

7-15-2011

Superintendent Perspectives of Financial Survival Strategies in Small School Districts

William Cody Abshier
Devers Independent School District

Sandra Harris
Lamar University

Michael Hopson
Lamar University

Follow this and additional works at: <https://scholarsjunction.msstate.edu/ruraleducator>



Part of the [Education Commons](#)

Recommended Citation

Abshier, W., Harris, S., & Hopson, M. (2011). Superintendent Perspectives of Financial Survival Strategies in Small School Districts. *The Rural Educator*, 32(3), 1-10. DOI: <https://doi.org/10.35608/ruraled.v32i3.424>

This Research Article is brought to you for free and open access by Scholars Junction. It has been accepted for inclusion in The Rural Educator by an authorized editor of Scholars Junction. For more information, please contact scholcomm@msstate.libanswers.com.

Superintendent Perspectives of Financial Survival Strategies in Small School Districts

William Cody Abshier

Devers Independent School District, Devers, Texas

Sandra Harris

Lamar University, Beaumont, Texas

Michael Hopson

Lamar University, Beaumont, Texas

The purpose of this qualitative, narrative study was to investigate the perceptions of successful small-school superintendents in regard to maintaining or improving district efficiency and financial status. Face-to-face interviews were conducted with seven purposefully selected small-school superintendents. Findings suggest that in their efforts to increase revenues, these superintendents are seeking to understand and to navigate the state's funding system to its maximum potential and to the greatest benefit for their districts. They are looking outside their districts for expert advice in their efforts toward improved revenue projection. Additionally, they are accepting out-of-district transfer students to generate revenue. Other areas of improved efficiency include personnel considerations, reducing district expenditures through purchasing and energy use.

Keywords: Superintendency; small school districts; finances; rural schools.

Demands on school administrators have risen dramatically, partially as a result of increased public scrutiny due to escalating costs in education (Brown & Cornwell, 2000). Consequently, for superintendents, the district budget is a great source of anxiety (Hayes, 2001). Glass and Franceschini (2007) reported that since 1923, nearly all of the ten-year studies conducted by the American Association of School Administrators (AASA) have revealed that superintendents consider their role in school finance to be the source of their most serious challenges. School superintendents are in charge of large amounts of public funds and are responsible for budgeting, collecting taxes and other revenues, overseeing the district's day-to-day fiscal operations, and reporting the financial status of the district in accordance with professional standards and state and federal statutes and regulations (Hartman & Stefkovich, 2005).

Dlott (2005) reported that many superintendents do not have a background in money management or budgeting. They are not competent in the art of saving money through cost containment, cutting back, or reallocating resources. In most instances, graduate schools do not teach school superintendents about creative resource management, budget cutting, and cost containment. At the same time, the future challenge for schools may be their need to facilitate higher student achievement in a time of flat or unstable resources (Kannapel & DeYoung, 1999; Odden & Picus, 2008). Thus, superintendents should take advantage of as many learning experiences as possible through reading and

meaningful discussion with others who are knowledgeable about school finance (Dlott, 2005).

Rural communities comprise 97% of the United States' land mass and contain 60 million individuals (The University of Montana Rural Institute, 2005). Schools are considered to be rural when they are located in areas of sparse population, enroll a small student population, contain less infrastructure, and are geographically isolated (National Center for Education Statistics [NCES], 2006). Rural educators are responsible for educating 8.8 million students and 80% of rural districts enroll fewer than 600 students (NCES, 2006). The costs and benefits of rural schools have been debated for over a century. While there has been support for the small-school movement (Hylden, 2005), small schools are still generally perceived to be inefficient due to inherent diseconomies of scale (Kannapel & DeYoung, 1999).

Statement of the Purpose and Research Questions

The purpose of this qualitative, narrative study was to identify effective financial management and fiscal efficiency practices used by superintendents within small school districts in Texas. The following questions guided the research for this qualitative study:

1. What is the district's financial background?
2. What management strategies have superintendents used in maintaining district financial well-being?
3. How have superintendents involved stakeholders in these practices?

Background of the Texas Funding Status

On December 1, 2008, the National Bureau of Economic Research officially confirmed that the US was indeed in a recession that started in December 2007. While the federal government attempted to do what it could to bail out the financial industry and some sectors of the manufacturing industry, the recent economic downturn has threatened the progress and stability of our nation's education system (Calvey, 2008). According to a survey released in November 2008 by The American Association of School Administrators (AASA), 67% of superintendents from 836 responding U.S. school districts said their school programs were inadequately funded. Nearly 74% of the superintendents who responded worked in schools that had already proposed implementing a reduction in staff. They suggested that personnel cuts might only get worse as many schools were already turning down thermostats, eliminating unnecessary travel, and deferring maintenance as part of cost reduction strategies. Many superintendents were contemplating freezing outside professional service contracts and eliminating staff development consultants (AASA, 2008).

The schools in Texas are no exception. Many Texas schools under financial stress find themselves facing even greater fiscal urgency as the predictions of state and national economists evolve (Bethel, 2011; Robinson, 2008). While the overall Texas economy has fared better than many other states, recent trends have indicated that the economic downturn may have finally caught up to the Lone Star State (O'Brien, 2008). The Texas economy is strong and diversified, but, as its economy is interlaced with the 49 other states, even it will not escape damage from a weak national condition (Robinson, 2008).

The funding crisis spans all Texas districts – rich or poor, large or small, urban, suburban, or rural. Martinez (2008) noted that many rural schools across Texas were facing a looming crisis since many of these districts adopted a deficit budget for the 2008 – 2009 year; resulting budget cuts could actually cause some to shut down. Thus, these districts may find themselves in a downward financial spiral that will be impossible to overcome without help from the legislature. *Texasisd.com*, a website focused on issues surrounding school systems in Texas, monitors over 150 newspapers and identifies articles that deal with education issues across Texas. During the month of November, 2008, *Texasisd.com* featured news stories on more than 40 Texas school districts that were having financial difficulty and were scrambling to find ways to cut costs and/or increase revenues in order to survive.

More recently, in January, 2011, the Texas Tribune (Texas House Budget Proposes Sweeping Budget Cuts) reported the Texas House proposed to cut state spending by 16.6%, an amount \$31.1 billion less than the 2008 budgeted spending plan. The state's current budget totals \$187.5 billion. The proposed replacement budget prepared by the House by the Legislative Budget Board totals \$156.4 billion. Public education spending is also targeted to be reduced. The budget proposal included a shortfall of \$9.8 billion with respect to the funds required under current school finance formulas. Items excluded from the proposed budget include funding for increased numbers of students and for projected declines in property values and related local school tax revenues. This plan, if adopted, would drop a total of \$7 billion from current education spending levels.

All Texas school superintendents understand that the state is facing billions of dollars in budget cuts; however, school administrators take issue with being singled out by some legislators as being part of the problem (Bethel, 2011). In fact, at a recent meeting of superintendents, one administrator noted that a Senate subcommittee on education in essence blamed the fact that schools may have to cut staff by saying, "it's the school administration's fault" (Bethel, 2011, p.1). The Texas legislator who attended this meeting noted that it was especially helpful to hear the superintendents' discussion because rural district needs for services were emphasized, and she now realized "in smaller districts, this was a truly important piece" (Bethel, 2011, p. 2).

Financial Competencies and Responsibilities of the Superintendent

Effective money management is vital to the success and survival of a school superintendent. This is evidenced in indicator number five of the American Association of School Administrators Professional Standards for the superintendency, which requires that a superintendent should "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). After decades of ten-year studies, the American Association of School Administrators reported historic levels of stress among its members, and noted that the levels of "very great stress" were highest among small-school superintendents (Glass & Franceschini, 2007). The superintendent is primarily responsible for all financial matters of the district, even although there are times when adverse financial situations are out of the superintendent's control (Dlott, 2007). When superintendents make errors in district finances, the school board and community quickly lose faith in their

competency to effectively run the district (Dlott, 2007). Sharp and Walter (1997) argued that, ideally, a school district should employ a business manager in addition to a superintendent because, even in a very small school district, the role of superintendent is a full-time job. However, in many small school districts the superintendent also serves as the business manager, because the district cannot afford both. Regardless of the district size, the person who is responsible for the district's business affairs has a tremendous responsibility.

Hill (2006) noted that since a major responsibility of a school superintendent is the management of the district's finances, understanding both revenues and expenditures of this very complex equation is a necessity. It is the superintendent's responsibility either to acquire this knowledge or to hire someone who is skilled in school finance. Yet, a superintendent may have little control over incoming revenue and must possess strategies to maximize the efficient use of funds the district obtains (Pekow, 2005). Superintendents cannot control factors such as inflation, the state of the national economy, its influence on the Texas economy, or what the Texas Legislature has done in the past and what it will do in the future in regard to Texas school funding. However, it is critical for a superintendent to understand the complexities of the state and federal funding formulas and to stay abreast of various available grants and their conditions.

A Challenging Financial Climate in Education

School leaders are being asked to stretch existing resources and to do even more with less, while at the same time resources are dwindling and expectations are often escalating (Guthrie, Springer, Rolle, & Houck, 2007; Ramsey, 2001). Adsit and Murdock (2005) suggested there has never before been a time in America's history when public schools have experienced such a huge discrepancy between public expectations and the adequacy of school funding. The poor economy has effectively created a climate where schools are finding themselves looking for savings by increasing class sizes, eliminating positions, absorbing staff vacancies, charging new and higher fees, and reducing days from the academic calendar (Jazzar & Algozine, 2006).

Efficiency in Relation to School Size

During the 1920s, business and university leaders began to push for consolidation of many of the small rural districts into larger districts, citing inferior and inefficient education as their rationale (Clegg, 1977). Thus, as enrollment falls, the cost curve in schools is assumed to fall toward inefficiency. Such a belief has led to consolidation (King, Swanson, & Sweetland, 2003), since

the policy-making community generally perceives that small school districts are inefficient and that they should consolidate into larger districts (Odden & Picus, 2008). Many districts and schools have consolidated during the past 50 years, leading to far fewer US school districts than once existed (Guthrie et al., 2007). Consolidation across Texas was accelerated by a 1936 study on the adequacy of public schools, which listed districts that should be considered for consolidation, and by 1950, the small one and two-teacher schools in Texas had almost ceased to exist (Clegg, 1977).

Although the research on school size through the 1960s favored larger schools, more recently researchers have concluded there was little supporting evidence for school consolidation (King, Swanson & Sweetland, 2003; Monk & Brent, 1997). Additionally, the expected cost savings from school consolidation have not materialized, and there is some suggestion that consolidation of small schools and districts may have significant negative effects on rural communities (Swanson & King, 1997).

Larger schools with more pupils often benefit from scale economies (Guthrie et al., 2007), but according to King et al. (2003), more recent research has indicated that cost curves fall to a point, then rise. In fact, as researchers examined factors such as self-image and college completion (Swanson & King, 1997), and impact on children from poor families (Howley & Bickel, 2002), the advantages of small schools became more apparent. Ballou (1998) found evidence that a district's effectiveness began to decline somewhere around the 5,000 student mark. When dropout rates are considered, students drop out of small schools at lower rates than they do from large schools and more students who graduate from small schools continue their education in colleges and universities than do their counterparts from larger schools (Lawrence, et al., 2002; Raywid, 1999; Stiefel, Berne, Iataola, & Frauchter, 2000). There is evidence that in small schools, student behavior is better; where students are well-known to their teachers, there is less vandalism, and less violence (Lawrence et al., 2002; Raywid, 1999). Wallach, Ramsey, Lowry, & Copland (2006) reported that personalization is more likely to occur in small schools. Additionally, King et al. (2003) observed that students of small schools have superior overall conduct.

Methodology

This study used a qualitative, narrative approach to a phenomenon which focused on describing the common experiences of seven small school superintendents regarding finances (Creswell, 2007). One-on-one in-depth interviews were conducted over a period of two months, with each interview lasting from two to three hours.

Participants

Texas Education Agency (TEA) performance data and Public Educational Information Management System (PEIMS) data were used in selecting a purposeful sample of seven superintendent participants. The criteria for selection included the following:

- Each participant had served in their current district for a minimum of two years.
- The district had a most current rating of Superior under the Financial Integrity Rating System of Texas (FIRST).
- The district had a most current academic rating of Exemplary under the Texas Assessment of Knowledge and Skills (TAKS).
- The district's percentage of population of socio-economically disadvantaged students was within 25% of the state's average.
- The district served students from the primary level up through twelfth grade.
- The district had fewer than 1500 students.

Eleven school districts in Texas met these criteria. Convenience was also a consideration in conducting this study and seven small, rural, public school district superintendents located in North and North East Texas regions were selected to participate. Of the participating superintendents, six were male and one was female. Names of the superintendents and their districts were masked to assure confidentiality.

Data Collection and Analysis

The principal researcher followed a six-step method for analysis and representation of data for a phenomenological study as suggested by Creswell (2007). In the first step, the researcher described his own personal experiences with the phenomenon in an attempt to set aside his biases as a small-school superintendent. From the interviews, the researcher pulled statements describing how individuals were experiencing the phenomena of serving as superintendent in a tough financial climate. Creswell noted these "significant statements" were used to form a list of "non-repetitive," "non-overlapping" statements, with each statement treated as having equal worth (p. 170). Statements were then grouped into "meaning units" or themes. Next, the researcher wrote a textural description of what the participants experienced, including descriptive detail and concrete examples when possible.

The researcher completed a "structural description" (Creswell, 2007, p. 60) reflecting on the setting and context in which the phenomenon was experienced by the

participants. The last of Creswell's steps in phenomenological analysis involved a "composite" description of the phenomenon. This is actually a composite of the textural and structural descriptions and it served to reveal the "true essence" of the experience of being a small-school superintendent in a tough financial climate.

Findings

The seven superintendents who participated in this study revealed important strategies and practices for improved district efficiency. The findings are discussed by the research questions.

Research Question 1: District Financial Background

When the participants were asked about the unique financial backgrounds of their districts, two distinct themes emerged. One factor consistently pointed out was the absence of business or industry within their district. The second common perception among these participants was that the state's funding system was not equitable.

No business or industry. All seven participants indicated they were operating within a bedroom community with little or no industry. For example, Clark said: *"We are 91 out of 1026 schools, the bottom 10%, wealth-wise. We do not have any industry and we are property poor. We are a bedroom community, so most people around here drive out of district to work."*

Grubbs explained how he had become increasingly concerned with the financial future of his district noting that *"a major problem is a declining fund balance with no hope of any new revenue."*

Welch shared how the lack of businesses in the area had resulted in a declining enrollment for several years. Boyd echoed the concern regarding lack of business and commented that many of their parents did not have jobs. In fact, the school was the largest employer in town.

Inequitable school funding. Six of the seven participants expressed the opinion that the system of funding schools in Texas is inadequate and inequitable among districts. Grubbs expressed his concern that *"finance is the thing that will either make or break a small school district. School finance in the state of Texas is really messed up right now. Someone is going to have to step out and do something about it."* He also noted that many of the small school districts are Exemplary. He argued: *"There are districts sitting on each side of me,*

and finance is not at all a problem for either of them. Here in Newcastle, we are talking about the survival of our district." Welch noted that his district lacked some of the special funding that many other districts received, such as adjustments being made for having a district with a sparse population that covers over 300 square miles. Boyd explained how he has experienced the inequities of the state's funding system because he has worked in several districts.

Research Question 2: District Financial Management Strategies

When superintendents were asked what management strategies they have used in maintaining the district's financial well-being, they highlighted the following practices: acceptance of out-of-district-transfers, increased efficiency in personnel, command of the funding system, shrewd management of purchasing, and reduction of energy usage.

Acceptance of out-of-district transfers. All seven superintendents emphasized the importance of accepting transfer students in their districts as a way of building or maintaining enrollment. Gwaltney expressed: *"We do accept transfers because this is another important way to generate money. When people ask us why we accept out-of-district transfers, we explain to them that we get between \$6,000 and \$7,000 for each new student."* Clark explained, *"during the last five years, the state has forced us all to compete. The only way that we can generate more revenue is with more students."* Welch concurred by saying, *"Our district would be in bad shape without them."* Boyd voiced his district's stance on this matter by saying, *"The board wants transfers."*

Three of the seven superintendents reported using assertive marketing tactics above and beyond word-of-mouth to recruit transfer students. Clark elaborated on his use of advertisement to promote a unique program that his district offered: *"Our ad at the theatre really highlights Celeste Creative Choice. It is a slick ad that was professionally created for us."* Welch shared how the district put 29,000 inserts in the area newspapers, hoping to generate some interest in their schools from the surrounding districts. Grubbs said, *"The year before last, I put my marketing experience to work and created a series of newspaper ads that caused our ADA [average daily attendance] of 143 to grow to 171."* In addition to advertising, Welch actually sends a bus out to the district line every morning and evening to facilitate the transportation of transfer students.

Each of the seven superintendents indicated that their district has a method, formal or informal, for screening,

accepting, denying, and revoking transfer students. Gwaltney explained his approach by saying, *"They must be able to maintain grades, good attendance, and good discipline. A committee looks over those three criteria as they try to transfer in."* Grubbs described how under his leadership he had changed the stance that his district has taken: He observed, *"When I first got here, they [district schools] were accepting anybody who walked in the door and because of this they were barely able to maintain their Recognized status."* His goal was for the district to be Exemplary and to try to create an image that Newcastle was like a small private school with small classrooms that focus on academics.

Increased efficiency in personnel. All seven superintendents acknowledged the importance of staffing patterns and personnel management in relation to their district's financial health. Each of the participants alluded to their efforts and strategies in cutting and combining staff positions, recruiting and retaining high quality employees, and utilizing contract labor and shared services arrangements.

Each of the seven participants elaborated on the issue of cutting or combining positions in the interest of increased efficiency within staffing. For example, Stinnett explained that his first thought after any resignation or retirement was whether or not to replace that person. He said, *"We try to figure out a way to get those job descriptions covered so that we do not have to replace that person."*

At the same time, all seven participants spoke about their efforts to recruit and retain a quality staff. Boyd said, *"We pay stipends for math, science, and Spanish."* Six of the seven participants specifically mentioned their use of either contracted labor or shared service arrangements in order to save money in personnel costs. Clark commented, *"We have a Hunt County Co-op. We co-op certain people, like the school nurse."* Gwaltney emphasized the importance of shared services to his district when he explained, *"Hill County Cooperative does our title applications. We have the shared services for special education."*

Command of the funding system. Each of the participants testified to the importance of having as much command of the funding system as possible. Clark noted that his district was property-poor and that he must do everything he could to leverage the state's formulas and programs. He said, *"We do everything we can to maximize the dollars coming from Austin."*

The seven participants deemed a superintendent's ability to project revenue and expenditures as very important. Each of the seven alluded to their continuous

use of Omar Garcia's¹ funding template in their efforts to stay as accurate as possible on their projections. Stinnett believed that the summary of finance was not as important as it used to be and they were using the template in place of it. May also discussed reliance on Garcia's template by saying, "*We live by Omar Garcia's template. We do the updates as he sends them out and we check for the changes. It has served us well because we've been able to really target things.*"

All seven of the superintendents elaborated on the importance of seeking outside expertise and advice on managing district finances. Each participant reported on the regular practice of calling in consultants, attending workshops, and networking with other superintendents. Boyd discussed how he kept "an ear" to Austin, Texasisd.com, and the template updates. He shared that they were members of the Equity Center². Boyd also said that they are "*on a couple of Joe Smith's [texasisd.com] email lists and on list-serves with Texas Education Association (TEA) Finance. We pay close attention to it all and we read everything that we can.*"

Shrewd management of purchasing. Without exception, these superintendents alluded to assistance and savings they have secured by making purchases through regional educational service centers and other purchasing cooperatives. May said, "*We participate in several purchasing co-operatives [through our service center]. It's just so much easier.*"

Reduction of energy usage. Five of the seven superintendents discussed energy saving strategies within their districts to improve efficiency in heating and cooling, some in lighting, and some with both. In explaining how his district was working to save money through improved energy efficiency, Grubbs said, "We have a plan to change out all of our A/C units. We have been purchasing five new units per year, and we have done this for the past three years in a row." Boyd emphasized, "*We put lock boxes on our thermostats in*

some areas that were open before, and very few people have the keys."

Research Question 3: Benefits of Stakeholder Involvement

Participants described their perceptions of the benefits of stakeholder involvement in matters that affect district finances and efficiency. All seven of these superintendents acknowledged the importance of involving school board members, administrators, teachers and staff members, parents, and community members in the management of district finances.

Involving school board members. All participants testified to the importance of involving school board members in financial decisions. For example, Stinnett said: "*In regard to the board's involvement in the budgeting process, they will tell me that it's my job and that they simply want me to bring them the numbers. I will show them that we are spending this money for salaries, this much money for supplies, and this much money for contracted services. I show them how much revenue that we are expecting according to our templates.*"

Involving administrators. The seven participants revealed that they believed involvement of campus level administrators was important in decision-making that affected the district's finances. May shared her thoughts on working with her business manager. She explained, "*When it comes to having confidence in the district's financial situation, having a good business manager is key. I certainly do have a good one.*" She also said, "*The principals do know and have control over their supply budgets. They know they can come to us if they run short. If they need it, we dig deeper.*"

Involving teachers, parents, and community. All seven of the participants touted the benefits of involving teachers, parents, and community members in district decision making. Grubbs explained that his district had an end-of-school music program for elementary kids. During that meeting they gave the parents a chance to share some input. Additionally, at the beginning of school, they scheduled two days for parent conferences where the teachers ask parents what they think can be done to improve the school for their child.

¹ Omar Garcia is employed by the Texas Education Service Center Region XIII as the Director of Statewide School Finance. His school finance template is used throughout Texas. This template is available online at www.tea.state.tx.us/school.finance - a login is required for access to the site.

² The Equity Center is the largest research and advocacy organization of its kind in the nation and the only education association in Texas that exclusively represents the interests of children in chronically under-funded school districts. Available at <http://equitycenter.org>.

Persuading stakeholders to contribute to the cause. Through their comments on dealing with stakeholders, participants revealed how they simplify complex financial issues when explaining them to others. Participants also shared examples of leading by example.

Six of the seven participants shared stories that illustrated their ability to make fiscal matters easier to understand. *For example, Grubbs said, "When August comes, I've got a pretty good hold on the budget, and I give the board a simple, easy-to-understand form that spells everything out for them."* He explained how they decided to tell the community that they were going to have to raise the taxes to the maximum amount or start looking at what it takes to consolidate or close our school. He said, *"I thought I was going to get shot for saying anything about closing or consolidating. They approved the \$1.50."*

Clark gave an illustration of how he helped his administrators understand the importance of their decision-making when, since 80% of the budget was in salaries he sat down with his principals and talked about staffing. They discussed the fact that the district paid a 22-year teacher \$49,000 and a starting teacher \$32,000. He said, *"That's a difference of \$17,000 and I have to remind them about that."*

Five of the seven participants alluded to instances where they lead by example. Clark explained that some of his people do not have the experience to negotiate pricing. He said, *"They think that when they get that quote, that's it."* Clark tells his employees that when they are buying multiples, they should be able to get a better price. Gwaltney shared an example of how he models efficiencies: *"As far as efficiency in staffing, we do have a lot of multi-tasking. An example of that is that I am the textbook coordinator."*

Implications for Practice

The findings from this study suggest that the participating superintendents are fully aware of the financial challenges associated with running a small school. All seven participants shared strategies and practices that they are utilizing to increase revenues and reduce or contain expenditures. Facilitating the duplication of these proven strategies in other school districts may include the following:

1. Networking with other superintendents.
2. Maintaining a close relationship with regional educational service centers.
3. Visiting similar districts that are having success and bringing various stakeholders along.
4. Bringing in outside consultants to address and educate various stakeholder groups.

5. Attending various trainings on school finance.
6. Inviting a mentor or mentors to review the proposed budget.
7. Creating and maintaining weekly, monthly, and yearly forums to facilitate the dissemination of district information and allow for stakeholder input.
8. Inviting outside consultants to evaluate various factors and operations such as food service, transportation, energy usage, personnel management, and purchasing.
9. Maintaining membership and involvement with various supporting organizations.
10. Developing a relationship and communication with legislative representatives.

Conclusions

Many small public school districts across the state of Texas are struggling financially. The adverse financial climate in which small Texas schools find themselves operating is the result of several factors. The primary driver of the state's funding system is enrollment, which means that small schools often have to provide the same services that larger schools do, but with less revenue. In addition to the challenge of having less revenue than larger schools, small schools have a disadvantage on the expenditure side of the budget based on basic market economics. Larger schools often benefit from the effects of the economy of scale while small schools do not. The superintendents of these small districts are searching for ways to increase revenues and reduce expenditures because in many instances, these are the only ways that they will be able to avoid cutting programs, eliminating personnel, consolidating, or closing down.

In their efforts to increase revenues, these superintendents are seeking to understand and to navigate the state's funding system to its maximum potential and to the greatest benefit for their districts. They are looking outside their districts for expert advice in their efforts toward improved revenue projection.

Another strategy that small school superintendents are using to increase district revenues is their acceptance of out-of-district transfer students. For all practical purposes, this is the only means through which superintendents can generate a significant increase in district revenues since legislators have compressed and re-capped local property tax rates.

These superintendents focus a great deal of attention on improved efficiency in personnel. This is because they know that this area of the budget harbors the biggest opportunity for superintendents to help a district by spending wisely and the biggest risk to superintendents in for harming their district by spending inefficiently. Two other areas that provide opportunities for significantly

reducing district expenditures are purchasing and energy use.

The superintendents who participated in this study realize and acknowledge their role as one person on a team of many stakeholders and that they must convince others to participate in measures designed to improve district efficiency. Each of these superintendents emphasized the importance of involving stakeholders in the process of operating the district. The stakeholders they specifically mentioned were board members, administrators, teachers, parents, and community members. In their efforts toward improved stakeholder cooperation in matters of efficiency, these superintendents have led by example. They have also been able to break down complex issues into simpler terms that are better understood and appreciated by others.

This study supports and contributes to the body of research indicating that the superintendent's success in the role as financial manager is critical to the success of the district. All of the small school superintendents willingly shared their personal stories and they passionately revealed their intimate perceptions of what is required for financial survival in a small school. They take this role very seriously and are actively engaged in ongoing efforts to educate themselves and improve their knowledge base in the nuances of school finance. They are relentless in their pursuit of increased revenues and additional revenue sources and are dedicated to improving the efficiency of district operations, and they realize the importance of involving all stakeholders in these efforts and processes.

There is a considerable body of research and knowledge which supports the notion that small schools can be beneficial for students (Raywid, 1999; Stiefel, Berne, Iataola, & Frauchter (2000). Unfortunately, for the superintendents in this study and the districts they serve, their best efforts in cutting costs, increasing revenues, and

improving efficiency may not be enough in the long run. Their efforts may be useless without help from the outside. This may be especially true for the two or three participants in these districts with the lowest and most rapidly declining enrollments. In spite of their "leaving no stone unturned," approach to finding ways to improve their economic circumstances, their destinies may rest on the actions of the Texas Legislature.

A superintendent's communication and negotiation with state legislators is very important (Adsit & Murdock, 2005). The superintendents who participated in this study and others who serve in districts with low or declining enrollments may be well-served by engaging in meaningful communication with their representatives, senators, and others who have influence in the formulation of school funding schemes. Additionally, they should consider involving themselves and facilitating involvement of their local stakeholders in the organizations that seek to improve funding and support for small and rural Texas schools.

The outcome of superintendent efforts is vitally important to the parents and citizens of small towns who do not want to see their school suffer or close. The citizens know that their local school is important for their children and they do not want their children to endure two or more hours of commuting each day. These residents also see the school as an important part of the infrastructure that helps to give their town an identity and a sense of community.

Fortunately, according to the major findings of this study, some small-school superintendents are finding ways to overcome these tough economic conditions. With help from stakeholders inside their districts and advice from experts outside their districts, these superintendents in Texas are finding ways to help their districts survive, and in some cases, even thrive.

References

- AASA. (2008, Nov. 12). *AASA releases study of the impact of the economic downturn on schools*. Retrieved from <http://www.aasa.org/content.aspx?id+2888>
- Adsit, T. L., & Murdock, G. (2005). *Practical Ideas for cutting costs and ways to generate alternative revenue sources*. Lanham, MD: Rowman & Littlefield.
- Ballou, D. (1988). The condition of urban school finance: Efficient resource allocation in urban schools. In W. J. Fowler, Jr. (Ed.), *Selected papers in school finance, 1996* (NCES 98-217) (pp. 65-83). Washington, DC: U. S. Department of Education, National Center for Education Statistics.
- Barnett, R. R., Glass, C., Snowdon, R. I., & Stringer, K. S. (2002). Size, performance and effectiveness: Cost-constrained measures of best-practice performance and secondary-school size. *Education Economics, 10*(3), 291-310.
- Bethel, B. (2011, March 25). Texas school chiefs: We're not to blame. *Reporternews*. Retrieved from <http://www.reporternews.com/news/2011/mar/25/school-chiefs-were-not-to-blame/>

- Brown, R. J., & Cornwall, J. R. (2000). *The entrepreneurial educator*. Lanham, MD: Scarecrow Press.
- Calvey, M. (December 1, 2008). It's official: Recession started year ago. *San Francisco Business Times*. Retrieved from <http://www.bizjournals.com/sanfrancisco/stories/2008/12/01/daily13.html>
- Candoli, I. C., Hack, W. G., & Ray, J. R. (1991). *School business administration: A planning approach* (4th ed.). Needham Heights, MA: Allyn & Bacon.
- Clegg, L.B. (1997). *The empty schoolhouse*. College Station, TX: Texas A&M University Press.
- Creswell, J. W. (2007). *Qualitative inquiry & research design: Choosing among five approaches* (2nd ed.). Thousand Oaks, CA: Sage.
- Dlott, S. (2007). *Surviving and thriving as a superintendent of schools*. Lanham, MD: Rowman & Littlefield.
- Glass, T. E. & Franceschini, L. A. (2007). *The state of American school superintendency: A mid-decade study*. Lanham, MD: Rowman & Littlefield.
- Guthrie, J. W., Houck, E. A., Rolle, R. A., & Springer, M. G. (2007). *Modern education finance and policy*. Boston, MA: Pearson.
- Hartman, W. T., & Stefkovich, J. A. (2005). *Ethics for school business officials*. Lanham, MD: Scarecrow Press.
- Hayes, W. (2001). *So you want to be a superintendent?* Lanham, MD: Scarecrow Press.
- Hill, Paul (2006). Getting hold of districts' finances: A make-or-break issue for mayoral involvement in education. *Harvard Education Review*, 76(2), 178-189, 385.
- Howley, C. & Bickel, R. (2002). The influence of scale: Small schools make a big difference for children from poor families. *American School Board Journal*, 189(3), 28-30.
- Hylden, J. (2005). *What's so big about small schools? The case for small schools: Nationwide and in North Dakota*. Retrieved from www.hks.harvard.edu.pepg/research.htm
- Jazzar, M., & Algozzine, B. (2006). *Critical issues in educational leadership*. Boston, MA: Pearson.
- Kannapel, P. J., & DeYoung. (1999). Standards-based reform and rural school improvement: Finding the middle ground. *Journal of Research in Rural Education*, 16(3), 202-208.
- King, R. A., Swanson, A. D., & Sweetland, S. R. (2003). *School finance: Achieving high standards with equity and efficiency* (3rd ed.). Boston, MA : Pearson.
- Lawrence, B.K., Binger, S., Diamond, B.M., Hill, B., Hoffman, J.L., Howley, C.B., Mitchell, S., Rudolph, D., & Washor, E. (2002). *Dollars & sense: The cost effectiveness of small schools*. Cincinnati, OH: The Knowledge Works Foundation.
- Martinez, H. (2008, December 3). Rep. Pitts meets with Ellis I.S.D. superintendents. *Ennis Daily News*. Retrieved from <http://www.ennisdailynews.com/?p=3720>
- Monk, D. H., & Brent, B. O. (1997). *Raising money for education: A guide to the property tax*. Thousand Oaks, CA: Corwin Press.
- NCES. (2006). *Navigating resources for rural schools: Educational changes taking place in rural America*. Washington, DC: Institute of Education Sciences.
- Norton, M. S., Webb, L. D., Dlugosh, L. L., & Sybouts, W. (1996). *The school superintendency: New responsibilities, new leadership*. Needham Heights, MA: Allyn & Bacon.
- O'Brien, J. (November 14, 2008). Economic meltdown seeping into Texas. *Examiner Houston*. Retrieved from <http://au.ibtimes.com/articles/20081114/economic-meltdown-seeping-into-texas.htm>
- Odden, A. R., & Picus, L. O. (2008). *School finance: A policy perspective* (4th ed.). Boston, MA: McGraw-Hill.
- Pekow, C. (2005). Student aid formula seriously flawed report finds. *Black Issues in Higher Education*, 22(1), 7, 9.
- Ramsey, R. D. (2001). *Fiscal fitness for school administrators*. Thousand Oaks, CA: Corwin Press.
- Raywid, M. A. (1999). Current literature on small schools. *Eric Digest*. Charleston, WV: Eric Clearinghouse on Rural Education and Small Schools. (ED425049)
- Robinson, C. (2008, December 1). Bernanke: U.S. slump may drag Texas economy. *Houston Chronicle*. Retrieved from <http://www.chron.com/dispatch/story.mpl/front/6141938.html>
- Sharp, W. L., & Walter, J. K. (1997). *The school superintendent: The profession and the person*. Lancaster, PA: Technomic.
- Stiefel, L., Berne, R., Intarola, P., & Fruchter, N. (2000). High school size: Budgets and performance in New York City. *Educational Evaluation and Policy Analysis*, 22(1), 27-39.
- Swanson, A. D., & King, R. A. (1997). *School finance: Its economics and politics* (2nd ed.). White Plains, NY: Longman.
- Texas House Budget Proposes Sweeping Cuts. (2011, January 19). *The Texas Tribune*. Retrieved from <http://www.texastribune.org/texas-taxes/2011-budget-shortfall/texas-house-budget-proposal>
- Texas Legislative Budget Board. (2009, March). *Foundation school program fiscal and policy studies*.

Texas Legislative Budget Board. Retrieved from http://www.lbb.state.tx.us/Public_Education/FoundationSchool_FiscalPolicy_0309.pdf

University of Montana Rural Institute. (2005). *Update on the demography of rural possibility part one: Rural and urban.* Retrieved from <http://rtc.ruralinstitute.umt.edu/RuDis/RuDemography.htm>

Wallach, C.A., Ramsey, B.S., Lowry, L. K., & Copland, M. (2006). *Student voice: Tapping the potential of relationships, relevance and rigor.* Retrieved from http://www.smallschoolsproject.org/PDFS/student-voice_full.pdf

About the Authors

Dr. Cody Abshire is school superintendent for Devers Independent School District which is a small school district located in Devers, Texas. His research interest is funding for small schools.

Dr. Sandy Harris is Professor and Director of the Center for Doctoral Studies in Educational Leadership at Lamar University in Beaumont, Texas. Her research interests focus on social justice issues.

Dr. Michael Hopson is Associate Professor at Lamar University. He is a former school administrator. His research interests focus on the principalship and superintendency.