



A Case Study in Smarter School Spending

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Lake County School District's SMARTER goals.

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 the Smarter School Spending journey to put an end to reactive, short-term budget cutting and, thereby, enable a coherent long-term approach to reaching its student achievement goals. Setting SMARTER goals was an important part of LCSD's 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, based on various measures of student achievement, 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.

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. Strong goal-setting practices would help LCSD success with Smarter School Spending in a variety of ways.

"Money is not increasing. We must invest our dollars in the most efficient and effective way possible, and that requires us to really go back and analyze. It requires us to be incredibly innovative in our approach to how we optimize resources."



Susan Moxley, LCSD Superintendent

LCSD's Goals as the Impetus for Change

The foundation of LCSD's Smarter School Spending journey would be four goals it 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.
- **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.



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These four goals were 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 while it was her intention that ELL and struggling students were included under the four goals, 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.

LCSD’s Goals as the Basis for a Strategic Financial Plan

A “Strategic Financial Plan” is a three-year plan that sets forth a district’s strategic priorities, the estimated costs of those priorities, and the cost-saving measures that would be taken in order to pay for those priorities. In its Strategic Financial Plan, LCSD presented the goals using the SMARTER framework, which increased the goals’ value as motivation and management devices.

To understand how LCSD used the SMARTER framework to set goals, you can first review LCSD’s complete goal presentation for helping ELL students on the next page. Following that, we describe how the presentation matches each element of the SMARTER goal framework.



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----- LCSD's SMARTER Goal Framework -----

Goal: Fund programs aimed at closing the achievement gap of English Language Learner (ELL) students.

What is the need? LCSD spends less on ELL students than comparison districts. The LCSD's ELL population is growing steadily as the student achievement rates continue to be low.

What will the District do? 1) Determine programming options; 2) Compare options by potential A-ROI; 3) Select highest return option(s)

What will it cost?

Year 1	Year 2	Year 3
\$1 million	\$1 million	\$1 million

What Gains Does the District Expect?

Measure	Actual '12	Actual '13	Actual '14	Goal '15	Goal '16	Goal '17
ELL Graduation Rate	61%	57%	62%	70%	80%	90%

----- How LCSD's Goals are SMARTER -----

Specific. A goal should be precise about what is to be achieved. LCSD is very clear that it intends to close the achievement gap for ELL students and gives specific graduation rate targets.

Measureable. Achievement of the goal should be verifiable and, ideally, quantifiable. ELL graduation rates are measurable.

Achievable. Goals should be grounded in reality. Having a reasonable path towards achieving the goal is key to making the goal achievable. LCSD has highlighted three key steps to achieving its goal.

Relevant. Goals should be focused outcomes that matter to students. Graduation rates clearly qualify.

Time-bound. There should be short- and long-term objectives. LCSD set graduation rate goals three years into the future.

Engaging. The goal should reach for ambitious (not marginal) improvement in graduation rates in order to inspire people.

Resourced. Finances should be aligned with the goals. LCSD has a three-year cost projection for its goal.

One of the most notable features of LCSD's goal is that it has set goals for graduation rates multiple years into the future. In some political environments, there would be great hesitancy to state such goals due to fears that the organization's leadership might look bad if the goals weren't met. However, Lake County saw these targets as the natural culmination of a rational process used to set student



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achievement goals and the associated strategies. Further, the targets were not viewed as fixed points, where deviation from the target equated to failure. Rather, the targets were seen as providing a sense of direction: they would help LCSD to see if their strategies were working as intended or if adjustment was needed. Accordingly, the targets were not intended as rigid mechanisms of accountability for individuals, but as tools for shared learning within LCSD’s management team.

Progress against the Goals

The academic goal where LCSD has made the most progress is in its talent development pipeline. For the talent development pipeline, LCSD was able to change its compensation structure to provide additional pay for teachers in key categories: in the schools most challenged by poverty; in critical skill shortage areas (like high school physics and chemistry); and for taking non-administrative leadership positions, such as conducting professional development or contributing to the development of curriculum materials. The underlying goal of these changes was to give highly skilled teachers an avenue for career advancement that keeps them in the classroom, directly engaged with students.

LCSD also made significant progress on its personalized learning goal. Personalized learning allows students to self-select the learning approach that best matches with their personal learning style and pace. In the traditional model, the teacher plans and gives a lesson, judges the student’s success in mastering the lesson, and then graduates the student onward. Under personalized learning, an objective standard of subject mastery is set, the teacher provides a menu options to reach the standard, the student picks one and the teacher guides them along their selected path, and, finally, the teacher validates that the student met the standard. LCSD is implementing personalized learning in small, successive waves of schools, with the goal of full implementation by 2022. This approach should reduce the risks of cost overruns and unmet schedules, compared to a simultaneous district-wide implementation. Early results are promising. For example, in some grade school reading classes 80 percent of the students are now proficient – a significantly higher level of proficiency than is achieved in most of LCSD’s traditionally taught classrooms. LCSD’s observations also suggest that students are more engaged, which is confirmed by student evaluation panels: they “can’t imagine going back” to the old model.



Students from LCSD’s Sawgrass Bay Elementary engaged in personalized learning.

LCSD has not yet witnessed dramatic change in its District-wide student achievement scores, but has been counseling patience. It will take multiple years before the impacts from instructional practices, like personalized learning, show up in graduation rates and proficiency scores on tests. Also, LCSD is honing its measurement systems to provide a more nuanced and accurate picture of student achievement.



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Lessons Learned at Lake County School District

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

Use the SMARTER goal framework. The SMARTER goal framework is uniquely formulated to optimize the management and motivational values of goals. The "SMART" component focuses people on the actions necessary to complete the goal. For example, when a goal is specific, people know exactly what they are supposed to achieve. If the goal is left open to interpretation, then it will be difficult to get everyone working together. A measurable goal makes it clear whether progress is being made or not. When a goal is achievable people will be less likely to give up because of frustration. When a goal is relevant it will be best aligned with the mission of the organization and, hence, less likely to be superseded by other priorities. A time-bound goal adds deadlines to the goal. Especially important is the "exciting" component. The exciting component asks the organization to stretch beyond its current capabilities. This makes the goal more inspirational and requires people to develop new ideas and capabilities. Finally, "resourced" makes the connection between academics and finances.

Have a limited number of goals. In addition to following the SMARTER framework, a district should have a limited number of goals. LCSD, for example, had only six. People's reservoir of time, energy, and attention are limited. Focusing on a small number of the most important goals is a district's best chance to make a big difference in student learning.

Use Smarter School Spending as the way to execute the intent of your strategic plan and goals. Many school districts already have a strategic plan and goals. In some of those districts there is a good deal of support for the intent of the plan and the goals, 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 and goals. 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.

Maintain some consistency in your goals. In the first year, LCSD was able to identify clear goals and associated instructional priorities, and it was able to direct resources to these priorities. LCSD's goals have retained a basic consistency over the course of the three years it has been doing Smarter School Spending. LCSD's current goal statements are very similar to the six goals that were adopted at the beginning of the Smarter School Spending journey. There have been some minor adjustments, but maintaining a fundamental consistency has helped everyone keep in mind the destination of the Smarter School Spending journey.



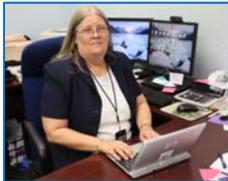
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Dr. Melissa DeJarlais is the Supervisor of Strategic Initiatives and Grant Acquisitions for LCSD. Before that, she served as Principal of Fruitland Park Elementary School for LCSD. She has also been an assistant principal, guidance counselor and teacher. She has a 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.