

SCHOOL FINANCE CASE STUDY: DEALING WITH A SCHOOL DISTRICT BUDGET DEFICIT*

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Abstract

This case study-based class assignment (see Appendix A) is designed as a culminating course activity through which students demonstrate not only their understanding of school finance basics but also show how to apply their knowledge to solving a problem impacting many public school administrators today. Because the case study is general in design, it is useful in almost any school district setting. It also allows students to document what they have learned about school finance and to demonstrate their creative financial problem-solving skills. Students are encouraged to recommend a broad array of revenue enhancement and expenditure reduction strategies to solve a real-life school district budget deficit. Through this assignment, school finance professors will be able to assess the breadth and depth of their students' knowledge of the basics of school finance as well as their students' ability to understand both sides of the school deficit financial equation: revenue enhancement and expenditure reduction. They will also be able to assess their own students' abilities to employ problem-solving strategies to a common school finance issue.



NOTE: This module has been peer-reviewed, accepted, and sanctioned by the National Council of the Professors of Educational Administration (NCPEA) as a scholarly contribution to the knowledge base in educational administration.

Public school districts across the United States continue to face increasing financial pressures as revenues typically fail to keep pace with expenditures. In Illinois alone, over 70% of school districts currently operate with a deficit budget, a trend which is expected to continue. Consequently, an important goal for any graduate level school finance course is to provide students preparing for careers in public school administration with a basic understanding of school district-level finance.

Knowledge Base

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Interstate School Leaders Licensure Consortium (ISLLC) Standard 3, which states that, “A school administrator is a leader who promotes the success of all students by ensuring management of the organization, operations, and resources for a safe, efficient, and effective environment,” highlights the importance placed on school administrators learning to manage their school districts’ financial health. Professors of educational administration who prepare school administrators share equally in this concern. Not surprisingly, graduate school educational finance professors typically include course objectives designed to increase their students’ knowledge of school district finances including sources of revenue, cost containment strategies, long-range financial projections, and school finance problem-solving. This case study is designed to allow students to demonstrate their knowledge of school finance and to test their ability to develop possible solutions to a common school district deficit issue.

National Council for Accreditation of Teacher Education (NCATE)

This case study is useful as an assessment for NCATE. Please find attached (see Appendix B) a rubric which can be used by the educational leadership department to assess the level of students’ understanding of school district-level finance basics as well as the effectiveness of the school finance course curriculum.

The rubric is both quantitative and qualitative. It includes three continuum-based quantitative scale point bands: 1-3, 4-7, and 8-10 and a comment section. A student may earn a total of 50 points. After reading the student’s case study paper, the professor assigns a point value to each of the five criteria taking into account the depth and quality of the student’s work. In the comment section, the professor provides further explanation of the quantitative ratings.

Use of the Case Study

This case study assignment is best introduced after the students have had an initial introduction to school district finances. During the first few weeks of the course, students should be encouraged to identify a practicing administrator with a solid background and understanding of school finance for an interview. Professors may also suggest potential administrators who have agreed to assist with interviews. Professors may choose to assign this as an individual or group assignment. Students may be encouraged to conduct their interviews as small groups then prepare their individual case study papers. The small group format is a particularly effective approach since the use of multiple interviewers typically enhances the quality and depth of the interview itself.

After students have completed the assignment, a full-class discussion of the assignment is an excellent culminating course activity. This will not only allow students to hear many perspectives and actual solutions proposed by their colleagues, but also let them demonstrate how much they have learned during the course. Professors will find this a particularly useful vehicle to reinforce course content and develop pragmatic strategies school leaders must employ to be successful.

Appendix A

Case Study Assignment Dealing with the Deficit Case Study Requirements

Identify a school district superintendent or business manager to interview for this assignment. Use the administrator as a resource to assist you in completing the case study assignment.

Case Study Scenario

You are the superintendent of a school district which has 75% of next year’s expenditures already in reserve as you begin the current school year. Unfortunately, your school district is spending substantially more than the revenues you receive. This deficit is projected to grow dramatically over the next few years as expenditures escalate and revenues remain relatively flat. If you don’t begin to respond soon, the district will face a major financial crisis in the not-too-distant future. However, the reserve will provide time to address the problem without resorting to crisis management.

Assignment Requirements

After completing your interview, you will use the knowledge you gained from the course as well as the information gleaned from the interview to write an 8–10 page double-spaced paper. Remember that the administrator you interview is just a resource and should not be your sole source of information for the assignment. Therefore, your paper should be more comprehensive than merely a summary of the suggestions which emerged from the interview.

To assist you in structuring this assignment, please include the following sections in your final paper:

Section 1:Description of the person interviewed including personal background and experience with school financial planning as well as the demographic characteristics of the school district

Section 2:Summary of the content of the interview

Section 3: Your recommendations to enhance revenues and the rationale behind your recommendations

Section 4:Your recommendations to reduce expenditures along with the reasons for selecting these options

Section 5:Your personal reflection on both the case study scenario and school financial management particularly as they relate to you as a public school administrator

NOTE: This assignment is purposely broad in nature to allow you to identify as many revenue enhancement and expenditure reduction actions as possible. For purposes of this assignment, recommendations may include simple as well as complex actions. In fact, the best papers will include more rather than fewer recommendations. However, when deciding whether to include a revenue enhancement or expenditure reduction recommendation, you will need to consider its feasibility. For example, you could solve the budget deficit by eliminating an entire department or grade level; however, that would be unrealistic. You will need to carefully consider the political, psychological, and ethical implications of each recommendation

As part of your interview, please minimally include the following questions:

1. From your experience, what are the key factors that could have contributed to the district’s deficit situation?
2. What strategies would you employ to maximize this school district’s revenues?
3. What strategies would you employ to minimize this district’s expenditures?
4. How would you prioritize the various proposed actions?
5. What potential issues would the district administration and school board members have to consider as they address the budget deficit problem?
6. What political, psychological, and ethical implications would the district administration have to weigh?

Appendix 2

Case Study Assessment Rubric
School Finance

Criteria	3	7	10	Your Score
Description of the context	Little or no description of person and the district	Brief, basic description of all required information	Detailed, accurate description of the person and the district	
Summary of interview content	Little or no interview detail	Basic summary of the interview explained; Lacks depth	Detailed, comprehensive description of the full interview	
Revenue recommendations	Minimal or no recommendations	At least 5 revenue recommendations	Thorough list of feasible revenue recommendations	

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Expenditure reduction recommendations	Minimal or no recommendations	At least 8 expenditure recommendations	Thorough list of realistic expenditure recommendations	
Case study analysis	Minimal case study analysis; minimal discussion of financial management	Basic analysis of all aspects; some depth of analysis;	Thoughtful and detailed analysis	

Table 1

Comments: