



A Case Study in Smarter School Spending

www.smarterschoolspending.org – A service from the Government Finance Officers Association

Lake County School District's Communication Strategy

Lake County School District (LCSD) was growing rapidly, but the revenues needed to keep up with growth weren't materializing and student achievement was suffering as a result. LCSD decided to embark upon Smarter School Spending with an accelerated implementation schedule, putting in place a complete process within one year. Though stressful, these efforts were successful: The school board unanimously adopted a long-term strategic plan that aligned the District's financial capacity with its student achievement goals. Strong communications were important to this success.

Lake County School District (LCSD), in central Florida, needed to improve student achievement. At one time, the letter grade assigned to LCSD by the Florida Department of Education, had been an "A." However, due to declining test scores, the District's grade had fallen to a "C" in 2012. At this point, revenues were largely stagnant, and enrollment was increasing rapidly – reaching just over 41,000 students in 2013. This meant that expenditures routinely outgrew revenue as more staff were needed to serve the growing student body, resulting in a perpetual cycle of financial stress.

LCSD's Superintendent, Dr. Susan Moxley, knew that more funding was not forthcoming. LCSD would need to use its existing money wisely by finding efficiencies and investing in cost-effective ways to increase student learning. In late 2012, Dr. Moxley and her team looked to Smarter School Spending in order to move away from a reactive approach to budgeting that was fueled by short-term emotions, and towards a system that allowed the district to logically evaluate what it should and should not be doing.

Getting the District on Board

Making a significant change in the way resources are allocated, especially in an environment of low- or no-revenue growth, means a disruption of the status quo. In a school district where the overwhelming majority of funds are spent on employee compensation, this could mean reduced salaries, benefits, or even job losses. Understandably, many stakeholders might, therefore, be wary of the prospect of a new way of planning and budgeting. With over 5,500 staff in 59 different school sites, spread across a district that had a geographic area nearly the size of the entire State of Rhode Island, Dr. Moxley and her team had to make a concerted effort to positively engage stakeholders in Smarter School Spending.

The foundation of the effort would be four goals that LCSD had developed as part of a previous strategic planning initiative.

- **Talent Development Pipeline.** Add transparency to career progression in LCSD, and additional stipends for leadership roles and service at its neediest schools.
- **Teacher & Principal Induction and Development.** Implement robust coaching support for principals and teachers to increase effectiveness and speed movement up the learning curve.



A Case Study in Smarter School Spending

www.smarterschoolspending.org – A service from the Government Finance Officers Association

- **Program Evaluation and Innovation.** Implement a process to initiate, evaluate, and extend programs based on their impact on student achievement.
- **Personalized Learning.** Build differentiated support for teacher/leader professional development and individualized student learning, supported by technology.

Using these four goals was an opportunity to make a logical case in favor of Smarter School Spending. A new planning and budgeting method would help LCSD implement the intent behind these goals. Many people in the district believed these goals were important, so the prospect of being able to meet them was compelling.

Basing Smarter School Spending on these four goals did not meet with universal acceptance right away, though. Inside the District, there had been many discussions about the need to focus more effort on English Language Learners (ELL) and struggling students – and a subsequent data analysis supported this proposition. Some people were concerned that Smarter School Spending would direct money towards the four goals and away from ELL and struggling students. Dr. Moxley agreed with this view, and it was her intention that ELL and struggling students were included under the four goals, but she understood that might not be apparent to everyone. Therefore, two more goals were added to the original four, explicitly calling out ELL and struggling students as priorities:

- **ELL Students.** Fund programs aimed at closing the achievement gap of English Language Learner students.
- **Struggling Schools and Students.** Inject additional resources to support struggling students and schools in order to help increase student achievement.

“Clarity dissolves resistance.”

Chip Heath and Dan Heath,
Authors of *Switch: How to Change Things
When Change is Hard*

Because much of human behavior is driven by emotion, a logical argument cannot be the sole basis for change. Emotions must also be part of the impetus. For LCSD, the potential to make better decisions about how to help students achieve their academic goals and the prospect of ending the pain of perpetual reactive cutback budgeting was inspiring.

Much of the communication and engagement activity discussed above was largely limited to the district’s top leadership. Dr. Moxley and her team knew that they must also reach people beyond this relatively small group. LCSD held town hall meetings around the district and also invited more than 150 representatives from schools and the community to serve on 21 different working groups that would do the work of Smarter School Spending.

LCSD also set up an online platform called MindMixer to share updates with the community and to take input. The platform had approximately 4,200 visitors over the course of about four months. Mindmixer proved valuable for giving the public opportunities to provide input and for LCSD to learn what the public thought were the most (and least) important areas to direct the District’s resources to. One of the drawbacks was that it proved very difficult to respond to the volume of input received, leading some



A Case Study in Smarter School Spending

www.smarterschoolspending.org – A service from the Government Finance Officers Association

stakeholders to conclude that the District’s interest in their input was not authentic. Another was the lack of face-to-face interaction inherent to an online platform. This did not develop the trust needed to get full support for the difficult decisions that Smarter School Spending would entail.

Hindsight is 20/20 – Build People’s Capacity to Make the Change

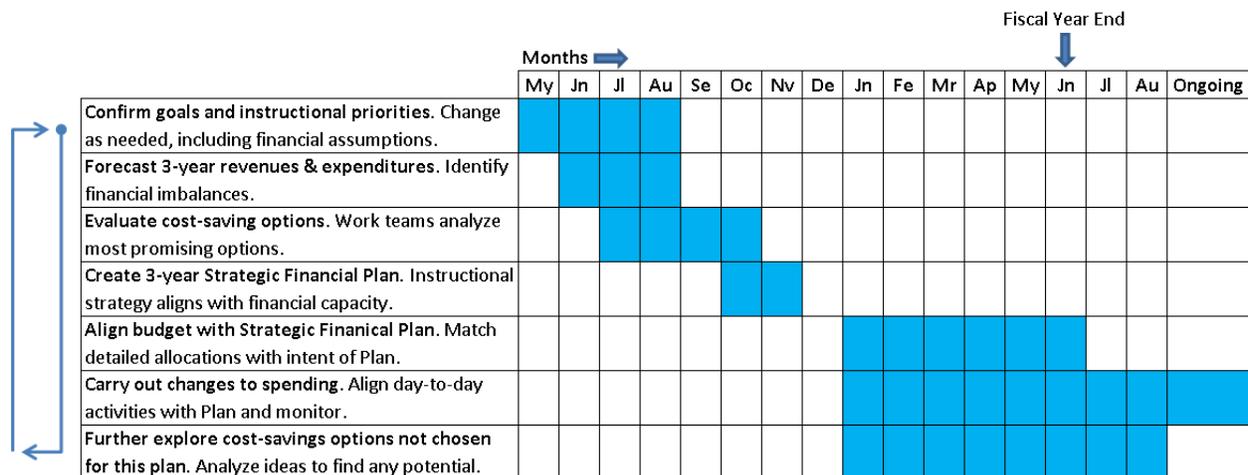
The early adopters of Smarter School Spending routinely report to GFOA that, in hindsight, they wish that they had spent more time and effort on communication and change management in the beginning. LCSD is no different in this regard. If it had to do it over again, LCSD would have spent more effort on giving people the skills and abilities to help the change succeed. This would include, for example, project management skills for central office staff, and honing the skills of principals to communicate the vision and goals of the project to people in their buildings.

The Fork in the Road: Meltdown or Persevere?

As LCSD progressed on its Smarter School Spending journey, there were many difficult decisions to be made. For example, LCSD had to select which of the many worthwhile goals and instructional strategies that the District would pursue, and which it would not. It meant that programs valued by at least some stakeholders would fall by the wayside. LCSD also had to find a way to pay for the strategies it had selected because it did not have the funds available to pay for new ideas while also continuing all of its existing spending. Looking for cost-savings opportunities was stressful because of the implications for the livelihoods of employees affected by the cuts. These stresses are an unavoidable part of Smarter School Spending because the activities that produce these stresses are integral to optimizing the alignment between resource use and student need.

On top of those stresses, LCSD had the stress of time and schedule. The comparisons with other districts, included as a part of the fact base, revealed that LCSD had significantly lower central office staffing than other districts. Even so, LCSD was attempting to implement the Smarter School Spending method in a single year. The chart below shows the schedule that LCSD followed.

LCSD’s Schedule for Developing a Plan





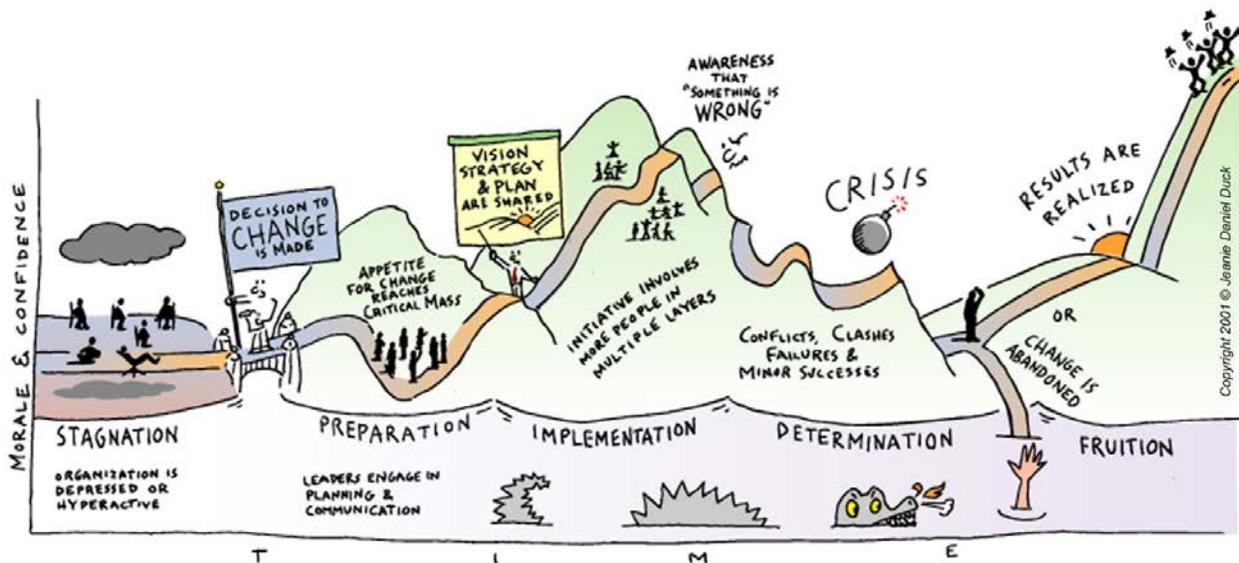
A Case Study in Smarter School Spending

www.smarterschoolspending.org – A service from the Government Finance Officers Association

Though LCSD hired a management consulting firm, The Boston Consulting Group, to provide support throughout the process, it was still going at a pace that was much more intense than other school districts that were early adopters of Smarter School Spending. Dr. Moxley described the experience as “building the airplane while in flight” — a stressful proposition, to be sure!

The accumulated effect of these stresses is what the LCSD executive leadership team came to call “meltdown days,” or days where the team was not sure it wanted to continue with Smarter School Spending. The team persevered by taking occasional breaks from the work, but, more importantly, by remembering why they were doing this work. The metaphor they used was climbing a mountain. At the summit was the promise of significant improvements to student learning and at the base was the swamp (and alligators, it being Florida) of perpetual financial distress and reactive budget cutting. LCSD was in the middle of the climb. To stop then would be to return to the very conditions that had been part of the reason to start the journey in the first place. All members of LCSD’s leadership team were committed to a shared vision of optimizing the alignment between their resources and student achievement goals, which was essential to agreeing to continue the climb. LCSD’s staff found inspiration in a graphical representation of a typical change journey called “The Change Curve,” which is depicted below. Having this physical and visual reminder that the journey would be hard, but the payoff ultimately worth it, helped LCSD get through its meltdown days.

“The Change Curve” by Jeanie Daniel Duck



Change Curve created by Jeanie Daniel Duck from *The Change Monster* © 2001. Reprinted with Permission

Lessons Learned at Lake County School District

This section reviews the lessons that other school districts can take from LCSD’s experience.

Establish a clear reason why you wish to implement Smarter School Spending. When recruits to the United States Marines are in the midst of struggling with the most difficult physical tests in boot camp



A Case Study in Smarter School Spending

www.smarterschoolspending.org – A service from the Government Finance Officers Association

and are on the verge of giving up, they are coached to ask each other about the reason “why” they are doing this. Linking a struggle to something you care about turns the struggle into a meaningful decision, helping the self-motivation necessary to overcome the struggle to emerge.¹ In LCSD, recalling the reason why they were doing Smarter School Spending helped staff preserve through the “meltdown days.”

Use Smarter School Spending as the way to execute the intent of your strategic plan. Many school districts already have a strategic plan. Sometimes there is a lot of support for the intent of the plan, but the district has had difficulty turning that intention into reality. In these cases, Smarter School Spending can be the way to implement the plan. Hence, Smarter School Spending becomes a continuation of work the district has already been doing, rather than a radical change in direction. A continuation of something people already like will be more readily accepted than a radical change in direction.

Watch out for the “curse of knowledge.”² The curse of knowledge suggests that when we know a lot about a subject, it can be difficult to explain the subject to others because we unconsciously assume that the listener has knowledge of the finer points that make a true understanding of the topic possible. If stakeholders can’t understand it, they are unlikely to support it. Personalized learning is a good example – to many people’s ears, “personalized learning” implies that each student would be given their own computer device (called 1:1 devices) and that learning would take place largely through this device. LCSD’s strategy does not include 1:1 devices, but there was a lot of confusion on this point, partly because LCSD’s leadership took it for granted that personalized learning did not necessarily include 1:1 devices. The curse of knowledge is present whenever we try to explain a complex idea. It can manifest any time we assume too much about an audience’s knowledge of the technical subjects that a strategic financial plans covers.

Set realistic expectations about the pace of change. So far, we have emphasized winning over doubters. The other side of the coin is that supporters may be overenthusiastic about what can be accomplished, leading to disappointment when their expectations are not met. Sources of disappointment might include, for example, a suggestion for improvement not becoming a priority or progress not happening quickly enough.

So, just as a school district’s leadership must think about helping some people come along with the change, they must also make sure that other people’s expectations don’t get too far ahead of the change. For example, how results are reported might shape people’s expectations. Quarterly reporting is often de facto standard for updating stakeholders. However, there is not often meaningful movement in academic indicators within a single quarter – in fact, the natural random variation that occurs in the short term might lead the audience to false conclusions if they see the measure moving up or down from quarter to quarter. It might be better to report on the academic indicators less often, when the impact of the underlying trend will be more evident. In the interim, stakeholders can be apprised of the progress of the activities that are expected to lead to the improved academic results.

If Smarter School Spending is a journey, then it is a marathon and not a sprint. Some of the changes required by Smarter School Spending are significant, and there will be struggles. Give yourself ample time to implement Smarter School Spending and choose realistic, achievable goals for what to



A Case Study in Smarter School Spending

www.smarterschoolspending.org – A service from the Government Finance Officers Association

implement each year. In hindsight, LCSD’s leadership says they would have taken a more measured pace to implementation. School districts can use GFOA’s “Smarter School Spending Roadmap” to help select the specific planning and budgeting practices they would like to implement and which to leave for later.

An important part of any journey is to get rid of excess baggage. Before starting Smarter School Spending, consider if there are any administrative or management activities that have outlived their usefulness. For example, surveys show that employees consider a large part of their spent in meeting to be wasted.³ This implies that a number of meetings could either be shortened, have a streamlined attendance list, or be eliminated altogether without much harm. School district administrators might think about how they can gain back some of the time in their day, by optimizing meeting time or through other means, so that they can commit the time necessary for Smarter School Spending.

Acknowledgements



Dr. Melissa DeJarlais is the Supervisor of Strategic Initiatives and Grant Acquisitions for LCSD. Before that, she served as Principal of Fruitland Park Elementary School for LCSD. She has also been an assistant principal, guidance counselor and teacher. She has doctoral degree in educational leadership. She is also a veteran of the United States Air Force.



Carol MacLeod became the Chief Financial Officer for LCSD in 2007. Previously, she was the Director of Finance and Executive Director of Business Services for the School District of Hernando County (FL). She was a member of the Florida Auditor General’s staff for 14 years and has been a licensed certified public accountant in Florida since 1986.



Dr. Susan Moxley was appointed Superintendent of LCSD in 2008. Prior to that, she was a business teacher, occupational specialist, elementary and high school principal, and Assistant Superintendent for School Administration and Human Resource Services all in LCSD. She has also served in leadership positions for Orange County Public Schools (FL). Dr. Moxley has an Ed.D. in Educational Leadership.



Shayne Kavanagh (author) is the Senior Manager of Research for GFOA. He led the development of GFOA’s Best Practices in School Budgeting. He has worked with school districts across the United States to put the GFOA Best Practices into action.

To learn how Smarter School Spending can benefit your students, email Matt Bubness at mbubness@gfoa.org or visit the website at www.smarterschoolspending.org.

Endnotes



A Case Study in Smarter School Spending

www.smarterschoolspending.org – A service from the Government Finance Officers Association

¹ Charles Duhigg. *Smarter Faster Better: The Secrets of Being Productive in Life and Business*. (New York: Random House). 2016.

² Chip Heath and Dan Heath. *Made to Stick: Why Some Ideas Survive and Others Die*. (New York: Random House). 2008.

³ A number of surveys show that managers and employees believe that a significant amount of time in meetings is wasted. For a summary surveys, see: Ray Williams. "Why Meetings Kill Productivity," *Psychology Today*, April 15, 2012.