

Leadership Changes and the Critical Role of Data

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Are you contemplating a move to another district — or have you recently transitioned to a new district? If so, have you positioned yourself to be successful in your new role?

Learning as much as you can about a district's past and current financial results can help identify trends which can improve your ability to lead a district into the future. Local school boards, community members, administration, and district staff all have expectations for today's financial leaders. Here are a few attributes that will help you succeed as a financial leader in any school district:

- The ability and willingness to learn
- The ability to listen
- The ability to communicate
- The ability to use data to educate

What is the CFO role?

A key role of a CFO is to inform and educate. It's natural to have opinions, and it can be difficult to resist the urge to share those opinions before synthesizing all the facts and insight. Take time to listen and fully understand the issues. This will help you to be objective when compiling data to factually explain an issue. No matter the size of the district, a CFO must be prepared to teach financial results and concepts to various stakeholders.

How do you learn more about a topic and tell the story effectively and objectively?

It is critical to educate yourself about a financial topic before preparing to inform or educate a group. And it's just as vital to break down information into manageable pieces.

Be mindful not to overwhelm the audience with data and visuals unrelated to your intended message. The trick is to clearly know the question(s) you intend to answer. Limit the subject matter and allow time for your audience to absorb each discovery. This may lead to additional questions or the request for additional data — it may even lead your investigation into a completely different direction. Follow-up is good and continues the teaching-learning process.

With whom should you make comparisons?

Information today is more abundant and accessible than ever before. Do your homework and provide perspective to answer the question(s) at hand.

For example, when presenting key information, it can be helpful to identify comparison districts against which to benchmark your own district. This is an important step in conducting meaningful research, and of course, may go beyond simply comparing districts located in the same county or athletic conference.

It is also important to consider conducting research on key demographics including Enrollment Size, Percentage of Economically Disadvantaged Students and Tax Base. The Texas Education Agency (TEA) annually publishes key data points that can help you identify similar districts based upon these and other criteria.

With peer districts established and topics identified, you should start your research at a high level. Some higher-level discoveries during an initial investigation of a new district may include

- Financial Forecast Outlook
- Enrollment Trends
- Tax Base Evolution
- Spending Compared to Peers; Salaries Compared to Peers
- Performance Compared to Spend

These are just a few examples to get you thinking but regardless of the topic, start at a high level and let the initial work spark additional questions that may lead to a deeper dive.

What questions need answering, and what is the message?

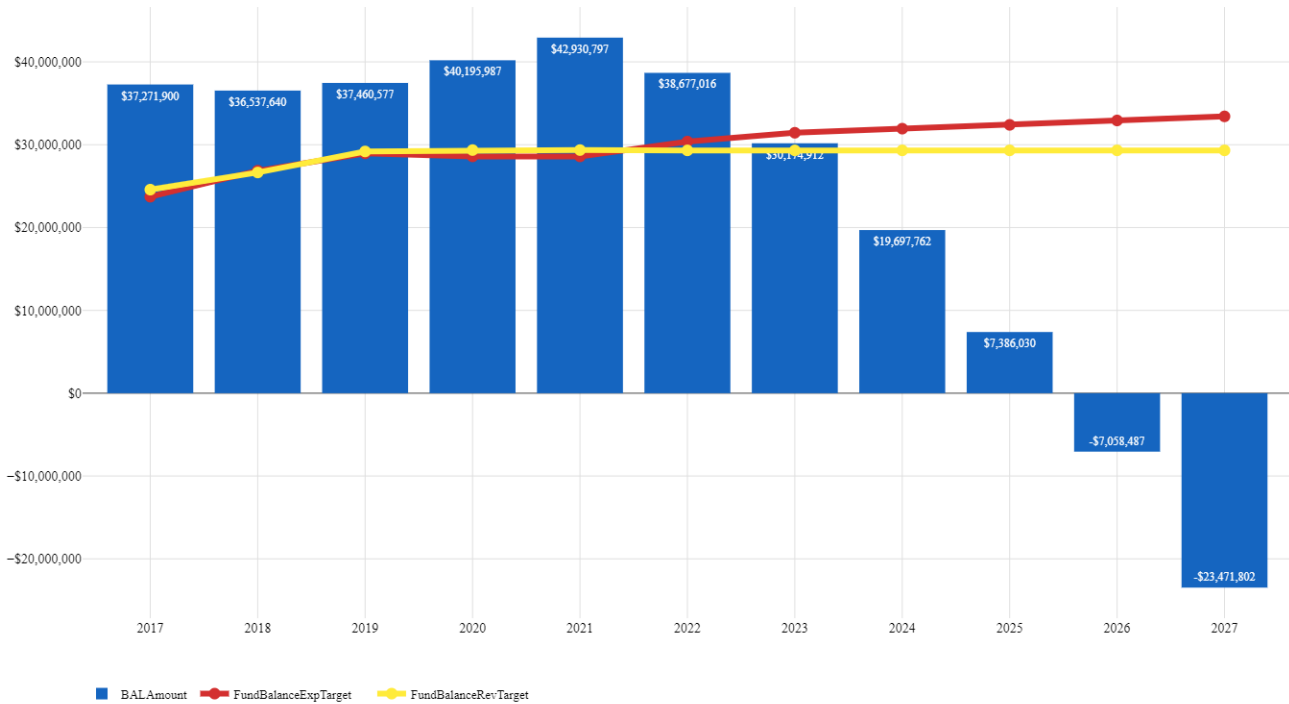
One good approach in the selection of an appropriate topic may be to align your presentations or personal learning to significant events or data releases. For example, you may consider evaluating equalized assessed values and tax rates when the state releases data. Another suggestion is to simply permit your audience to determine the topic and timing of your presentation. Let their questions take the lead – welcome new topics and embrace every opportunity to learn more about your district.

It may make sense to identify a few members of your intended audience in advance of a presentation. Listen carefully to their feedback, and determine whether they may have preconceived opinions, or perceptions which may or may not be accurate. This preparation should help ensure the information you present will resonate and possibly confirm or dispel commonly held beliefs based upon objective measures.

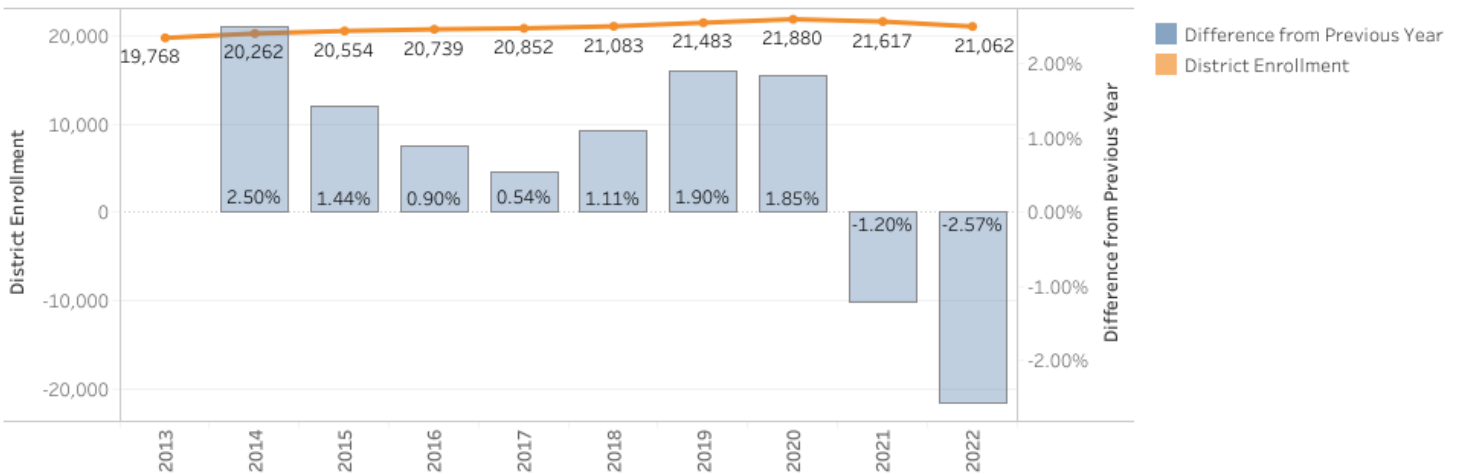
How should you present the data?

Craft your presentation to include data that allows your audience to form their own conclusions. Presenting data visually often works best. Today, visual representation of data is expected to tell a compelling story, and you can see some examples of messaging by visualization below. However, as previously cautioned, ***trying to incorporate all the visuals listed here into one presentation would be a huge mistake. Presenting too much at one time often ensures that no single topic is sufficiently addressed, and no single question sufficiently answered.***

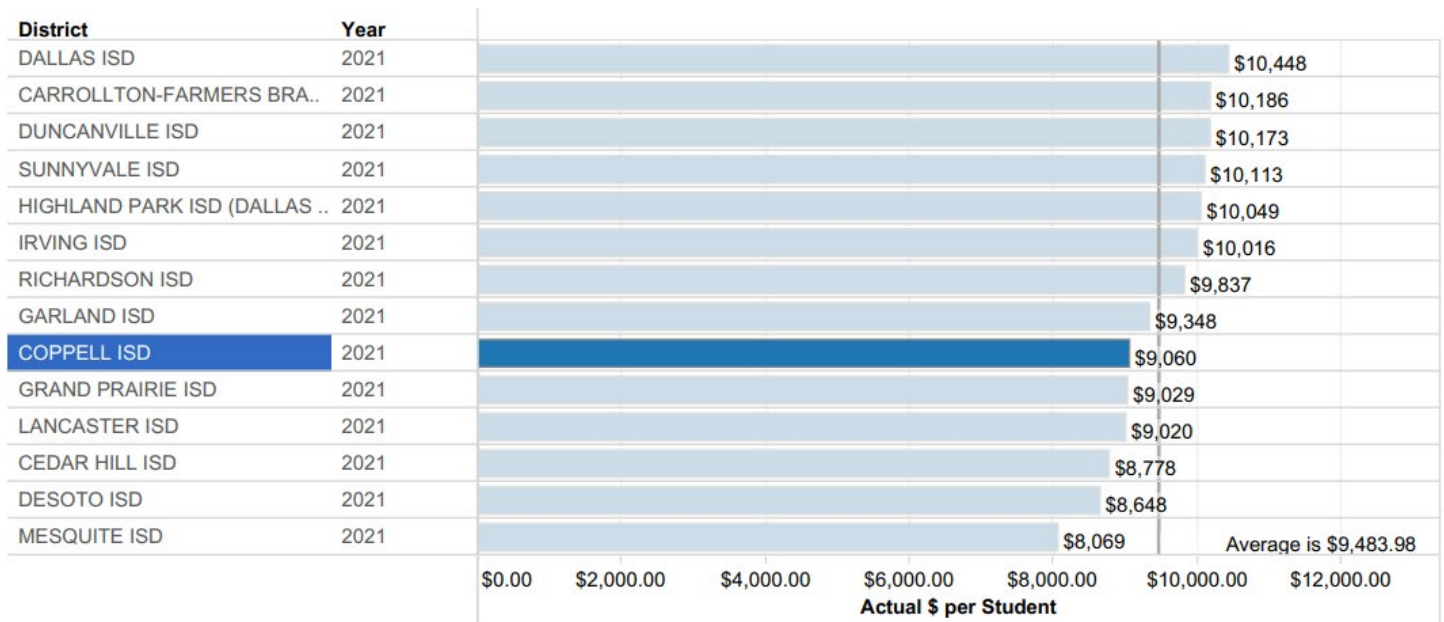
General: Fund Balance to Target - (*Targets represent 25% of Revenues/Expenses)



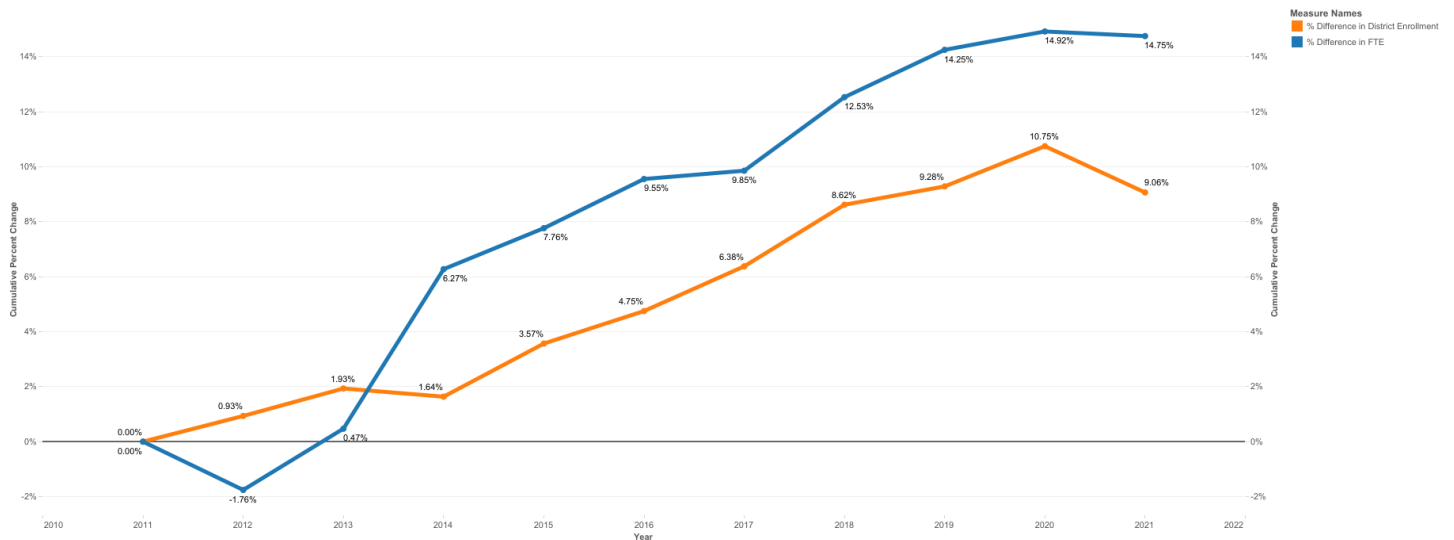
Perhaps the first analysis to thoroughly understand is how the trajectory will impact the financial forecast. However, it's quite possibly it's even *more* critical to understand the assumptions used to support the forecast. Is the district contemplating a levy? Are they approaching critical salary decisions? No matter the answers to these questions, you should be aware of the ingredients contained in the forecast and the timing of actionable decision-making.



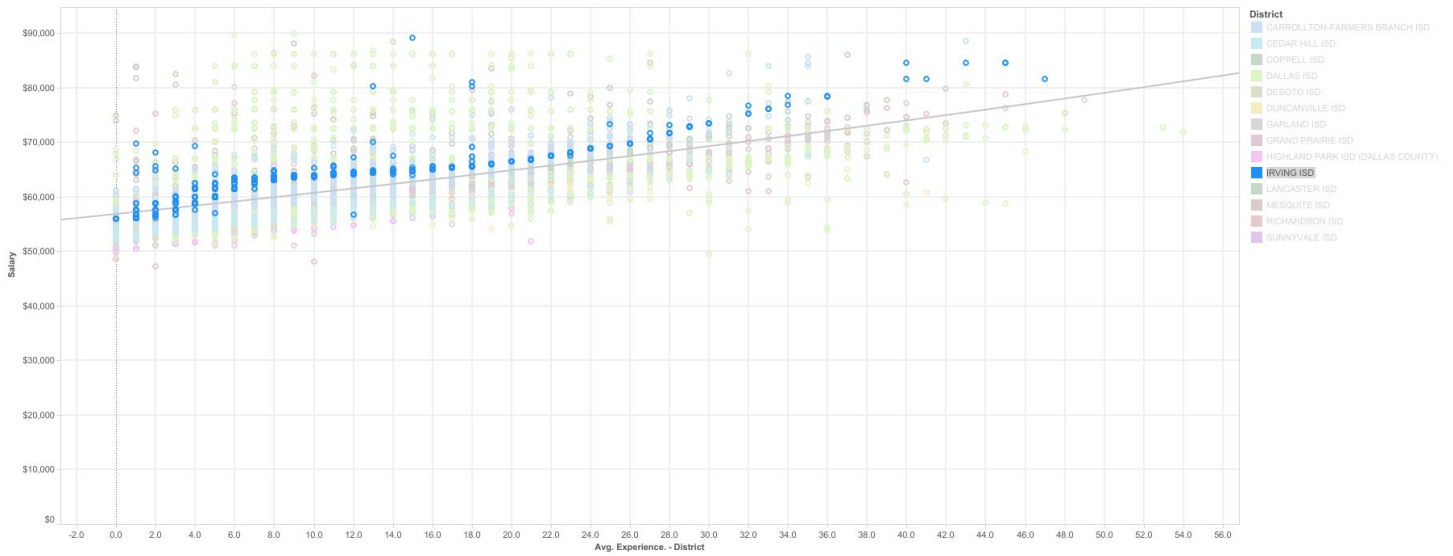
Understanding a district's enrollment trend can have implications for both the revenue and expenditure sides of its operational ledger. One of the first areas to gain perspective on is related to this important trend: Where has the district been? Where is it headed? An important note here is to be sure you are utilizing a consistent measure of enrolled students.



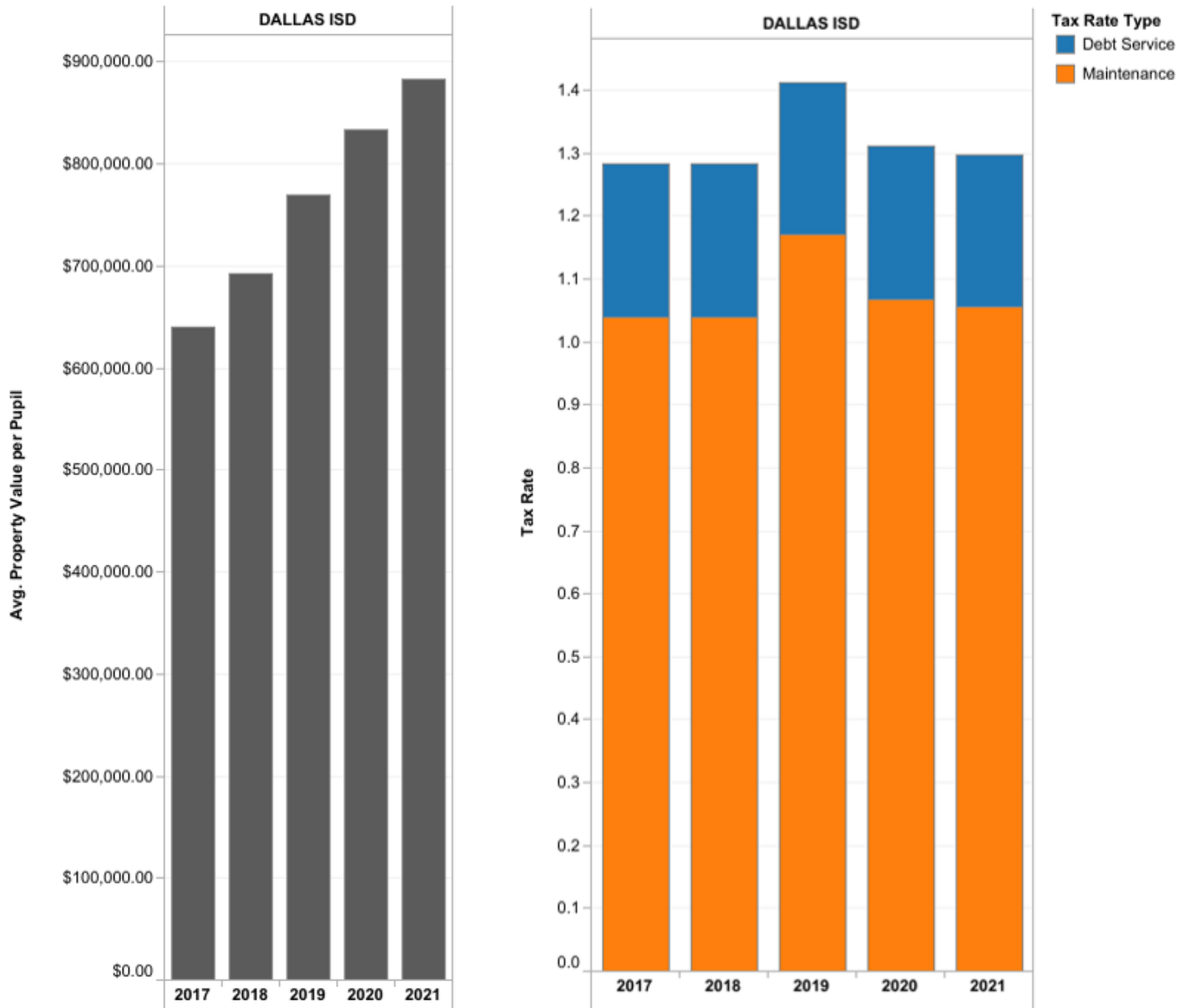
How do your operating expenditures per pupil compare to peers? Obviously, this is an important analysis to provide perspective. Does this insight refute previously held beliefs? Can projected enrollment affect future decisions?



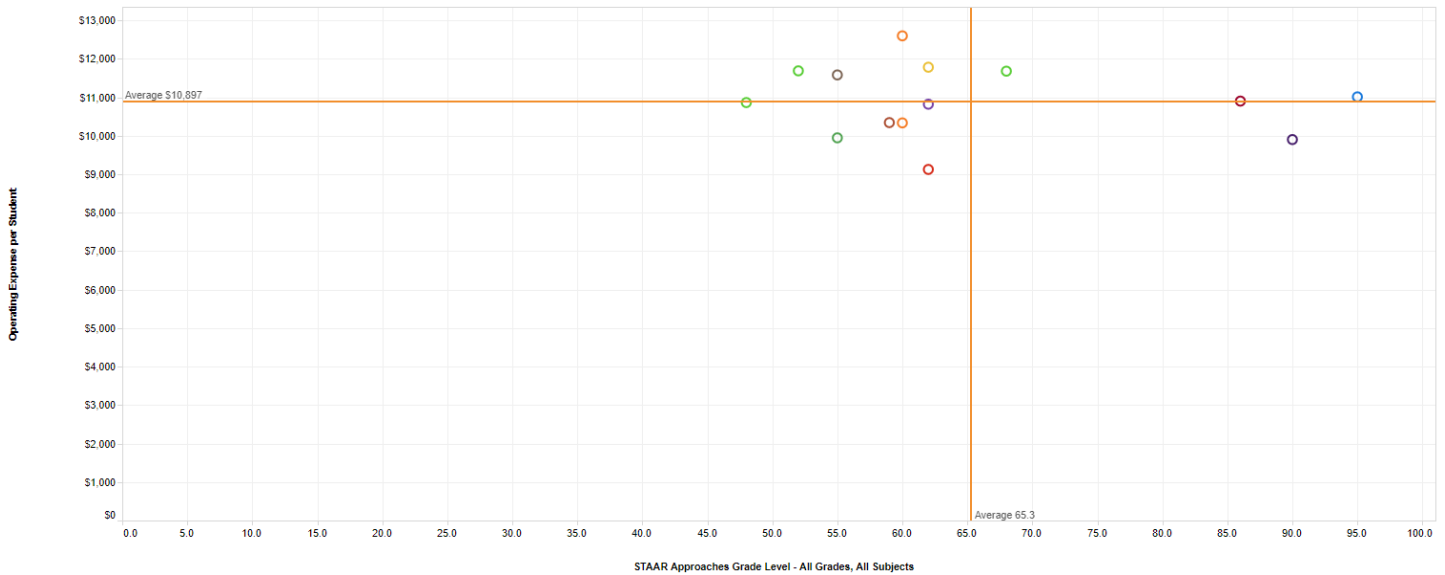
What has been the relationship between spending and student enrollment? This may be a good visual to accompany the prior visual: Spending Compared to Peers. Adding enrollment to the analysis provides additional perspective on spending trends and could offer insight into past and future direction. Are the two lines moving in sync? If not — if the lines are growing further apart — it may signal a need to realign spending.



How do salaries in a specific district compare to peer districts? This graphic may indicate opportunities or present challenges when considering overall spending trends.



This visual indicates a district with consistently growing tax values. Growth can be attributable to either new construction and/or reappraisals/updates. Of course, reappraisal/update growth results in downward pressure on tax rates. However, in some cases, a district's tax values and rates could both grow. This more than likely indicates a new levy was passed.



How does your district compare to peers when it comes to spending and student performance results? Quickly, you can conclude from this visual that some districts are spending less than the peer average, and yet student achievement is also *below* the peer average. This one visual could spark additional questions which require further investigation. For example, what strategies are districts employing to achieve higher results? If spending appears relevant (that is, there is a high correlation between performance and spending), could a district dedicate additional resources and expect to achieve higher results?

In summary, starting your investigations at a high level will acquaint you with a district’s past trends. History provides perspective. A high-level historical analysis may serve you well prior to contemplating a move to a new district. However, after you’ve made the decision to change districts, be aware that your learning journey has only just begun.

The graphics in this presentation are by no means comprehensive, nor are they intended to provide a script. Rather, they are simply meant to spark thought and consideration. There are plenty of other visuals that are just as important and relevant. Gradually over time, employing a strategy to educate others will in turn help you become the CFO your district expected when they made the decision to invest in you!

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Frontline Education is a leading provider of school administration software, connecting solutions for student and special programs, business operations and human capital management with powerful analytics to empower educators. Frontline partners with school systems to deliver tools, data and insights that support greater efficiency and productivity, enabling school leaders to spend more time and resources executing strategies that drive educator effectiveness, student success and district excellence. Over 10,000 clients representing millions of educators, administrators and support personnel have partnered with Frontline Education in their efforts to develop the next generation of learners.