awareness of funded and underfunded mandates at the federal and state levels.

Conclusion Three

In fiscally challenging times, participant superintendents perceive that there is a great benefit from their job experience. In total, ten of the twelve participants have extensive experience building school budgets. Data reveal that superintendents perceive that their experience helped put effective processes in place to manage the budget cycles in their school districts. Each participating superintendent believes that prior experience is helpful and provides a deep understanding of the budget process in the challenging times. School business official participants perceive that expertise is needed to build budgets in light of the NYS tax cap and sharply reduced aid. Therefore, it is perceived that school districts should hire highly qualified and accomplished superintendents. If not, then extensive professional development should be in place to promote success.

Conclusion Four

Superintendent interviewees perceive that skilled superintendents can manage special interests and move the budget process towards the district goals and vision. All six participant school districts through superintendent leadership have been able to restore fund balances to over 3% and maintain some reserves for future obligations. Each superintendent participant perceives that skill gained through experience enables them to make budget reductions in non-essential areas in times of reduced resources. All participant districts, including the two most distressed, were perceived to adhere to their goals in the face of the fiscal challenges including GEA, the tax cap, and reductions in state aid relative to the total school budget. Strong, experienced leaders add stability, strength of conviction, and focus on the collective goals to make decisions in a climate with great competition for scarce resources among special interests. Through effective

communication, district leaders are able to listen to, acquire information, and effect positive budgetary change in the face of enormous pressures.

Final Considerations

William Bridges stated, “beginnings are psychological phenomena. They are marked by a release of new energy in a new direction-they are the expression” (2009, para. 1213). Since 2009, NYS school districts managed significant revenue losses, new legislative mandates, and special interests competing for scarcer resources.

The study stresses the need for strong superintendents with budgeting experience supported by school business officials well-versed in school finance. Consequently, school boards are entrusted to find high quality leaders who can get the organization working towards a collective vision. To this end, leaders need to lead in all fiscal climates and keep their districts focused on collective goals and not get complacent when there are greater resources available to them. The participants perceive that experienced leadership in difficult fiscal times with stringent mandates can lead school districts. As presented in the findings, school leaders chose to alter communication patterns, accelerate budget process timelines, and use fund balances and reserves as strategies adapt to the fiscal constraints since 2009. It is hope of the researcher that school boards considering superintendents will conduct thorough superintendent searches or provide extensive professional development on finances to candidates who show great promise in areas such as curriculum leadership. The past five years have given leaders an opportunity to look within themselves and their organizations and ask themselves what they are truly about and what they value. Strong leadership in school districts provides the ability to not only survive but set themselves up for greater success if and when the relentless fiscal pressures subside.

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Appendix A

Invitation to Superintendents and School Business Officials

February 2014

Dear _____:

My name is Brett M. Miller and I am a doctoral candidate in educational leadership at Sage Graduate School in Albany, New York. I am conducting research in the area of budget resource allocation decisions since 2009. Specifically, I am examining budget building strategies, the role of superintendents and school business officials in the process, the factors behind the decisions, and factors impacting decisions and decision makers.

The purpose of this case study is to examine how and in what ways budgeting changed since 2009 due to cuts and fiscal uncertainty. A qualitative research design will be used using interviews of superintendents and school business administrators in six New York State school districts. The research questions are as follows:

1. How have superintendents/school business officials made budget decisions since the fiscal constraints that began in 2009?
2. What role does the superintendent/business official play in the decision making process for making the school budget in times of fiscal constraint?
3. How do resource allocation decisions align to district goals and impact student achievement?
4. What budget strategies most are most effective with regard to the budget process during challenging fiscal times?
5. How do federal, state or local factors affect the strategies used to make budget decisions?

Although most districts have faced fiscal constraints since 2009, I am particularly interested in the work you have done to undertake this process in your district or organization. As we continue to move forward into crucial times in education and through the continued fiscal uncertainty, I am grateful to be able to collect evidence and insight from leaders who are facing this challenge head on. I am confident that your contributions to this research will help develop and provide the insights for other leaders to consider in the budget building process.

Please review the attached informed consent document. If you have any questions regarding the nature or scope of this study as well as your participation, please feel free to contact me at 518-788-0133 or b_miller@saratogaschools.org. Should you have any additional questions or concerns please feel free to also contact my Doctoral Chair John Johnson at johnsj16@sage.edu, Thank you for your time and consideration,

Sincerely,

Brett M. Miller

Appendix B

Informed Consent Form

Participant Name _____

You are being invited to participate in a research project entitled: Budgeting Practices of School District Leaders in New York State Since 2009. This research is being conducted by: Brett M. Miller, Doctoral Candidate in Educational Leadership at Sage Graduate School, Albany, New York

Purpose:

The purpose of this case study is to examine how and in what ways budgeting changed since 2009 due to cuts and fiscal uncertainty. A qualitative research design will be used using interviews of superintendents and school business administrators in six New York State school districts. The research questions are as follows:

1. How have superintendents/school business officials made budget decisions since the fiscal constraints that began in 2009?
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3. How do resource allocation decisions align to district goals and impact student achievement?
4. What budget strategies most are most effective with regard to the budget process during challenging fiscal times?
5. How do federal, state or local factors affect the strategies used to make budget decisions?

Explanation of Procedures:

This study will be conducted confidentially. Participants will be interviewed and audio taped for accuracy of transcription. Participants may elect not to answer any questions and may terminate the interview at any time. The names of the participants as well as the districts selected for study will be maintained confidentially. Pseudonyms will be developed for both the participants as well as the districts and used when reporting the results. The participants as well as the selected districts will be known only to the student researcher. All interviews will be transcribed and maintained on a password protected computer. Once the transcribed interviews have been verified for accuracy by the participants, the audio tapes will be maintained until the research has been concluded and then destroyed three years after completion. The study will be defended and presented in the Fall of 2014. Public release of the study will take place at the discretion of the Sage Colleges.

Consent:

Participation is voluntary. I understand that the potential of minor risks and/or discomforts for participants are limited to the discomfort by questions asked. In the event that I am harmed by participation in this study, I understand that compensation and/or medical treatment is not available from The Sage Colleges. However, compensation and/or medical costs might be recovered by legal action.

I understand that I may, at any time during the course of this study, and during the interview, revoke my consent and withdraw from the study without any penalty. I have been given an opportunity to read and keep a copy of this Agreement. I have also been given the opportunity to ask questions concerning the study. Any such questions have been answered to my full and complete satisfaction.

I, (school superintendent/business official) _____, having full capacity to consent, do hereby volunteer to participate in this research study and give permission to the researcher to record me during the course of the interview.

Signed: _____ Date: _____
(Research participant)

This research has received the approval (TBD) of The Sage Colleges Institutional Review Board, which functions to insure the protection of the rights of human participants. If you, as a participant, have any complaints about this study, please contact:

Dr. Esther Haskvitz, Dean
Sage Graduate Schools
School of Health Sciences
65 First Street
Troy, New York 12180
518-244-2264
haskve@sage.edu

Appendix C

Participant Interview Questions

LIST OF POTENTIAL AREAS TO BE EXPLORED IN INTERVIEW AND INTERVIEW QUESTIONS

In the participant interviews, the following items are identified through the review of literature as potential areas that would benefit exploration in an interview. These items will guide discussion in these areas if they did not naturally emerge in the conversation. However, if the participant does not indicate experience related to one of these items, there will be no effort to coerce him or her to follow that line of inquiry. The questions that follow help prompt the interview to provide evocative responses.

1. Describe your educational and professional background.
2. Please describe your leadership style.
3. What is your experience building budgets for school districts?
4. Please describe the fiscal condition of your school district and how it has changed since 2009.
5. How have the budget decisions been changed in your district since 2009?
6. Describe the ways in which the specific fiscal constraints imposed by New York State including the gap elimination adjustment and tax levy limit have impacted your budget choices?
7. What role do you play in the budget decisions in you school district?
 - a. Has your background impacted your role in the process?
8. How do district goals influence budget decisions in your district?

9. Please describe budget strategies employed by you to build the school budget in your school district.
10. To what extent do federal, state and local factors influence budget decision making decisions?
11. Is there anything else you wish to add?

Appendix D

Confidentiality Agreement

Transcription Services

Agreement and acknowledgement between _____ (transcriber) and Brett M. Miller (researcher). The researcher has or shall furnish to the transcriber certain confidential information, all on the following conditions:

1. The transcriber agrees to hold all confidential or proprietary information in trust and confidence and agrees that it shall be used only for the contemplated purposes, and shall not be used for any other purpose or disclosed to any third party under any circumstances, whatsoever.
2. No copies may be made or retained of any digital audio or written information supplied.
3. At the conclusion of our discussions, or upon demand by the researcher, all information, including digital audio or written notes shall be returned to the researcher. The transcriber shall not retain copies or written documentation relating thereto.
4. This information shall not be disclosed to any employee, consultant or third party unless party agrees to execute and be bound by the terms of this agreement, and disclosure by client is first approved.
5. The transcriber acknowledges the information disclosed herein is proprietary and in the event of any breach, the researcher shall be entitled to injunction relief as a cumulative and not necessarily successive or exclusive remedy to a claim for monetary damages.
6. This constitutes the entire agreement. Signed this ____ day of _____, 2014.

Witnessed:

Witness

Transcriptionist

Witness

Researcher (Brett M. Miller)