DIFFERENCES IN SCHOOL DISTRICTS' DECISION-MAKING PROCESSES BEFORE AND AFTER TAX LIMITATION ELECTIONS: A CASE STUDY

DISSERTATION

Presented to the Graduate Council of the University of North Texas in Partial Fulfillment of the Requirements For the Degree of

Doctor of Philosophy

by

Rosemary Fechner Travis, B.A., M.A.
Denton, Texas
May, 1990

Using a case study approach, this investigation focused on the decision-making processes involved in developing budgets in two Texas school districts following a tax limitation, or rollback, election. Factors influencing the decision-making processes included the rollback election's outcome in each district, the participants, the perceptions participants held of themselves, the perceptions participants held of others in the district and community, the decisions made, and the factors influencing participants' decisions.

Two Texas school districts were selected as subjects of this study which used qualitative data collection methods. In one school district, the rollback election passed. In the other, it failed. Data collection included observations of school board meetings and budget workshops. Structured interviews of school board members and administrators, pro- and anti-rollback proponents, and newspaper editors were conducted. Questions focused on the budgetary decision-making processes before and after the rollback elections. They also solicited information from subjects regarding rollback elections, the factors precipitating the rollback elections and the impact of the rollback election campaign upon each school district. Document analyses were triangulated with the observations and interviews to identify the factors influencing the budgetary decision-making process.
Following the rollback elections, school officials in both districts adopted a conservative approach to budgetary decision-making. In both districts, school board members and administrators listened more carefully to citizens' concerns. Citizen finance committees were formed in both districts following the rollback elections to receive community input into the 1989-90 budgets. The decision-making processes in both districts were influenced by school board members' and administrators' personal philosophies, the presence or absence of long-range district goals, and pressures to finance unfunded and underfunded state mandates.

The budget documents produced in both districts following the rollback elections reflected a commitment to funding curricular rather than extracurricular programs. School officials protected teachers' and support staffs' salaries, recognizing the importance of maintaining employee morale.
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIST OF TABLES</td>
<td>v</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>vi</td>
</tr>
<tr>
<td>I. INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>Statement of the Problem</td>
<td></td>
</tr>
<tr>
<td>Purpose of the Study</td>
<td></td>
</tr>
<tr>
<td>Research Questions</td>
<td></td>
</tr>
<tr>
<td>Limitations</td>
<td></td>
</tr>
<tr>
<td>Definition of Terms</td>
<td></td>
</tr>
<tr>
<td>Background and Significance of the Study</td>
<td></td>
</tr>
<tr>
<td>Methodology</td>
<td></td>
</tr>
<tr>
<td>Procedures</td>
<td></td>
</tr>
<tr>
<td>II. REVIEW OF RELATED LITERATURE</td>
<td>23</td>
</tr>
<tr>
<td>Introduction</td>
<td></td>
</tr>
<tr>
<td>Decisions and Decision-Making Theory</td>
<td></td>
</tr>
<tr>
<td>Education Budget</td>
<td></td>
</tr>
<tr>
<td>Budgetary Decision-Making Theory</td>
<td></td>
</tr>
<tr>
<td>Budgetary Incrementalism</td>
<td></td>
</tr>
<tr>
<td>Planning-Programming-Budgeting-Evaluating Systems (PPBES)</td>
<td></td>
</tr>
<tr>
<td>Zero-Based Budgeting</td>
<td></td>
</tr>
<tr>
<td>Fiscal Stress</td>
<td></td>
</tr>
<tr>
<td>Methodology</td>
<td></td>
</tr>
</tbody>
</table>
Chapter III. RESEARCH METHODOLOGY ........................................ 67

  Procedures
  Subjects
  Data Collection
  Data Analysis
  Summary

IV. CASE NARRATIVES AND BUDGETARY DECISION-MAKING PROCESSES ........................................ 76

  School District A
  School District B

V. CONCLUSIONS AND INTERPRETATIONS .................. 255

  Findings and Tentative Explanations
  Conclusions
  Implications
  Recommendations for Future Studies

APPENDICES .......................................................... 274

SELECTED BIBLIOGRAPHY  ........................................ 301
## LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Factors on which School District A and School District B were Matched</td>
<td>77</td>
</tr>
</tbody>
</table>
### LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Planning-Programming-Budgeting-Evaluation Systems Process</td>
<td>56</td>
</tr>
<tr>
<td>2.</td>
<td>Organizational Chart of School District A</td>
<td>88</td>
</tr>
<tr>
<td>3.</td>
<td>Organizational Chart of School District B</td>
<td>185</td>
</tr>
</tbody>
</table>
CHAPTER I

INTRODUCTION

In the aftermath of passed or failed tax limitation elections, the ways school districts involve citizens and staff in various decision-making processes may undergo some changes. While research abounds regarding voter behavior and school district activities prior to tax limitation elections (e.g., Fish 1964; Hatley 1970; McKelvey 1966; Parnell 1964; Saalfeld 1972; St. Clair 1988; Tebbutt 1968; Varden 1973), very little research has focused on the differences between pre- and post-tax limitation election decision-making processes in Texas school districts. Consequently, a study of the decision-making processes involved in the development of school district budgets and the resulting characteristics of those budgets could contribute to the understanding of fiscal decisions.

Little is known about how school districts' decision-making is affected by tax limitation elections, whether those referendums pass or fail. Political necessity often alters the degree to which citizens and staff participate with top school officials in the budgetary decision-making process. Research shows that individuals who feel powerless and removed from the power centers of their districts and who are distrustful of persons they view as decision-makers are much more likely to oppose school financial elections than those who feel they can influence decisions which affect their districts (Agger and Goldstein 1965, 1971; Gold 1962; Templeton 1966).

While some Texas taxpayers are flexing their ballot-box muscle to hold down school property tax rates, the American public views the lack of proper financial support as one of the major problems facing today's public schools. Gallup (1985, 1986), Gallup and Clark (1987), Elam and Gallup (1989), and the Gallup Poll and Phi Delta Kappan (1988) in their annual poll of the public's attitudes toward the public schools found that the lack of proper financial support was the fifth largest problem facing public schools in 1985 and the third most serious problem in 1986, 1987, 1988, and 1989.

While Americans recognize that public schools do not receive proper financial support, they fluctuate in their willingness to pay higher taxes for their local public schools. The rebellion against increased taxes reached its crescendo in 1981, at the height of the property tax revolt, when the public opposed raising taxes to support public schools by a margin of two to one (Gallup 1985, 44).

When Gallup polled his 1985 and 1986 samples, 52 percent said they would vote against increasing taxes to provide much-needed support for their local public schools. The public's attitude changed in 1988 when only 29 percent of those polled by the Gallup Organization expressed an unwillingness to pay more taxes to help raise the standards of education in the United States. In 1989, 30 percent of those questioned stated they were
unwilling to pay higher taxes "to improve the quality of the public schools in the poorer states and poorer communities" (Elam and Gallup 1989, 45).

A comprehensive study of the fiscal decision-making processes used by school board members and school administrators could assist Texas school districts in the future as they face the challenges of scarce resources, fluctuating enrollments, unfunded and underfunded state mandates, and tax limitation, or rollback, elections. Schick (1981) suggested that the budget problem is one of scarcity; however, not all scarcity is alike. In circumstances of relaxed scarcity, enough monies exist to increase the size of existing programs and to add new ones. Chronic scarcity, on the other hand, allows for growth, but new programs are difficult to fund. Acute scarcity prevails when revenues are not available to finance the increases in program costs (Shick 1981, 113, 116-123). When confronted with acute scarcity, governmental agencies respond with across-the-board cuts, travel restrictions, hiring freezes, and searches for new revenue sources (Shields 1988, 63).

This study also increases knowledge of participants' decision-making processes, perceptions, and philosophies used in establishing school district budgets and tax rates. By developing a knowledge base of hypotheses, theories, and explanations, this study identifies areas for future educational researchers to study about the decision-making processes in school districts which have experienced tax limitation, or tax rollback, elections.

Statement of the Problem

The problem of this study was to determine the differences in school districts' pre- and post-rollback election decision-making processes in the
areas of budgets, tax rates, curricular and extracurricular programs, staffing, and public relations/communications activities.

**Purpose of the Study**

The purpose of this study was to determine differences between the pre- and post-rollback election decision-making processes in two Texas school districts. The involvement of citizens and staff in decisions related to the planning of budgets, tax rates, curricular and extracurricular programs, staffing, and public relations/communications activities were studied.

**Research Questions**

The following research questions were addressed in this study:

1. How are the school districts' various decision-making processes (e.g., budget, tax rate, curricular and extracurricular programs, and staffing) different today than they were before the rollback election?

2. How are districts' public relations/communications strategies different today than they were before the rollback election?

3. How is news media's coverage of the school districts different today than it was before the rollback election?

4. How is citizen participation in the school districts' decision-making processes different today than it was before the rollback election?

5. How is staff involvement in the school districts' decision-making processes different today than it was before the rollback election?

**Limitations**

This study was intended to provide a detailed description of the pre- and post-rollback differences that two Texas school districts exhibited in
their key decision-making processes involving budgets, tax rates, curricular and extracurricular programs, staffing, and public relations/communications activities. Triangulated data were collected primarily through interviews, observations, and document analyses. Since it is impossible to entirely eliminate both subject and researcher bias in naturalistic studies of this type, data and conclusions should be treated as tentative hypotheses and explanations. Further researcher bias might be present because of the researcher's professional involvement with school public relations activities. Also, researcher bias might be present because the researcher served as public relations director in a school district which defeated a rollback initiative in 1983. Since the research from the two school districts was conducted following the rollback election, some key budget-related decisions had already occurred. The information relied on respondent recall of events leading up to the rollback election and of key decision-making processes used since the rollback election. Therefore, information could be subject to inaccuracies and selectivity of recall.

A variety of data collection techniques was used to minimize the particular limitations. Techniques used in this descriptive study included audio tape recordings, verbatim transcriptions of these tape recordings, descriptive field notes, and document analyses. Since the study was descriptive, its primary objectives were to add to the knowledge base and to generate an understanding of the differences in decision-making processes used in pre- and post-rollback election environments. The study should not be considered exhaustive or definitive nor are its results intended to provide an ideal model for predicting school districts' differences in pre- and post-rollback election decision-making processes.
Definition of Terms

The following terms are used through this case study.

**Assessment**—Assessment is the valuation of property for tax purposes.

**Case study**—A case study is the gathering and organization of all relevant material to enable analysis and explication of individual units, such as a school district.

**Community conflict theory**—Community conflicts exhibit a uniform pattern of issue transformation as the controversy develops from its beginning to its apex: (1) specific issues become more general, (2) issues that are new and quite different from the original ones emerge, and (3) dispassionate disagreement over issues becomes generalized as emotional antagonism and hostility (Coleman 1957).

**Decision**—Decisions are all judgments that affect a course of action.

**Decision-making process**—The decision-making process involves not only the decision but also the acts necessary to come to the decision and to put it into operation.

**Educational ethnography**—Educational ethnography is an investigative process of studying human behavior through such research techniques as surveys, participant observation, interviews, document analysis, and questionnaires. Its objective is to provide rich, descriptive data about the contexts, activities, and beliefs of participants in educational settings. Typically, such data represent educational processes as they occur. The results of these processes are examined within the whole phenomenon. Isolation of outcomes is rarely considered.

**Fund balance**—The fund balance is the excess of the assets of a fund over its liabilities and reserves at the end of the fiscal year. Texas school
districts calculate their fund balances after the last day of their fiscal year, which is August 31.

House Bill 72--House Bill 72 refers to a law passed by the Seventieth Legislature during the summer of 1984 with the intent of bringing about education reform in the State of Texas.

Net effective tax rate--The net effective tax rate is a tax rate that would impose the same total taxes as the previous year on properties taxed in both years. It gives the taxing unit approximately the same amount of money to spend as it had the previous year.

Section 26.08--This is the section of the Texas Property Tax Code that allows voter initiative in determining whether a local board of school trustees can set a tax rate of more than 8 percent over the net effective tax rate.

Tax abatement--Tax abatement is a tool to promote economic growth by offering property tax exemptions.

Tax limitation election--A tax limitation election provides voters with a vehicle to place taxing restrictions on a taxing unit. Rollback elections are a form of tax limitation elections.

Tax rate--A tax rate is a rate applied to the total taxable value of all property within a taxing unit to generate the taxes needed.

Tax rate rollback election--A tax rate rollback election occurs if a taxing unit increases its tax rate by more than the rollback rate (8 percent) and if the taxpayers petition for an election to limit the tax increase to the tax rollback rate level. It is a form of a tax limitation election.

Tax rollback rate level--A tax rollback rate level is the rate calculated to provide the taxing unit with the same amount of tax revenue as it spent
the previous year for day-to-day operations plus an 8 percent increase and sufficient funds to pay its debts in the coming year.

**Valid tax rollback petition**--A valid tax rollback petition is a petition which (1) states that it is intended to require an election to limit the taxing unit's tax rate, (2) is signed by at least 10 percent of the qualified voters in the taxing unit as determined by the most recent official voter list, (3) contains signatures given freely and without compensation, (4) is given to the taxing unit's governing body within ninety days after the date it adopted the tax rate, and (5) is validated by the taxing unit's governing body within twenty days of the petition's receipt.

**Background and Significance of the Study**

**Early History of Property Tax in Texas**

Texas levied a state property tax to support its private and public free schools after 1846. Curiously, no public free schools existed. The money collected was used to educate orphans and indigent children who attended private schools. Even with the creation of Texas' Permanent School Fund in 1854, the idea of public education for all children failed to evolve (Walker 1982).

By the time of the Civil War, some cities had petitioned the state for money to support their schools. Citizens simply refused to tax themselves. When the Reconstruction Era dawned, Northerners described Texas as the "darkest field educationally in the United States" (Walker 1982). In the Reconstruction Constitution of 1869, citizens had to pay a mandated local property tax to support the schools within clearly defined school districts.
This tax paid for the construction of buildings and their operation for a ten-month school year (Walker 1982).

Texans balked at the idea of a property tax for public education. In fact, many refused to pay it. When the Constitution of 1876 replaced the Reconstruction Constitution, Texas abolished the mandated tax. Beginning in 1875, though, large city districts received legislative approval to implement a local property tax for city schools. Setting the pace for the rest of the state, these "lighthouse" districts inspired other Texans to vote for a local-option property tax not to exceed twenty cents per $100 value. This tax became part of the Constitution of 1883. In 1908, the constitutional tax rate ceiling was raised to fifty cents per $100 value. Legislative discretion over the property tax maximum was given to the legislature in 1920. While citizens in some city districts approved taxing their property to support schools, many of their rural neighbors ignored the option. "As late as 1920, Texas ranked thirty-ninth among the forty-eight states in local support for education, with the nine trailing states being other Southern states" (Walker 1982).

In Article VII, Section I of Texas' current Constitution, education is described as a state responsibility:

Section 1: A general diffusion of knowledge being essential to the preservation of the liberties and rights of the people, it shall be the duty of the legislature of the State to establish and make suitable provision for the support and maintenance of an efficient system of public free schools (Texas Education Agency 1988, 791).

Article VII, Section 3 of the Texas Constitution contains provisions for funding the free public schools:
Section 3: The Legislature shall be authorized to pass laws for the assessment and collection of taxes in all said districts and for the management and control of the public school or schools of such districts (Texas Education Agency 1988, 791).

According to the Attorney General, Article VII, Section 3, does not directly authorize school boards to set tax rates and collect taxes. Instead, the provision empowers the legislature to pass whatever laws are necessary to allow school districts to do so (Mattox 1987). The legislature can at any time change laws regarding the assessment and collection of taxes. That is exactly what happened when the Sixty-Sixth Texas Legislature enacted its complex omnibus tax reforms in 1979.

Texas Property Tax Reforms--1979


The Texas Legislature consolidated assessment responsibilities for all government entities into designated appraisal districts. In the same legislation, taxpayers were given a vehicle to protest their property taxes. When a school district’s net effective tax rate exceeds 8 percent, Texas taxpayers can petition to rollback the next year’s tax rate:

The rollback tax rate is calculated to provide the taxing unit about the same amount of tax revenue as it spent the previous year for day-to-day operations plus an extra eight-percent cushion, and sufficient funds to pay its debts in the coming year (State Property Tax Board 1988, 10).
By submitting a tax rollback petition, signed by at least 10 percent of the qualified voters in a taxing unit, taxpayers could begin the process of calling for a rollback election. The effective date of this provision of the Property Tax Code was January 1, 1982 (Texas school law bulletin 1988). Texas property owners now possessed the power to limit their governmental entities' tax rates and, in turn, their expenditures. If the majority of voters vote for the rollback, the school district may not adopt a tax rate for the following school year that exceeds the tax rollback rate (Texas school law bulletin 1988).

Using the new law, taxpayers petitioned for tax rollback elections in the fall and winter of 1982. In the 1983 tax year, thirteen of the school districts' rollback elections failed. That same year, eleven rollback elections passed (Owen 1984). In the 1984 tax year, two school districts saw rollback elections pass while two watched them fail. No school district rollback elections were successful in the 1985 tax year, but three failed. Only one school district was faced with a rollback in 1986. It passed. In the 1987 tax year, voters in two school districts rolled back their school districts' tax rates while voters in two other districts defeated their rollback initiatives. In the 1988 tax year, two school district rollback elections succeeded and seven failed. Between January 3 and March 11, 1989, eleven school districts held tax rollback elections. Four passed and seven failed (Owen 1984, 1985, 1986, 1987, 1988 and 1989).

Many of Texas' 1,058 school districts struggled financially in 1989. In the wake of House Bill 72's education reforms, costly mandates forced many school boards to push their net effective tax rates above the 8 percent mark, which is the tax rollback rate level. The
twenty-two-to-one student-teacher ratio in kindergarten through fourth grade caused the construction of more classrooms and the purchase of additional temporary buildings. Districts had to employ more teachers to staff those classrooms at the mandated student-teacher ratio. In many communities with perceived high property tax rates, the desire to support bond elections to finance needed construction and renovation waned.

The career ladder mandate, partially funded by the state, was another costly educational reform. The loss of state funding through House Bill 72's equalization formula was especially debilitating for growing school districts. While the state's equalization formula accomplished what it set out to do—provide dollars for property-poor districts—it increased the property tax bills of local taxpayers in property wealthy school districts. For example, the state's portion of education funding in one growing urban district in North Texas dropped from 52 percent in 1980-81 to 27 percent in 1988-89 to 24 percent in 1989-90 (Johnson 1989).

Also, some school districts suffered from a disparity between local appraisal district values and State Property Tax Board values. When the local appraisal district's values were recorded as low and the state's values were reported as high, districts lost state funding under the 1984 equalization formula. Even as districts protested their state values, the struggle to bring the two sets of appraisal values into balance resulted in a lengthy battle.

The Texas Association of Community Schools, a group which lobbies the legislature on behalf of school districts in small towns, noted that House Bill 72's reforms "have left school districts in a three-way squeeze between increased costs from state-mandated programs, stagnant state funding, and
district residents who are growing tired of seeing their property tax rates go up" (Price 1988).

The effects of Texas' sagging economy and lost oil and gas tax revenues were being felt by school districts. Empty office buildings, closed businesses, layoffs, unemployment, and decreasing assessed values forced many districts to increase their tax rates just to maintain the same amount of tax revenue as in the previous year.

In one urban North Texas school district in 1989, the average single-family dwelling decreased in value an average of 6 percent. Multifamily dwellings declined in appraised value by 32 percent. Neither new growth nor commercial and utility properties compensated for those declines. Taxpayers watched their school districts' annual operating budgets increase to compensate for growth such as added personnel, new facilities and an average 4 percent increase in student enrollment each year (Johnson 1989).

As taxpayer anxieties grew, some concerned citizens groups formed to protest taxes and spending by cities and school districts. These groups, in some cases, were led by senior citizens who had the time to dedicate to the tax and spending limitation effort. In other districts, tax rollback petition drives were spearheaded by disgruntled parents, former employees, large property owners, or business leaders. These crusaders seemed to thrive on the attention given to them through the mass media. This was the climate that spawned school rollback elections. It coalesced tax protest groups. It often excited senior citizens to action. It thrived on emotions and ignored facts. It simplified the complex issues of school finance. It damaged the credibility of school officials who attempted to explain the
why's and wherefore's of the property tax dilemma. Every time school officials attempted to introduce reasons for the tax rate and budget increases, they were branded as politicians who twisted the facts. The refrain "Figures don't lie. Liars figure!" was heard over and over in public meetings. This scenario demonstrated Coleman's (1957) community conflict theory of issue transformation from its beginning to its apex.

A former commissioner of the Texas Education Agency, noted that tax protest groups were springing up across Texas. Aside from tax rollback elections, they had a significant influence on school boards as they set tax rates and adopted operating budgets. Many school boards opted to keep their tax rate increases below the 8 percent tax rollback rate by dipping into their fund balances (Price 1988).

**Methodology**

Research on the differences between the pre- and post-rollback election decision-making processes in two school districts necessitated an examination of the development of budgets, tax rates, curricular and extracurricular programs, staffing, and public relations/communications activities. The qualitative research approach of interviews, observations, and document analyses best suited this study. Wilson (1977) notes that human behavior is influenced greatly by the setting in which it occurs. Therefore, it was essential that the researcher study the decision-making processes in each district as they occurred. Through interviews, observations, and document analyses, the researcher determined how the processes had changed since the rollback election was held.
Wilson (1977) suggested that educational processes should be studied using the qualitative rather than the quantitative approach. The qualitative researcher enters the study without a priori hypotheses. The qualitative approach allows the study itself to structure the research (Bogdan and Biklen 1982).

Qualitative research methods include case studies and ethnography. The purpose of ethnography is to provide rich descriptive data about the contexts, activities, beliefs, values, and predispositions of participants. Such data represents processes as they occur. These processes are examined within the whole phenomenon. The outcomes of processes are rarely considered in isolation (Goetz and LeCompte 1984). A study of an object or system within its ecological or cultural setting is called ethnography. Ethnography as a research technique was developed by anthropologists and refined by sociologists (Wilson 1977). According to Wilson, two hypotheses underpin ethnographic research: (1) human behavior is understood by examining the setting in which it occurs, and (2) human behavior is understood by examining a person's thoughts, feelings, and actions.

A case study is a detailed examination of one setting (a school district), a collection of documents (school district publications, school board minutes, newspaper archives), or one particular event (a rollback election). Generally, the researcher selects a single setting or event, begins collecting data, reviews the data, and then determines what direction the study will take. The case study approach focuses on a process rather than simply outcomes or products. It utilizes induction to analyze data. Like a funnel, data are narrowed as they are being collected (Bogdan and Biklen 1982). In some studies, the researcher chooses to analyze more than one setting at a
time. Such an approach is referred to as a "multi-case" study. In many instances, the purpose of a multi-case study is to provide additional data to enhance the possibilities of forming generalizations or to enable the researcher to draw more meaningful comparisons (Bogdan and Biklen 1982).

Techniques of Qualitative Research

Qualitative research techniques include participant observation, in-depth interviews, document analyses, and field notes. Observations and interviews are described in detail in written field notes. Field notes are a "written account of what the researcher hears, sees, experiences, and thinks in the course of collecting and reflecting on the data in a qualitative study" (Bogdan and Biklen 1982, 74). Audio tape recordings and video tape recordings can be made of interviews and observations. Later, these recordings are transcribed verbatim, examined, and coded by the researcher.

The premise of qualitative research is descriptive rather than predictive in nature. The qualitative researcher does not enter the observation or interview with preconceived ideas. Instead, data are collected and used developmentally as the researcher designs conceptual and categorical coding systems. These systems emerge from the data or are tested as the research study proceeds. Thus, theories that are formed by the researcher are said to be grounded in the data (Glaser and Strauss 1967).
Summary

Research by St. Claire (1988) about rollback election in Texas school districts indicated the importance of studying the differences in the decision-making processes between pre- and post-rollback election environments. This research is especially important to school districts which have had or are near school districts which have had rollback elections. Research further indicates the need for post-rollback school districts to implement an on-going program to educate their citizens about Texas' property tax systems and the role local property taxes play in the local school district's budget. Research also stresses a need for post-rollback school districts to develop and initiate long-range, cost-control programs so they can avoid the 8 percent tax rollback level (St. Clair 1988).

This study investigated the decision-making processes used by two post-rollback election school districts as they planned their budgets, tax rates, curricular and extracurricular programs, staffing, and public relations/communications activities for the 1989-90 fiscal year. These processes were compared to how they made those decisions prior to the rollback election. The roles of various citizen and staff participants were studied. The role of newspaper coverage both before and after the rollback election was analyzed.

A case study with observations, interviews, field notes, and document analyses proved the most useful method for acquiring the necessary information. Because of the focus on two post-rollback election school districts, this research project was a multi-case study. It identified areas for educational research by laying the foundation for future studies, theories, and explanations.
Procedures

Research Approach

The naturalistic approach was chosen for this study for the following reasons:

1. The goal of this study was to determine the differences in school districts' pre- and post-rollback election decision-making processes in such areas as budget development, tax rates, curricular and extracurricular programs, staffing, and public relations/communications activities.

2. It provided detailed data on group interaction by citizens and staff, the roles of school officials and citizen activists following the rollback elections, and document analyses of newspapers and district materials (e.g., budget documents, newspaper archives, memoranda, etc.) related to the areas studied.

3. Data consisted primarily of verbatim transcripts of audio tape recordings of interviews, observations, and field notes.

4. The use of a priori hypotheses was not possible because data were collected and examined by the grounded theory approach (Glaser and Strauss 1967). Broad generalizations to other school districts were not the objective of this study.

Population

The subjects of this study were superintendents, school board members, citizen activists, Parent-Teacher Association leaders, and local newspaper editors and/or reporters. The subjects selected were informed and articulate participants in the pre- and/or post-rollback election
decision-making processes or citizen activists who influenced the decision-making processes.

Since this study was a multi-case study and time did not allow the researcher to interview all participants or influential citizen activists, nine subjects were selected in each district. Interviewees in each district included the following individuals: the current superintendent who was employed by the district at the time of the rollback election, the current board president, the current board vice-president, the newspaper editor, two rollback proponents, a Parent-Teacher Association leader, and an anti-rollback leader. In one district, the superintendent handled all business functions, while in the other a business manager performed these duties. Therefore, the business manager was interviewed in that district. While one district’s board officers remained the same before and after the rollback election, the other district’s board elected new officers. Therefore, in the latter district, the former board president was interviewed. Based on these initial interviews and document analyses of local newspapers, the researcher also identified pro- and anti-rollback leaders to interview.

The two school districts were located within a forty-mile radius of a major metropolitan area in North Texas. Each district received frequent coverage from at least one local newspaper. Occasionally, major metropolitan newspapers covered each district. Both districts served a racially balanced population composed of students from both high and low income levels. The districts were selected on the basis of having held a rollback election during 1988 or 1989 and the school officials’ and citizens’ willingness to participate in the study.
Data Collection

A triangulated data collection process (Goetz and LeCompte 1984), involving observations, interviews, and document collection, was used to construct a data base from which to draw conclusions about each district's financial decision-making process and the historical context in which it occurred. Specifically, the researcher attended school board meetings and work sessions on the 1989-90 budget. These meetings took place during July, August and early September of 1989. Detailed field notes of those sessions documented each school district's deliberations. Documents collected included budget proposals, final budgets, memoranda on staffing and program requests, and newspaper coverage. In addition, data were collected through structured interviews with nine individuals in each school district. Pro- and anti-rollback activists were interviewed in each district. The data collected from these interviews complemented the triangulation process which included observation field notes and pertinent documents.

Data Analysis

Data collected appear in the form of words rather than statistics. While words may be more unwieldy than numbers, they enable the researcher to develop "thick description," Geertz (1973) suggested. The researcher triangulated data through transcriptions of interviews, narrative descriptions (field notes), and pertinent documents.

Miles and Huberman (1984, p. 21-23) described three interactive components of data analysis: data reduction, data displays, and conclusion drawing and verification. Beginning with over 1,000 pages of detailed field notes, verbatim transcriptions, budget documents and memoranda, and
newspaper articles, the researcher began the data reduction process. By repeatedly reviewing the data, the researcher identified recurring patterns and designed coding categories. The repetitious coding process enabled the researcher to focus on the research questions and to remain open to unanticipated and emerging trends that revealed themselves during data analysis. The coding categories were refined through the constant comparative method used in the generation of grounded theory (Glaser and Strauss 1967). According to Miles and Huberman (1984), the "Codes are categories," which are derived from the research questions, key concepts, and major themes. Bogdan and Biklen (1982) noted that codes may be divided into the following categories: (1) setting and context—general information on the surroundings, (2) definition of the situation—how people define the setting of topics, (3) perspectives—ways of thinking and orientation, (4) ways of thinking about people and objects—more detailed than number three, (5) process—sequences, flows, and changes over time, (6) activities—regularly occurring kinds of behavior, (7) events—specific activities, (8) strategies—ways of accomplishing things, (9) relationships and social structures—unofficially defined patterns, and (10) methods—research-related issues. Any qualitative study may focus on just a few of these categories, Bogdan and Biklen (1982) noted. The entire data reduction process sharpened and focused the researcher's attention so that final conclusions could be drawn.

The data display portion of the analysis was accomplished by the use of charts, tables, figures, and text. The charts, tables, and figures were used to provide a compact visual display of the narrative text. This approach aided the researcher in conceptualizing patterns, trends, and themes.
Through constant comparison and analytic induction techniques, which Goetz and LeCompte (1984) described, the researcher moved to the third step of data analysis: conclusion and verification. The triangulation enabled the researcher to check the accuracy and validity of the conclusions drawn. From the primary data, numerous direct quotations from participants provided reliability to the study's findings because they can be checked by any reader of the study.
CHAPTER II

REVIEW OF RELATED LITERATURE

Introduction

This review summarizes research related to decision-making theory, budgeting theory, budget-planning models, fiscal stress, and qualitative research methodology. A definition of decision-making, types of decision-making, and criteria for achieving quality decisions are reviewed. Four models are discussed. These include classical rational, garbage can, incrementalism, and mixed-scanning. A survey of the education budget, budget decision-making theory, budgetary incrementalism, and budgetary decrementalism is presented. Two budgeting models are highlighted. These include Planning Program Budgeting System (PPBS) and Zero-Base Budgeting (ZBB). The effects of fiscal stress are outlined as well as the strategies school officials may implement to deal with fiscal stress. The chapter concludes with a review of qualitative research methodology as related to this study.

Decisions and Decision-Making Theory

Each day school board members and school administrators must make numerous decisions whose impact will be felt in their school districts for months and perhaps years to come. Many of those decisions revolve around which programs will be funded and to what degree, what personnel
will be hired, what facilities will be renovated and constructed, and what supplies will be purchased. Each decision ultimately affects human beings—students, staff, parents, business leaders, and taxpayers—in the short and the long run.

Decisions are something more than factual propositions. To be sure, they are descriptive of a future state of affairs; and this description can be true or false in a strictly empirical sense; but they possess, in addition, an imperative quality—they select one future state of affairs in preference to another and direct behavior toward the chosen alternative. In short, they have an ethical as well as a factual content. (Simon 1976, 46).

Griffiths (1959, 76) saw action and vitality in the concepts of decision and decision-making process. He defined decision as “all the judgments that affect a course of action. The concept of decision-making process is, therefore, construed to mean not only the decision but also the acts necessary to put the decision into operation and so actually affects the course of action of an enterprise.”

Human beings make decisions; therefore, the decision-making process is a social process. Simon (1947, 22) wrote, “No decision made in an organization is the task of a single individual.” Because decisions made by human beings affect other human beings, the decision-making process usually involves some type of compromise among its participants. Ultimately one course of action is chosen from all the alternatives considered in pursuit of organizational goals. The course chosen must satisfy a whole range of requirements and restraints. “The choice of one constraint over another generates an elaborate goal-action interplay, and in this context, the decision-making process itself is thought to involve at least three major phases (Murray 1986, 10).
Murray defined the three major phases as follows:

1. **Analytic Phase**—In this phase, situations that affect goals (problems and opportunities) are perceived and information about them is gathered.

2. **Design Phase**—In this phase, courses of action (options) are crystallized to deal with the problem situation.

3. **Choice Phase**—In this phase, the alternatives proposed in the design phase are evaluated, and some are selected for implementation (Murray 1986, 10).

Simon (1960, 1) also broke decision-making into three principal phases: finding occasions for making a decision, finding possible courses of action, and choosing among those courses of action. More recently, Drucker (1982, 353) elaborated on the work of earlier decision-making theorists with his five-step process: defining the problem, analyzing the problem, developing alternative solutions, deciding upon the best solution, and converting the decision into effective action.

Janis and Mann (1977) conducted an extensive literature review on the decision-making research of leading theorists (Etzioni 1968; Hoffman 1965; Janis 1972; Katz and Kahn 1966; Maier 1967; Miller and Starr 1967; Simon 1976; Taylor 1965; Vroom and Yetton 1973; Wilensky 1967; Young 1966). Janis and Mann extracted from the literature seven decision-making criteria for attaining the objectives of the decision-maker(s) and for adhering to the decision in the long run. To the best of his or her ability and within his or her information processing capabilities, the decision-maker must do the following:

1. thoroughly canvas a wide range of alternative courses of action;
2. survey the full range of objectives to be fulfilled and the values implicated by the choice;
3. carefully weigh whatever is known about the costs and risks of negative consequences, as well as the positive consequences, that could flow from each alternative;
4. intensively search for new information relevant to further evaluation of the alternatives;
5. correctly assimilate and take account of any new information or expert judgment to which he/she is exposed, even when the information or judgment does not support the course of action he/she initially prefers;
6. reexamine the positive and negative consequences of all known alternatives, including those originally regarded as unacceptable, before making the final choice; and,
7. make detailed provision for implementing or executing the chosen course of action, with special attention to contingency plans that might be required if various known risks were to materialize. (Janis and Mann 1977, 11).

Classical Rational Decision-Making Model

The classical rational model of decision-making has its foundation in economics where the decision-maker is seen as an "economic man" who possesses three distinct properties: omniscience, infinite sensitivity, and rationality (Edwards, 1954). Edwards assumed that the available alternatives are continuous, infinitely divisible functions.

Similarly, Mohr's (1976) rational model had its roots in economic decision theory. He stipulated that strategic choice flows logically from an examination of all the pertinent alternatives and preferences which are unambiguous and clearly understood. Full information about the consequences of choosing each alternative or preference is available. Mohr’s model also presumed that strategic decision-makers in an organization possess sufficient legitimate power to ensure that their choice is the organization’s choice.
The rational model assumes that "the organization is a holistic entity with a single purpose" (Pennings 1986, 197). Participants systematically analyze the entire problem. In the process, they discover the nature of the organization's environment as well as its strengths and weaknesses. Because the classical rational decision-maker is omniscient, he/she knows everything about the problem as well as everything about each alternative and its consequences. Since the classical rational decision-maker is infinitely sensitive and rational, he or she selects the alternative which maximizes opportunities while minimizing risks. (Pennings 1986, 198).

The classical rational decision-making model was categorized by Simon (1976). He attached adverbs to the term rational to clearly delineate the six aspects of the model:

A decision may be called objectively rational if in fact it is the correct behavior for maximizing given values in a given situation. It is subjectively rational if it maximizes attainment relative to the actual knowledge of the subject. It is consciously rational to the degree that the adjustment of means to ends is a conscious process. It is deliberately rational to the degree that the adjustment of means to ends has been deliberately brought about (by the individual or by the organization). A decision is organizationally rational if it is oriented to the organization's goals; or is personally rational if it is oriented to the individual's goals. (Simon 1976, 76-77).

In his classic essay, Lindblom (1959) outlined step-by-step the rational decision-making process. The decision-makers begin the process as follows:

"by trying to list all related values in order of importance, e.g. full employment, reasonable business profit, protection of small savings, prevention of stock market crash. Then all possible policy outcomes could be rated as more or less efficient in attaining a maximum of these values. This would, of course, require a prodigious inquiry into
values held by members of society and an equally prodigious set of calculations on how much of each value is equal to how much of each other value. He could then proceed to outline all possible policy alternatives. In a third step, he would undertake systematic comparison of his multitude of alternatives to determine which attains the greatest amount of values. Finally, he would try to make the choice that would in fact maximize his values (Lindblom 1959, 79).

While the decision-making process can be divided into three or four or even five steps, it is important to recognize that decisions are not goal free, value free, or neutral. Goals, or values, play critical roles in the life of an organization. First, they constitute a source of legitimacy. That legitimacy justifies the activities in which the organization is involved. Goals justify the organization's very existence. Second, goals serve as standards by which members of the organization as well as non-members access the success of the enterprise (Etzioni 1964, 5). The circumstances surrounding the decision-making process complicate it. Steinbruner (1974, 16) calls these circumstances complex situations. These complex situations possess the following characteristics:

1. Two or more values are affected by the decision.
2. There is a trade-off relationship between the value such that a greater return to one can be obtained only at a loss to the other.
3. There is uncertainty, or an imperfect correspondence between information and the environment.
4. The power to make the decision is dispersed over a multitude of individual actors and organizational units (Steinbruner 1974, 16).

Behind the classical rational decision-making model is the idea that human behavior, alone or in company with others, is not random. Human actions are caused by and directed toward some goal which the individual believes is in his or her best interests.
While people's behavior may not appear to be rational to an outsider, there is reason to believe it usually is intended to be rational and it is seen as rational by them. An observer often sees behavior as nonrational because the observer does not have access to the same information or does not perceive the environment in the same way (Festinger 1957, 53).

Simon (1981, 65) views man's complexity as a product of his or her environment. "A man, as a behaving system, is quite simple. The apparent complexity of his behavior is largely a reflection of the complexity of the environment in which he finds himself" (Simon 1981, 65). Human beings' goals define how they interface with their environment. To the extent to which they are adaptive, their behavior reflects the characteristics of that environment. Chief among these characteristics is the ability to solve problems and make decisions. Although the rational decision-making model requires an exhaustive and systematic search of all possibilities, it is rarely feasible. Few organizations have the money, time, or staff to invest in such comprehensive search strategies. Therefore, intuition and reason structure the human being's decision-making process (Baber 1988).

According to Pennings (1986), Simon, Cyert and March launched the first salvo against the classical rational decision-making model. They posited that the human mind lacked the capacity to know all the alternatives and all the consequences involved in problem solving. Because the brain cannot store and process limitless amounts of data, the three theorists introduced the concept of bounded rationality (Pennings 1986). Bounded rationality assumes that the human being can isolate into a closed system a limited number of variables and a limited range of consequences. Only pertinent data most closely associated with the decision is considered
(Simon 1976). Only in instances of extreme importance is it possible to bring sufficient monetary, time, and staff resources to the decision-making process in order to unravel an intertwined chain of events in the environment.

In place of the classical rational decision-making model's requirement for maximizing the decision, Simon (1957) substituted the concept of satisficing. In essence, a satisficing decision is one which is satisfactory or "good enough." March and Simon (1958) noted that "Most human decision-making, whether individual or organizational, is concerned with the discovery and selection of satisfactory alternatives; only in exceptional cases is it concerned with the discovery and selection of optimal alternatives" (March and Simon 1958, 140-141). Optimization requires processes much more complex than those required to satisfice. An example of the difference between optimization and satisficing can be found in the proverbial needle in a haystack. Optimization requires not only finding the needle but locating the sharpest needle with which to sew. Satisficing simply demands that a needle be found.

The Garbage Can Decision-Making Model: A Nonrational Model

The garbage can decision-making model combines the elements of several nonrational models. These elements include bounded rationality and power concepts (March and Olson 1976; Pfeffer 1982; Weick 1979). It rejects the idea that organizations are rational entities capable of making rational decisions. The garbage can metaphor typifies how problems, solutions, and participants move from one choice opportunity to another in
such a way that problem solving requires an intricate intermeshing of elements under conditions of ambiguity. Ambiguity is a quality which lies somewhere between the purely rational and the purely intuitive.

The major feature of the garbage can process is the partial uncoupling of problems and choices. Although decision-making is thought of as a process for solving problems, that is often not what happens. Problems are worked upon in the context of some choice, but choices are made only when the shifting combinations of problems, solutions, and decision-makers happen to make action possible. Quite commonly this is after problems have left a given choice arena or before they have discovered it (decisions by flight or oversight (March, Cohen, and Olson 1986, 300).

While the garbage can decision-making process does not resolve problems well, it does allow choices to be made and problems resolved. This is possible even in environments permeated with ambiguity and conflict, with poorly understood problems which wander in and out of the system, with changing variables, and with decision-makers whose focus is diverted by other problems and events.

March, Cohen, and Olsen (1986) described this environment as organized anarchy. These organized anarchies are characterized by the following: problematic preferences, unclear technology, and fluid participation. Universities typify organized anarchies. Patterson, Purkey, and Parker (1986) found that educational organizations are nonrational systems. In this context, nonrational does not mean irrational. Rather nonrational indicates a weak relationship among goals, structures, activities, and outcomes.

The central difference between the two modes [rational and nonrational] lies in their interpretation of reality. The rational model begins with an "if-then" philosophy. If A happens, then B will
logically follow. When reality fails to validate the "if-then" perspective (i.e., when B doesn't happen), the argument shifts to an "if-only" position. ... Advocates for the nonrational model claim that the "if-then and if-only" model is wishful thinking; organizations do not always behave in a logical, predictable manner (Patterson, Purkey, and Parker 1986, 27).

The nonrational garbage can system can be viewed as "collections of choices looking for problems, issues and feelings looking for decision situations in which they might be aired, solutions looking for decision situations to which they might be an answer, and decision-makers looking for work (March, Cohen, and Olsen, 1986).

Into the garbage can are dumped problems, solutions, participants, and choice opportunities. The problems encompass concerns of the individuals inside and outside the organization. All of these problems (e.g., lifestyle, family, frustrations at work, careers, group relations within the organization, distribution of status, distribution of jobs, distribution of money, ideology, and current crises) require attention. In this organized anarchy, one participant's solution is another participant's product. In essence, the solution is an answer looking for a question. In the garbage can, the answer and the question bump into one another to become a solution. Participants come and go in the garbage can model. Each entrance signifies an exit somewhere else. The amount of time and interest each participant brings to the decision-making process varies depending upon his or her interest, responsibilities, and expectations. This ebb and flow of participants blurs boundaries of the organization. Choice opportunities occur when the organization is expected to produce a decision (e.g., sign a contract, approve a tax abatement, set a budget, vote on a tax rate.)
Patterson, Purkey, and Parker (1986) examined five organization dimensions in educational institutions in order to describe the nonrational decision-making model. First, attention is given to those issues which must be resolved immediately. Second, because of politics, economics, and finances, the decision-making process can only consider a limited number of options. Third, external pressures must be accommodated as well as other forces which eventually shape decisions. Fourth, the process incorporates the elements of compromise and concession which lead in some instances to a less-than-educationally sound decision.

The garbage can model argues that organizational structures are fragmented entities. Preferences are ever-changing. Knowledge of external factors is insufficient to predict action. While ambiguity, not rationality, prevails, events within the garbage can model are understandable and sometimes quite predictable because data continuously unfold and reveal new contexts. Therefore, decision-makers do not arrive at the process with a priori solutions. Instead, their decisions are "the products of solutions and problems joined together by 'simultaneous availability' and by coincident but simultaneous demands on decision-makers' time. Pure accident? No. Pure chaos? No. Pure rationality? No" (Murray 1986). It is the "simultaneous availability" of objectives, technology, procedures, and experience—however unclear—which compels participants to make a choice.

March, Cohen, and Olson (1986) identified eight major properties of the garbage can decision-making model. First, the resolution of the problem at hand is not the most common decision-making style used unless the decision-maker is faced with certain conditions. This includes being so
severely restricted that a decision is forced and decision by flight (by doing nothing) is impossible. Resolutions also can be forced in situations where the decision load is quite light. However, in the garbage can model, "Decision-making by flight and oversight is a major feature of the process in general" (March, Cohen, and Olson 1986, 293).

The second major property of the garbage can model is that the whole process is very sensitive to load. "An increase in the net energy load on the system generally increases problem activity, decision-maker activity, decision difficulty, and the uses of flight and oversight" (March, Cohen, and Olson 1986, 293). When decision-makers are faced with having to make multiple decisions simultaneously or within close proximity, they generally shift from one problem to another rather than concentration on resolving the first and then the next and the next and so on. Thus, in the garbage can model, decision-makers take longer to settle on their decisions as they flit like butterflies from one problem-participant-solution-choice opportunity set to another. In fact, they are less likely to arrive at a decision at all (March, Cohen, and Olson 1986).

The third major property of the garbage can model is a tendency for decision-makers and problems to track one another through choices. The decision-makers tend to work on active problems to which choices are more readily available. Like a flock of birds in flight, decision-makers and problems often move in unison from choice to choice. The result is that decision-makers often sense that they are making little progress. Instead, they keep working on the same problems but in different contexts. For all their work, they frequently fail to make any decisions at all (March, Cohen, and Olson 1986).
The fourth major property of the garbage can model is the interrelationships among three important aspects of efficiency. "The first is problem activity, the amount of time unresolved problems are actively attached to choice situations. Problem activity is a rough measure of the potential for decision conflict in the organization. A second aspect is problem latency, the amount of time problems spend activated but not linked to choices. The third is decision time, the persistence of choices" (March, Cohen, and Olson 1986, 294).

The fifth major property of the garbage can model is its frequency of sharp interaction. This interactive association is evident when the decision-maker feels and possibly is overloaded. Other factors are dependent upon the unique combination of structures involved. They, too, increase the likelihood of significant interaction among problems, solutions, participants, and choice opportunities (March, Cohen, and Olson 1986).

The sixth property of the garbage can model follows the maxim of "The squeaky wheel gets the grease." Problems of importance are most likely to be solved while unimportant ones are forgotten or pushed down on the decision-maker's "to-do" agenda. Also, problems which emerge early in the decision-making process are more likely to be resolved than those which emerge later and which must compete for decision-makers' attention (March, Cohen, and Olson 1986).

The seventh property of the garbage can model focuses on important choices. "Important choices are less likely to resolve problems than unimportant choices. Important choices are made by oversight and flight. Unimportant choices are made by resolution. . . . This property of important choices in a garbage can decision process can be naturally and directly
related to the phenomenon in complex organizations of important choices which often appear to just happen" (March, Cohen, and Olson 1986, 294-295).

The final property of the garbage can model can cause some concern among decision-makers who favor this approach. March, Cohen, and Olson (1986) have found that, while a large number of choices are made, the failure to make choices is concentrated at two extremes: important choices and least important choices. "Choices of intermediate importance are virtually always made" (March, Cohen, and Olsen 1986, 295).

Incremental Decision-Making Model

Few decisions are made in such isolation that no decisions preceded them. Instead, decisions are the result of an accumulation of the organization’s previous decisions. This steady evolution inherent in the decision-making is called incrementalism. "The incrementalist framework postulates that strategic decisions are decomposed into subdecisions which are solved intermittently and sequentially" (Pennings 1986, 198). The approach recognizes the presence of multiple interest groups. Each one holds its own view of strategic choices and their implementation. While the classical rational model assumes that holistic organizations exist, Axelrod (1976), Lindblom (1959), March and Olson (1976), Wildavsky (1979), and Williamson (1975) reject the holistic premise. Their decision-making models are built around the concepts of bounded rationality and incrementalism. This approach acknowledges "the inability to relate intermittent small steps in the decision-making process to some global terminal objectives" (Pennings 1986, 213).
Lindblom (1959) replaced the tidiness of classical rationalism with an alternative model he named disjointed incrementalism. More commonly, this model is known as the "science of muddling through." Lindblom recognized the impossibility of knowing and then exhaustively exploring every alternative and its consequences. Instead, past practice and past decisions help decision-makers identify feasible and alternative approaches to what was accepted within the organization. Because these alternatives have a historic precedence, they stand the best chance of being accepted and implemented with possible modifications. The benefits of disjointed incrementalism are twofold. First, the organization preserves its core. Second, little room is allowed for radical changes (Walter 1985). Individual administrators must build a new layer of decisions upon the foundation of previous decisions. Both yesterday's and today's decisions must be carefully interlocked.

Lindblom's (1959) incremental model allows decision-makers to take limited risks, ignore theories when it is expedient, and to "muddle through." According to Hanson (1985), Lindblom's incremental decision-making model possesses six basic characteristics:

1. Rather than attempting a comprehensive survey and evaluation of all possible alternatives, the decision-maker focuses only on those policies that differ incrementally from existing policies.
2. Only a relatively few policy alternatives are considered.
3. For each policy alternative, only a few "important" consequences are evaluated.
4. The problem confronting the decision-maker is continually redefined: Incrementalism allows for countless ends-means [decisions-problems] and means-ends [problems-decisions] adjustments, which, in effect make the problem more manageable.
5. Thus, there is no one decision or "right" solution but a "never-ending series of attacks" on the issues at hand through serial analyses and evaluation.

6. As such, incremental decision-making is described as limited in scope and impact, geared more to the alleviation of present, concrete social imperfections than to the promotion of future social goals (Hanson, 1985, 74-75).

Twenty years later, Lindblom (1979), in "Still Muddling, Not Through Yet," continued to argue that incrementalism "is and ought to be" the accepted method of deciding policy matters. He developed three distinct forms of incrementalism for use in the political environment of public organizations. First, analysis is limited to consideration of alternative policies all of which differ from the status quo only incrementally. Second, analysis is marked by a naturally supporting set of simplifying and focusing strategies of which simple incremental analysis is only one aspect. Third, analysis is limited to any calculated or thoughtfully chosen set of strategies to simplify the solving of complex problems. This is a shortcut to the traditional scientific analysis required by the classical rational model of decision-making (Lindblom 1979).

The incremental approach frees the decision-maker from the rigid, time-consuming demands of the classical rational model with its checks and balances of power and its consensus-building structure. On the one hand, incrementalism offers a laissez-faire method of fragmented decisions. On the other hand, however, the classical rational approach frustrates decision-makers with its complex, lengthy series of stop-and-start scientific analyses. Most decision-making theorists join Lindblom (1979) in contending that incrementalism is most appropriate in the political environment where citizens voice their views to effect change:
Poor as it is, incremental politics ordinarily offers the best chance of introducing into the political system those changes and the change-producing intermediate changes that a discontented citizen might desire. That holds out no great hope, only as much hope as can be found in any style of American politics. If we live in a system designed by the constitutional fathers to frustrate in large part the popular will, their success in doing so reminds us that even if we attempted a new constitutional convention, the same consequences might follow (Lindblom 1979, 521).

**Mixed Scanning Decision-Making Model**

Etzioni (1973) introduced the mixed scanning decision-making model as a middle ground between the classical rational model and the incremental model. Mixed scanning enables decision-makers to combine the positive factors of the rational model with elements of the incremental model while ameliorating the disadvantages of both. The concept of scanning offers decision-makers an approach for carefully studying their environment and searching for suitable alternatives to solve the problems confronting them. The mixed scanning decision-making model also requires that decision-makers establish criteria under which either the rational or the incremental model is to be emphasized (Hanson 1985).

The reason Etzioni (1973) designed the mixed scanning model was that both the rational and incremental posed problems for the decision-maker. The former possessed a multitude of failings when applied to the conditions of the real world. The latter was seriously flawed, Etzioni contended, because organizations must make major, sweeping decisions from time to time. Tax rates, budgets, tax abatements, and construction are just a few examples of such major decisions. Once the major decision has been made, however, the decision-maker often returns to the incremental
model to implement the details required. The incremental model fails to address the factors in the environment: internal tensions, external pressures, changing of management personnel, clients, voters, constituents, data from on-going assessments, and policy shifts (Hanson 1985).

Each aspect of the mixed scanning model reduces the effects of certain shortcomings inherent in both the rational and the incremental models. Incrementalism reduces the unrealistic aspects of rationalism by limiting the details, time, costs, and other resources needed to make fundamental decisions. Rationalism's need to place the problem in its natural context aids decision-makers in overcoming the conservative slant of incrementalism by forcing them to explore long-term alternatives (Etzioni 1973).

Effect of Groupthink on the Decision-Making Process

Groupthink is a mode of processing information and reaching decisions which occurs in highly cohesive groups. When this tendency is dominant, the group's members use their collective cognitive resources to develop rationalizations. These rationalizations support the group members' shared illusions about the invulnerability of their organization. Groupthink is a collective pattern of defense avoidance (Janis 1986). As group pressures mount, participants' mental efficiency, reality testing, and moral judgment deteriorate. When groupthink occurs, group members seek an easy consensus rather than an active, analytical exploration of the alternatives available and each alternative's consequences (Janis 1986).

Janis (1986) refers to a number of social-psychological studies about group dynamics. When members of a group feel accepted and "in," they
display less overt conformity to that particular group's norms of behavior and thinking. Although one would expect that this cohesiveness would cause participants to feel comfortable and fearless about stating their positions, it leads to groupthink instead. Participants are often unconscious that they are suppressing their views because they have internalized the group's norms so completely. The fear of creating disunity in the group supercedes the questioning and probing of the leader's views or those of the majority.

Groupthink creates a dangerous situation in which ideas are accepted without careful scrutiny of their strengths and weaknesses. Creative alternatives may not be generated when groupthink dominates the decision-making process. Quietly each participant withholds thoughts which might be considered deviant. Individuals decide their views or ideas are not relevant and set them aside before other participants have an opportunity to consider them. Any benefit of the doubt which might exist regarding uncertainties of a decision are forfeited in the name of group consensus (Janis 1986).

Janis (1986) posits the main principle of groupthink as follows:

The more amiability and esprit de corps there is among members of a policy-making group, the greater the danger that independent, critical thinking will be replaced by groupthink, which is likely to result in irrational and dehumanizing actions directed against outgroups (Janis 1986, 98).

The symptoms of groupthink occur when participants in the decision-making process become motivated to avoid being too harsh in their judgments of their leaders and peers. Soft criticism tempers what they say, do, and think. Amiability and a need for concurrence on every important
issue is preferred to bickering and conflict. Care is taken not to spoil the comfortable "we-feeling" atmosphere (Janis 1986).

Other evidence of groupthink include invulnerability, rationalization, moralizing, stereotyping, pressure, self-censorship, unanimity, and mindguards. **Invulnerability** occurs when the members of the "ingroup" share an illusion of invulnerability. This illusion gives the ingroup a sense of reassurance that they are invincible to obvious dangers. In turn, they become overly optimistic and willing take extraordinary risks. Although warnings of danger may be all around the ingroup, they fail to recognize and respond to them. **Rationalization** occurs when members of the ingroup ignore warnings by simply discounting them. They reject negative feedback which, if taken seriously, might cause participants to reconsider their course of action each time they recommit themselves to past decisions. **Morality** comes into play when the group believes without questioning in the inherent righteousness of their ingroup. This leads to the "ends justify the means" mentality. They ignore the ethical and moral implications of their decisions. **Stereotyping** occurs when group members label, or categorize, as "evil" the views of enemy leaders. Because of the evil labeling, the group may reject opportunities to negotiate their differences. The ingroup may label their opposition as too weak or too stupid to negotiate effectively with whatever attempts the ingroup devises to defeat their purposes and no matter how risky those attempts prove. **Pressure** is placed on any member of the ingroup who hints at deviating from the group's consensus or who expresses some doubt about the group's perceived illusions. Pressure is applied to any member who questions the logic of arguments or who offers an alternative to the majority's propositions. Each
time pressure is used the message goes out that consensus-seeking is the norm. It is also the badge of loyalty. **Self-censorship** is most dangerous because of its insidious silence. Concerns, misgivings, and alternatives are never stated. Instead, the group member's self-doubt minimizes his or her idea's value and appropriateness. **Unanimity** is an illusion which purports that when one member speaks, he or she is saying aloud what every member of the group is thinking. Silence during a discussion is perceived as acquiesence. This, in turn, influences the whole group. Because respect for one another's opinions is so high, each member is likely to believe that whatever is said is true. It need not be tested or analyzed further. Critical thinking and reality testing skills deteriorate as unanimous decisions are reached again and again. **Mindguards** are those self-appointed group members who protect their leader and other members from negative information. Negative feedback is not shared so that the atmosphere of complacency can be maintained. Negative feedback is barred so that feelings about the effectiveness and morality of past decisions is maintained (Janis 1986).

**Groupthink** leads to poor decision-making practices. Inadequate and irrelevant solutions to problems are allowed to occur. In a spirit of camaraderie, the group tends to limit discussion to one or two alternatives. No attempt to explore as many options as possible is made. Even after the group learns about the risks and negative aspects of a decision, it fails to reexamine alternative avenues of action. What the majority first decided becomes rigidly set. In an atmosphere permeated with groupthink, participants invest little or no time in discussion of not-so-obvious gains they might have overlooked and strategies for reducing exorbitant costs
which caused some options to be rejected. Because participants exert little or no effort in obtaining information from specialists within and even outside the organization, opportunities are missed. These experts might offer precise cost estimates as well as insights into potential advantages and disadvantages. Another factor leading to poor decision-making is the group's interest in facts and opinions which support their decisions and their lack of interest in information which challenges their decisions. Another drawback of groupthink is that participants invest little time in deliberation about how a decision might be hindered by the organization's bureaucratic inertia, internal or external sabotage by opponents, or common accidents. As a result, groupthink decision-makers fail to develop contingency plans to cope with potential obstacles and setbacks which could derail the overall success of the decision's implementation (Janis 1986).

Because any group of decision-makers can become unwitting victims of groupthink, Janis (1986) suggested nine preventive strategies which must be initiated within the organization's culture. First, the group's leader must set the expectation that every member will assume the role of critical evaluator. Participants must be encouraged to place a high priority on voicing doubts and raising objections. Second, members of the organization's top hierarchy must adopt an impartial position at the outset of a policy-planning task. They must refrain from stating their preferences and expectations at the outset. Third, several outside policy-planning and evaluation task forces should be established routinely. Each group should approach the same problem or policy-planning opportunity under the direction of its own leader. This strategy overcomes the insulation
customarily found in groupthink environments. Fourth, periodically the group leader must require each participant to discuss the group's deliberations with members of his or her own department or unit. Participants are to share their colleagues' feedback with the decision-making group. Of course, in situations requiring high levels of security, this approach may not be possible. Fifth, the group should invite outside experts to each session on a staggered schedule. These experts should be encouraged to challenge participants' views. Sixth, the role of devil's advocate should be assigned to at least one participant at each meeting. The devil's advocate role is understood to be one of challenger. Seventh, whenever a decision involves outsiders, such as other corporations or organizations, a significant amount of time must be invested in surveying the environment for warning signs from the opposition. Once defined, alternative strategies should be developed for each situation. Eighth, as the group analyzes alternatives for feasibility and effectiveness, it should divide into two smaller groups, each group having an assigned leader. Separately, each group conducts analysis and prepares its presentation to the whole body of decision-makers. Ninth, once preliminary consensus is reached, the group should conduct a "second-chance meeting." Every participant is urged to express any lingering doubts about the course of action being suggested. Before the decision is finalized, the group reconsiders the proposed solution or recommendation (Janis 1986).

**Education Budget**

Planning the yearly budget of a school district requires vast amounts of school board members' and school administrators' expertise, time, and
energy. The educational budget is a mechanism for planning and then controlling educational activities within a school district (Garms, Guthrie, and Pierce 1978). Roe (1961, 81) described the educational budget as an interpretation of educational needs into a financial plan. This financial plan is presented to the citizens in such a way, that once it is formally adopted, it produces the kind of educational program taxpayers are willing to support, financially and morally, for a one-year period. Taylor (1982) defined the educational budget as a thorough financial forecast of expenditures and revenues. Candoli, Hack, Ray, and Stollar (1978) regard the educational budget as a financial translation of the educational program’s goals and objectives. "Form follows function, and in many cases, curriculum follows budget" (Murray 1986, 63).

The benefits of any budgeting process include the following:

1. It establishes a plan of action for the future.
2. It requires an appraisal of past activities in relation to planned activities.
3. It necessitates the establishment of work plans.
4. It necessitates foreseeing expenditures and estimating revenues.
5. It requires orderly planning and coordination throughout the organization.
6. It establishes a system of management controls.

The budget document itself should be an effective communications instrument. In order to accomplish that mission, however, it must be understandable to the layperson both in its format and presentation of words and figures. Conciseness and completeness should be the hallmarks of a budget document which improves citizens’ understanding of their
public schools (Hartley 1968). A National School Public Relations Association (1977, 9) handbook reinforced Hartley’s proposition with the following advise: “Another given is an understand able budget. Nothing irks taxpayers--and voters--more than a waterfall of financial figures and formulas couched in fiscal jargon that only an accountant can understand.”

Politically, the school district budget and the tax rate needed to fund it have become important and oftentimes emotional issues. The budgetary decision-making process brings to a head questions about what kind of school district a community wants and is willing to support. The school district’s budget determines more than the quality of educational programs offered to students, the compensation and benefits provided to employees, and professional growth opportunities offered to educators. The school district’s budget directly influences the community’s quality of life and its potential for future economic development.

In education, the budget refers specifically to the financial support given to the school district’s instructional program and those activities needed to support it. On one level, the budget is a prediction. It describes in words and figures the expenditures proposed for each function and purpose. It is assumed that a direct correlation exists between what is contained in the budget and future events. “Budgets thus become links between financial resources and human behavior in order to accomplish policy objectives” (Wildavsky 1988, 2).

At another level, the budget is a series of school district goals with price tags attached. Each price tag represents allocated financial resources. Each goal translates into human purposes. Therefore, the primary objective of the budgetary decision-making process must be ensuring the optimal use
of all available resources. Resources are limited; therefore, decisions regarding the allocation of those resources must guarantee their efficient use. Efficiency encompasses the concept of doing what needs to be done at the least cost or of getting the most out of a certain level of expenditure (Wildavksy 1988, 405).

Supporting the concept of optimal use, Dersh (1979) emphasized the important role citizens must be allowed to play in the budget-planning and decision-making process:

Every school budget contains just so much money, and what is spent in one area can not [sic] be spent in another. Every school budget reflects a set of choices and values—it represents the list of priorities that has been established for the district's schools. If you want to be sure that good education for children is at the very top of that priorities list, you must be concerned with the school budget (Dersh 1979, 1).

Wildavsky (1988) suggested that budgets may be considered contracts between the governing entity and its taxpayers. The school board promises to supply funds under certain conditions to specific departments, schools, and programs. At each sublevel within the organization, individuals must follow through by spending the funds as specified in the budget. “A budget thus becomes a web of social as well as of legal relationships in which commitments are made by all parties, and where sanctions may be invoked (though not necessarily equally) by all” (Wildavsky 1988, 3).

Those making up the social web may not always agree on the budgetary decisions which affect them. Some may have chosen different alternatives had they been among the top decision-makers. Some may not share the decision-makers' vision of the future. Instead, they prefer their own futures. According to Wildavsky (1988, 8), conflicting viewpoints may
result in the budget document not being adhered to by all of its implementers:

In the most integral sense, budgeting—that is, attempts to allocate scarce financial resources through political processes in order to realize disparate visions of the good life—lies at the heart of the political process. That there are visions of the good life enables people to make commitments to one another through the budget; that these visions conflict means that not all such promises can be kept (Wildavsky 1988, 8).

Loss of public confidence and future public support are the main incentives school board members and school administrators have for adhering to the budget document. Public-sector budgets were created to serve three purposes: (1) establish a control mechanism over public money, (2) ensure accountability of public officials to the people, and (3) predict how money will be expended over a specified period of time. Accountability links expenditures to certain activities which are the responsibility of designated officials. Budgets enable citizens to analyze whether or not expenditures have been made within specified limits and whether or not those expenditures are even desired (Wildavsky 1988, 407).

**Budgetary Decision-Making Theory**

Every educational budget involves three separate, yet related steps: planning, management, and control (Candoli, Hack, Ray, and Stollar 1978). During the planning phase, decisions are made regarding objectives and evaluating alternatives. Management involves the development and implementation of projects and activities related to established goals. Also included are staffing and the purchasing of needed materials and supplies. Control ensures accountability not only of dollars and cents, but also of
performance with prescribed policies and plans. In essence, planning focuses on budget preparation; control zeroes in on execution and audit procedures; and, management provides an on-going coordination of the process (Candoli, Hack, Ray, and Stollar 1978).

Rational budgetary theory assumes that decision-makers' within the organization behave in purposive and deliberate ways. Goals, which the participants ought to seek or in fact do seek, are not specified. The only requirement is that rational decision-makers prioritize their objectives, analyze the costs versus the benefits of each alternative, and revise programs based on their findings (Cibulka 1987).

Rational budgetary decision-makers utilize systematic planning procedures which guarantee that they are not merely reacting to short-term pressures. Instead, they seek to maximize their choices in the spirit of the economic man rather than the administrative man. Economic man seeks to maximize, that is, to select the best alternative from among all of those available. Administrative man, on the other hand, seeks only to satisfice, that is, to look for a course of action that is satisfactory or good enough. Being truly rational, the economic man chooses to deal with the world in all of its complexity. The administrative man, however, being more of a pragmatist, chooses to recognize that his perception of his environment is merely a simplified version of the real world (Simon 1976, xxix).

The budget process tends toward the rational decision-making model because it is tied to annual and multi-year goal setting. It involves strategic planning as well as the resolution of more immediate, day-to-day concerns. The entire budget process of Texas school districts is guided by state deadlines, impacted by state mandates, and hinged on state funding and
local property tax collections. Barber (1968) described activities of the theoretical "ideal budget-maker" who participates in the rational budgetary decision-making process:

1. assesses community goals.
2. rank orders goals in terms of temporal priorities.
3. relies on comprehensive knowledge of economic, political, historical, and ecological information in completing steps one and two and when making projections for the future.
4. determines the best means to achieve desired ends.
5. completes a detailed analysis of each department's resources, operations, and plans.
6. allocates among activities in accordance with priorities and probabilities of unforeseen contingencies (Shoultz 1987, 30).

To some extent school districts implement the rational decision-making model as they review budget requests; analyze up-to-date data regarding students, employees, programs, and other aspects of the district's operation; audit reports; and review policies for borrowing, fund balance, and cash flow management. However, the literature on budgetary decision-making theory does not overwhelmingly support the rational budget model. Two competing models exist according to Cibulka (1987) and Sederberg (1984): the rational and the political. Planning-Programming-Budgeting-Evaluating Systems (PPBES) and Zero-Based Budgeting (ZBB) represent the rational approach to budgeting (Cibulka 1987; Sederberg 1984). Incrementalism, characteristically a political process, represents the normative and descriptive approach to budgetary decision-making theory.

**Budgetary Incrementalism**

Incrementalism provides decision-makers with a sense of security as they take small steps forward. Slowly they build a tradition where partisan
constitutencies, budgetary snafus, and sensitive areas can be identified, discussed, and tested. "Even if a mistake is made, an incremental step backward returns the system to its original position and therefore lasting errors can be avoided" (Hanson 1985, 74). Incrementalism provides a safe means of managing large and very complex institutions. Managers simplify problems and test alternatives against a few transcending values which hold the institution together (Peters and Waterman 1982). Wildavsky (1984) notes that incrementalism is the best aid decision-makers have to predict and explain budgetary increases and decreases. According to Shields (1988), "under incremental assumptions, next year's budget can be accurately predicted by knowing this year's budget and adding a little more to it" (Shields 1988, 64).

Lindblom (1959) and Braybrooke and Lindblom (1961) posited that the classical rational decision-making model, which they called the "synoptic ideal," was not suited to the following:

1. man's limited problem-solving capabilities,
2. inadequacy of information,
3. the costliness of analysis,
4. failures in constructing a satisfactory evaluation method,
5. the closeness of observed relationships between fact and value in policy making,
6. the openness of the systems of variables with which it contends,
7. the analyst's need for strategic sequences of analytical moves, or
8. the diverse forms in which policy problems arise (Shoultz 1987, 34).

Budgetary incrementalism depends upon growth and requires conditions of relaxed or chronic scarcity. If budgets are to creep higher
each year, then growth is needed to pump revenues into the system to fund those increases however small they may be. Decrementalism, on the other hand, cannot be considered the opposite of incrementalism. Decrementalism occurs in situations where scarcity is either acute or total. Decrementalism increases conflicts both within and outside of the organization. It destabilizes the budgeting process because various groups fear that their programs or their jobs not only may be reduced but possibly eliminated. Decrementalism places a strain on the institution and its decision-makers (Caiden 1981).

Lindblom (1979) suggested that three distinct forms of incrementalism occur in the political process in which decision-makers develop budgets. First, analysis is limited to the consideration of alternatives which differ from the status quo only incrementally. Second, analysis is marked by a naturally supporting set of simplified and focused strategies of which simple incremental analysis is only one strategy. Third, analysis is limited to any thoughtfully chosen or calculated set of strategies to simplify complex problems. In other words, a short-cut is taken in lieu of the lengthy, time-consuming "scientific" analysis required in the classical rational decision-making process. One benefit of the on-going incremental approach is that errors are corrected and views balanced (Witte 1985).

Lindblom (1961, 306) described incrementalism as the "most common method through which public policy decisions, including decisions on taxes and expenditures, are approached." LeLoup (1978) noted that, of all subareas of political science, budgeting is the one most influenced by incremental decision-making. According to Shoulzt, Braybrooke and
Lindblom (1963) identified seven conditions as necessary for incrementalism decision-making:

1. marginal and dependent choices--decision-makers concentrate on marginal changes from the status quo,
2. consideration of a limited number of policy choices,
3. consideration of a limited number of consequences,
4. adjustment of objectives to policy,
5. serial analysis--policies are best conceived as a series of attacks on problems,
6. remedial analysis--encourages ills from which to move away rather than goals toward which to move, and
7. analysis done at multiple points and levels (Shoultz 1987, 35-36).

Planning-Programming-Budgeting-Evaluating Systems (PPBES)

The Planning-Programming-Budgeting System (PPBS) model is a "structured procedure for determining policy in the allocation of resources for the accomplishment of priority programs; [it] emphasizes long-range planning, analytic evaluative tools, economic rationality in the determination of programs and in the setting of goals and objectives" (Curtis 1971, 340). Planning-Programming-Budgeting-Evaluation Systems (PPBES) extend the PPBS model by adding an evaluation component (Knezevich 1973).

The PPBES budgetary process first establishes goals during a planning phase. Throughout the programming phase, programs designed to reach the organization's objectives are developed and approved. The budgeting phase focuses upon allocating monies for the purchase of supplies, materials, and personnel to enable the organization to attain its goals (Wildavsky 1988). PPBES is a form of incremental processing. The
evaluation phase helps decision-makers determine the efficiency or inefficiency with which monies were expended in the past. Because citizens have a general concern about how their education tax dollars are being spent, the need for evaluation is quite understandable.

Five specific elements compose PPBES, according to Candoli, Hack, Ray, and Stollar (1978, 152). First, objectives must be carefully specified and systematically analyzed from the outset. Second, a search must be launched to discover relevant alternatives and different methods available to achieve the organization's objectives. Third, the direct and indirect costs of each alternative must be weighed as well as initial costs. Consideration must be given to what future commitments today's decision may lead and the probable long-term costs of those commitments. PPBES allows educational strategists to plan for more than one year. Fourth, an estimate of each alternative's effectiveness must be calculated. Also, it must be determined how closely each alternative brings the organization to the attainment of its objectives. Fifth, a comparison and analysis of the alternatives must be made. The one ultimately selected should promise the greatest effectiveness in relation to the resources invested.

The PPBES process is continuous. It is cyclical. It demands feedback from all parts of the system. See figure 1, an illustration of the way in which the PPBES might work (Candoli and others 1978, 155).

PPBES is a process of budgeting; however, it is the human being who must weigh the environmental factors and political facts which impact the decision-making process. While data about pupils, personnel, facilities, and finances can be computer generated, school officials must not overlook
Fig. 1. Illustration of way in which a Planning, Programming, Budgeting, Evaluation System (PPBES) might work. The process is continuous and cyclical. It requires feedback into all parts of the system (Candoli, Hack, Ray, and Stollar 1978, 155).
knowledge they have gained through their experiences, their intuition, or their value judgments as educational planners (Candoli, Hack, Ray, and Stollar 1978). These, too, must be evaluated qualitatively along with the quantitative information.

The PPBES process requires consensus on ranked sets of goals. Because of the diversity of the "public" in public education, achieving consensus is often difficult. Another problem with PPBES in an educational environment is that it does not lend itself to quantification (Sederberg 1984). It was quantification which led President Kennedy to incorporate Planning-Programming-Budgeting Systems (PPBS) into the federal government to bring down soaring defense costs (Lazarus 1968, 362).

**Zero-Based Budgeting**

PPBES operates with horizontal comprehensiveness. It compares alternative budgets to decide which one best maximizes resources and contributes to the achievement of organizational objectives. Zero-Based Budgeting (ZBB) functions within a vertical structure of rational comprehensiveness. Every year budget alternatives are considered from a base zero. Every entity within the organization is treated as a discrete unit. In short, PPBES compares programs while ZBB compares alternative funding levels for the same program (Wildavsky 1988, 416). The ZBB process involves the justification of the following: (1) need without reference to mandate or past practice, (2) requested expenditure amounts based on needs, and (3) costs from the ground up (Wildavsky 1975).

Theoretically, ZBB approaches the decision-making process so that every program starts with zero allocations. It must justify its existence and
its budgetary allocation. In practice, however, a true ZBB process has not been found (Wildavsky 1988, 418). Routinely, program bases begin within 80 percent to 90 percent of the previous year’s allocation. A significant disadvantage of ZBB is the disassociation of the organization’s activities, purposes, and programs. “Resources affect objectives as well as vice versa. Budgeting should not separate what reason tells us belongs together” (Wildavsky 1988, 419).

ZBB was initiated at the federal level during President Carter’s administration. Its objective was the centralization of the budgetary decision-making process. Superiors in the hierarchy received complete information regarding decisions made at lower levels. Sederberg (1984) noted that ZBB is more of a rational decision-making process than a resource allocation system. Typically, the ZBB process observes the following steps: (1) it clarifies the organization’s goals and objectives; (2) it examines existing structures, functions, and activities; (3) it identifies decision units; (4) it develops decision packages; and (5) it leads to the preparation of a budget document (Worthley and Ludwin 1979).

In theory, ZBB results in more efficient spending of tax dollars. However, its benefits are offset by distinct disadvantages: extensive time commitments, special expertise, and added administrative costs (Sederberg 1984). Even with its thorough justification process, ZBB cannot guarantee that budgets will be held in check. By itself, ZBB cannot quell bureaucrats instinctive drive to seek larger slices of the budget pie and to expand functions requiring additional resources.

PPBES and ZBB once occupied center stage in federal budgeting processes. With time, these and similar processes have lost some of their
attractiveness. "Now what matters is the level and distribution of spending. Size replaces efficiency as the criterion for a good budget. In a time of growing budgetary dissensus, a concern with radical changes in process replaces concern with modest alteration in technique (Wildavsky 1988, 420).

Fiscal Stress

The concept of incrementalism develops in an organization during a period of steady growth. Fiscal stress occurs within organizations during times of declining resources and increased accountability (McDonnell 1983). As many Texas school districts watched their percentage of state funding decline throughout the 1980s, the legislature implemented costly mandates such as the twenty-two-to-one student-teacher ratio and career ladder bonuses for classroom teachers. Teachers must qualify based on their annual performance appraisals. Texas school officials discovered what the Institute for Responsive Education had learned: The real problem was not a technical one as much as it was a political one. In other words, the issue was not knowing what to do nor how to do it. Instead, the bottom-line issue was how to justify to taxpayers what had to be done and how to build public support for public education in local school districts. The problem was "how to do the rational while accommodating the emotional" (Zerchykov and Weaver 1983). The combination of legislative mandates, tax and expenditure limitation referenda, inflation, loss of public confidence, and demands for efficiency and accountability added to the fiscal stress potboiler (Brackett, Chambers, and Parrish 1983).
Fiscal stress expresses itself in several ways. Caiden (1981) found that "revenue fragmentation" occurs. As resources dwindle, fewer dollars are dispersed among the organization's departments. As a result, officials review fee schedules, seek donations, and establish foundations. Fiscal stress is also exhibited by the establishment of multiple accounts and the miscoding of accounts to disguise the amount of monies needed to deliver services (Gundersdorf 1977; Schick 1981). Another sign of fiscal stress is an entity's manipulation of its cash flow so that budget revenues bear little relation to expenditures (Schick 1981). Finally, fiscal stress may appear in the form of self-interested bureaucratic attempts to survive:

Strategies initially undertaken to maintain and protect essential public functions from the indiscriminate effects of fiscal stress come to serve the purpose of bureaucratic self-maintenance. In the process, controls evaded for legitimate reasons are weakened, so that budget procedures become increasingly permeable to those who wish to use public organizations for private purposes. Even as budget institutions cope with fiscal stress in the short run, their long-run capacity to maintain acknowledged budget purposes erodes (Caiden 1981, 155).

Caiden (1981) discovered that New York City, the Chicago School Board and many California governments exhibited these four symptoms of fiscal stress after California's Proposition 13 and Proposition 13-like tax and expenditure limitation referenda across the nation in the late 1970s and early 1980s.

Managers must combat these negative signs of fiscal stress by committing themselves to operating within the shrinking revenue environment (Knighton and Heidelman 1984). Priority setting and planning must become the essential elements of the budgetary decision-making
process. This means that unproductive programs must be cut (Turem and Born 1985). These rational approaches to retrenchment are likely initiated in an atmosphere of confusion, fear, and insecurity. These factors interfere with the quality and the reliability of the information brought to the decision-making process by key players. To minimize the confusion and bitter internal conflicts in addition to the fear and the insecurity, the organization's employees and its community members should be drawn into the priority setting process (Shields 1988).

In times of fiscal stress, organizations tend to decentralize their budgetary decision-making processes (Bozeman and Straussman 1982; Lewis and Walker 1984; McDonnell 1983). As scarcity increases, less emphasis is given to planning and more energy is directed toward management and control (Schick 1981). Downsizing is just one of the challenges leaders face during periods of fiscal stress. The major managerial challenge is making sure that the organization remains functional and effective as it grows smaller (Behn 1980).

Under conditions of fiscal stress, four aspects of resource scarcity compound the difficult, gut-wrenching problems which must be faced. First, it is unlikely that changes will be accepted within the organization and in some cases within the community. Second, federal and state mandates, professional norms, and employee agreements restrict the organization's ability to target cuts and layoffs. Third, moral and ethical problems are created which make it difficult to increase productivity and efficiency to make up for the cuts which affect children's instruction. Fourth, the enjoyment employees have from the work itself is reduced. In short, everyone has to do more with fewer resources (Levine 1979).
Fiscal stress will either strengthen or severely weaken an organization and its people. Shoultz (1987) cited a number of lessons which can be learned from the budgetary retrenchment process:

1. Administrators must develop a tolerance for organizational pain, living with the knowledge that there will always be a gap between what one wants and what one gets.
2. Scarcity demands innovation.
3. Organizations in retrenchment must question their first premises and assumptions.
4. Decisions to move from rich to lean will be judged in hours, not years.
5. Cutback management can easily lead to cut-throat management.
6. Retrenchment decisions represent a triumph of politics over good management.
7. Retrenchment may take an organization temporarily backward; the task of leadership is to take it forward (Shoultz 1987, 50-51).

Methodology

Once the researcher selects a topic, a decision must be made regarding whether to use a qualitative or a quantitative research methodology or some combination of the two. Patton (1980) compared this dilemma to a paradigm of choices. The researcher becomes a strategist. The strategy which best matches the research methods to the questions being asked should be selected. Borg and Gall (1979) categorize the available educational research methodologies as follows: historical research, correlational research, causal-comparative research, survey research, observational research, and experimental research. Until recently, the quantitative approach dominated with its natural science paradigm of hypothetico-deductive methodology. This methodology assumes that "good
"science" is derived from quantitative measurement, experimental design, and multivariate, parametric statistical analysis (Patton 1980, 19).

When studying the budgetary decision-making process, the researcher's attention focuses on the interaction between individuals within groups. Wilson noted that "human behavior is significantly influenced by the setting in which it occurs" (Wilson 1977, 247). Therefore, he posited that any educational research studies in which interaction between individuals occurs should opt for the qualitative rather than the quantitative approach. Rainey noted that "what Simon really said years ago was that we need to go out and observe decision-making and other administrative processes as they occur; we need to go and see what is there. In doing so, more and more of us can aspire to making a contribution even half so fine and half so valuable as his" (Rainey 1989, 408).

Long recognized in the fields of anthropology and sociology, the qualitative methodology allows the researcher to spend time in the natural setting, making observations, analyzing attitudes, describing activities, examining documents, and interviewing participants in their own environment. The researcher enters the naturalistic setting without a priori hypotheses. This allows the study to structure itself (Bodgan and Biklen 1982; Goetz and LeCompte 1984). Miles and Huberman (1984) stated that qualitative research is an investigative process. The researcher gradually makes sense of the social phenomenon through contrasting, comparing, cataloguing, and classifying.

Ethnographic research of this nature may be classified phenomenological studies, case studies, or ecological studies. Wilson (1977) identified two hypotheses which underpin ethnographic research. First,
human behavior is understood by examining the setting in which it occurs. Second, human behavior is understood by examining an individual's thoughts, feelings, and actions.

A case study is a detailed examination of one setting such as a school district, a classroom, or a department. Within a bounded context, the researcher studies events, processes, and outcomes (Bogdan and Biklen 1982; Miles and Huberman 1984). Multi-case studies involve simultaneous study of two or more settings. The purpose of the multi-case study is the obtaining of additional data to enhance the possibilities of generalizability or to assist the researcher in making more meaningful comparisons (Bogdan and Biklen 1982).

Stake and Easley (1978) contend that case studies are often the preferred methodology because they may be more in harmony with the researcher's experience and, in turn, with that person's "natural bias for generalization" (Stake and Easley 1978, 8). Stake and Easley call the generalizations drawn from the detailed descriptions of case studies naturalistic generalizations. Naturalistic generalizations are "arrived at by recognizing the similarities of objects and issues in and out of context and by sensing the natural covariation of happenings" (Stake and Easley 1978, 6). He states that such generalizations are both "empirical and intuitive" (Stake and Easley 1978, 6).

In fields such as education, Stake and Easley (1978) suggest that case studies feature:

descriptions that are complex, holistic and involving a myriad of not highly isolated variables; data that are likely to be gathered at the least partly by personalistic observation; and a writing style that is
informal, perhaps narrative, possibly with verbatim metaphor (Stake and Easley 1978, 7).

Comparing quantitative and qualitative measurement, Patton (1980) emphasized that quantitative studies rely on standardized instruments. These tend to limit the scope of the data. Qualitative data-gathering techniques, on the other hand, include open-ended narratives. By their very nature, these narratives do not allow standardized categorization of the people's activities and experiences. The researcher gathers data which consist of detailed descriptions of situations, events, people, interactions, and observed behaviors. Other data include direct quotations from participants about their experiences, attitudes, beliefs, and thoughts. This is termed primary data. In addition, excerpts or entire passages from documents, newspaper archives, correspondence, and other records may be collected (Patton 1980, 22). Later, the researcher must categorize and code this mountain of raw data.

Credibility is achieved in qualitative research by allowing all elements in the environment to flow into the research data base. This eclectic approach to data collection enables the researcher to cross-check the accuracy of information gathered in other ways. This use of data gathered in different ways and from various sources is called triangulation. Triangulation prevents the investigator from accepting too readily the validity of initial impressions; it enhances the scope, density, and clarity of constructs developed during the course of the investigation. It also assists in correcting biases that occur when the enthographer is the only observer of the phenomenon under investigation (Goetz and LeCompte 1984, 11).

Patton (1980) detailed how triangulation allows the researcher to compare and cross-check raw data in a variety of ways during the iterative
process of coding and pattern identification. First, the researcher compares observational data against interview data. Second, the researcher compares what people say in public against what they say in private. Third, the researcher checks for consistency of what people say about the situation over an extended period of time. Finally, the researcher compares the perspectives of people from differing points of view (Patton 1980, 331).

Throughout the qualitative research process, data analysis is an ongoing iterative process. This process involves coding the data and arranging them into categories, or topologies, based on emerging patterns. These categories are reduced or expanded as the field research and the data analysis progress (Goetz and LeCompte 1984). The purpose of qualitative research is to develop conceptual and categorical systems. Thus, the theories derived from this constant comparative methodology is said to be grounded in the data (Glaser and Strauss 1967). The objective of the qualitative researcher is to "add to knowledge, not pass judgment on a setting. The worth of a study is the degree to which it generates theory, description, or understanding (Bogdan and Biklen 1982, 24).
CHAPTER III

RESEARCH METHODOLOGY

Procedures

A case study approach (Stake and Easley 1978; Wilson 1977) using qualitative data collection and analysis procedures was chosen for this multi-case study of the differences in pre- and post-rollback budgetary decision-making processes in two school districts. The researcher examined the school districts' development of their 1989-90 budgets and tax rates in relation to how they planned their pre-rollback election budgets. The researcher also studied how the budgetary decision-making process affected curricular and extracurricular programs, staffing, and public relations/communications activities. One goal of the study was to describe in narrative form the districts' budgetary decision-making processes, the roles of various participants, the types of decisions made, and the factors influencing those decisions. The second goal was to analyze the data to determine implications for future research.

The intent of this research was to increase understanding of the differences in the budgetary decision-making process in pre- and post-rollback election environments. Wilson (1977, 248) suggested that "If one wants ultimately to generalize research findings to schools, then the research is best conducted within school settings where all the forces are intact." Case studies can add to the base of understanding and shared experiences because they lead to the identification of similar occurrences,
processes, and perceptions. In a case study, the full and thorough knowledge of specific situations provides a natural basis for what Stake and Easley (1978) calls naturalistic generalization. The case study approach focuses on a process rather than mere outcomes or products.

The naturalistic approach used in this case study provided detailed information about such factors as group dynamics, decision-making roles of participants, influences of the internal and external environments, and relationships between the decision-making process and the budget document and tax rate. Qualitative research tools used to gather data included interviews, observations of school board meetings, collection of documents, and field notes. By utilizing these research tools, triangulation of data was possible. Triangulation increases the internal validity of qualitative research findings (Denzin 1978). Because data were collected and analyzed throughout the case study, the iterative process enabled the researcher to follow Glaser and Strauss's (1967) grounded theory approach. The development and testing of a priori hypotheses were neither possible nor desirable. Instead, the researcher opted to use Geertz’s (1973) thick description method to collect primary data. These data included verbatim transcriptions of interviews and documents generated prior to and following the rollback election.

The purpose of this research design was to allow the researcher to enter the decision-making setting and become acquainted enough with its participants and their problems to understand the depth and detail of what was transpiring. Being given access to the decision-making setting, the researcher captured events, what people said, and what they perceived to be facts. In the process, the researcher was able to collect pure descriptions
of the participants, their activities, and interaction among them. Direct quotations—written and spoken—became part of the data base (Patton 1980). The qualitative research method enabled the researcher to describe the roles of board members, school officials, and citizen activists. It allowed the researcher to record their decisions and to describe factors which influenced their decisions. In a case study, the researcher's task is to achieve an understanding of the decision-making process rather than to make judgments about the process. Because the researcher entered the naturalistic setting without a priori hypotheses, the bias of preconceived mind-sets was eliminated. The qualitative approach allows the case study to structure the research as it unfolds (Bogdan and Biklen 1982).

**Subjects**

The subjects for this case study were two Texas school districts which had experienced rollback elections. Both districts were located within a forty-mile radius of a large metropolitan area in north Texas. In one district, the rollback election passed. In the other district, it failed. Both districts served very similar student populations. The district whose rollback election passed enrolled 4,800 students in 1988-89. The district whose rollback election failed enrolled 3,011 students in 1988-89. The districts matched closely in their enrollment composition for the fall of 1988. The district in which the rollback passed was 93.4 percent Anglo, 5 percent Hispanic, .4 percent African-American, .9 percent Asian, and .4 percent American Indian. In the district where the rollback election failed, the enrollment for the fall of 1988 included 92.2 percent Anglo, 6.3 percent Hispanic, .6 percent African-American, .9 percent Asian, and .1 percent
American Indian. The two districts were matched socio-economically on the basis of the students participating in the free- and reduced-meal program as of March 1989. The district whose rollback election passed had 17.7 percent in the free- and reduced-meal program, the district whose rollback failed had 17.5 percent approved for assistance.

Data Collection

Methods of collecting data included tape-recorded interviews using focused and indepth questions, written field notes, observations, and collection of documents (Bogdan and Biklen 1982; Denzin 1978; Goetz and LeCompte 1984; Patton 1980). The multiple research tools provided a "methodological mix" which facilitated triangulation of data (Patton 1980). Data were collected over a three-month period during the summer of 1989.

A written survey was mailed to fifty-six superintendents whose school districts had experienced a rollback election since January 15, 1983 (Appendix A). An introductory letter (Appendix B) and self-addressed, stamped return envelope accompanied each survey. Often these superintendents were not incumbents at the time of the election. However, they held perceptions the researcher believed would be useful in constructing the structured interview instrument. Twenty-nine superintendents responded, or 52 percent of those surveyed. The respondents recommended that the researcher interview the following individuals at each case study site: the superintendent, the board president, the newspaper editor, the business manager, the board vice president, an anti-rollback leader, a pro-rollback proponent, and a Parent-Teacher Association leader. Superintendents surveyed encouraged the researcher to
collect the following documents: newspaper articles, the district's rollback publications, the anti- and pro-rollback groups' publications, budget documents for the tax year following the rollback election, board meeting minutes, and budget documents for the tax year in which the rollback was called.

Using these insights, the researcher drafted a structured interview script. The series of interview questions were field tested on a superintendent and board president whose district had defeated a rollback election in 1988. The purpose of the field test was to determine whether or not the questions (1) elicited the type of responses anticipated and (2) were understandable to those questioned. Based on the field test, the questions were refined and clarified. The field test also allowed the researcher to practice prompting and probing techniques. None of those participating in the field test were included in the research study.

In each district, the researcher first called the superintendent and made an appointment to discuss the study. Once the superintendent's approval was granted, the interviewer gained access to school personnel and board members. The researcher also arranged interviews with newspaper editors. Based on information gathered in the fourteen interviews with school-related persons and the two newspaper editors, the researcher identified four rollback proponents. All together eighteen persons were interviewed—nine in each district. The researcher arranged and made appointments for all interviews. A structured interview schedule (Appendix C) was designed to answer research questions and to obtain the perceptions of interviewees about pre- and post-rollback election differences in the districts' budgetary decision-making processes. Although
the researcher used the structured interview schedule, probing and clarifying questions were asked as the need arose. Often pertinent insights emerged naturally. The researcher pursued these in order to gain an enriched understanding of the changes in the districts' decision-making processes. Verbatim transcriptions were made of each interview. These transcriptions allowed the researcher to draw comparisons during the analysis phase. From the transcriptions, direct quotations were used as primary data in this study (Appendix D).

Written field notes included descriptions of the school districts, the participants in the decision-making process, and the researcher's perceptions and impressions of both. As the study progressed, the field notes included questions and lines of inquiry to pursue further (Appendix E).

Document analysis focused on local newspaper coverage, school district-generated materials (e.g., pre- and post-rollback election budgets, memoranda, meeting handouts, district goals, and organizational charts), and concerned citizen groups' publications. The document search spanned a period of two years so that insights into pre- and post-rollback decision-making processes could be studied. By collecting information from newspaper archives, the researcher was able to reconstruct the context for school board actions which led to the rollback election and which followed it.

Data Analysis

Data collected through interviews, observations, and documents appear in the form of words rather than statistics and numbers. Miles and
Huberman (1984) outlined three steps in the data analysis process: data reduction, data display, and conclusion drawing/verification. Using an iterative procedure, the researcher reduced the data by reading and rereading verbatim transcriptions, documents, and field notes. Through this repetition, the researcher discovered patterns. Based on those patterns, a categorical coding system was designed (Appendix F). The coding process allowed the researcher to focus not only on research questions but also on unexpected and emerging trends. "Codes are categories; usually derived from research questions, key concepts, or important themes. They are retrieval and organizing devices that allow the analyst to spot quickly, pull out, and then cluster all the segments relating to the particular question, hypothesis, concept or theme. Clustering sets the stage for analysis" (Miles and Huberman 1984, 56). By comparing recurring patterns in the various decision-making processes in the two pre- and post-rollback school districts, tentative relationships were developed and analyzed. According to Bodgan and Biklen (1982, 156), "Certain words, phrases, patterns of behavior, ways of thinking, and events repeat and stand out; material bearing on a given topic can be physically separated from other data." Each of the seven major categories were subdivided into sixty-three more specific categories as details emerged from the data. For example, the major category DMP represented "decision-making process." The subcategory "DMPST referred to the superintendent's decision-making process. As the data reduction proceeded, elements became more sharpened and focused. In the sorting, some data were discarded as irrelevant to the study. The organized data enabled the researcher to draw "final" conclusions which were verifiable (Miles and Huberman, 1984, 21).
Once the data reduction phase ended, the researcher turned to data display. Miles and Huberman (1984, 21) described this portion of data analysis as "an organized assembly of information that permits conclusion drawing and action taking." The display may be achieved through the use of narrative text, charts, matrices, and graphs. The narrative text comprised the greatest portion of data display as is common in qualitative research. Because the narrative text is so cumbersome, graphic displays were designed whenever possible during the analysis of data. These graphic representations of the narrative text prevented the researcher from arriving at hasty, partial, and unfounded conclusions (Miles and Huberman, 1984). They also will assist the reader in understanding the study's results.

In the final phase of data analysis, the researcher drew and verified conclusions. Discerning the data's meaningfulness was of prime importance to this study. Meaning was sought through the iterative process of constant comparison. The analytic induction of the coding process was combined with the continual comparison of all observed social incidents. Goetz and LeCompte (1984, 183) described the comparative-iterative method as "discovery of relationships that begins with the analysis of initial observations, undergoes continuous refinement through data collection and analysis, and continuously feeds back into the process of category building." By constantly comparing pre- and post-rollback election decision-making processes, new patterns and relationships emerged while others were enriched. Analytic induction builds upon the patterns, themes, and categories which arise out of the data. The key to analytic induction is that these elements emerge out of the data rather than being laid over it going into the data collection and data analysis phases. Analytic induction
required the researcher to survey data such as verbatim transcriptions of interviews. Categories of occurrences and relationships among categories were more clearly defined. Throughout the process, the researcher remained alert to natural variation in the data. For the qualitative researcher, "The study of natural variation will involve particular attention to variation in program processes and how participants respond to and are affected by the programs" (Patton 1980, 306).

Summary

This multi-case study used qualitative data collection and analysis procedures to describe differences in the pre- and post-rollback decision-making processes of two Texas school districts. Attention was focused on differences in participants' roles and perceptions as well as the budgetary decision-making process. Taped-recorded interviews, field notes, observations, and document collection were used to achieve triangulation of the data and to build a data base from which to describe the budgetary decision-making process. The depth of primary data in the narrative description of both school districts furnished the researcher with a basis of comparison and inference generation following the grounded theory approach of Goetz and LeCompte (1984). From these were drawn suggestions and insights for future research in the area of differences in the budgetary decision-making processes in pre- and post-rollback election environments.
CHAPTER IV

CASE NARRATIVES AND BUDGETARY DECISION-MAKING PROCESSES

The purpose of this study was to examine the local budgetary decision-making process in two Texas school districts. For purposes of anonymity, those districts are identified as School District A and School District B. The two districts serving as case study sites were located within a forty-mile radius of a major metropolitan area in North Texas. Each received local newspaper coverage routinely. In special situations, metropolitan print and electronic media reported on their activities.

The districts were matched on three major factors: enrollment, the ethnic composition of the student population, and the number of youngsters participating in the free- and reduced-meal program. The latter measure indicated the district's socioeconomic level (Table 1).

This chapter contains two case narratives along with descriptions of budgetary decision-making processes used in both districts. Each case is divided into three major sections: Setting, Process, and Product. The section describing the setting details general characteristics of the district, its organizational structure, perceptions key decision-makers hold of themselves, perceptions of others about the key decision-makers, and perceptions about the districts' communications programs. Impressions garnered by the researcher during the field study and analysis are included. The section describing the budgetary process identifies internal and
TABLE 1
FACTORS ON WHICH SCHOOL DISTRICT A
AND SCHOOL DISTRICT B WERE MATCHED

<table>
<thead>
<tr>
<th>Factors</th>
<th>School District A</th>
<th>School District B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students enrolled 1988-89</td>
<td>3,011</td>
<td>4,800</td>
</tr>
<tr>
<td>* As reported by district</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Size in square miles</td>
<td>236</td>
<td>254</td>
</tr>
<tr>
<td>* As reported by district</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethnic composition 1988-89:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* As reported by district</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anglo</td>
<td>92.2%</td>
<td>93.4%</td>
</tr>
<tr>
<td>African-American</td>
<td>0.6%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>6.3%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Asian</td>
<td>0.9%</td>
<td>0.9%</td>
</tr>
<tr>
<td>American Indian</td>
<td>0.1%</td>
<td>0.4%</td>
</tr>
<tr>
<td>% of students qualifying for free- and reduced-meal program as of March 1989</td>
<td>17.5%</td>
<td>17.0%</td>
</tr>
<tr>
<td>% of 1987-88 graduates who were college bound</td>
<td>71.0%</td>
<td>78.0%</td>
</tr>
<tr>
<td>% of change in student enrollment from 1983-84 to 1987-88</td>
<td>25.4%</td>
<td>42.9%</td>
</tr>
<tr>
<td>Graduates in 1988-89</td>
<td>153</td>
<td>208</td>
</tr>
<tr>
<td>* As reported by district</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outcome of rollback election</td>
<td>Defeated in 1989</td>
<td>Passed in 1988</td>
</tr>
<tr>
<td>* As reported by State Property Tax Board</td>
<td>42% For (1,124 votes)</td>
<td>54% For (2,490 votes)</td>
</tr>
<tr>
<td>% above net effective tax rate</td>
<td>11.6%</td>
<td>26.33%</td>
</tr>
<tr>
<td>* As reported by State Property Tax Board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxable value per pupil in 1987-88</td>
<td>$202,870</td>
<td>$215,906</td>
</tr>
<tr>
<td>State funding per pupil in 1987-88</td>
<td>$1,377</td>
<td>$1,401</td>
</tr>
</tbody>
</table>

external environmental factors, the philosophies of key decision-makers, the
districts' recognized needs, the role of citizen finance committees,
identifiable steps in the budget proposal preparation process, and the major
events influencing the decision-making process. The product section
describes the evolution of major decisions in the budgetary process
including the final budget and the tax rate. The perceptions of decision-
makers and citizens about the budget and tax rate are also described. In the
case of the School District A, the board's tax abatement decision also is a
product of its budgetary decision-making process.

School District A

Setting

In 1988-89, School District A enrolled 3,011 students. It
encompassed 236 square miles, making it one of the state's largest districts
geographically. The district sprawls into three counties. Within its
boundaries are six towns, ranging in size from 262 residents to nearly 1,500.
Five of the communities are typical small Texas towns, which serve the
needs of ranchers, farmers, and other residents. The sixth is a planned,
suburban development complete with golf course and clubhouse. Located
on the eastern edge of the district, its residents include white-collar
professionals. For purposes of anonymity, this community will be identified
as Portiuncula. Portiuncula accounted for 45 percent of the area's growth
between 1980 and 1986. Residents of this town failed in their attempt to
form their own school district in the mid-1980s. The superintendent led
the fight to prevent their secession from the district. The remainder of
School District A consisted of rural, unincorporated areas.
The district's southern border was less than ten miles from the central business district of a metropolitan area. Less than five miles from its eastern boundary was located the nation's second busiest and the world's third busiest airport. Within the district's boundaries, the world's first industrial airport is being constructed. For purposes of anonymity, the industrial airport is called Century Airport throughout this study. Its developers are called the Century Airport Group. By the mid-1990s, its anchor tenant projected a work force of approximately 4,500. Other industries planning to locate facilities at the industrial airport were predicted to add to the area's projected population explosion. School District A forecasted enrollment increases as the industrial and residential developments were completed in the 1990s.

The district's voters defeated a rollback referendum in January 1989, thus allowing their local property taxes to be increased by 11.6 percent above the tax rollback rate level. Adding in the allowed 8 percent tax rate hike, media reported that property taxes rose 19.6 percent. Election judges reported that 1,536 voted against the rollback, and 1,124 cast their votes for the referendum.

According to 1988-89 appraisal district statistics, School District A's property had been placed on the tax rolls at 101 percent of its full market value. The district's tax rate had fluctuated in recent years. In 1984-85, it stood at $1.26 per $100 valuation. In 1985-86, it rose to $1.30 but dipped in 1986-87 to $1.2349. It took another dip in 1987-88 to $1.14. At the same time, the district's total taxable property values increased 38.7 percent, from $399.6 million in 1984-85 to $554.3 million in 1987-88. It climbed again in 1988-89, to $593.4 million.
Voters in the school district went to the polls in 1982, 1985, and 1986 to make their will known regarding bond packages to construct and renovate schools. Only the 1982 proposal passed, primarily carried by voters in Portiuncula. The $12-million bond issue financed the construction of an elementary school for Portiuncula and a high school. Voters rejected the 1985 proposal for $12 million and the 1986 bond issue of $11.3 million. The 1986 defeat prompted school officials to build an elementary school out of fund balance monies.

Between 1983-84 and 1988-89, the district experienced a 25.4 percent increase change in enrollment. Seventy-one percent of School District A's graduates planned to attend college. The average administrator's salary was $44,577 while the average teacher's salary totaled $22,224. The district's taxable value per pupil was $202,870. State aid received for each student amounted to $1,377.

The Rollback Election

On August 25, 1988, the District A School Board set the tax rate at $1.2489 per $100 assessed valuation. That represented nearly a 17-cent leap in the effective tax rate of $1.08. While citizens had not attended the school board's budget workshops during August, they became agitated when they read in their newspapers that their property tax bills were increasing 14 percent over the previous year.

Complicating the situation, one trustee had died in July 1988 and a second had resigned from the board November 28, 1988, to take an overseas job. The latter said he hoped the rollback petition would be validated. Immediately after stating his position, he announced his
resignation. Thus, five members of the School District A Board of Trustees had to face taxpayer outcries, threats of a rollback election, and the entire campaign. Along with those pressures, the quintet of board members had to interview candidates for the two vacancies to which they would make appointments.

At the August public hearing on the tax rate, citizens wasted no time announcing their intent to mount a rollback petition. Trustees attempted to explain why they had to increase the budget and, in turn, the tax rate. Nothing they said quelled the taxpayers' wrath. As Citizens Supporting the Rollback organized their petition drive, stories began to surface across the district of fiscal mismanagement and of the board's and administrators' inaccessibility to their constituents.

Pro-rollback advocates cited the construction of a new elementary school with fund balance dollars as an example of fiscal mismanagement. Although the district's taxpayers had defeated two bond elections, they felt that the school board and administration were not being honest with them. They saw the increased tax rate as a means of increasing the fund balance so that the district could once again pay cash for construction.

Another example of alleged fiscal mismanagement which pro-rollback leaders emphasized was the district's declaration of a $700,000 deficit in August 1988 which never materialized. Two weeks into September, the district's newsletter told taxpayers that it had saved $300,000 and that the deficit would only be $400,000. In the December audit report, however, no deficit appeared. There was a $200,000 budget surplus for 1987-88. This information infuriated many taxpayers. Doubts about the necessity of a tax rate increase multiplied in taxpayers' minds. They did not understand the
role of the district's fund balance which auditors placed at $1.6 million when the $200,000 surplus from the 1987-88 budget was added.

The fund balance became a pivotal issue in the emotional rollback campaign. School officials attempted to explain the concept at board meetings, public forums, and Parent-Teacher Association gatherings as well as to reporters. The business manager told one journalist:

There's no such thing as a surplus. The fund balance is money you use to carry into the next fiscal year for operating purposes. At the end of each year, you are either going to be above the projection or below it. It's hard to end up even. In past years, we have shown we have not spent everything. If you didn't have a fund balance, you would bankrupt the school district.

Charges of inaccessibility were leveled at the superintendent and the school board. Some citizens declared that the rules for speaking to the school board during a public meeting were designed to discourage all public comment. Even the meeting's format disturbed citizens who were kept waiting up to 2 1/2 hours while the board retired into executive session. Others pointed to the business manager's and the superintendent's complicated explanations of the budget and school finance. They criticized the budget's format as calculatedly misleading.

Anti-rollback forces rallied quickly when they saw their district under siege. The Education Awareness Committee, selected by the superintendent and approved by the school board years before, were asked to develop strategies to fight the rollback. One committee member explained that their first priority was communicating accurate information to voters. Second, they would not high-pressure anyone nor would they "cry around about the kids. You know, do it for the good of the kids."
Third, no mention would be made about salaries for teachers, support personnel, and especially administrators. Finally, they would draft two lists of budget items. The first list would be those which were mandated and had to be funded. The second would include areas of the budget which were not mandated and could be cut. The listing would not be prioritized.

In the January 1989 district newsletter, which was mailed to all households, the following items were included under the headline of "potential cuts if the tax rollback is successful:"

1. All salaries could be frozen and employee health benefits, such as hospitalization, eliminated.
2. Middle School athletics could be eliminated resulting in the loss of two coaching positions.
3. The primary Writing-to-Read program which is financed entirely by local taxes could be cut.
4. The full-day kindergarten program could be cut back to a half-day which would result in a loss of six teachers.
5. Some foreign language courses could be eliminated.
6. Vocational courses could be eliminated.
7. Counseling services could be curtailed.
8. Some extra-curricular travel could be eliminated.
9. All non-U.I.L. [University Interscholastic League] secondary competition, i.e. Academic Decathlon, could be eliminated.
10. Funding for special programs, such as Gifted and Talented, tutorials, and remedial programs could be reduced.
11. Special recognition programs, such as the Outstanding Student Award, could be eliminated.
12. High School athletics could be changed to an after-school program.
13. Travel for athletics and band could be reduced.
14. Funding for supplies, such as workbooks for reading and math, could be reduced. Also, the per student allotment could be reduced from the present $25 to $20 or less.

A grass-roots group called CARE, or Citizens Against Rollback Elections, organized. Whether to vote for or against the rollback
referendum became a topic for newspaper reports, Parent-Teacher Association meetings, community forums, and neighborhood get-togethers.

Citizens Against Rollback Elections recruited local Parent-Teacher Association units to host community forums. The board president and another trustee attended six forums. All the other board members attended some, but not all, of the meetings. The Council of Parent-Teachers Association coordinated a district-wide forum at the high school. Approximately eighty persons attended. It also orchestrated a school bus tour of the district for civic and business leaders as well as parents and concerned taxpayers. The tour's purpose was to give citizens a firsthand view of the poor condition of many of the district's school buildings. Because the district was so large, this was the first time many had seen schools other than the ones in their areas. The Council of Parent-Teacher Association president told a reporter that the parent-teacher group would remain neutral on the rollback referendum, but that it felt obligated to provide taxpayers with factual information.

Days before the election, the anti-rollback group purchased advertising space in several area newspapers. The advertisements offered voters reasons to vote against the rollback referendum. They cited pupils' academics accomplishments and test scores to counter pro-rollbackers' claims that the students were receiving an inferior education in School District A.

Pro-rollback forces fielded approximately 30 individuals to collect 1,208 signatures on an 83-page rollback petition. It was presented November 21, 1988, and 1,100 signatures were officially validated on December 12, 1988. Between 850 and 900 signatures were required to
force a rollback election, district officials said. Determining the exact number which would equal 10 percent of the district’s registered voters was difficult as the district encompasses portions of three counties.

Although invited to attend every forum, the Citizens Supporting the Rollback only participated in the one at Portiuncula. Otherwise, this group carried on its campaign about the rollback’s possible effects in the newspapers. They "sniped" at school officials and the Citizens Against Rollback Elections on the printed page rather than face-to-face.

Those newspaper interviews enabled pro-rollback proponents to identify one another. The group’s spokeswoman reported:

We found people everywhere. My phone rang off the hook. . . . We had over 1,100 signatures. I didn’t get those on my own. . . . We just called people and gave them forms. They did all the work. . . . All of a sudden, there was a unity in this district that had never happened before. Never!

Ten days before the election, an editorial appeared in a weekly shopper tabloid. It, too, advocated voting against the rollback election. Four days prior to the rollback election, the local newspaper editor wrote “A Personal View” column citing reasons voters should oppose rollback referenda in School District A as well as in one of its neighboring school districts. With just three days until the election, a major metropolitan newspaper’s editorial page bore the headline: “School District A should reject rollback.” Throughout the campaign, letters from pro- and anti-rollback proponents filled Letters to the Editor columns of area newspapers.

Interestingly, the core leadership and membership of Citizens Supporting the Rollback and Citizens Against Rollback Elections centered in Portiuncula. Both groups encouraged residents from the district’s other five
towns and rural areas to join them. Nevertheless, the community with the greatest number of registered voters orchestrated the majority of both the pro- and the anti-rollback campaigns.

The board vice president explained that regardless of the outcome, any rollback election is a no-win situation for the pro- and the anti-rollback advocates. Before the rollback election, he had heard the "no-win" philosophy voiced over and over by school officials whose districts had held elections. After School District A's rollback referendum was defeated, he understood the concept even more completely. He said:

If you win, you lose. But, if you lose, you lose twice. But, even if you win, you're losing because you've alienated some people who will never ever be on your side again. You need them in a bond election, in a general election--any election. They'll never be with you again. You've alienated those people forever. . . . And, that's a small core group, but you have done it. . . . You've lost them forever, and there's no way to get them back. They're never going to trust you.

The district's business manager shared the vice president's no-win perspective. He described the void he felt as he learned that the rollback referendum had been defeated. He said he was so worn out that he had no energy left to celebrate. Even though the district had survived the rollback attempt, the business manager looked beyond the night's victory celebration to what lay ahead for administrators and school board members. He said, "I was happy, but I also knew there had to be lots of scars... lots of wounds. They weren't scars. They were wide open wounds. . . . I knew that simply from visiting the people that we worked with. . . . You don't win."
Organizational Structure

Figure 2 provides a visual representation of School District A's organizational structure. It was approved by the board in September 1986. The seven-member school board was legally responsible for formulating policy, ensuring all legal requirements are met, hiring personnel, and approving expenditures, budgets, and tax rates. The superintendent, who reported directly to the school board, served as the district's chief educational officer. He managed the district's day-to-day operations and supervised the staff. Reporting directly to the superintendent were the tax collector and an internal auditor.

In addition, four administrators worked directly with the superintendent. The assistant superintendent handled transportation, maintenance, and policy updates and interpretations. The assistant to the superintendent coordinated personnel and public relations while supervising a contracted food service program. The director of instruction oversaw special services, vocational education, and curriculum. Because the superintendent's expertise lay in curriculum and instruction, she worked closely with him. The administrative assistant for business, herein referred to as the business manager, supervised payroll, accounts payable, purchasing, worker's compensation, and the budget development process.

Because of the district's size, building principals reported directly to the superintendent while working closely with the four central administrators mentioned above. Reporting to building principals were assistant principals, teachers, support personnel, custodians, and students.
Fig. 2. Organizational chart of School District A.
Participants in the Budgetary Decision-making Process: Their Perceptions of Themselves and the Perceptions of Others About Them

Superintendent's perceptions of himself

Having been leader of School District A for eight years, the superintendent did not believe that his decision-making style had been altered by the rollback election. "It hasn't changed me," he said. "I don't change easily... I don't let my ego overshadow my common sense when it comes to the needs of this district."

The superintendent emphasized his aggressive commitment to educational excellence. Determined not to be like any other school district, he attempted to institute higher district standards for the Texas Teacher Appraisal System (TTAS). In the process, he alienated the district's teachers who protested his proposal. He contended that, until that encounter, his relationships with the teachers had been positive. His drive for higher standards had caused some administrators to leave the district.

He said:

I don't have a principal left that was here eight years ago. I've pushed hard. I've pushed the board. I've pushed myself harder than anybody else. I've pushed this staff very hard.

The superintendent perceived his strength as an instructional leader because he had been a principal. All curriculum budgetary requests ultimately wound up on his desk for analysis. He viewed his approach to decision-making as rational because he did not believe in experimenting. He said that he first identified the problem. Then he located similar districts which had also experienced the problem. After reviewing what those districts had done, the superintendent determined whether or not
those solutions would be applicable to School District A. If it appeared they
would, he said he might initiate the program in his district. The
superintendent did not indicate a penchant for exploring all possible
alternatives as required by the classical rational model of decision-making.

He admitted that the general public viewed him as a "total autocratic
leader." He denied that label. He also rejected the notion that he ran the
district as "a total dictator." He contended that it was the superintendent's
job to "determine the educational philosophy of the district and then apply
it. But, applying it means setting up the procedure to make the people and
the board aware of what we need, not dictatorially saying, 'This is the way
it will be!'"

The superintendent explained that most employees viewed him as the
district's ultimate decision maker. He believed, however, that employees
recognized the respect he had for the school board. Sometimes he realized
that he stood back and forced the board to make decisions they might have
preferred him to make. His staff, he felt, would not describe him as a
participatory management advocate. He equivocated on whether or not he
used the participatory model as he described his decision-making role:

I would not be the model of participatory administration. I believe in
a participatory concept, but I'm just saying that I think in this district
I know more about what needs to be done than other people based on
many things. Not my own personal feelings, but just that I
investigate and that I work so hard. And I do practice participatory
management.

The previous superintendent had acquiesced to the requests of
whomever came to his office, the superintendent explained. As a result, that
man was much loved throughout the district. He had kept the tax rate low.
Then, the new superintendent arrived and changed the pattern of decision-making. He demanded that staff defend with facts the rationale of every budgetary request. He played the role of devil’s advocate, tossing question after question at them until they either convinced him or recognized that they had not prepared their defenses well enough. The superintendent’s strategy was to ask every question he anticipated the board and citizens might ask. Not all employees and patrons appreciated the rigorous cross-examination of their requests.

The previous superintendent had hired friends, friends of friends, family, and friends of family members. District A’s superintendent realized that that strategy had its political benefits. However, he refused to jeopardize the students for his own gain:

I’d rather have the children’s test scores up in writing than somebody’s opinion of me in the community who may love me one day; but, as soon as I say "no" to a request, they forget all the good things.

Superintendent as perceived by others

The board president described the superintendent as a straight-by-the-book administrator. Since the rollback election, she observed that the superintendent seemed to listen to advice he sought. He may have listened carefully before the rollback election, she noted, "but, it did not come across that way." The board president explained that the general public perceived the superintendent as the district’s ultimate decision-maker. On the other hand, she believed that the employees applied that designation to the school board. The public’s perception of the superintendent as ultimate
decision-maker was driven by the fact that he was the person to whom people went for explanations, advice, and recommendations. She explained why the school board members looked to the superintendent and his staff for insights into important issues:

They're the one's that are in education. They're the ones that you're paying to make recommendations to you. But, more often than not, you'll take their recommendation unless it's just outlandish. And, that's how it's perceived by the public.

Another trustee mentioned that the school board members and the administration, including the superintendent, had grown close during the rollback controversy. That camaraderie might have fueled critics' claims that the superintendent manipulated board members into "rubber stamping" his recommendations. In addition, she pointed out that he prepared the board more before "popping out program ideas" on them. He was providing trustees with more information and explanation that he had before the rollback election. She perceived that the general public saw the superintendent "in charge" while the district's employees viewed the school board as the ultimate authority.

The board vice president perceived that the superintendent had grown more conservative in his decision-making since the rollback election. He said, "It [the rollback] kind of stifled him." Without question, he felt that the general public viewed the superintendent as the district's ultimate decision-maker. He explained that many people thought whatever the superintendent said was law. Too few citizens grasped the chain-of-command approach used in the management of school districts. The vice president said:
He is the head honcho. So, everybody else in the school district is answerable to him. But, he's answerable to the board. Yet, most people out here think he totally calls the shots and he does what he wants and he tells the board what to vote "yes" on and what to vote "no" on. ... So, I would say, the general public thinks that he runs the show.

Many school employees also viewed the superintendent as the district's ultimate decision-maker, the vice president explained. Those who were more knowledgeable, however, understood that the school board is "the one that's calling the shots," he said.

The district's business manager was hired by the superintendent five years earlier. He contended that the rollback election had not changed the superintendent's decision-making style. He described the superintendent's high expectations of staff performance. The status quo was unacceptable. Instead, he explained, "We've been pushing just about as hard and fast as we can. We haven't backed off of that at all." The business manager expressed pride in being a member of the superintendent's administrative staff.

The local newspaper editor said he had seen no difference between the superintendent's pre- and post-rollback decision-making style. A member of the district's Education Awareness Committee concurred. He described the superintendent as being a good long-range planner who had led the school board through the process. Most employees, he felt, considered the superintendent as the district's ultimate decision-maker. The rollback election had not altered their perceptions. A resident of Portiuncula, the committee member calculated that 30 to 40 percent of the residents of his community opposed the superintendent. "A lot of the opposition in Portiuncula is opposed to him rather than opposition to the
taxes needed," he said. He credited this attitude to the superintendent's aggressive fight to keep Portiuncula from forming its own school district in the mid-1980s.

The spokeswoman for Citizens Supporting the Rollback minced few words when she described the superintendent. She saw him as totally inflexible in his dealings with her as a parent. For example, when she had protested the district's rules regarding the admission of foreign exchange students, the superintendent had not deviated one iota from the written policy. Infuriated, she sued the district and lost. Angered by her loss, the pro-rollback advocate withdrew her children from the district and enrolled them in private schools. Based on her own experiences and those of her Portiuncula neighbors, the spokeswoman saw the superintendent as "strong and firm in his position." When the rollback referendum was defeated, she said, "His pedestal got higher." The only way she saw of ousting him was to elect school board trustees who would not keep extending his three-year contract each year. She explained:

So, our only way to change that process [contract extension] and start another process to get rid of the superintendent and get a new one is to change that board. As long as that board is in compliance with him, he has a job and we're stuck!

She presented as evidence of the superintendent's alleged vindictiveness the reluctance some people had to sign the rollback petition. Employees feared for their jobs and parents feared for their children's success in school, she said. She pointed out that citizens had questioned the superintendent for as long as he had been with the district. These people
had tried to make a difference, she said. Yet, each time they spoke up, "It was just a smack in the face."

**Business manager's perceptions of himself**

The business manager viewed himself as open and helpful to citizens who were willing to take several hours to study the budget and learn about school finance. He described sitting down with three men from Portiuncula who objected to the proposed 1988-89 tax rate as soon as it was published. He spent three hours with them, answering their questions, and showing them how the budget had been constructed. His efforts were successful and those three men became leaders of Citizens Against Rollback Elections. He noted:

> Once they saw what was happening, it was not a matter of convincing. It was a matter of telling [them] just how it was going to be. And, they believed me. Or, I felt like they did... Then, they came back one more time, I guess, to check to see if my story had changed. Once they saw I was convinced that that was the way it was going to be, I had three individuals who moved from the opposing side to our side.

Realizing his lack of formal preparation for his job, the business manager explained that he had taken and continued to enroll in graduate level school finance courses for professional growth. He admitted that he had "learned all of it right here" at his desk. Prior to coming to School District A, he had served as a teacher-coach in an adjacent district. His administrative career began as a high school assistant principal. He, then, was promoted to middle school principal. He believed that his "front line" experiences as a teacher-coach and as a building administrator had given him an edge over someone with a business management or accounting
degree. "I understand the programs," he said. "I feel very confident now. I feel like I know what I'm doing." In the beginning, he had called upon veteran business managers for advice. After five years on the job, other districts' business managers were calling him. "So, that makes me feel good," he said.

The business manager shared his perception of the entire administrative team. He explained that members of the group had worked in other "good school districts" before coming to School District A. Therefore, he believed the team knew how to develop a quality district.

"We are frustrated at times because we can't make things happen," he said. "Money makes it happen. People do, too; but, you've got to have a little bit of money to make it work."

Business manager as perceived by others

The superintendent recognized that he and the business manager were the key players in the preparation of the budget proposal. He described the business manager as a "dollars-and-cents man" while his expertise was in the instructional area. Therefore, he evaluated all budgetary requests regarding the instructional program after they had been scrutinized by the director of instruction.

The spokeswoman for Citizens Supporting the Rollback expressed a lack of confidence in the business manager's credentials. She described him as a "figures man" and a "basic accountant" who manipulated the budget and then briefed the superintendent. She noted that he did not hold an accounting degree.
School board's perceptions of itself

The board president stated that she had not changed her decision-making style since the rollback election. She explained that she had always scrutinized the district's budget proposals before the rollback election. She planned to continue asking the business manager and superintendent pertinent questions about expenditures and investments. Since the rollback election, however, she said she had gotten "very laid back. I figure, what else can happen?"

The board vice president felt the trustees had grown "a little more conservative" following the rollback election. In his opinion, the board would not spend any money which it did not feel it absolutely needed to spend. However, he thought the board would exceed the net effective tax rate by more than 8 percent if circumstances required it. He concurred with the board president's opinion that she had not changed her decision-making approach as a result of the rollback election.

School board as perceived by others

The superintendent observed that the board president had become more aware of and receptive to the public's input since the rollback election. He felt she had changed a lot since becoming a school trustee and had adopted some of his analytical, rational decision-making style. "Now, she says it scares her sometimes that she thinks like I do," he said.

The business manager described the board president as a person who looked out for the total school district rather than her own community, Portiuncula. He observed that she was well-informed and desired a more comprehensive program for the district's students. The rollback
controversy strengthened her in the business manager's opinion: "She's received a lot of garbage. But, I don't think she's backed off. Not at all. I think maybe she's stronger."

He observed that the board shared the administration's commitment to expanding curricular offerings. "We have a board that is very responsive and very professional and allows the administration to work. They're very progressive as well, and they're wanting things to happen here," he said.

The local newspaper editor believed his readers saw the board as closed to the complaints citizens tried to express at board meetings. Citizens felt that the board was unwilling to involve them in the budgetary decision-making process to the degree they desired once they realized their property tax rate was escalating. Recognizing the problems they had helped create, the editor described the board as listening more closely to what citizens had to say. "I think the board is more receptive," he said. "I think the board is aware of the basic needs of the district. It's just a matter of paying for them."

The editor emphasized that the District A School Board was much more varied in membership than many boards because of the district's rural areas, its five small towns, and its one suburban community. He explained:

You have a good mix of people on the board from the professionals to the agricultural people. And, I think that makes it a little different from other boards who are either very rural and have very rural personalities or very urban. . . . They do a lot of squabbling among themselves. They have a lot of differences of opinion.

The board president, he believed, possessed the skill to form coalitions to win support for the district's many needs.
A member of the Education Awareness Committee observed that the school board had honed its planning skills three years earlier. "I think they made a stab at it," he said. "Five years ago, they really weren't aware of what all they were about to get in. . . . Three years ago, I think they got their eyes opened." At that time, the board approved the superintendent's recommendation to conduct a comprehensive facilities study and a thorough demographic study. He believed that the board president had not altered her approach to making decisions. He described her as "a very informed lady" who worked hard. Her determination to defeat the rollback referendum had isolated her from some of the citizens and possibly some of the trustees, he mentioned. "I noticed two or three board members didn't vote for her for president this year... but she got elected president again. She really worked hard." He contended that most taxpayers viewed the board as District A's ultimate decision-maker both before and after the rollback election.

The spokeswoman for Citizens Supporting the Rollback found the board closed to citizens' suggestions and only open to change when forced to accept it. The rollback referendum defeat had increased the board's arrogant posture, she believed: "They don't even act like they're afraid. They act like we [the board] have this power and... you don't know what you're talking about so we're not even going to listen to you." She also objected to the school board meeting agenda. After brief opening comments, the board adjourned into executive session. Citizens and staff had to wait for them to return. Some executive sessions had lasted as long
as 2 1/2 hours, she explained. This practice discouraged citizens from attending the meetings and expressing their views, she said.

Only the two new trustees were willing to sit down and listen to citizens' concerns and suggestions, she found. The other five trustees plus the superintendent read the rollback election results as a vote of confidence, she said. She objected to their perception:

One hundred and fifty votes are not a lot of votes as far as I'm concerned. . . . They have taken that as a vote of confidence. So, it's like. . . you tried. We beat you. You're stuck with us. And, we're just going to continue to do what we want to do."

The spokeswoman believed that the superintendent told trustees how to vote and what to think. For example, she described a meeting at which one board member began questioning the board president about the tax increase:

The board president made a comment, and she turned to the superintendent. He wrote a note for her on a yellow piece of paper. She said something back to him. He wrote something else on her paper. Then, she turned around and said why she couldn't go along with this board member who didn't want this tax increase so high.

The spokeswoman explained that the one trustee, who had supported the rollback just before he resigned November 28, 1988, had given her group all of his board materials. They included his board meeting materials, detailed budget proposals, and notes citing all his complaints. "Everything the board heard, we got it," she said. Reading the board meeting materials, she had discovered that the superintendent included exact wording for board motions to approve his recommendations. Rather than the superintendent's being thorough, she viewed these recommended motions as signs of his dictatorial control of the school board.
That incident combined with limited opportunities to address the board during public meetings and with inadequate information about the budget conveyed an air of dishonesty on the board's part, she said. She explained that everything the board did caused citizens to feel like they were being dishonest:

Everything they do makes us think we're being swindled. And, they have the power to say how much we're going to have to pay, but we have no information to where it's going to. . . . Why can't they be honest?

School officials' perceptions of citizens

The business manager described how taxpayers could not comprehend why the district had to have such a high tax rate. That tax rate caused them to ask repeatedly, "Where is the money going?" Over the years, the business manager explained, an environment of distrust had been created. "I certainly understand that the tax rate had something to do with it," he said. On the other hand, he felt that parents of students were pleased with the school district's operation. "They just wish that we could have nice things [schools] to have their kids in," he said.

The board president described the difficult challenges posed because of citizens' history of territorial interests, remnants of the pre-consolidation era. The six communities tended to vote for whatever benefited them directly and against whatever did not. This territorial instinct had worked in favor of the district in the 1982 bond election to build an elementary school in Portiuncula and a new high school. The $12-million bond package passed since everyone benefited from the high school. Because nearly 1,500 people lived in Portiuncula and the next largest town had only 920
residents, the former had the potential of carrying any election. When bond packages were proposed in 1985 and again in 1986 to build elementaries elsewhere in the district, those bond issues had failed in large part because Portiuncula defeated them. As a result, the voters in Portiuncula were especially incensed when the school board approved the use of fund balance monies to construct an elementary school in the western portion of the district. On the other hand, farmers and ranchers throughout the district objected to tax hikes even though their land had been granted agriculture tax exemptions. During the bond campaigns of 1985 and 1986, the old-timers had told trustees, "If it [a 1920-vintage school] was good enough for me and good enough for my kids, it's good enough for my grandkids."

The board president explained that representatives of Citizens Supporting the Rollback had attended only one of the six town forums to which they had been invited. She noted that few citizens had bothered to attend the budget workshops during August 1988. Yet, when they read about the proposed tax rate increase in the newspapers, they grew restless. Unfortunately, their protests at the public hearing on the tax rate came too late. They needed to have been at the budget workshops in order to have affected cuts in the budget. Few accepted the board president's reasoning.

The board vice president found the public distrustful of the district's budget documents and explanations. Like the board president, he voiced dismay that citizens only shared their concerns and suggestions at the public hearings. "That's where they're wrong," he said. "That's too late to do anything about it." He believed that the majority of voters and taxpayers did not care about School District A. Those who had no children in school had no reason to care. Those whose children had gone through the schools
no longer had a reason to care. The tax bill was the fulcrum on which their feelings about the school district hinged, he said. “If it’s going to cost them more money, they’ll be against it. If it’s not, they’ll be for it.”

The vice president felt that the general public enjoyed arguing and complaining. He saw them continually looking for a scapegoat, and the superintendent seemed to be the one they most liked to blame for the increased tax rate.

Citizens' perceptions of school officials

The superintendent pointed out that citizens did not believe that school officials used strategic planning methods. He cited the district’s five-year plan as evidence that the district had long-term goals in the areas of instruction, facilities, special services, personnel, and finance.

A life-long resident of the district and well-established rancher, the vice president struggled with citizens who viewed school board members as untrustworthy and dishonest. Prior to becoming a trustee, he had enjoyed an impeccable reputation, he said. He negotiated $50,000 and $100,000 cattle deals over the telephone. His word was his bond in the best tradition of the American West. Yet, a metamorphosis occurred as soon as he took his oath of office. Those who had known him for years suddenly viewed him differently. Puzzled by the attitudes of those who had helped him win his berth on the board, he elaborated:

You go to a school board meeting and get on the school board. They think you’re in cahoots making deals and cheating everybody and saying one thing and doing another.... You’re the same person, you know, you were fifteen minutes before you got on the school board.... I don’t understand why that happens.... Why the change? But in this district—and I’m sure this isn’t the only district--
but in this district, once you get on the school board, you're not worth killing anymore. I'm serious.

The spokeswoman for Citizens Supporting the Rollback did not find meetings with the business manager and the superintendent helpful. She agreed that they would always make time for citizens; however, "they never answer anything," she said. "And, all the figures they give you are all the figures you already have in your hands. They can't give you actuals [actual expenditures]."

Citizens’ perceptions of other citizens

The newspaper editor described the spokeswoman for Citizens Supporting the Rollback as active in the community. Therefore, he believed, she had a wider perspective of the situation than most members of the group. He found her "straightforward."

Both the pro- and anti-rollback groups remained loosely organized, the editor believed. Only a core of no more than ten individuals kept each group alive. Both organizations maintained large membership lists which could be easily activated, he thought. "They’re ready to take on any issue they think they need to take on." Citizens Against Rollback Elections had renamed their group Citizens Accepting a Role in Education. Following the rollback defeat, one metropolitan newspaper described how the group hoped to forge a communications link to fill a gap between school officials and the residents of the district’s six towns.

During the campaign, rhetoric sometimes became caustic. Some of the pro-rollback advocates labeled the anti-rollback proponents "fascists," he explained. Some members of Citizens Supporting the Rollback Election claimed that anti-rollback leaders were trying "to subvert their rights to
have an election. . . . Comments like that had a big impact on the results of the election," the editor concluded.

A member of the Education Awareness Committee and resident of Portiuncula decried citizens' perennial apathy toward school district affairs. He said, "The sad thing, of course, is—not only in School District A but in most school districts—that John Q. Public will very seldom get involved until after the tax increase."

He chided those who complained but were unwilling or lacked the courage to become part of the solution. He described how the school board had laid the budget out for all to see. Then, they challenged citizens to study it and bring to them any cuts they would recommend. The committee member recalled how one rollback proponent had shouted to trustees, "That's your problem. Just cut it. But you take the heat." He surmised that none of the angry citizens wanted to take the blame for any cuts.

The Education Awareness Committee member and former superintendent in another district included himself in the apathetic majority because he had failed to respond to a survey in the April 1989 district newsletter. Forty-nine people responded, he said. Many of those individuals opposed holding a much-needed bond election. He noted, "The great problem here is that most of us who would [support a bond election] did not take the trouble to send it [the survey]. The negative [taxpayers] always respond."
Citizens' perceptions of the district's communications

The pro-rollback spokeswoman complained that information about the 1988-89 budget and tax rate never came out until it got down to the wire and they knew they were in trouble. They knew people were getting angry and talking of a rollback. It was kind of a rumble that went on. And, that's when they started coming out with those handouts.

She described the district's handouts as "very vague." Compared with other school districts with which she was familiar, she viewed what citizens received as general information rather than details of the proposed budget. She felt citizens deserved to have item-by-item or category-by-category details of expenditures and revenues. She objected to School District A being compared to dissimilar districts in the area. The administration and board were attempting to deceive the public, she believed:

If someone didn't really look into it and just took it for what they had in front of them, then they [board and administration] were safe. But, for people who were questioning, it was obvious. I mean, it was trash. Why they were even bothering us with this?

Because of the liaison the Citizens Supporting the Rollback had with the one board member who resigned November 28, 1988, she believed the trustees were being hoodwinked by the superintendent and business manager. Her primary criticism was that at July and August workshops no one--neither citizens nor board members--was given specific information about actual expenditures in the 1987-88 budget. All trustees had, she explained, was information about what was budgeted in 1987-88 and what was being proposed in 1988-89. "They don't know if it was all spent, overspent, or underspent," she said. In her conversations with the one
trustee, she learned that the district historically had surpluses at the end of each fiscal year. This insight did not match the administration's projected $700,000 deficit in the district's 1987-88 budget.

The spokeswoman said that whenever they approached a trustee or administrator with a question about the budget "Every answer was a circle." This frustrated her group because they only wanted facts on which to base their decision about whether or not to start a rollback petition drive. She said, "We want to support them. I mean, we don't want to have a poor school district. We want our kids to get a good education."

During the summer of 1988, her group had asked for a copy of the budget. She said that they were told it would cost a dollar per page to copy. A suggested alternative was to go to the administration office and look over the budget and take notes. "But, if you want to take it home, it will cost you a dollar per page," she said. Citizens Supporting the Rollback circumvented this problem when the one trustee provided them with his copy of the proposed budget for 1988-89. She claimed that the administration had given Citizens Against Rollback Elections a copy of the proposed budget and early calculations of what the August 31, 1988, fund balance would total.

She objected strenuously to the board's requirement that those wishing to be on the meeting agenda sign up at least seventy-two hours prior to the board meeting. "I mean, they practically want your speech beforehand so that they can prepare themselves," she said. "They want to know who you are, what you want to speak on, and any other information."

Although the district's newsletter mentioned that budget workshops would be held during the summer, no specific dates and times were listed, she said. So, citizens had to frequently check the doors of their schools,
where the agendas were posted. She recognized the district’s communications problem since the newspaper which covered the district most thoroughly was a weekly.

So, if they don’t meet the deadline for the paper and they’re having a meeting that Thursday, then you won’t know when your paper comes out Tuesday. They always say, “We didn’t meet the deadline. So sorry.” So, legally they’re bound to have a notice on the [school’s] door. But, you’re reduced to checking the door.

The local newspaper editor felt that the district could improve its relations with citizens if it published its meeting notices in all the areas’ newspapers and took into consideration the publications’ various deadlines. Referring to the summer of 1988, he described their posting process as complying more with “the letter of the law than the spirit.” As a result, he believed, they had alienated many taxpayers.

He described the communications challenges faced by School District A:

I don’t think they communicated very well. Now, they do have a newsletter that they publish, and they send it to every household in the district on a monthly basis. Every household. Although some households were being left out with changes in voting precincts and that. Every once in a while there would be a few people who would drop out. As I said, District A is such a large district. There are four—sometimes five—different newspapers that cover the district. They could have probably been a little better. It’s just... it wasn’t as good or as effective a communication as it could have been... At times they’re very difficult to get in touch with. It’s not necessarily closed. If you ask them a question, they’ll answer the question. They’re not trying to be evasive. I just don’t think they understood that people were upset or that people really wanted to know. I think that was the case. Most of their questions and comments come out of Portiuncula, and they probably gear their communication more toward Portiuncula which is the largest incorporated
Portiuncula is much more active politically and better organized.

The Citizens Supporting the Rollback spokeswoman, a Portiuncula homeowner, described the agenda items as so vague that citizens could not be sure what was going to be discussed by the school board. This also presented a problem to citizens wishing to address the board during the thirty-minute public forum at the beginning of each meeting. Sometimes she would have spoken on a topic had she known from the agenda description that it concerned her. She described her frustration with the agenda:

Unless you know the person involved and you found out ahead what their concern is, you won’t know what that concern is until you actually sit there and listen. And by then, they’ve already gone through the public forum. You don’t have an opportunity to say anything about it. And, they make the decision. If you disagree, you can wait until the next meeting after the decision is already made and comment. But, see, it’s already been voted. Whatever your comment is, it’s not going to change what happened.

The Portiuncula resident who chaired the Education Awareness Committee said that after the rollback election his group recommended ways the administration could make its budget more readable and less confusing for trustees and lay citizens. He said, “You go over there, but you just can’t read it. And, then, it probably wasn’t available in enough places.” One example of the problem was that computerized item descriptions were carried over from one budget to the next. The only difference was that in one budget an exact amount would be indicated and in the next zeroes would follow the entry. “We recommended just getting them out of the budget,” he said. “It does make it confusing for them [trustees and citizens].” The committee also suggested placing a copy of the budget in public
libraries in the four communities which have them as well as in each school's library. The administration and board concurred with that recommendation, he said. A copy was still available at the central office for citizen perusal. "They [citizens] aren't going to read it, but why give them something to talk about. They won't read it if you had one in every library in town. But, it doesn't cost much to have it available," he said.

Administration's perceptions of the district's communications

The superintendent described two internal communications strategies he used to obtain input from staff. These included weekly administrative meetings. All principals and central office administrators gathered to discuss concerns and receive pertinent information. The superintendent hosted a monthly breakfast for teachers. Administrators were not invited. Teachers were encouraged to offer insights and suggestions as well as share concerns "as long as they're not circumventing the administration or the grievance process or whatever and just talking about issues that affect them and their instructional program," the superintendent said.

External communications strategies included the monthly district newsletter, which was mailed to all households in the district. The Education Awareness Committee met two to three times each year with the board and administration to become informed about the budget. "They're the ones that know nothing about school funding," said the superintendent. "So, we try to educate them so they'll go back into the communities and at least be able to answer the questions."
The business manager described district brochures which were distributed to realtors, civic officials in the six towns, and the two chambers of commerce. The brochures presented general information about the school district rather than insights into the budgetary decision-making process. The business manager hoped the Education Awareness Committee would communicate the following message to voters during the 1989-90 budgetary decision-making process:

This is what our community members don't understand. That we're fighting lots of things. We're fighting the state. We're fighting the state period. Someday I'll understand why the money is being taken away. But when you start trying to juggle it and make it work and try to keep good people [staff] here in this district, it's very difficult.

The business manager described how having five newspapers covering the district, without any one saturating the area, made his job of posting board meeting and public hearing notices difficult and very expensive. He said he sent notices to one newspaper because most of the district's land was located in that county. "It becomes very expensive if we try to put it in all the papers," he said. "So, when we get ready to do the budget process, we'll certainly go through all our required things to post it and so on."

School board's perceptions of the district's communication

The board president contended that most information about the district traveled by word-of-mouth since no one newspaper reached all the citizens. She described the importance of trustees' asking pertinent, insightful questions at budget workshops and at board meetings, especially when reporters were present. She said:
You ask it so the media will pick it up hopefully and will put it in there [the newspaper] that somebody is asking these questions and these are the answers to these questions. Sometimes you [the trustee] knows the answers. I mean, a lot of times I'll ask a question in public that I know what the answer is. But, I want you, the people--the people in the audience--to know what the answer is, or I want that newspaper reporter to pick it up, [and] hopefully correctly, and put it in the paper.

Although the district newsletter was the district's only external communications vehicle to residents, its size limited board meeting coverage to a review of which motions passed or failed. "That doesn't tell you what went on prior to that vote," said the board president. "If we're lucky at a board meeting, there may be five people there besides administrators unless there's something on the agenda that has piqued everybody's interest."

Before the controversial 1988-89 public hearing on the budget, the board president had sat down with two Parent-Teacher Association leaders and explained the budget proposal item-by-item. She told them why they needed to understand the budget proposal:

You're going to be one of the ones that are going to be hit. They're going to come to you. They're not going to come to me. They will, but they're going to come to you first and say, "Why don't we have this? Why do we have to pay for this? Why are you fundraising to pay for something that they think the board should be paying for... something their taxes should be paying for?"

During the July and August 1988 budget workshops and public hearing and throughout the rollback campaign, the Parent-Teacher Association leaders helped explain why field trips had been cut from the budget. The board president told parent leaders that she be would willing
meet with any group or individual who wanted to review the budget proposal. "I didn't have any response," she lamented.

From the board president's perspective, the public forum portion of the board meeting was an efficient way to receive citizen input. She explained that thirty minutes were set aside at the beginning of each board meeting. A person may speak for a maximum of five minutes. "Usually they get up and speak for two minutes and that's it," she said. When a group of citizens wanted to speak on the same topic, the board suggested that they appoint a spokesperson. Comments regarding personnel were not allowed. When such a topic arose, the board heard the patron's comments in executive session, she noted. Since the rollback election, a few more citizens were attending board meetings and addressing the trustees. "They still come and tell us whether we're doing a good job and whether they don't like what we're doing and if they think we need to look at something a bit further." She explained that audience members wanted to interject their comments into the business part of the board meeting. They particularly wanted this privilege just before the board voted on an action item. Two trustees were studying that possibility in the fall of 1989. The board president expressed concern that such a practice would cause lengthy board meetings. "I know what they're saying," she said, "but then again, why should I sit up there and take all the abuse if they want to be the ones to make the decisions."
The Budgetary Decision-Making Process

Factors to be Considered

Throughout the budgeting process, school officials in School District A often referred to the district's five-year plan for educational improvement. Approved in July 1987, the plan focused on the following areas: personnel quality, educational program quality, facilities and equipment, computer-related instruction, discipline, gifted and talented education, and guidance and counseling.

The board approved a district improvement plan for 1988-89. Preceded with the mission slogan, "Together--We can make a difference," the plan targeted how it would implement the state's goals for public education. Objectives were written in the following areas: student performance, curriculum, teachers and teaching, organization and management, finance, parent and community involvement, innovation, and communications.

School Board Philosophies

At the outset of the 1988-89 budget planning process, the school board informed the administration that it expected a budget which did not produce more than a 7.9 percent tax rate increase.

The board president explained that expenditures for academic programs would be protected. They preferred cutting the athletic budget. She explained, "We basically always tell them, 'Put in the necessities. What we have to have to meet the state guidelines.'" Another trustee concurred. She described how last year board members kept asking if a particular item
was essential. If it was not essential, it was cut, she said. For example, in the 1987-88 budget, the board axed field trips.

The board vice president believed that "the main thing is basic education." He objected to "frilly athletic programs," contending that the district would never support them unless a benefactor donated sufficient funding on a continual basis. He indicated that he would not agree to the addition of any central office administrators "as long as that money could be spent for the kids. I couldn't vote for it."

Even though the state education agency had informed the board that it needed to purchase more library books and add more science laboratories, the board vice president said he would not approve such expenditures unless the district had the funds to pay for them. The trustee described the scene with the state official.

I said, "That's fine. You want to give us some money, we'll do it. . . . We tried to do the best we could, and we're being criticized for it now. Now, if you want to give us some money, we'll do it. Otherwise, we're not going to do it." That's what I told him. I said, "We don't have the money. And, we're already being criticized for going above the 7.9 percent just to provide what we did the year before."

**Superintendent's Philosophies**

The superintendent agreed with the school board's position of not exceeding a 7.9 percent tax rate increase. He believed in raising the tax rate at least 7.9 percent each year in order to compensate for "the growth and the neglect of twenty years on the buildings and facilities." He contended that the district would have to maintain the momentum of the annual 7.9 percent increase in order to comply with state mandates. He
said, "We always set the budget on 7.9 percent rather than the needs of the students. . . . The needs of the students surpass the 7.9 percent. . . . We just can't afford to go up over 7.9 percent. So, we don't have our priorities in order."

Theoretically, the superintendent said, his personal philosophy of putting the children's needs first had not changed. "But, I'm not going to lie to you and tell you that we dedicate ourselves totally to providing programs based on children's needs because we don't. We go back to that reference point [7.9 percent]." To provide for student's basic needs, the superintendent believed in allotting the same amount of money for each student on the campus. Of course, special needs students received more funding, he noted.

Employing outside consultants to conduct comprehensive facilities studies and demographic projections provided the board with credible data, the superintendent said. Throughout the budgetary decision-making process, trustees referred to consultants' studies. Citizens did not argue with the data presented, so the superintendent's philosophy proved to be quite practical.

The superintendent was committed to improving teachers' salaries and benefits each year. He lived up to that commitment in each of the eight years he headed the district. Before his arrival, the teachers had no hospitalization insurance. He initiated a medical plan.

**Business Manager's Philosophies**

After talking with numerous school officials in districts which had experienced rollback elections, the business manager believed in the
importance of protecting employees' salary schedules and benefits. Because School District A had to compete for personnel with nearby metropolitan districts, he felt it was imperative to "Hang onto your benefits. Hang onto your salaries."

Curriculum Needs

The superintendent and board president targeted the need for more computers to enrich the entire curriculum from the primary grades through high school. If funding were available, the superintendent also indicated the need for a community education program. The business manager described the difficulty of locating funding for much-needed new programs. "We're doing the very, very best, I think, with the money we've got," he explained. The five-year veteran of School District A identified a need to invest more money in enrichment programs. He, the board president, and the vice president recognized that the district's libraries needed books, audio-visual materials, and audio-visual equipment. All three reported that secondary schools' science laboratories needed to be updated to meet state requirements.

The board president, joined by the vice president, placed a high priority on expanding the gifted and talented program. Staffing was already one year behind schedule, according to the five-year plan. The vice president expressed a desire to expand programs for low achievers, too. In the "best of all possible worlds," the vice president indicated, he would like to see four or five languages offered at the high school.

The spokeswoman for Citizens Supporting the Rollback identified the following curriculum needs: expansion of electives at the secondary
schools, advanced academic courses at the high school, expansion of the elementary gifted and talented program, and more special education classes to accommodate students who qualified for services.

She suggested staff development to train teachers to use the computer equipment already in the schools. "We don’t have very much as far as computer education goes. . . . We have equipment up here [Portiuncula Elementary] that’s never used," she said. "Never used! The equipment is covered."

**Extracurricular Needs**

Only the spokeswoman for Citizens Supporting the Rollback alluded to expanding the extracurricular programs. Seeing the lack of discretionary funds, however, she sought no-cost ways of offering students after-school academic clubs in science, drama, and music. She suggested:

It can be an after-school club. And, who's going to pay for that. That's no expense. That's a teacher's time. A teacher volunteering their time. They have to stay there till 4 o'clock anyway, so why not use this time and do something with the kids. But, it's never suggested. The opportunity is never presented.

**Facility Needs**

According to the superintendent and the business manager, the district had not maintained its schools over the years. The demographic study, compiled by an outside consultant in 1987, had indicated a need to build additional classroom space as the student population grew throughout the 1990s. While the high school and two elementaries were new, the district needed to construct three new elementaries and renovate and expand the other two. The administration had already proposed building a
new high school and moving the middle school students into the present high school facility. Currently, the central administrative offices were housed in four temporary buildings. A central administrative complex had been proposed in the long-range plan as well as a transportation facility. The district's thirty buses transported nearly 75 percent of the students to and from school daily.

The administration and school board realized that very few of the renovation and construction projects would be possible until the citizens approved several bond issues. During the rollback election campaign, pro- and anti-rollback leaders had encouraged the school board to call a bond election. Citizens Supporting the Rollback had urged voters to vote for the rollback and for any future bond elections. "We have been addressed by people in each of the communities to have a bond election come fall," said the board president. However, when a survey concerning the bond election was included in the April 1989 district newsletter, only forty-nine individuals bothered to respond, according to a member of the Education Awareness Committee. The majority of those were opposed to a bond election. Without clear support for it, the board discussed the matter no further although they recognized the need.

The pro-rollback spokeswoman explained that the school board had agreed to present a bond package to voters "right after the election" because the people had given them a vote of confidence. "We still haven't seen it [bond proposal]," she said.

Finally, the board president explained that trustees hoped to purchase graphic arts equipment in the 1989-90 budget. While the equipment would be used in the high school's graphic arts classes, its primary benefit to the
district would be the in-house production of District A's monthly newsletter to be sent to all households.

**Personnel Needs**

Because labor costs consumed approximately 80 percent of the school district's budget, few personnel additions were identified. The board president suggested hiring one teacher of gifted and talented for the elementary level. On her "wish list," she included elementary guidance counselors and nurses at the building level. At the central administration level, she explained the need for a public relations/communications position:

The only thing is the people would like us to have and the board would like us to have, too, is a public relations person. There's nothing for public relations in this district. And, right now, it's on hold. And, we've been asked over and over again to please do that because it is so difficult.

The local newspaper editor echoed the board president's suggestion that a public relations/communications position was needed in the district. He said:

That's [public relations/communications duties] sort of spread out among a number of people in the administration where other districts have somebody. One person you can go to. Someone to funnel information both ways. They really don't have that in School District A, and there are a few people--I think even some board members--who recognize that they've needed someone to do that.

The board vice president and another trustee identified a need for assistant principals at the high school as none were employed in that position. The woman trustee, who would slash expenditures during budget workshops, concurred with the board president concerning the hiring of
elementary guidance counselors. Because two principals were assigned two schools each, she recognized a need for each school to have its own full-time principal. She, too, recommended hiring someone responsible for public relations/communications.

The retired superintendent in Portiuncula, who served on the Education Awareness Committee, felt that the district only needed to hire teachers to keep up with growth and to comply with state mandates. "You don't need to add staff unless you need them," he said. "And, they aren't growing fast enough at all... because we only grew one hundred kids last year."

The Role of Citizen Finance Committees

The superintendent explained that the district had no formal citizen finance committee either before or after the rollback election. He pointed out that the Education Awareness Committee received information about each year's budget proposal. In turn, they were to inform other citizens.

An informal finance committee evolved after the 1987 budget proposal and tax rate had been announced in newspapers, he explained. Three residents of Portiuncula met with the superintendent and business manager to review the budget item-by-item. "But, they were never named an official committee," he said. "They just went back and worked in their communities. We didn't direct them. We didn't organize them or anything."

Speaking with a reporter, one of the self-proclaimed "education advocates" described the meeting he and others had with school officials:

When the tax rate first came up, everyone was against it. But, we went and talked with district officials, sat down and looked at the
budget and couldn't find any fat... If the residents of District A can come up with a more cost-effective way to running the district, meeting state mandates and providing educational programs, I'm sure the school district will listen.

Neither group had influenced the 1988-89 budget, the superintendent said. However, the Education Awareness Committee had offered several suggestions to make the 1989-90 budget more readable and accessible to citizens. As far as helping determine expenditures, neither group was involved. "We don't have the flexibility to be that free to spend money out here other than on the main priorities," said the superintendent.

The business manager commented that "committees were non-existent until we got ready for the rollback." The entire budget preparation and decision-making process was handled by the administration and school board. He explained, "Once we... when I say we... the administration and the board decided to go above the 8 percent, we presented the budget still without a committee."

The board president noted that citizens were encouraged to attend budget workshops, however, no citizen finance committees existed. After the rollback, she said the board decided, "Let's form a committee. Let's have them tell us what they want in the budget and how they want it presented to them because that was one of the gripes. See what they say to us. So we did." The group which tackled this assignment was the already active Education Awareness Committee, chaired by an ex-superintendent. Leaders from Citizens Accepting a Role in Education were invited as well as other representatives from the community. In August 1989, the board sent between forty and fifty invitations to budget workshops to members of that
committee plus civic and business leaders in the district. However, few of those individuals attended.

Steps in the Budget Preparation Process

The school board's directive to build a budget with no more than a 7.9 percent tax rate increase was clearly understood by the administration. "I think the board still expects the administration to recommend a budget that will meet the needs of students and yet not exceed 7.9 percent," the superintendent said. "So, the priorities within the budget are up to us."

Throughout the first six months of the year, the superintendent and his staff set out to educate the board about the district's successes, its challenges, and its needs. When presenting information about test scores, the staff noted the funding needs of existing programs. New programs and expansion of existing ones were recommended with an explanation of how they could lead to improved student achievement. At least once each year, the staff displayed pie charts to show trustees and the public how funds were being expended. Throughout the spring, the board received briefings on the costs of state mandates.

The business manager reported that trustees received memos in late spring apprising them of the kind of budget the administration was considering. "But, I really don't get too excited until the latter part of July because your valuations have not been certified. And, that's the first they're [the board] going to ask you 'What kind of revenue or what kind of a tax rate, or effective tax rate, are we going to have,'" he said. He begins working on the budget in February, but does not provide the board with many details until July.
The superintendent explained the importance of relating every proposed program, mandate, salary and benefit cost, or maintenance project to the 7.9 percent benchmark:

I try to educate my board prior to anything [being] developed from the business office. Number one: I try to tell them about basically how much money is going to be available. Now, I do that with simple little sheets that show how much revenue we received from three sources: local, state, and federal. And, what I project it's going to be this year--local, state, and federal. Now, all that does is make them realize that over here in that third column, there's 8 percent... a plus or a minus. We're either going to have more revenue or less. All right. You say, that's not very significant. That doesn't tell them anything. Well, it gets them out of this philanthropic mood. You understand what I'm saying? And, it makes them more serious. And it keeps them from going out and promising every pressure group they'll do this. That's all it does.

The superintendent explained that one of the first items considered is a pay raise for teachers because that's the biggest budget item. At this point, nothing was discussed in public, however. Throughout the half-year education process, the superintendent prioritized campus budget requests. The superintendent reviewed all curriculum-related requests from the director of instruction before forwarding them to the business manager.

Basic instructional needs were financed by a per capita student allotment. Every student on a campus received the same amount of money, excepting those in special education. Principals were given total discretion in the allocation of those dollars. Guiding their decisions, of course, were the district's five-year plan and its improvement plan.

Once the business manager determined how much money might be available, the superintendent reviewed his prioritized list. He called upon principals and central office administrators to justify any additional
requests. A required part of each defense was their explanation of how that request (e.g., a reading teacher) would benefit students' achievement or safety and health. He described his devil's advocate approach:

Boy, I am hard to deal with. I'm very analytical. And... I play devil's advocate, and I really make them uncomfortable. But, by gosh, I'm not going to first of all... I don't have the money to spend out here and number two I'm not going to experiment. And, I'm not going to use window dressing. And, they're going to have to know what they're talking about or they don't get anything. . . I seldom overrule them, but I make them work for it.

The business manager explained the difference between the budget proposals presented at workshops and the final budget document. This difference had upset members of Citizens Supporting the Rollback because they argued there was no way to cross-reference the two documents. Once the budget was determined, the amount budgeted for teachers was broken down for each campus and then by each subject and grade level. The same approach was applied to maintenance, supplies, utilities, and so forth.

Citizens who wanted to influence the budgetary decision-making process needed to take their concern or suggestion to a principal, the superintendent recommended. He believed that teachers could not help because the principal was the final instructional leader on each campus. Only if the principal were convinced would the item appear in that campus' budget requests.

He described how teachers, patrons, and parents had made end runs around the principal during the previous superintendent's term. No funding rationale existed. Personalities and politics ruled rather than logic. "No, that's usurping," said the superintendent. "That's not only usurping or
circumventing leadership of the campus, it’s also in violation of policy in letting principals know.”

Although the superintendent followed these steps early in the 1989-90 budget process, his August 3 resignation changed the usual course of events. Signs of an impending change were evident at the July 20 budget workshop when the superintendent arrived forty-five to sixty minutes late. At subsequent budget workshops, he departed around 10 p.m. The business manager led the budget workshops and responded to trustees’ questions and requests. The personnel director supported him. Basically, the decisions about the 1989-90 budget rested on the shoulders of those two administrators and the seven school board members. The superintendent did remain actively and visibly involved in tax abatement discussions with the Century Airport Group and their prospective anchor tenant. Frequently, he would leave budget workshops to talk with their representatives in the hallway or in the parking lot. During breaks in the meetings, he and the corporate leaders would converse quietly. The relationship he had with them appeared comfortable and friendly.

The 1988-89 budget debate

The business manager explained that the first budget proposal called for a 25 to 28 percent tax hike. Together the school board and administration searched for places to trim the proposed budget. When their work was completed in August, the intent to raise the tax rate 14 percent over the previous year was announced. To achieve it, decision-makers recalled making cuts which did not harm the instructional programs though some areas had their funding reduced. The local newspaper editor said,
"they were looking at a $1.40 tax rate and they inched back to $1.24 and that was basically to 'get by.'" 

The business manager described how vocational teaching positions, vacated through resignations, had not been filled. He estimated three or four positions had been absorbed into the 1988-89 master schedule to save money. Teaching supplies, capital outlay, and field trips were "backed out" of the budget proposal, he said.

Keeping in mind what school officials from districts that had rollback elections told them, the superintendent, business manager, and trustees were determined to at least maintain teachers' salaries and benefits. Ultimately health care benefits were improved "and that has helped us hang on to good staff members," the business manager believed. Recognizing that it would be devastating to make salary cuts or even freeze salaries, approval was granted to higher salaries for all employees.

The board president recalled cutting back campus allotments by five dollars per student. This meant that $20 were allotted for each elementary child; $32.50, for each middle school youngster; and, $45, for each high school student. This cut, along with the elimination of field trips, was noticed by students, staff, and their parents. As the parent of a drill team member, the board president vividly remembered reducing that group's extracurricular budget. She recalled eliminating a special education teacher's position solely on the basis that the number of students did not warrant keeping it. Although 75 percent of School District A's students rode school buses daily, trustees cut back their planned purchases from two buses to just one. In April 1989, the assistant superintendent said that the district would probably take buses out of service after ten years than rather
the eight-year rotation used previously. This decision reflected the board's August 1988 budget commitments.

As school officials scoured the budget proposal for anything that would place them below a 20 percent tax jump, they turned to maintenance. The superintendent rationalized that cuts in maintenance did not directly affect students. However, he knew it was a short-term solution which offered an immediate political gain--approval of the budget:

When you cut just general maintenance, that affects facilities all over the district. For a year or two, you don't notice it. It's not the proper thing to do. I'm just saying that you'll find out if you interview administrators all over the state, one of the first areas they cut is maintenance because it's not an area that immediately draws attention to the fact that you are neglecting it or cutting it as a priority.

He noted that taxpayers, especially parents, were much less cognizant of maintenance items than if the board cut the gifted and talented program or froze teachers' salaries.

The board attempted to educate taxpayers about the financial impact state mandates were having on the district. For example, the state had mandated that districts provide a gifted and talented program. In School District A, the cost of that program in 1988-89 totaled $50,845. However, the state funded just $6,000 of it.

The spokesperson for Citizens Supporting the Rollback tired of the board's and administration's explanations. She said:

Last year [1988-89] they weren't open to new programs. Only state-mandate [programs]. And, then those state-mandated programs were played up like an albatross. Like we are being forced to do these things. And, it's going to cost you money. And, you can't question it. We have to have it. And, this is the way it should be done.
Once the 1988-89 budget was approved, the board's financial debates were not ended. On October 24, 1988, they voted to lower the stipend paid to teachers on Level II of the Texas Teacher Appraisal System's career ladder. While the state had set the Level II payment range from $1,500 to $2,000 and the Level III payment range from $3,000 to $4,000, School District A had decided to pay the maximum in 1987-88. But the 1988-89 budget would no longer allow the district that luxury. With 112 teachers on Level II and three on Level III, the district was faced with a local contribution of almost $35,000 to maintain the maximum bonuses. The state partially funded career ladder payments leaving local districts to make up the difference. The superintendent explained that each year the number of teachers who qualified for career ladder levels would increase. Therefore, trustees voted four to one to lower the Level II stipend from $2,000 to $1,714 and to pay Level III teachers the $3,000 minimum.

The 1989-90 budget debate—a preview

In June, the school board president and vice president predicted that the district would no longer be able to pay 100 percent of employees' health care benefits because premium costs were escalating between 50 and 70 percent nationwide. The 100 percent payment had been a recruiting tool for the district's personnel department. Competition for top-notch teachers had become increasingly keen in the entire metropolitan area.

She also predicted the district would purchase computerized graphic arts equipment (i.e., a computer and typesetter) with money remaining in the construction budget of the district's newest elementary. That elementary, built with fund balance dollars, had opened in the fall of 1987.
The graphic arts equipment would be used by approximately ninety high school students enrolled in a printing trades class.

The 1989-90 budget debate/budget workshop—July 20, 1989

The business manager led the budget workshop, the first for the 1989-90 budget. He explained that the certified tax rate of $1.2589 was higher than the previous year's rate of $1.2511 because the district had lost value. The business manager based the proposed budget, as directed, on a 7.9 percent tax rate hike. At the outset, trustees were looking at a $1.3496 tax rate for 1989-90. The superintendent arrived forty-five to sixty minutes late. He sat beside the board president, draping his arm over the back of her chair. Trustees sat around a large table in the middle school's library. Approximately twenty staff and citizens attended. Representatives from the Century Airport Group observed and received handouts. An informative, controlled tone was set immediately. Trustees posed questions which staff answered. Rather than lengthy discussions on any expenditure, questioners were easily satisfied and moved on to other items. Each trustee flipped through the budget as the business manager attempted to lead an orchestrated overview of it. There was none of the intensity that appeared in the next two workshops.

In an attempt to make the budget proposals more understandable as suggested by the Education Awareness Committee, the business manager had prepared two sets of handouts. The trustees received detailed proposals while the audience was given a simplified, one-page handout. Rather than increasing audience understanding, this approach confused the audience and made the business manager's job difficult. He directed
trustees to turn to a certain page only to have to walk over to citizens and point out on their handout to what he was referring. At the August 3 and 21 meetings, both the board members and audience received the same handout. Often citizens had to share copies, but they at least could follow what was being presented.

The business manager told the group that uncertified state funding losses would total $210 million in 1989-90 and $400 million in 1990-91. The business manager hoped the 1989-90 loss could be recouped under a new state law, Senate Bill 1019. He interpreted it to mean that school districts which qualified would be allowed to exceed the 8 percent rollback tax rate to make up losses in state funding. He also explained that the district's enrollment was not growing as rapidly as it had in the past. However, with the impending opening and development of Century Airport, growth was anticipated.

At this meeting, trustees instructed the administration not to add teachers until classes had to be split to meet the twenty-two-to-one student-teacher ratio in kindergarten through fourth grade. One trustee questioned the $160,000 reduction in the transportation budget. He stated that not purchasing new buses each year was "dangerous." The business manager reminded him that four had been purchased in 1987-88. A discussion followed concerning taking money from transportation or the fund balance to increase the maintenance budget. No decisions were finalized, however. The business manager agreed that if the district faced an unexpected $200,000 crisis, the fund balance was the only safety valve. He told trustees that adding just two teaching positions frightened him because the district was on the verge of another growth spurt.
The trustees discussed whether or not they could pass along the state's $1,800 pay raise for teachers. The district already paid its teacher $2,000 above the state minimum; therefore, it did not need to pass the raise along to them. The business manager explained it would take more than $361,800 to grant the $1,800 pay raise. He cautioned trustees that personnel requests were still being received. The request for transportation aides on all school buses was estimated to cost $35,000. The board president reminded her colleagues that parents had made that request last year. When no funds were available in the 1988-89 budget, Parent-Teacher Association volunteers helped.

Finally, the business manager regained control of the workshop. He told trustees that he had increased the per-student campus allotment by five dollars as requested. It had been reduced by five dollars the previous year. Field trips, slashed in 1988-89, were reinstated in the proposed budget.

Returning to the maintenance issue, one trustee explained to the audience that needs were being addressed on a regular basis. While facilities were admittedly not up to standard, they were safe. The assistant superintendent added that appearances may have led citizens to think facilities were in disrepair when they were not. With the 1988-89 budget, the maintenance staff had to decide between cosmetic maintenance and substantial maintenance. For example, when the spring rains caused grass to grow rapidly, half of the crew was mowing. He believed it would have been better to have had them fixing roofs. "It's a tough battle to do all things," he said.
A discussion ensued regarding the tax rate. One trustee speculated:

You can add all that everyone wants and it [the budget] would be huge. This proposal is off what we've done in the past. It's a realistic budget without risking a rollback election. I'd like to put the tax rate up to $1.5775, but it still won't do anything but the requirements. We can't make it fly by starting at $1.60 tax rate and dropping back to $1.30.

A woman in the audience objected. She believed the district faced the same fight whether the tax rate was $1.60 or $1.30. For the first time, a man in the back of the room brought up the issue of the Century Airport tax abatement that the board had been asked to grant. He suggested hiring lawyers to fight the corporations planning to move to Century Airport and who were coming to the board for 100 percent tax abatement for fifteen years. The board president introduced him to the Century Airport Group representatives in attendance. They talked privately during a break in the meeting.

The administration expressed a need to hire elementary guidance counselors and a teacher of the gifted and talented because the district had already fallen one year behind on implementing this portion of its five-year plan. The business manager asked the board's direction of these items and on whether or not he should include a $1,800 raise for teachers. He offered trustees an alternative plan which would give teachers a $1,200 raise. The superintendent reminded trustees that they did not have to give any raise because the district already paid above the state minimum. The business manager concurred. He said a salary freeze would keep teachers at $200
above the state minimum. An audience member said sarcastically, "So, we could fix buildings and not have teachers to teach in them."

The audience expressed its greatest concern about the maintenance budget because they felt that too little had been allocated. One citizen asked, "Why didn't you create a realistic budget, even if it raised taxes above 8 percent?" The board president explained the district's commitment to not exceed the tax rollback trigger of 8 percent. But, the citizen was not satisfied. She urged the board to present to voters a budget that included all of the district's needs. The woman told trustees, "Let the people decide. You'll catch heat when there are no repairs at the schools. Be honest with us." To this the board president retorted, "You've implied we're dishonest." The woman persisted. Only by giving citizens a budget which included all of the district's needs would taxpayers begin to realize "what it takes to fix campuses." She thought this strategy might take pressure off the school board. One trustee responded, "You can't put everything in the budget or people will say it's 'BS' and leave." The board president estimated that the woman's budget would require at least a ten cent tax increase to fund $500,000 of expenditures.

Honestly attempting to communicate with all citizens and to help the board, the taxpayer suggested printing the administration's budget proposal in the district's monthly newsletter. "Say this budget does not include roof repairs, new buses, and so forth," she said. Immediately a free-for-all discussion erupted across the room. The board's analysis of the budget proposal stopped. Just as the board president tried to turn the discussion to salaries, the citizen interrupted again:
I'm not criticizing what we've done. I'm horrified with what we have to work with. Is any other area (of the budget) as bad as maintenance? I see it's crucial. We're in trouble with general maintenance. So, maintenance is number one priority.

She went on to describe how students last spring had sat in one elementary's classrooms with buckets on their desks. The superintendent assured the woman that that building had been declared structurally sound by an architectural consulting firm in 1984. He agreed that the facility was cosmetically unappealing, but he promised it was safe. During the superintendent's comments, one administrator leaned over to another and said, "They're out to get rid of the superintendent."

When the trustees did not respond to her first suggestion, the woman suggested handing out copies of the budget proposal throughout the district. The business manager cautioned that this would cause confusion as the proposal was changed August 3 and 21. He urged everyone to wait until the proposal was as finalized as possible. "We've got to get information so people attend the budget workshops," the citizen said. The business manager countered, "The only thing they'll get excited about is the tax rate." The woman encouraged the board to allude to a tax rate to generate interest. The board president told her, "We have two reporters here.... I can't tell them what to write."

The superintendent advised trustees that they needed to consider a new telephone system for the district. "People are complaining that they can't get through on the phones. We need a switchboard. The rotary dial can't do what we need," he said. He also informed them that the state and federal governments would be forcing the district to spend more money on mainstreaming special education students.
The meeting concluded with the board president assuring the audience that the budget was only a proposal. She asked if anyone wished to comment. No one accepted her invitation. The trustees had succeeded in cutting almost half of the projected $226,392 deficit by slashing such items as $2,000 for grounds maintenance and $35,000 for transportation aides. However, everyone knew that the budget proposal had not contained all of the personnel requests from principals and department heads.

The 1989-90 budget debate/special board meeting/budget workshop--August 3, 1989

The first salvo of the tax abatement debate for the world’s first industrial airport began between a special meeting of School District A Board of Trustees and the third budget workshop. It was chaired by the board vice president and held in the middle school library.

The evening started quietly enough. During the public forum, a citizen listed the needs of her town’s elementary school. She asked that instructional materials such as projection screens and globes be included in the budget. She believed that items to brighten the classroom environment should be purchased by the school district. She questioned whether equity existed within the district regarding student and teacher materials. The lack of properly equipped classrooms, she believed, resulted in the loss of quality teachers. While recognizing the athletic department’s need for a washer and dryer, she begged trustees not to cut teachers or instructional programs.

The board adjourned into executive session for forty minutes. Unlike previous executive sessions which were held in an adjacent but
doorless classroom, this meeting was conducted in a conference room in another building. Besides the board and superintendent, representatives from the Century Airport Group were involved.

Before the trustees reconvened, the superintendent and the Century Airport Group returned. The five huddled head-to-head in deep discussion at the board table. Upon the trustees' return, they voted unanimously to accept the superintendent's resignation. He had taken a position with a much larger district which would pay him significantly more. He would leave the district on August 20, the vice president said. Then, the vice president invited the Century Airport Group to make its presentation regarding the tax abatement being sought. The board vice president explained that the corporation had not been allowed to make its presentation in executive session because the topic did not qualify under the Texas Open Meetings Act. The first speaker was an economist, hired by the Century Airport Group to forecast the airport's economic benefits to the school district and metropolitan area. He said that Century Airport "Gives you [the school district] a resource base to build and improve on what you already have." He complimented the district on its growth and compared its achievement test scores with other metropolitan school districts. He explained that Oklahoma City was also competing for one of Century Airport's largest and most promising tenants. He projected that in 1998 the School District A would receive $5.3 million, or 43 percent of its current operating budget, from the property taxes of Century Airport's "spin-off" industries and retail and residential developments. He noted that only .03 percent of the school district's property fell within the 202-acre abatement zone. The 202 acres would be occupied by Century Airport's prospective
anchor tenant. Giving a tax abatement to that anchor tenant would entice other firms to relocate manufacturing and distribution operations at Century Airport.

The great abatement debate had begun. One trustee asked why the district was being asked to abate 202 acres when the prospective tenant only required 200 acres. A Century Airport Group representative stated that two other tenant agreements were pending which he could not discuss. The trustee asked the representative, "What are you asking us to abate taxes on since the company will be leasing a building constructed with tax-exempt bonds?" The representative explained that the abatement freed equipment and inventory in the leased facility from being taxed by the district. Then, he said, "There are two competing sites. Here and Oklahoma City. There may not be any revenue if you don't give this abatement."

The corporate gauntlet had been dropped. The trustee looked the man squarely in the eye and said, "I may be a country boy, but nobody knows what tax we're giving up." The economist replied that it was an unknown because it would depend upon the value of the firm's equipment. Another trustee said, "I just think somebody has got to know. I know they know how much it will take to operate this facility."

After some discussion, another trustee told the Century Airport Group representative and the economist that she did not see how the district could serve an increased student enrollment in the time between the airport's development and the revenue generated by of ancillary industries. "We're not sure we can hang on if we grant the abatement," she said.

The I-may-be-a-country-boy trustee concurred. He told the Century Airport Group representative and the optimistic economist:
The 40,000 people you're bringing here scares the hell out of me. We can't fund the workers' kids who come in. I don't know how you can ask me to give up something when I don't know what I'm giving up. It might be enough to build a school to house the children that will be coming in. . . . I find it hard to believe that this man (the economist) can come out here with twenty-three pages of charts and can't tell me what we're giving up.

At this point, various members of the audience made their views known. One person said that the school district needed some immediate incentives from Century Airport and its prospective tenants rather than being asked to wait fifteen years for tax revenues to begin. Another citizen explained that he found the presentation "marvelous and exciting." Yet, it scared him because he did not know how the district could accommodate any more students. He, too, suggested that the corporations give immediate financial aid to the district in order to relieve the fiscal stress caused by sudden growth. Then, he asked Century Airport Group representatives if this was the first in a series of abatement requests. The creator of the project answered forthrightly: "It's possible we'll be back. It's up to the school district. I hope the budgetary problems you're experiencing now will be a thing of the past." The economist offered a curious insight. He told the audience that Century Airport's developers would help the district for purely selfish reasons. Otherwise, they could not develop the remaining 9,000 acres of land they owned in School District A.

At this point, the board vice president called a halt to the abatement discussion. He assured the public that all discussions would be made public just as tonight's had been. Century Airport Group representatives had hoped to make their presentation in the executive session not being familiar with the Open Records requirements by which school districts must abide.
Throughout the abatement debates of August 1989, the corporate executives learned about the pitfalls and challenges of operating in the public arena. They were not used to being challenged openly by John Q. Public. When the Century Airport Group representatives left, the superintendent joined them. The special board meeting continued.

The business manager explained to trustees that the budget had to be set before August 31 and that the tax rate had to be established as soon as possible thereafter. He presented trustees with information about the effective tax rate which had to be advertised in a newspaper. He recommended that the tax collection rate be set at 95 percent as it had been for the past two years. By August 28, this collection rate would be reduced to 92 percent. Turning from the tax rate, the board vice president moved to “do away with the lease on the superintendent’s car and to turn it back to the dealership.” The motion passed unanimously.

Finally, the budget workshop began with a presentation by the special education director. He requested the addition of a diagnostician and an aide at one of the elementaries. He offered alternatives for sharing an occupational therapist with another district. For himself and his secretary, he asked that their contracts be extended to twelve months. The superintendent explained that the severity level of the district’s special education students had increased markedly. Sensing that the special education director had not finalized all the necessary details of his presentation, the superintendent directed him to meet with the business manager, the personnel director, and the curriculum director first thing the next morning. Their task was to prioritize all the special education requests.
This budget workshop proceeded in a more orderly manner than the first one. The audience did not interrupt administrators’ presentations and trustees’ dialogue. Giving the audience the same handouts that the business manager and board were discussing relieved much confusion. But, the tranquility ended as trustees began firing questions about specific details in the budget proposal at the business manager: “Is $566,000 the total or has non-local been figured in?” “Of the $440,000 capital outlay cut last year, what was hurt?” The business manager responded to the bombardment with direct answers and phrases such as “I don’t know.” “I’ll find out.” and “I’ll come back to you with it.” “Help me understand what you’re asking.”

The superintendent tried to focus the trustees on four areas which could be cut: athletics, the per-student allotment for instructional supplies, capital outlay, and salaries. The discussion turned to salaries, but it quickly shifted to adding a teacher of the gifted and talented and an elementary guidance counselor to avoid falling further behind in the five-year plan. The personnel director interjected a new consideration: extending secretaries’ contract days. Currently, the secretaries worked the same days that teachers worked. “Not having secretaries is a real public relations problem for principals. No one is in their offices until the first day of school,” he explained. The high school principal described how his secretary had donated fifteen days of her own time in order to balance the year’s account books. Implementation of the Public Education Information Management System (PEIMS), the state’s computerized information bank, would require many additional hours to input student data in 1989-90. The personnel director warned trustees that having the secretaries donate time posed a legal problem. The district was violating federal law even if
principals granted compensatory time later. Federal guidelines dictated how hours above the forty-hour work week had to be handled. The district was not in compliance. The board vice president asked principals what they needed more: secretaries, a guidance counselor, nurses, or a pay raise for their teachers. An elementary principal answered: "It's hard to prioritize secretary, teacher, or counselor. I can type, but, I'm a high-paid secretary." When asked if one elementary guidance counselor would be of any value when assigned to all five elementaries, another principal responded, "It's a start. Granted, it's not what we need." The curriculum director cautioned both trustees and principals. "One counselor and five campuses? Without a doubt, the person won't stay. You'll need to be prepared to begin again and again until you're up to standard [a counselor on each campus]."

When given an opportunity, the athletic director said his number one priority--a dressing room--was not in the budget. Athletes now changed in the concession stand, He explained that running a tennis program without courts was a problem. "I'm no fool," he said. "I just want you to be aware of my needs." Empathizing with the athletic director, a principal added, "It's difficult to come to the board to ask for what we need. But, if we don't bring what's needed in programs to your attention, we're being remise. It's almost embarrassing to come before you to ask for materials." The board vice president assured the educators that they were appreciated and that the board expected them to speak up for "what you really need." He continued, "If that's what you really need, that's what we want to address and work on."
After hearing principals and other administrators apologize for bringing their requests to the board, the outspoken citizen of the July 20 meeting once again urged trustees to increase the tax rate as much as was needed. "If you don't go as far as you can go this year, what do we do with future cuts," she asked. A trustee informed the woman that not all taxpayers shared her views.

To redirect the board's focus, the business manager asked them to look toward 1990-91 when the district would lose another $400,000 in state funding. It was imperative, he believed, to increase the tax rate 7.9999 percent to avoid falling further behind than they already were. The board vice president chided the business manager for asking the board to decide on line items when he had not given them all the details. "We can sit and talk all night," he said, "but until we have figures we can't talk."

One trustee questioned why the district had not expended the entire budget for contracted services in 1988-89. "I know we're talking about minutiae, but everything counts," she said. Then, she started to initiate cuts unilaterally. She ordered the business manager to take out field trips which the administration had reinstated. As other board members discussed saving money by appointing an interim superintendent, she examined the computer printouts, looking for more cuts. She appeared very-task oriented and seemed to want to get the job done. Her random budget-cutting tenor infected other board members, and they began scouring the proposed budget for possible cuts. They eliminated the superintendent's annual car lease. The trustee, who was intent on making cuts, directed the business manager to reduce by half all extracurricular sponsor stipends. As earlier, she did not consult anyone else. Wielding her budget ax, she eliminated
hiring substitutes so teachers could take professional growth days. Another trustee sarcastically asked, "So, we're taking all professional growth out, so we're not professional?" The woman trustee retorted, "Remember, it's not sealed in concrete. I'd rather cut there than salaries." Next, she slashed the audio-visual budget in half. She suggested that the district provide its own professional growth training for its teachers as other districts do. Her cutting frenzy ended when she discovered that the teacher of the gifted and talented for kindergarten through fourth grade was not in the budget. "There's no reason it shouldn't be in the budget, but it's not. We have to have that to keep the program as it's set up," she said. Without discussion, the position was added at an estimated cost of $24,040.

Informally--almost casually--the trustees drifted into small groups of two and three. They ceased working as a body. As the meeting concluded, the cut-oriented trustee, who had taken the leadership role in the budgetary decision-making process, told the business manager, "Go ahead and add in and cut what we've said. Just simplify what you give us. We're just playing. Don't go to all that trouble." But before the session could end, she spied one more possible cut. Rather than a full-time custodian at one elementary, make the position a half-day job. The business manager pleaded, "Let me hold on to that, please. We haven't filled it yet. Right now, we have teachers cleaning bathrooms." Mercifully, the workshop ended at midnight.
For the superintendent, this was his final meeting as the district's official leader. The second salvo of the tax abatement debate brought out a crowd of over one hundred. Members of Citizens Supporting the Rollback attended the specially called board meeting which was held in the middle school library. The spokeswoman for Citizens Supporting the Rollback was overheard saying, "Sign up for the public forum. We're not lying down yet. I hate to give up this kind of industry. I think together we can work something out." The group made plans to meet at her house in the coming days. No formal position ever emerged from that group although a few of its members spoke in favor of granting the tax abatement.

All the corporate "top guns" were present not only from Century Airport Group but also its potential anchor tenant. Also in attendance were the assistant city manager and city council members of the large city to the south which had initiated the tax abatement incentive. Earlier that week, the Texas Speaker of the House had traveled to the district to talk with and put pressure on the district's trustees and administrators.

The public forum opened with a citizen speaking against granting the tax abatement. Next, city officials described how Century Airport was a once-in-a-lifetime opportunity to rejuvenate the economic life of the entire metropolitan area. They emphasized that luring the anchor tenant was not a "done deal." Century Airport was in stiff competition with another city. The state was working in cooperation with Century Airport to win the corporate nod. A constitutional amendment on the November ballot, if
passed, would allow all governmental entities to exempt in-transit goods from the state's inventory tax.

While the tax abatement controversy overshadowed most discussion of the 1989-90 budget and tax rate, the board set August 22 for the public hearing on its intent to raise the tax rate 7.9 percent. Questions would be noted at that time, and the board would respond to those questions on August 24. The local newspaper editor described how this question-and-delayed-answer approach had inflamed citizens the previous summer:

At one of those meetings (public hearings), they [the board] asked for written questions and said that they would respond to them at a later meeting that was scheduled a few days later. Understandably, that upset quite a few people who could make one meeting but not the other or wanted answers that night. That was probably a mistake that they made and probably wouldn't have had the rollback. . . . The situation wouldn't have been as fierce as it was.

When the meeting's focus returned to the tax abatement issue, a city councilman told trustees how the Century Airport project would expand the area's industrial base. It would relieve home owners of constantly-increasing property tax bills. Another councilman apologized to School District A for not having included it in the tax abatement talks earlier. He labeled that decision as one of the project's "biggest mistakes." A representative for the Century Airport Group told trustees that the state's governor had been instrumental in obtaining legislation which guaranteed $18.7 million for two interstate highway interchanges and frontage roads to the airport. Because the development firm owned 9,000 acres of land in the district, he explained that they had to sell lots of people. Most of prospective buyers asked about the various entities' tax rates. He indicated that taxable "spin-off" industries would enable the district to reduce its tax
rate in the future. That would benefit the Century Airport Group’s development plans.

The Century Airport Group representative described meetings his firm had already had with the superintendent. They had analyzed the district’s projected growth patterns, the quality of its school buildings, the need for computers, and teacher recruitment and retention challenges. "We must have within our development a mixture of homes, industry, and schools," he said. "We need the schools!"

The representative explained that he had shared the district’s information with the corporation’s chief executive officer (CEO) and chairman of the board. Wanting to be part of the district’s solution, he told trustees that a detailed plan of action must be developed cooperatively by the Century Airport Group and the district. He explained:

We can’t quantify the scope of your needs. What we need is a plan—a very specific plan—to move from where you are now to where you want to be. We believe if we work together, we can achieve both our goals. What we need is a plan because we will face the same questions when we face our next user [airport tenant]. We offer to work with you to develop a plan. You select a committee to interface with the Century Airport Group and the city. We will finance the overall study for what will happen here over the next five years . . . We’ll fund our fair share, but we can’t fund all of it . . . Unless everybody wins, nobody wins . . . We do not have all the answers. We do not have all the dollars. We will gladly participate in the solution, however.

After these presentations, the trustees began asking questions. One wanted to know what the abatement area included. The reply was 202 acres and an option on another seventy-five acres to attract the prospective anchor tenant. The board vice president challenged the request for the
seventy-five-acre option. He declared it was illegal because every abatement had to stand on its own merits and could not be sold with the land. The Century Airport Group representative explained that both properties were being sold to the same prospective anchor tenant. Then the I-may-be-just-a-country-boy trustee asked, "I'd like to know in cold-hearted dollars what that company is valued at so I can take my calculator and multiply that by a $1.35 tax rate. I can't believe the city proceeded and doesn't know what it's giving up."

When one of the anchor tenant's lawyers replied, "With abatement, you lose nothing," the audience became restless and hostile. Their emotions were heightened when the attorney added, "Because the facility will not be built [without the abatement]. The reason is that another city in another state has offered us tax abatement unequivocally."

The room was a buzz with conversations. Next, the attorney hired by the district to help the board and administration maneuver through the tax abatement legal maze asked, "If all the other entities [city and counties] grant abatements and School District A doesn't, will your company not build?" The corporate attorney responded, "Very strong possibility." At this point, five representatives of the Century Airport Group, their prospective anchor tenant, and the city delegation milled about the microphone. Each tried to explain how the tax abatement would benefit the district. They appeared besieged and unfamiliar with the open confrontation inherent in public meetings of governmental boards.

Once again the I-may-be-just-a-country-boy trustee asked: "What is the dollar value? I've debated back and forth. I'm not saying I'm against this thing. But, how much money are we talking about in three to eight
years or fifteen years or thirty years?" The anchor tenant's economic
development director said that they would provide him with an answer.

Somewhat disgusted, another trustee said, "We asked the Century Airport
Group to tell us tonight the amount specifically. . . . I'm confused on how
we can have bonds [municipal] and still have taxes." The board president
echoed her colleagues' frustration. "We've asked for figures. You said you'd
get figures. Can we have them earlier, and then present them to us
[formally] at the August 28 meeting?" The Century Airport Group promised
to work over the weekend to produce the requested information.

Once again, the I-may-be-just-a-country-boy trustee interjected his
concern: "I feel like I'm being asked to give up a hell of a lot of money that I
need. Somebody somewhere has got a figure." A city councilman
attempted to rescue the corporate representatives by explaining that they
were not used to speaking before governmental entities. "Through no fault
of their own," he said, "they don't always understand your questions."

The departing superintendent also tried to put the evening's debate
into perspective. He pointed out that the corporations, the city, and the
school district operated under distinct and different value systems. "Jobs
won't help us," he said. "The sales taxes won't help us. All we can count on
is property values."

The school district's legal counsel told the various delegations that
the school board was simply attempting to understand what benefits would
flow into the district if they granted the tax abatement. Their biggest
concern was the incurrence of a deficit, he explained. "They're seeking
information. They're trying to quantify their costs."
The board president, in an attempt to move the meeting's agenda forward, said, "Our bottom line is 'Can you get figures for us and tell us what we're going to lose?'" The superintendent recommended that the district immediately enter into a dialogue with the Century Airport Group. He insisted that District A be represented by legal counsel of its choice whose fees would be paid for by Century Airport. "We need this for the board and for our taxpayers," he said. A Century Airport Group representative replied, "I'll meet with anyone first thing tomorrow."

When the audience was invited to speak, the first citizen noted that the city was looking at the corporate anchor tenant as an investment and that the school district should also analyze it from this standpoint. A leader of Citizens Supporting the Rollback told the speakers, "You've not addressed how the other city's abatement would affect their schools." The economic development director of the prospective anchor tenant said, "We don't get involved in anything other than building a maintenance facility. Our decision is to run an airline and a maintenance facility." The executive's bottom line response did not please some in the audience.

Another citizen asked if the district could negotiate its own abatement deal, perhaps something less than the 100 percent abatement for a term of fifteen years. The board told him that was not legally possible. A city or county must initiate an abatement program and set the standards which other entities then may accept or reject. Along the same line, a citizen asked if the school district could establish criteria for abatements? "I recommend setting it high," he said, "so we know it gets that big before we give an abatement." The school district's attorney explained that the criteria set by the city, in this case, would remain in force for two years
unless three-fourths of the city council voted to change it. At 11:15 p.m.,
the special board meeting concluded.

After a fifteen-minute break, the board began its fourth budget
workshop. The business manager told trustees that he expected the fund
balance to exceed $2.1 million. "It's hard to nail down in August," he said.
The official audit would not be available until the December meeting.
Then, he explained that the newspaper advertisement, which announced
the August 17 public hearing on the district's intent to raise taxes, had
contained a decimal error. Therefore, the public hearing had to be reset for
August 22 and re-advertised.

The fourth budget workshop was the most intense of all. Again, the
woman trustee, who had swung the budget ax at the third workshop,
continued hacking. The board president started by telling trustees that
decisions on the teacher of the gifted and talented and special education
aide were urgently needed. The other personnel requests could wait, she
said. The business manager added that the decision whether or not to hire
a diagnostician also had to be made. According to the personnel director,
the aide could be a person reassigned from the present staff through
reassignments.

The budget-minded trustee interjected that after last week's cuts
only $43,000 remained to "play with." If a teacher of the gifted and talented
were hired, that would leave just $19,000 to cover all the district's other
needs. The business manager explained that the personnel director had
consulted with staff and had determined that an elementary guidance
counselor would be their second priority. The special education director
reminded trustees that the occupational therapist would cost $20,000. The
woman trustee, now quite frustrated with the futility of having so many needs and so few dollars, pointed out that added up to $39,000 "so, we're in the red." Attempting to refocus the board, the business manager outlined the staff's priorities: first, a teacher of the gifted and talented; second, a diagnostician; and, third, a special education aide. "Then, we've run out of money," he said. The elementary guidance counselor and English-as-second-language teacher, the staff suggested, could be deferred until 1990-91. The budget axer responded that if those two positions were delayed, the budget was just $46,000 in the hole. If they were added, the deficit would be over $100,000.

The personnel director reminded trustees that extra days had not been added for secretaries. The budget-conscious trustee noted that decision would cost the district $9,000. The board president suggested that more time be given to studying the secretarial situation rather than rushing into it. Determined to fight for the extension of secretarial contract days, the personnel director said:

I don't think it's rushing. It was needed five years ago. I worry about federal law. If we're not going to do it, we have to enforce with our principals not to let them [secretaries] volunteer. One person could cause a Fair Labor investigation. You can't let them take things [work] home with them either.

The business manager supported the personnel director, pointing out that "If one of them [secretaries] gets upset, we're in trouble. We need to address the problem." A trustee explained that he believed the principals' need for secretaries was imperative. "I don't know how we can do without it," he said.
As the secretarial debate moved from extension of their contracts to the need for a thorough classification study, the personnel director fired another volley. He told trustees that the superintendent had said the board needed to consider aligning administrators' pay with those of area districts. "Some of them are getting out of line, too."

These comments aroused the business manager who realized he might be directed to align the salaries of secretaries and administrators in just twelve days in addition to revising the budget proposal again. He suggested that such a project would take a great deal of time. If trustees wanted that kind of information, he needed to know by December so he could work on it throughout the spring. Changes needed to be proposed in the 1990-91 budget, not this one, he argued. The personnel director backed off, agreeing with the business manager. The board president concurred.

The business manager attempted to clarify other reasons for delaying salary studies and realignments. The analysis would have to be started in December because the personnel department begins recruiting and hiring as early as February. This comment piqued the analytical mind of a trustee. He described that, according to his research, 133 comparable districts out of 144 paid their teachers better than School District A. In the case of nurses, 7 out of 129 provided better compensation. The trustee did not identify his source.

Sensing that the trustees still might request a hasty salary analysis and restructuring, the business manager said:

If you're going to consider that, hurry up because it will take hours to put it in the computer. It's late in the game already. But, if that's on your minds for next year, the business office needs to know in
December. It definitely takes us time to come to you. It's rough, but it takes two to three months.

Again, the personnel director rescued the business manager by urging trustees to delay such a study until next year. Again, the board president concurred, saying, "I think the whole structure needs to be looked at, but that's not something we can do overnight."

Now the budget-axing trustee fired questions at the business manager. "Do we still have AV equipment in?" The business manager answered, "Yes, $7,000 worth." She quizzed him about the athletic department's washer and dryer. Those items, also, remained in the proposal. Then, the board president asked if the equipment could be purchased somehow without showing in the budget. The business manager explained that capital outlay could be paid for out of the fund balance. The board president thought out loud: "The washer and dryer and the AV equipment are basically one-time expenses where teachers are an on-going expense. I don't want to take the fund balance down in case we need a bus or portable buildings." The business manager said he appreciated her reluctance to pay for salaries out of the fund balance. Then, he calculated that the district could safely expend $85,000 from its fund balance.

"How does the board feel?" the board president asked. "It doesn't really change anything, but it lets us do a little more." Although the board did not respond, the business manager assured them that expending $85,000 from the fund balance was safe. "We'll make it work," he said.

Looking over the budget proposal, the board president attempted to bring closure to the workshop again. "I personally don't see where we can do any more cuts without being detrimental to the district," she said.
Oblivious to the salary study debate, the ax wielder announced that the budget was "bare bones." Nothing remained to be cut. Therefore, the board had no choice but to accept it.

The business manager praised the board for passing the state's $1,800 pay raise along to teachers. At this, the personnel director noted that auxiliary staff's salaries were the only area where cuts could yet be made. Quietly the board vice president walked over to work with the woman trustee who shared his proclivity for frugality. In the meantime, the board president reviewed the meeting's decisions. First, the board wanted to add a teacher of gifted and talented, a diagnostician, and a special education aide. Second, funding was included for an occupational therapist and a physical therapist if the special education director could split the costs with another district. Third, she reminded trustees that no consensus had been achieved on whether or not to extend secretaries' contract days.

The personnel director repeated that he could save the cost of the special education aide if allowed to make some administrative reassignments. The woman trustee nodded her assent but seemed quite stressed by the district's financial constraints. Then, she asked, "Is the remedial teacher more important than secretaries' days?" The business manager stated that the principals needed secretaries desperately. The budget slasher appeared to approve. "You can almost add the clerical for what you can do a teacher," she said.

Without warning, one trustee asked if anyone had considered cutting full-day kindergarten back to a half day. The business manager said it could not be done. The board vice president explained that the cost of mid-day transportation would annihilate any savings. Finally, the board
president exclaimed that it was too late. Teachers had been hired. Students had been enrolled. Parents had been notified.

Then, the analytical trustee turned his attention to the superintendent's salary. If an interim superintendent were appointed for one year, the board could eliminate that line item. The business manager explained how that would be a false savings because the expenditure would have to be re-entered in the 1990-91 budget. In addition, the amount it saved would provide the district with a cushion in case it needed funds unexpectedly.

The board vice president announced that he and the budget-cutting trustee had calculated that a $100,000 deficit now existed in the revised budget proposal. That figure did not include the elementary guidance counselor. The board president, thinking that debate had ended earlier, replied, “Is one sufficient? They’re never on the campus when needed. I’d rather wait until we can put two [in the budget], so we’re a little more covered.”

At this point, the board vice president announced that he would rather fund a remedial teacher. Then, if the average daily attendance figure promised increased state funding, they could add other teachers and extend the secretaries’ contract days. The trustee who had suggested cutting kindergarten to one-half day appeared to tune out all discussion at this point. The board president suggested waiting until January to decide whether or not to hire an elementary guidance counselor.

Tired and frustrated, the one who had suggested cutting kindergarten, said, “I don’t understand. I have to go to school. I don’t have any facts. I can’t talk without facts.” The business manager explained that
the $43,000 in cuts that he had outlined at the very beginning of the workshop were included on the trustee's handout. Looking at the rest of the board, he advised them that some of the items they had asked to be financed with fund balance monies might not qualify. Some might have to come from the maintenance and operation budget. Some might be paid for with the Capital Acquisition Program's low-interest personal property fund. The budget axer explained, "What we're trying to do is make the red not look so bad."

Wanting to find something else to cut, the frustrated, analytical trustee suggested cutting the campus per-student allotment back by five dollars to what it had been in 1989-90. The business manager reacted firmly. He explained that campus per capita allotment had to remain because campuses desperately needed instructional materials which they had deferred purchasing because of last year's cuts.

As the trustees continued to suggest cuts, the business manager noted, "You're going to handcuff us to a point that if we need something we won't have the money." The analytical trustee then asked, "Is what you're saying 'Leave it in and go with a negative budget?'" "Yes," said the board president. "Instead of deleting, you just add."

Once again the business manager attempted to end the budget workshop by outlining the original $43,000 of cuts and the board's additions. Exasperated with the futility of finding further line items to cut, the woman trustee told the business manager, "We [she and the vice president] don't want to go over $100,000. No more. Set priorities. Is that agreeable?" The business manager agreed, but not one board member responded to the proposal.
Finally, the board president turned to the business manager and told him, "Sitting here tonight, there's no way we can work this out. You need to do it." He replied, "I will. In the last few days, we can make some minor changes. But, the bulk needs to be done." Mercifully, the meeting ended at 1 a.m.

Special board meeting—August 21, 1989

Trustees met briefly to name an interim superintendent. From the ranks of staff, they selected the administrative assistant who handled personnel and public relations while supervising the district's contracted commercial food service operation. Despite his varied duties, he was most commonly referred to as the district's personnel director in public meetings and media reports.

Public hearing on tax rate—August 22, 1989

This was the former personnel director's first meeting as interim superintendent. Besides school personnel, fifteen to twenty citizens attended the public hearing on the district's intent to raise the tax rate by 7.9 percent. Compared to the third and fourth budget workshops and the tax abatement debate, the public hearing was brief. Only four citizens signed up to address trustees.

A member of Citizens Supporting the Rollback asked the board to outline cuts in state funding over the past five years. But, then, he turned to the abatement issue. "There are more irate people than this crowd reflects," he said. Then he urged the board and citizens to unite and fight the state
which had made continual funding cuts while collaborating with corporations on tax breaks.

A woman from the western part of the district described space problems at the district's newest elementary school. "We're converting closets into classrooms," she said. "We're converting cafeteria into gymnasium space on bad weather days." As some students played, she told of others trying to eat. Finally, she worried aloud about Century Airport bringing more people into the area than the district could accommodate. In her opinion, neither Century Airport nor its prospective anchor tenant would be an asset to the district.

Another patron attacked the tax abatement and the state for its education funding cuts. He explained how he had favored the rollback election last year. Although the rollback referendum had been defeated, he saw no tangible improvements in the district's schools, football, or buses during the 1988-89 school year. "It's not our fault," he said. "It's the state's fault."

The fourth speaker asked what fund balance level the state recommended. The business manager explained that it took $1 million to operate the district each month. On August 1, the fund balance totaled $2.2 million, but the district needed at least a three-month fund balance cushion to protect it from catastrophic events and to pay bills until state funding arrived in October and tax revenues began flowing into the district between November through January. The man expressed frustration with the budget format. He said, "I can't read the budget. I don't understand it" His bottom line question was whether or not the district had enough money on hand to open its schools?
In reality, the man's frustration centered on the tax abatement request, not the 1989-90 budget. He worried that the board would make its tax abatement decisions in executive session. He was concerned that the corporate executives and lawyers would trample them. The entire tax abatement issue angered him:

That city didn't know we existed until this airport. We can't afford to play politics with them, with Century Airport, and their anchor tenant. I don't believe Century Airport will offer us anything substantial. We walk this tightrope. These people come out here and shake our tightrope, but they don't bring a net.

When the board president asked if anyone else wished to address the tax rate increases, no one responded. She reminded the audience that August 25 was the appropriate time to talk about the tax abatement. She complimented one reporter who had written a column entitled, “Century Airport 'feather' could break District A's back.” He had urged the board to hold out for concessions from the corporations.

Special board meeting; tax abatement hearing—August 25, 1989

A crowd of almost 400 gathered in the high school cafeteria to hear a presentation by the Century Airport Group’s CEO/board chairman. He was accompanied by representatives of the prospective anchor tenant. Armed with an enticing proposal, he hoped to win over not just the school board but also the taxpayers of School District A. The proposal had been drafted after hours of meetings with a three-member board committee, chaired by the board president. The executive believed that the trustees had identified the types of interim relief the district needed until taxable spin-off industries surrounding Century Airport developed. In return, he
sought the board’s nod on a one hundred percent tax abatement for a term of fifteen years on 202 acres of Century Airport property.

The proposals he submitted to the board and public for the first time included the following:

1. A $440,000 grant that the district could use to reduce the tax rate increase below the proposed 7.9 percent.

2. A $20,000 grant for the board to hire a superintendent search firm which would conduct a national head-hunting effort.

3. The donation of a fifteen-acre school site from the property owned by the Century Airport Group.

While some in the audience favored the tax abatement as long as the corporations helped the district, another held a petition containing the signatures of 157 citizens who opposed it. The petition drive coordinator said, “A 100-percent abatement is out of the question, totally and absolutely out of the question.”

During the session, the school attorney advised trustees of their options. They could approve the abatement. This would result in a corporate donation of much-needed revenue and land. They could deny the request. If they chose the latter course, he outlined potential consequences. The legislature, which had the power to alter school boundaries, could de-annex Century Airport from School District A and place it in another district. He explained that the urgency of the corporation’s request resulted from a new law which would limit the maximum abatement term from fifteen to ten years. The law became effective on September 1, 1989. The board’s failure to decide before that deadline could cause the anchor tenant
to locate elsewhere. That would severely damage the ability of Century Airport to attract other corporate tenants and, in turn, the district’s tax base.

The Products of the Budgetary Decision-Making Process

*Tax Abatement Vote—August 28, 1989*

The abatement debate had sparkled a great deal of print and electronic media coverage. It was the top item on the board’s monthly agenda. The entire metropolitan area knew that School District A was doing battle with corporate America. Letters to the editors had provided a public forum where citizens aired their feelings, both pro and con. A metropolitan newspaper had carried an editorial entitled “Century Airport abatements: Grant should persuade school district” the day before in its Sunday edition. The editorial empathized with the district’s concerns and called them valid. It noted that tax abatement questions had arrived at a most inopportune time, yet trustees were encouraged to view the long-range benefits to the entire region rather than the district’s short-term difficulties of housing students. District A’s school board was urged to grasp the proposal the Century Airport Group had put on the table two days earlier and grant the abatement. The editorial writer did not realize, however, that intense negotiations had continued throughout the weekend in preparation for the Monday evening board meeting.

The business manager explained later that the Century Airport Group had not presented district officials with a copy of the August 25 proposal until the CEO/board chairman read it at the public hearing meeting. While it appeared attractive, the inclusion of $20,000 to conduct a national
superintendent's search had infuriated some administrative staff, the business manager said. The administrators and the board committee had told the Century Airport Group, "Thanks, but no thanks!" to that offer. To school officials, the superintendent search proposal had inferred that no administrator within the district possessed the skills and expertise to lead School District A. They worried that the public sensed the Century Airport Group's perception. After a round of private apologies, the proposition was quietly dropped; however, the $20,000 remained in the package.

More than four hundred people crowded the high school cafeteria for the regular board meeting on August 28. Taxpayers, area mayors, county commissioners, the anchor tenant's legal staff, the economist, the Century Airport Group's CEO/board chairman, and staff clustered in small groups about the room. Their tailored suits, styled haircuts, and designer briefcases differentiated them from the district's patrons and others in the audience. Television crews positioned their cameras. Radio journalists plugged into their stations to report live from the scene. Newspaper reporters scribbled pages of notes. The audience's mood seemed receptive which was a 180-degree turn from what it had been just three days earlier at the public hearing on the tax abatement. Applause came easily for these spectators. Later, a school administrator said that the Century Airport Group had instructed its employees to bring their families to the meeting. The room, therefore, had been packed with some who did not even reside in the district. Yet, their future employment depended on the tax abatement proposal winning the board's approval. Whether or not this was true could not be confirmed.
At the outset, several trustees expressed their views about the potential benefits Century Airport offered the area and the district. The trustee, who preferred to deal only with hard, cold facts at the budget workshops, explained that the Century Airport Group had "established their credibility" with the board. He perceived they were as concerned about the district's immediate growth and Century Airport's impact on School District A. Turning to the audience and his fellow trustees, he thanked them for their calls, letters, and opinions. He said:

We believe Century Airport will be an outstanding corporate neighbor. They've shown us they'll go overboard to help us have an excellent school district. They'll help us over the three-year hump. Our greatest concern was bankrupting this district. We will pull together to make us a model school district.

He told the Century Airport Group that money was not all the district needed. It also required their support when the state legislature debated a new school funding formula in the spring of 1990.

The board vice president, who had chaired the trustees' three-member negotiating team during the past two weeks, told patrons that the district needed to broaden its tax base. "I believe we need to give this anchor tenant the chance to start the future for the district," he said. Another trustee thanked patrons for the helping manner in which they had approached him throughout the abatement controversy. From a prepared statement, he read, "It [the abatement] may be good. It's a gamble. I'm not a gambler when it comes to kids."

The Century Airport Group CEO/board chairman stepped to the podium. To everyone's surprise, he offered the district a $1.6 million package in return for approval of the abatement. It was three times the size
of the first proposal on August 25. It appeared that the board team had negotiated well. The offer included a grant of $650,000 in 1989-90, $450,000 in 1990-91, and $250,000 in 1991-92. Also, the corporation would invest $50,000 for a study to identify the district's problems and solutions. It would be up to the district to select the consulting firm to lead the study. Recognizing the district's personnel difficulties, the Century Airport Group would help establish programs of merit recognition for teachers and implement teacher retention strategies. Finally, the corporation would give the district a mutually acceptable fifteen-acre school site. The property would have access to a public road and utilities. No mention was made of the nationwide superintendent search. The CEO/board chairman later told reporters, "We've put enough money in to get the machine started. We do not want to hurt this school district."

As patrons stepped to the microphone before the vote, it was clear that the magnitude of the Century Airport Group's offer had been understood. A resident of Portiuncula and a leader of Citizens Accepting a Role in Education said, "I think it made people feel a little bit better." Another member of the group, who had consulted an attorney about getting an injunction if the abatement had been approved, told the board he had dropped the idea because the Century Airport Group had shown its commitment to the district.

Next the board began a series of votes to approve the tax abatement. Each one passed unanimously. Each time the board voted to approve a resolution, a large number of people in the audience departed. Some in anger. Some in relief. Some noncommittal. Reporters and camera crews intercepted several for comments.
The board's first act was the passage of a resolution allowing the district to participate in tax abatement programs in accordance with Texas' Property Redevelopment and Tax Abatement Act. The act was codified in the Texas Local Tax Code as Sections 312.201 through 312.209. Requests would be reviewed on a case-by-case basis. Only those of at least $50 million in improvements would be considered. The resolution allowed the district to be a "full participant" in all future abatement negotiations. Never again, trustees hoped, would they be brought in at the end of the process. Instead, they would be instrumental in forging each abatement's terms.

Next, the board passed three resolutions to participate in the tax abatement process with the city, the Century Airport Group, and the anchor tenant according to terms arranged by the city and the Century Airport Group. The first involved Tract Number 1, which consisted of approximately 157 acres. The second referred to the forty-four-acres in Tract Number 2. The third tract encompassed seventy-four acres.

The whole process took about fifteen minutes as the school attorney explained each resolution, as much for the audience and media as the trustees. Each resolution received unanimous approval. No discussion preceded any of the votes. Trustees had debated the issue throughout July and August. The board voted unanimously to approve the Century Airport Group's financial assistance of $1.6 million. Before recessing the meeting, the board president told the audience and media, "It has been hard weighing all the advantages and opportunities. I hope you'll all stand by us." Quickly each entities' lawyers surrounded the board table to obtain the necessary signatures of all parties. A mood of victory seemed evident on all sides.
Finally, the great abatement debate had ended. Somehow the importance of the 1989-90 budget and tax rate had faded by comparison. Two days later a metropolitan paper printed an editorial entitled "David 1, Goliath 1: Abatement decision good for everyone." It explained that both sides had won. Each had played hardball, but together the Century Airport Group, the anchor tenant, and School District A had opened the way for the entire area's economic rebirth.

Special Board Meeting/Tax Rate Vote—September 5, 1989

What a difference a year had made. School District A had survived a rollback referendum and successfully gone head-to-head with corporate giants, their metropolitan neighbor, state officials, and county commissioners. The winners in the tax abatement decision, trustees and administrators believed, would ultimately be the district's taxpayers and students.

At the start of the public hearing on the intent to raise the tax rate 7.9 percent, the business manager reviewed the following information for the board and audience:

1. The 1989-90 effective tax rate of $1.2511 would generate $7,578,053.

2. A penny would generate $59,589, which was a statistic taken from the Effective Tax Report for the county appraisal district dated July 25, 1989. Because the district's tax collection percentage had been adjusted downward from 95 percent to 92 percent, the district would realize $54,822 for each penny of the tax rate.
3. The effective maintenance and operation tax rate was 7.9 percent times the $1.0296 which equalled 8.13¢ which, in turn, equaled a $1.1110 maintenance and operation tax rate. When that rate was combined with the interest and sinking fund tax rate of 18.86¢, the 1989-90 tax rate totaled $1.2996.


5. The estimated revenues for 1989-90 with the 7.9 percent tax rate hike totaled $12,602,067.

6. The estimated expenditures for the year amounted to $12,699,735.

7. Therefore, the projected budget deficit equaled $97,668.

Armed with this information and the $1.6 million grant from the Century Airport Group, six trustees brought differing opinions to the 1989-90 tax rate decision-making process. Those who favored reducing the proposed tax rate by five cents had argued that $304,000 of the Century Airport Group's first-year grant of $650,000 should go toward the reduction of the district's interest and sinking fund. That would leave $345,000 for investments and future uses.

Prior to the corporate donation, the business manager had built a budget based on a tax rate of $1.3496 per $100 valuation. He advised trustees against using the corporate grant because it would create an artificially low tax rate which would ricochet back on taxpayers next year. The budget-slashing trustee agreed with him. She explained that while the Century Airport Group's first proposal had suggested using the money to reduce this year's tax rate, the $1.6 million grant made no reference to that approach. She believed citizens wanted the board to purchase tangible
items that they could see in their schools. Turning to the audience, she said, "You're not going to get an additional item or new equipment. You're not getting anything extra for the reduction of the tax rate."

When a motion to set the tax rate at $1.3496 failed two-to-four, the board approved the reduced tax rate of $1.2996 by a four-to-two vote. The remaining portion of the grant was to be invested to help ease the anticipated student growth. The board voted four to one to purchase the much talked about computer graphics equipment for the high school. Its cost totaled $13,505.

Epilogue to the 1989-90 Budget: Abatement Debates

The board seemed to relax after the intense battles of July, August, and September. At its September 25 meeting, the board hired personnel for two budgeted positions: a special education teacher and a part-time physical therapist. In addition, they purchased a fifteen-seat, air-conditioned special education bus for $26,629. Money for the bus came from the district's Capital Acquisition Program personal property account, a low-interest loan from the Texas School Services Foundation which the district had reinvested at a higher interest rate.

On October 16, a forum conducted by the Education Awareness Committee attracted one hundred participants. The group determined that the district's major needs included the following: (1) new buildings—primarily three elementaries, a new high school, and adequate facilities for instruction, food service, and physical education; (2) a bond program;
elementary guidance counselors; (4) vocational-technological courses at the middle and high schools; (5) a nurse at each campus; (6) a principal for each school; (7) expanded computer programs at all levels; and, (8) increased course offerings in science and foreign language at the middle and high schools.

In his welcoming remarks, the interim superintendent set the forum’s tone by telling patrons that “We think we have a very excellent school district, and are very pleased with what our teachers are doing and what our students are accomplishing... We feel we are at the point in the history of this district to begin to solve our problems.” Before participants departed, he reminded them that the district’s problems could only be solved if everyone worked for the good of the entire school district, not just their individual communities.

In November, the board president began serving on the newly-formed Tax Incentives Committee, which was formed by the city which had initiated the Century Airport abatement criteria. At a special board meeting, November 14, she asked for her colleagues’ opinions. The woman trustee who had slashed the budget in August and then opposed reducing the tax rate by five cents said, “I don’t want the city or anyone else to think we’re in agreement with tax abatements.” Other trustees concurred that they were not open to granting tax abatements to whomever “comes along.” Two days later, the board president joined a county judge and the city’s mayor to break ground for the anchor tenant’s $400-million facility. District A High School’s band played the national anthem and state song.

At its November 27 meeting, the board approved ordering four seventy-two-passenger school buses at an estimated cost of $160,000. The
buses would not arrive until August 1990. They amended the 1989-90 budget by $21,140 to increase nurses' salaries and add an elementary nurse. For one of the older elementary buildings, $13,000 from the Capital Acquisition Program personal property fund was used to purchase a public address system.

On December 11, just five days before the first aircraft landed at Century Airport, School District A Board of Trustees unanimously rejected a request from the anchor tenant and the Century Airport Group to exempt taxes on "freeport" goods in 1990. "Freeport" property includes goods, merchandise, certain aircraft, and aircraft parts detained in the state for 175 days or less for purposes of assembling, manufacturing, processing, or fabrication. The decision had to be made prior to January 1, 1990. The exemption would have cost the district $6,000. More important, once the freeport exemption was given it could never be revoked, according to state law.

Prior to 1990, school boards did not have to vote on the freeport exemption because goods were automatically taxed. On November 7, 1989, however, Texas voters approved a constitutional amendment allowing governmental entities to waive those taxes for the sake of economic development. For the time being, School District A's Board believed that it had contributed enough to the state's and area's economic future.

At that same meeting, the board voted four to three to spend $13,922 to install a sprinkler system and sod the high school football field. Without the victories during the fall, this improvement would not have been possible. Finally, a superintendent search consultant was hired for $4,800, which was $15,200 less than the Century Airport Group had allocated for a
head-hunting firm. Before the meeting ended, trustees learned that the district’s fund balance stood at $2,692,203 compared to $2,280,122 in December 1988.

Summary

School District A is a district-in-waiting. It is waiting for its tax base to grow as it surely will. It is waiting for its citizens to support several bond elections so that its facilities can be renovated and others constructed. It is waiting for a sense of community to develop which would cause patrons to recognize the needs of the whole district rather than those of their own small communities. It is waiting for a new superintendent to be hired. It is waiting for a planned, on-going, two-way communications program to be initiated.

Realizing all that lay ahead, the administration and school board have begun to exercise more control over their budgetary decision-making process. They look forward to the results of the Century Airport Group-funded $50,000 comprehensive needs assessment of their district. Based on its results and the often-deferred goals of their five-year plan, the board anticipates having the latitude to make significant decisions which will improve the instructional programs of their district. Rather than barely being able to do what is required, they look forward to opportunities to debate the benefits of alternative programs for students and incentives for employees. Consequently, the trustees of School District A will likely approach their decision-making in a much more rational and planned manner. The tax base will develop slowly to support the district’s five-year plan. Over the next three years, the board and administration must
carefully invest what remains of the Century Airport Group's $1.6-million grant.

School District B

Setting

In 1988-89, School District B enrolled 4,800 students. The district had posted an annual growth rate of 8 percent from 1975-76 until 1987-88 when it grew by 10 percent. Its rapid growth was reflected in a 42.9 percent change in student enrollment between 1983-84 and 1987-88.

School District B’s facilities included four elementaries for kindergarten through fourth grade, one intermediate school for fifth and sixth grade, one middle school for seventh and eighth grade, and one senior high school for ninth through twelfth grade. Two of the elementary schools had been built since 1984. Another elementary was scheduled to open in September 1990.

Sixty-five percent of School District B’s students rode to and from school on buses. Sixty bus routes criss-crossed the 254-square-mile school district. While located primarily in one county, its boundaries included a small portion of an adjacent county. This fact angered some pro-rollback leaders who believed they were being forced to educate students who rightfully did not belong in their school district. These taxpayers could not be made to understand that school district boundaries were not contiguous with either city or county boundaries.

According to fall 1988 Texas Education Agency reports, the ethnic composition of School District B consisted of the following: 93.4 percent
Anglo, .4 percent African-American, 5 percent Hispanic, .9 percent Asian, and .4 percent American Indian. Seventeen percent of the district's students qualified for the free- and reduced-meals program, according to a March 1989 report.

Seventy-eight percent of School District B's graduates planned to attend college. In 1988-89, the district graduated 265 seniors. In 1987-88, the average administrator's salary was $34,499 while the average teacher's salary totaled $23,295. The district's taxable value per pupil was $215,906. State funding for each student amounted to $1,401.

According to a Texas Education Agency report, the district portion of state funding in 1988-89 decreased by $266. Therefore, School District B received $1,135 per student in 1988-89. Its revenue sources included the following: 33.8 percent, local taxes; 10.1 percent, other local and intermediate funding; 56.1 percent, state funding; and, no federal funding.

The city, whose population numbered approximately 5,000 in 1989, served as the county seat. In 1960, the community had been a sleepy little county seat on the edge of West Texas. Unpaved roads cut across farm and ranch land. Only 6,000 people called the area home. Its glory days of King Cotton were long forgotten. The boarded-up windows of buildings on the square reminded citizens of a more prosperous time. The city's oldest bank refused to relocate because its president feared that its departure would lead to the total decay of the once-bustling courthouse square. Victorian homes, fallen into disrepair, gave proof that the community once had been a thriving community.

In 1969 the community's fortunes changed with the opening of Alvernia Lake. Along the giant reservoir's 103-mile shoreline, more than
140 subdivisions were created between 1969 and 1989. From 1970 to 1980, the county's population soared from 8,841 to 17,714. Between 1980 and 1988, the county's population climbed 71 percent, according to the Texas Department of Commerce. In 1989, the Alvernia Lake Area Chamber of Commerce estimated the county's population at 35,000 to 40,000, making it Texas' second fastest growing county.

The thirty-four-mile long reservoir rejuvenated the business community and expanded the school district's tax base. At the same time, Alvernia Lake's housing developments meant more students for the school district. Tourism became the county's number one industry. In 1984, the county ranked 110th among Texas counties in tourism. It had climbed to 67th in 1986. By the late 1980s, visitors pumped $21 million into the local economy each year. Agriculture ranked as the county's second leading industry in 1988.

Ten miles from town, a nuclear power plant was being built. Begun in 1974, the plant employed 9,000 construction workers and engineers. When fully operable in the early 1990s, the facility projected an operating force of 2,000. Because of the decline in the plant's number of employees, some pro-rollback leaders, rejecting demographic projections, prepared for the 1989 bond election. While those statistics indicated that student enrollment would continue to climb in the 1990s, the pro-rollback advocates asked for school officials to delay building any schools for at least two years, until 1991. The bond election passed with 2,221 voting for it and 1,552 voting against it. Of the county's registered voters, 27 percent cast their ballots in the 1989 bond election. Voters continued a tradition of always approving School District B's bond proposals. This victory occurred
one year and two days after citizens had rolled back School District B's tax rate by twenty cents.

During the 1970s and early 1980s, home builders were kept busy constructing second homes for weekend visitors, permanent homes for retired professionals and ex-military personnel, and condominiums for vacationers. Several large retirement communities offered clubhouses, golf courses, tennis courts, and easy access to Alvernia Lake. While their residents shopped in town, most had little need or desire to become involved with its public schools or its city government. Because most were newcomers to the area and many were from out-of-state, few had grandchildren in the schools. Many felt that they had reared their children and paid their dues as far as school taxes were concerned. Therefore, when School District B announced plans to increase the tax rate by 26.33 percent, senior citizens rallied around pro-rollback proponents. In the largest voter turnout in the county's history, the February 1988 rollback election passed with 2,490 voting for the tax limitation and 2,106 voting against it. Thirty-two percent of the registered voters went to the polls. The election's outcome shocked pro- and anti-rollback proponents alike because citizens had always supported their school district at the ballot box.

According to 1988-89 appraisal district data, property in School District B had been placed on the tax rolls at 93 percent of its full market value. Its maintenance and operations tax rate was seventy cents; its debt service tax rate, twenty-five cents. Its total 1987-88 tax rate per $100 valuation was ninety-five cents. With the rollback's passage, the district's 1988-89 tax rate dropped to sixty-nine cents. The maintenance and operation tax rate amounted to 44.7\(^\circ\) while the interest and sinking tax rate
toted 24.53¢. To balance the books, school officials not only cut the budget but also used over one million dollars of the district's fund balance.

The Rollback Election

On September 3, 1987, the School District B Board of Trustees voted six to one to increase the tax rate from seventy-five cents to ninety-five cents per $100 assessed valuation. That represented a 26.33 percent tax hike above the tax rollback rate level. The one negative vote was cast by a trustee who feared a rollback election. He suggested that spreading the increase over two years might be more palatable to taxpayers.

One week prior to setting the tax rate, the school board held a public hearing. Approximately 150 citizens, including teachers, attended. The crowd appeared split over the tax rate issue. Opponents of the increase threatened to call for a rollback election. Within twenty days of the board's decision to raise the tax rate, the pro-rollback forces launched a petition drive. They anticipated collecting between 6,000 and 8,000 names. When the group's leader presented the rollback petition to trustees on November 17, 1987, he estimated that 4,000 individuals had signed. However, when the board met December 7 to call the rollback election, the superintendent announced that 1,577 of the 1,784 names listed had been verified as eligible petitioners. The rollback election was set for February 1988.

Years of conservative budgetary decision-making led to the predicament in which the new superintendent, the school board, and taxpayers found themselves when the rollback election passed two months later. Fifty-four percent of the voters favored rolling back the school district's tax rate.
Walking into the fiscal maelstrom on July 1, 1988, was the district's new superintendent. He followed a man who had guided the district for seventeen years. His predecessor had allowed tax base growth to compensate for the costs of increasing student enrollment. The former superintendent had operated under a no-tax-increase philosophy. Once when trustees indicated they would increase the tax rate, the superintendent had threatened to resign. The board backed away from its proposal and the superintendent stayed. As a result, School District B's tax rate was well below the state average.

Because his predecessor had exercised absolute control over the budgetary decision-making process, the new superintendent quickly discovered that his principals and central office staff had no experience at developing their school and departmental budgets. They were used to being given budgets by the previous superintendent and had learned to operate within the amounts allocated. Dealing with the aftermath of seventeen years of paternalistic budgetary decision-making frustrated the new superintendent. He did not have enough time to teach his staff how to design a budget. They could offer him little advise. At the same time, he was working hard to establish his credibility with the board and the community. Like it or not, he had to generate the entire 1987-88 budget on his own in less than two months.

When the former superintendent had become seriously ill, the school board had been forced to create the 1986-87 budget on its own. By year's end, trustees recognized they had under-budgeted $600,000. Prior to the veteran superintendent's being incapacitated, trustees had accepted whatever he recommended. Therefore, the seven trustees empathized with
their new superintendent as he struggled to generate a fiscally sound and instructionally solid budget for 1987-88. He had to contend with the following external factors:

1. The community had indicated in numerous focus groups that they wanted a superintendent with expertise in curriculum and instruction. Their previous superintendent of seventeen years had been fiscally astute but lacked a strong instructional orientation.

2. Teachers' salaries were not competitive with those of neighboring districts and had to be raised to retain current staff and attract quality applicants.

3. The district averaged an 8 percent growth rate each year, since 1975-76. Data had not indicate that the district would experience a 10 percent enrollment jump in 1987-88, which would strain the budget. Compounding the growth challenge was the state-mandated twenty-two-to-one student-teacher ratio in kindergarten through fourth grade. Additional classrooms were needed.

4. State-mandated programs for pre-kindergarteners, at-risk students, and the gifted and talented had to be implemented.

5. The district was opening a new elementary school which required staff, materials, supplies, and utilities.

6. The district had underbudgeted in 1986-87 by $600,000.

7. The district continued to lose state funding because its tax rate had not yet reached the average state tax rate.

Before finalizing his budget proposal, the new superintendent won trustees approval at the July 21, 1987, board meeting to start transition classes between kindergarten and first grade, to grant teachers an
across-the-board $1,000 pay raise, to increase salary supplements for University Interscholastic League academic coaches, and to purchase $50,245 worth of IBM computer equipment for the "Writing to Read" program for primary students.

On August 6, 1987, trustees agreed to launch the district's first elementary art program. It targeted fifth and sixth graders. When the local newspaper reported this story, readers also learned that the new superintendent was considering a ten cent tax rate increase. Though details were not given, the superintendent suggested that two factors were driving his tax hike recommendation: loss of state funding and a new teacher salary schedule.

Nine days later, the local newspaper reported that the superintendent had revised upward his proposed tax rate increase. Now it was twenty cents. As subscribers learned that the tax rate might climb from 75 cents to 95 cents per $100 valuation, they read that the school district faced a potential rollback election if the 26.33 percent increase above the tax rollback rate level were approved by the school board.

As taxpayers became aware of the impending proposal, the superintendent received input from some of those who vowed to oppose the tax increase. A real estate agent, who later became one of the pro-rollback leaders, visited with the superintendent. He offered to work with him to reduce the budget, but the superintendent stood firm. To move the district forward, the budget proposal had to be approved. The irate taxpayer said he told the new superintendent, "Cowboy, you're making a mistake this time because you're not going to do this. Now, that's all I'm going to tell you. We're going head-to-head." The battle lines were being drawn.
Eight citizens formed an anti-rollback group called CARE (Citizens Against Rollback Elections) in mid-December. Its president had retired from the school board the previous year. The others were recognized and highly involved community leaders. The chairman said, "We had a meeting to see if we could stop this rollback situation 'cause it sounded like the worst thing in the world to me at that time." Later he decided that selecting only influential individuals to serve on the anti-rollback committee had been a mistake. Faced with the same situation again, the chairman said he would include opinion leaders from the blue-collar ranks and people who met each day at the local coffee shops.

When he announced formation of Citizens Against Rollback Elections, he explained that its campaign would be based on fact rather than personal attacks. He believed that citizens needed to run the entire campaign so that educators could operate the district. He explained:

I was just off of the board, and I had deep feelings for these people that were on the board. So, they asked me down there [and] said we can get all the teachers and the kids to working. I said, "Wait just a minute. If I'm going to be the chairman of this, I want the teachers to teach... to do their job... and let the citizens get out here and do this." I wanted to keep as much out of the schools as I could. I didn't want to interfere with the students getting a good education and the teachers doing their job.

The anti-rollback committee planned to make presentations to civic organizations, churches, and subdivision associations. The group met December 17, 1987, to begin formalizing their campaign strategies.

Citizens Against Rollback Elections collected donations to publish and mail a brochure to registered voters. While urging voters to vote "against" a rollback, it outlined the impact of the tax limitation. First, financial
instability would occur. Within one year, the district would lose $1.4 million in local revenue. Simultaneously, it would incur additional costs because of student growth and state-mandated programs. Second, regaining financial stability would take years of substantial tax rate increases. Third, teachers', students', parents', and the community's morale and pride would be damaged. Third, School District B would not be as attractive to new residents, businesses, and industry. In turn, property values would decline. Finally, the district would be underfunded to such an extent that students would receive fewer educational opportunities.

The over-sixty-five Homestead Exemption was explained so that taxpayers who qualified understood that the taxes on their homesteads were frozen. The owners of $60,000 homes, who did not qualify for the over-sixty-five exemption, learned that the tax hike added $8 per month to their school tax bills. Citizens Against Rollback Elections itemized the components of the 20¢ tax increase: (1) 5.7 cents to pay for increased numbers of students; (2) 5.6¢ to cover the 1986-87 budget deficit; (3) 3.5¢ to increase teachers' salaries; (4) 3.4¢ to operate the new elementary school; and, (5) 1.8 cents to fund state-mandated programs.

The pro-rollback group announced its campaign strategies in early January 1988. Two leaders emerged in the group: a real estate agent and a retired mechanical engineer. The former had served on the the city council for three two-year terms. Twelve days prior to the election, he and the superintendent participated in a tax rollback forum, sponsored by the chamber of commerce. The 2 1/2 hour confrontation drew a crowd of eight hundred in the high school auditorium. The audience gasped when the real estate agent suggested that each school did not need a principal.
Convinced that the reaction came primarily from teachers, the pro-rollback spokesperson responded, "Maybe we ought to call this to a halt and everyone go home." He disagreed with the superintendent's contention that the budget was "bare bones." He attacked the district's newsletter to taxpayers, which the new superintendent had begun. In addition, the superintendent's salary, office budget, and travel account were attacked. Following the verbal shoot-out, both the superintendent and the pro-rollback leader agreed to move forward regardless of the election's outcome. The superintendent said, "If the rollback passes, I will handle it with professional integrity." His opponent commented, "We may be way in the minority in which case we'll hush up and pitch in."

The local newspaper, which was published each Wednesday and Saturday, provided both groups with plenty of coverage. Throughout January and the first two weeks of February, the publication balanced its news coverage by obtaining quotations from leaders in both camps. However, its support for the school district was evident from the start. On August 22, 1987, the news editor encouraged citizens to give the new superintendent a chance "before we find a rope and a tall tree." He noted that the superintendent had "inherited a very conservative budget." He cautiously praised the previous superintendent as a master of "squeezing every tax dollar." The news editor outlined the factors which were driving the twenty cent tax hike. From August 1987 through election day 1988, the newspaper presented the district's arguments repeatedly in news coverage and opinion pieces. Articles were accompanied by charts and graphs comparing School District B's tax rate, teachers salaries, and enrollment to those of comparable districts in the region. Three days before the election,
a front page editorial appeared with the headline "Vote against rollback."

The newspaper's publisher wrote:

The quality of life in the community is what sets our community apart from others. By voting against the rollback Saturday, you'll be voting to maintain our high quality of life. An against vote will also be a vote to give the community's students the opportunity to have the same quality education that other Texas children enjoy. . . . The district's schools are caught in a squeeze created by rapid growth, a slow-down in the state economy, and state-mandated programs that must be funded locally. There is simply no alternative to this tax increase.

He commended the school administration and board for an outstanding job of keeping taxes and budgets low during the district's growth years. Then, he advised voters that "the time has come to bite the bullet and to catch up."

One pro-rollback leader contended that the newspaper's editorial stance and news coverage resulted because of "payoffs from the school district." He admitted that he could not provide any proof to support his allegations.

Organizational Structure

Figure 3 provides a visual representation of School District B's organizational structure. The seven-member school board was legally charged with establishing district policy and overseeing its operations. Reporting directly to the school board was the superintendent. Because of the district's size, the following key administrators reported to and were directly answerable to the superintendent: an assistant superintendent for curriculum and instruction, administrative assistants for buildings/maintenance/food service and budget/finance/compensation administration, directors for transportation and the special education cooperative, an instructional services coordinator, an elementary supervisor,
and all principals. Every administrative position, including secretarial ones, were included in the organizational chart.

As diagramed, the assistant superintendent for curriculum and instruction had indirect responsibility for vocational teachers, the speech pathologist, the diagnostician, and special educators. The superintendent's command of instruction, however, was stronger as a line of direct responsibility ran from him through the principals to the assistant principals, nurses and aides, teachers, classroom aides, librarians and aides, and counselors. This line of direct involvement reflected the superintendent's strength in curriculum and instruction. It also mirrored the profile developed by the superintendent search committee in early 1987. The profile, based on input from numerous community groups, identified instructional leadership as the chief quality educators and citizens sought in their new superintendent.

Participants in the Budgetary Decision-Making Process: Their Perceptions of Themselves and the Perceptions of Others About Them

Superintendent's perceptions of himself

Because the superintendent began working in the district full time on July 1, 1987, he had no time to establish his credibility in the community prior to recommending the 26.33 percent tax rate increase. The superintendent believed that he possessed a strong commitment to instructional programs and had an ability to convince the board concerning the importance of a strong curriculum. He cited the programs for which he had received approval in July 1987 just before he announced the tax
increase. In particular, he focused on the transition classes between
to kindergarten and first grade. He explained:

I put in transitional first, and the board stayed with me on that. I
could never give that up because I'll believe in that till the day I die.
And, so I was really scared because after the rollback that could have
been something that went.... I convinced the board that it doesn't
matter if we retain them [first graders] or we do it previous to first
grade. We've got to meet those kids' needs, and it's going to cost the
same dollars except we limit the class size. They understand that and
I really haven't had much flack on that. But, that's something I was
cared about because I really believe in that, so we're able to
maintain that.

The superintendent viewed himself as a participatory manager.
However, his principals and central office staff were not accustomed to this
approach. As a result, he found himself forced into the role of a teacher.
He had to teach his administrators how to participate in the budgetary
decision-making process before he could move toward a more participatory
management style. In the summer of 1987, he prepared the budget himself
because he had no time to teach his staff how to prepare their school and
departmental budgets. The next summer he chose not to involve the
administrators. Instead, the superintendent and the board teamed to make
cuts in an already underfunded budget. To involve his administrators
would only have frustrated them, he said. By the summer of 1989, he had
trained his staff to use computerized budget printouts to monitor
expenditures and balances. Through that process, they learned budget
codes and had some understanding of what he expected. In his third year
as superintendent (1989-90), he felt that he could finally implement the
participatory management approach which best matched his leadership
style and the district's limited administrative personnel.
When the rollback election passed, the superintendent explained that he saw it as a rejection of the twenty-cent tax increase rather than of himself. “Basically, I think they liked me all right.” Because he had no time to establish his own credibility before the rollback election, he found it very difficult to counter pro-rollbackers’ attacks. “We couldn’t win on anything,” he said.

At the same time, he felt that citizens viewed him as the district’s ultimate decision-maker. During his tenure with School District B, the board had voted down a few of his recommendations. But, most often they adopted his recommendations, he explained:

It seems like if I make rational decisions, I’d say, you know, 95 percent of the time, I’m going to be supported on them or I wouldn’t be making them. I guess, maybe it helps every now and then [if] I make an irrational decision to show them [the public] that I can be reversed. . . . The board understands that and I do, too.

Superintendent’s perceptions of predecessor

The superintendent observed that his predecessor had outstanding credibility as a result of leading the district for seventeen years. He described how the community and the school board rarely rejected any of the previous superintendent’s proposals. His predecessor’s no-tax stance had won him favor with the district’s taxpayers. The new superintendent described the man he was trying to follow:

The superintendent here, I knew him as a professional. A fantastic guy. Had tremendous credibility. You know, he’s from the community. A landowner here. Been here seventeen years. But, he was a “no-tax” superintendent. And, he got a tremendous amount of things done. I mean, most of these facilities were built under his
direction. And, really the district was managed well as far as facilities.

Superintendent as perceived by others

The leader of Citizens Against Rollback Elections and former board member viewed the new superintendent as open to the needs of teachers, principals, and citizens as long as funds were available. He observed that the new superintendent and current school board worked harder to fulfill those needs than had the former superintendent and school boards on which he had served. He noted that the new superintendent’s approach to budgetary decision-making had been affected by the rollback election. The district’s limited resources affected the new superintendent’s decision-making. In addition, he followed a well-respected superintendent who had led the district for seventeen years:

He’s just up to his ears. Here you got all these changes the state mandated. Now, you’ve got a rollback. And, you’re the new kid on the block, and everybody’s looking to you to create a miracle. I’m sure that he looks at everything a lot more serious now than he did before. I’m sure that he’s created some enemies—not people who hate him or anything. But, he hasn’t been as popular with a lot of people as if he could come in and say, “Let’s do this. Let’s do that. Let’s build some big lighted tennis courts up here. And, we’ll put your program in.” And, he’s a tough, good ole superintendent. He had some big shoes to fill when he came in. The previous superintendent was a real conservative type.

The former trustee believed that the general public viewed the new superintendent as the district’s ultimate decision-maker.

The school board president at the time of the rollback election was in his eighth year on the board. He described how the new superintendent’s arrival coincided with the death of the former superintendent, the
imposition of costly state mandates upon the district, and the immediate need to develop the 1987-88 budget. After assessing the situation, the new superintendent recommended raising the tax rate 26.33 percent. The trustee explained that the new superintendent had "no credibility. You know, nobody knew him. And, that was a big problem." After 2 1/2 years in the district, the trustee believed the superintendent had just begun to earn the public's confidence. The former board president felt that the tax increase caused citizens to perceive their new superintendent as a big spender. In actuality, however, the trustee observed that the superintendent was a "very conservative person." Being a car dealer, the trustee explained that the superintendent drove a 1978 station wagon "that's worn out." Because the new superintendent was the first school chief in the community's history to hold a doctorate, the former board president contended that presented another barrier to acceptance:

That was their perception. . . . He doesn't make a big thing [about titles]. That doesn't bother him whether you call him by his first name or doctor. . . . See, we had never had someone who had gone through the doctorate as a superintendent in the district. Ever. Never. It was a change.

In his view, the superintendent's decision-making had been changed by the rollback election. He reported that he had become more guarded about making budgetary recommendations to the school board because each one was scrutinized by the trustees as well as by the taxpayers. Although the superintendent adopted a more cautious approach, the general public perceived him to be the district's ultimate decision-maker, said the former board president.
The current board president felt that the rollback election had affected the new superintendent's decision-making. When the superintendent arrived July 1, 1987, he believed he had the community's mandate to improve the district's instructional programs. Even before the budget proposal was finalized, he had initiated several new programs—art for fifth and sixth graders and transition classes between kindergarten and first grade—and given teachers an across-the-board $1,000 raise. The board supported his recommendations and approved the 26.33 percent tax hike. Following the rollback, however, the superintendent struggled to improve the instructional program. The board president said:

He continued to try to be real up and promote these things as much as he could. And, he's done a good job initiating what few programs you can under these conditions. But, even the board had to say, "We can't do these things. We've got to play the game, so to speak." And so, he's been pulling for some things that the board really hasn't necessarily been able to support him on. So, over a period of time, he has to think realistically. . . . He's had to tone down his whole approach, and the whole reason he came here. . . . He came here saying, "I'm going to help you in these areas you're asking for help in because I can do that." He can't. . . . You've got to have money, so he's limited.

The local newspaper editor, who covered the education beat in School District B, observed that the new superintendent relied on his administrative staff for input into budget recommendations. The rollback election had caused the superintendent to become "more aware of the financial picture." He believed that the new superintendent sought community input before and after the rollback election. He detected no substantial difference in the superintendent's pre- and post-rollback budgetary decision-making process. The general public perceived that the
superintendent had a "very strong voice." Yet, they did not see him as the district's ultimate decision-maker after the rollback election because the board had rejected a few of his recommendations. However, he had been viewed as the ultimate decision-maker prior to the rollback election since he recommended the 26.33 percent tax increase.

A member of Citizens Against Rollback Elections found the new superintendent "very open." He welcomed the ideas, concerns, and suggestions of individuals in the community. He willingly met with them, showed them the budget, explained it, and answered their questions, she observed. Because he was the new superintendent, she felt he was blamed for the tax increase:

He came in, and we were so behind where we should have been at a tax level. We had not had a tax increase in so long; and all of a sudden, it caught up. He was blamed. . . . "It's got to be the new guy. He's just coming here and wants to spend too much money." But, he took the brunt of it. I'm not saying that's why he made the [board] meetings more open. It's just he's that type of a person. He wants input from everyone.

She found the new superintendent more progressive than the previous superintendent. Since the rollback election, she observed that he had become a "little more conservative." She felt that the district's employees viewed the superintendent as School District B's ultimate decision-maker.

One rollback leader contended that the new superintendent was Machiavellian in his leadership of the district. He felt that the superintendent had terrorized teachers with threats of pay cuts and layoffs during the rollback campaign. He reported that the superintendent had "called them [teachers] out and made speeches to them and told them that if this rollback goes through that you're going to lose your jobs. We're going
to cut your salary. We're going to freeze your salaries." He found the new superintendent secretive about the budget and unable to explain it clearly. The pro-rollback advocate pointed to the superintendent's travel budget as evidence of his "let's spend" mentality. He said, "The superintendent had an incredible travel budget. He was always traveling someplace. A fantastic travel budget. He had increased his own personal office budget by $100,000." He felt that the bond election gave the district money it did not need. He recounted that the superintendent had bragged about that fact in the local newspaper. According to the rollbacker, the superintendent had said, "Well, I'll spend this if we need it." In his opinion, the superintendent controlled the school board and "called all the shots" and kept employees "running scared." Since he arrived in July 1987, the superintendent had been the district's ultimate decision-maker, according to the pro-rollback leader.

Another vocal pro-rollback leader accused the superintendent of being egotistical. He felt that school employees and taxpayers had to let the superintendent think he created an idea if they hoped to win his budgetary approval. He said, "If you [school employees and citizens] can construct an idea in such a manner that he thinks it is his idea, then it will be funded. Otherwise, forget it. . . . There is only room in the sky for one star." He found the superintendent's requests for community input suspect. In his opinion, sincere citizens were unwittingly being used by the new superintendent. He described the new superintendent as "suave and debonair" compared to his predecessor. Since the rollback election passed, the rollback spokesperson contended that the superintendent had become "much slicker." He said it was now much more difficult to detect hidden
budget expenditures than it had been prior to the rollback election. Without question, he observed that the public and school district employees saw the superintendent as the ultimate decision-maker.

Previous superintendent as perceived by others

The board president during the rollback election, who is still a trustee, explained that the former superintendent had been a "financial wizard in school finances." He described how Texas Education Agency's staffers and politicians had called the former superintendent for input into legislation affecting school financing. He had advised an area state senator during the creation of the equalization formula in House Bill 72, said the trustee. The former board president said, "He could almost tell you just like that if something would work or not. He was a genius in that way, but he was a little bit weak in curriculum." The previous superintendent's financial expertise had harmed the district in the long run, however, according to the school board member:

He was a very conservative man. Very conservative. That was one of the problems. We had pulled it just as tight as you could pull it. . . . Most districts will raise it [tax rate] three or four cents a year or something. . . . He was one of those kind that wanted it level or pulled back. . . . He was usually right, so it was hard to argue against him.

Because the former superintendent had had so much involvement with the creation of the House Bill 72 equalization formula, he expected that School District B would receive more state funding. Unfortunately, the formula caused the district to lose state funding. That loss, when coupled with years of no-tax and low-tax increases, placed School District B, its
school board, and its new superintendent in a fiscally stressful situation. "It all came together at one time," said the former board president.

The current board president, who had served as a trustee during the rollback election, concurred that the previous superintendent had been a "very strong financial person" and "very conservative." These characteristics earned him much of the community's continued support because they knew he would spend their money carefully. On the other hand, some citizens objected to his fiscal conservatism. Because the superintendent made most of the budgetary decisions and because trustees and the public trusted his judgment, the board found itself in a quandary in 1986-87. The superintendent was too ill to help them develop the budget, and they had never been intimately involved in its creation.

The local newspaper editor described the former superintendent as an "old-timer" who controlled the district. The editor explained:

> From what I gather, he kept a lot of it in his head. He was a very intelligent type person with his figures. From what I saw, somebody would ask him a question on finances. And, it'd be a pretty technical question that you would think you would have to pull your files just to get the answer to, but he'd just recall it off the top of his head.

A member of Citizens Against Rollback Elections, who owned a small business, noted that the former superintendent was not as open to citizen input at board meetings as the current superintendent. Citizens felt they had to organize a large group to take their concerns, ideas, and suggestions to the board.

One pro-rollback supporter, who had dropped out of eighth grade but later became a mechanical engineer, explained that the previous superintendent had "run a tight ship," unlike today's superintendents with
doctorates from universities which failed to teach them the principles of modern management. He described the previous superintendent as a financier who knew how to manage the school district.

The other pro-rollback spokesperson described how the previous superintendent had operated the district as a "classical benevolent dictatorship." He emphasized that this was not a negative description. Instead, it was the type of management School District B needed. He continued:

The former superintendent was very functional in nature to the point that it was embarrassing. We had the school board here, and it makes no difference whether we’re talking about a man’s life or the budget. The president says, “Now come to order. What’s the first item?” He turns to the former superintendent. The superintendent says, “Wipe your nose.” And he [the board president] does that, and then he says, “Do we need to vote on that?” And, he [the superintendent] says, “Yes.”

School board’s perceptions of itself

The former board president, who was still a trustee, perceived the school board as extremely open to citizens’ input through 1987 and 1988. Even so, he felt that the public viewed School District B’s board as “shutting them out.” As a result, the board members received much abuse. He contended that the board would not do anything differently than it had done in raising the 1987-88 tax rate. He also felt that neither he nor the other board members had changed their approach to budgetary decision-making since the rollback election. “We rely basically on information we get from our superintendent and administrators,” he said. The trustee believed that employees now saw the board as the district’s ultimate
decision-making body since it had rejected several of the superintendent’s recommendations. During the preparation of the 1986-87 budget and the 1987-88 budget, he felt that the board had acted on “gut feelings.” He emphasized:

    We did things that we felt like we had to do... We didn’t have a lot of background information to go on. So, we did a lot of decisions. I think, just gut feeling as to what we felt like needed to be done and what was right to be done. All those weren’t correct. But, I think, the majority were... At the time, we thought they were right. And, they were right with the information we had because we didn’t have all the right information. And, it wasn’t his [the new superintendent’s] fault because he didn’t have the time to get all the information.

The current board president, who had served on the board under both superintendents, described past and present school boards as “ultra-conservative.” He outlined that the board moved from being ultra-conservative to just being conservative when the new superintendent was hired. The rollback’s passage, however, caused trustees to adopt an extremely ultra-conservative budget in 1988-89. He said, “We were into a survival thing, so our philosophy then was to survive. We essentially took the teachers’ pay raise back.” The president believed the school board was open--perhaps too open--to citizens’ ideas, concerns, and suggestions. He explained:

    We certainly listen to them now. We try to cater to them. We try to listen to what they have to say. And, we went overboard throughout this past year [1988-89] all the time we were in the rollback situation and going into it.

The president described his predecessor as “very upbeat” before the rollback election. All of the trustees were committed to improving the
instructional program and believed they had the community's approval to do so. Most citizens supported the school board; few questioned it. Trustees, therefore, moved forward with plans to improve the curriculum in the summer of 1987, before approving the 1987-88 budget. The president explained that the rollback affected his predecessor's decision-making approaches. Throughout the rollback campaign, the board president was under tremendous stress as he worked to keep the members of the board and the "unreasonable radicals" that were there in the audience at board meetings satisfied. The previous board president adopted the role of peacemaker from August 1987 through the February 1988 rollback election:

"He just was a peacemaker trying to work our way through this thing [the rollback election]. It was discouraging. These marathon meetings that you didn't get much accomplished, but you just sat there and listened to these loud mouths go on and on and on. [They] were unreasonable, you know.

The president saw his role in 1989-90 as one of regrouping the board to get everyone moving ahead on the same agenda. He explained that trustees were courteous to citizens who addressed the board. However, he was not letting the citizens "run our show." The president believed that the board had shaken its label of being the superintendent's "rubber stamp" since it had rejected several of his recommendations. The board debate preceding those rejections conveyed to the public a sense that the board was in charge of School District B and that the superintendent worked for the board. He said, "You know, the public likes that. We don't especially like to do it as a board, but it seems like you got to play little games. So, I'd say that the board is looked upon as pretty strong now." He contended that
district employees also viewed the board as the district's ultimate decision-maker. Unfortunately, some employees were apprehensive or paranoid about voicing concerns to a trustee. "They shouldn't be," the board president said. "We're on their side."

The board's vice president found that trustees drew closer together during the rollback experience. They were completely together at that time, she observed. Board meeting discussions were more thorough, she felt, when "you have the antagonist out there." Seven months after the election, however, she believed the board had lost the team spirit which had been present during the rollback. "I think we have to get the communication going again," she said. Awareness that somebody was monitoring the board's every move flavored its decisions. She contended citizens' vigilance had its benefits:

And, that's not bad. I think some of that is healthy because we are responsible, and it gives us the opportunity to be sure we're doing the best we can do. So, some of that hasn't been bad; but, it's been very difficult to live with day after day.

School board as perceived by others.

The superintendent sensed a change in the school board members' decision-making styles. He found that he and the trustees were much more conscious of citizens' reactions to their decisions. Prior to the rollback election, he said "we'd just jump up and make the decisions." Since the rollback election, however, he and the board thought a lot more about what citizens thought. In addition, he and the trustees provided citizens with information about proposed actions. He said, "We're probably going to give
it [the budget and tax rate] more time to let that filter out there [into the community] so we can get reaction back."

The local newspaper editor believed that the school board and administration were more aware of, and cautious about, introducing new programs which required substantial spending. He described how the previous superintendent's budgetary decisions had been trusted 110 percent by some trustees. Trustees began to question his recommendations, however, toward the end of his career as illness affected his decision-making. But, the editor emphasized, the board never questioned the former superintendent's integrity. Under the new superintendent's leadership, the journalist found that the board was "not as split as what it appeared to be a few years ago." He felt they were more unified on some issues. He perceived that trustees had always placed students as the district's number one priority when making budgetary decisions. "But, they may not have always put the taxpayers real high up there, too. I don't mean to say they've neglected the taxpayers," he said. "They haven't done that."

Evidence that trustees were keeping the taxpayers' needs in mind occurred during the rollback and bond elections. He observed that they reminded one another that the county taxpayers association, organized in June 1987, had a "big voice out there." The taxpayers' group tempered the board's decisions regarding taxes and expenditures. In the aftermath of the rollback election, the editor believed that the school board was working hard to maintain and improve the district's instructional programs. "But, at the same time, I gather they're trying to do it in the most conservative manner that they can."
A member of Citizens Against Rollback Elections believed that the school board had actively participated in the budgetary decision-making process since the illness of the former superintendent. They continued their sleeves-rolled-up involvement with the new superintendent. The owner of a pizza restaurant observed that trustees had become more stringent in analyzing the budget proposal, recommending cuts, and approving expenditures. "That rollback really incited a lot of interest in what's going on. . . . Where's our money going?" she said. Scrutiny from the public forced the board to be more thorough and more involved, she believed. During the rollback election, friends and co-workers had put trustees on the "hot seat question-wise," she observed. As a result, she found the current trustees were much more efficient. As a result of the board's new management style, citizens regarded them as the ultimate decision-makers in the district.

The eighth-grade dropout turned pro-rollback leader believed that the school trustees concocted "phony budgets" and were corrupt. He was confident that they had joined the new superintendent in "terrorizing" employees and threatening citizens with budget cuts. The rollback, he felt, did not stifle the board's spending habits because they drew money from the fund balance. He doubted the board's commitment to the youth of School District B and their ability to govern fiscal matters:

We have a school board who's not interested in the education of these children. They know nothing of the budget or any of the financial part of it. One of them is into owning and selling automobiles. The other one [is] in real estate. . . . No, no, no, no. Them people up on on the school board, they don't know nothing about no budget. And, there's no laws that control them. . . . They really didn't pay much
attention [to the rollback]. They just pulled money out of reserve and kept right on going. They never slowed down.

He saw the School Board's programs to keep at-risk students in school as a waste of tax dollars. He resented the board's trying to "cram that diploma down every kid's throat. I never had no high school diploma and I resent trying to cram one down my throat." In his view, the at-risk programs, state mandates, and federal grants were evidence of the board's goal to make the district "as big a district as they can." He contended that they cared nothing for the taxpayers, especially the retired people, who had to pay for the board's decisions. When he asked trustees to explain why certain items in the 1987-88 budget had been approved, he discovered they did not have the answers. This cemented his belief that the superintendent ran the district rather than the board members. It confirmed his suspicions that they were not competent to hold office. In board meetings, he found the trustees waffling on decisions. "Every time you'd call them on something, they'd change it," he said. He offered evidence that, he felt, proved the board's dishonesty and ineptitude:

First, they said they had a deficit. That's the reason they increased taxes. Then, they said, "Well, we had to increase teachers' salary." We called them on that, you know. It wasn't that much. It was only $300,000. You didn't give employees much of a raise there. It seemed like there was at least five different reasons they come up with. All of them was ridiculous. You couldn't believe anything that they put out.

Because he had seen production and budget charts on the walls of his company's managers and did not see them displayed in the board room, he concluded that the trustees were ignorant about what he called "twentieth century management tools." He pointed out that the school board held the
reins of power. They determined the budget, hired the superintendent, and arranged elections. He believed that their decision to open just two polling sites in the 254-square-mile district proved that the board controlled the outcome of elections even though the rollback election passed.

Frequently the rollback advocate returned to the idea that the board was corrupt. "They're in there for what they can fill their pockets up with and they're doing it," he fumed. The car dealer gave school employees discounts. Another sold real estate. The board president, a veterinarian, was "peddling dog and cat services... so, naturally all the school members carry their business to him." Another trustee owned a book store and was determined to stock each school library with ten books per child, he said. Another board member was a "nuts-and-bolts salesman." The rollback leader believed this trustee benefited from the district's construction projects. One woman's husband was a county judge. He attacked her efforts to launch a drug education program in the district. While he believed trustees were savvy enough fiscally to pilfer school district funds, he rejected their having any expertise in managing those funds. He said:

I talked to all of them. None of them know anything about the budget. You know, I go ask specific questions to find out what they know and what they do in the district. They just "rubber stamp" everything that's given to them. They don't ever say they'll find out the answers to your questions. They say, "Oh, you better talk to... you better go see... I don't know anything about that. Go see the superintendent." I've never had one say, "I don't know, but I'll go find out"... You just waste your time. You just finally give up.

The other pro-rollback spokesperson observed that trustees were never prepared to debate the budget or explain how it functioned.

"They're totally dependent upon the superintendent," he said. Only those
teachers who complied with the superintendent's dictates and played up to his ego had their programs funded, he believed. He accused the board of awarding architectural contracts without following the state's bidding regulations. Like his fellow rollbacker, he contended that trustees benefited financially from their positions on the board. Because of his insights into real estate, he pointed his finger at the board member who was developing a shopping center adjacent to the recently purchased site of an elementary school. While praising the female trustees, both of whom had been classroom teachers, he decried the quality of the male trustees. They are "flim flammers," he said. He described how several of the trustees showed no reactions to citizens addressing the board. "You'd swear they're zombies, but they're not. They're real live people," he laughed. Although the rollback election passed, he felt the board had not heard the taxpayers' message. He observed that the board officer positions were passed around among trustees. "The president of the board is a joke," he said. "It [the position] has nothing to do with talent or anything like that. It is a pass around thing. You're president this time. You're president next time." As a result, he found that the School Board was the superintendent's "rubber stamp."

School officials' perceptions of citizens

The superintendent recognized his need to achieve a level of credibility in the community. Therefore, he and the school board appointed two citizen committees in 1988-89. Each was composed of civic and community leaders who themselves possessed high credibility. The Citizens Facilities Needs Assessment Committee formulated the bond package, and
the Citizens Budget Review Committee analyzed the 1988-89 budget and the 1989-90 budget proposal. The former committee had been extremely helpful in winning the public's support of the 1989 bond package of $7.67 million. The latter, the superintendent hoped, would dispel citizen's negative perceptions about his and the board's abilities to develop and manage the district's budget. He described what he envisioned the committee's role would be when the 1989-90 budget and tax rate hearings took place:

I believe they're the calibre of people that the people will know that their conclusions and their recommendations are based independently on their own observations of what we told them... I think they'll first be listened to by the board. "What do we need to do?"... If we've got "fat" in the budget, let's cut it out. If we don't and we're underbudgeted in things, then how do we... dig out of this hole that we've dug.

The superintendent articulated a keen understanding of why citizens rebelled against the twenty-cent tax increase which he had recommended in August 1988. He explained that they were watching out for their pocketbooks. While they could not do battle with the federal government or the state bureaucracy, they could make their voice heard in School District B. To prove his point, he referred to the rollback election's record-breaking voter turnout:

In the rollback election, we [the district] got 2,106 votes. But, there were over 4,500 people that voted in that rollback election. So, you go back over the history of the elections and you'll see that there's about 2,500 people that don't normally vote. Make that 3,000... There's 3,000 people who never vote who turned out to vote that day [rollback election in February 1988]. So, when you put the dollar out there to vote on and you get all the emotion in that issue, they vote.
He explained that the district's retirees cast their votes. While they liked the community and its schools, their primary focus was on leisure activities such as fishing and golfing. Little about the community attracted their notice, he observed, until the school district raised its tax rate 26.33 percent. "Boy, they got bothered," he said. "They came out of the woodwork." At the same time, the superintendent pointed with pride to the 2,106 voters who supported the district's tax rate. He contended that those voters were most involved in the community and understood the district's fiscal challenges.

Having made anti-rollback presentations to civic and community groups, the superintendent encountered much support. But, he admitted some had made up their minds and refused to consider the facts. After the rollback passed, he found that some of the pro-rollback advocates said they felt sorry for the school district. They had not expected the rollback to pass because every school bond election had passed since the district's founding. The pro-rollbackers just had wanted to send a powerful message to the school board and superintendent that they disapproved of such a steep tax increase. The superintendent described conversations in which citizens asked, "What have we done? My lands, freezing the teachers' salaries. We didn't mean to do that. We don't have anything against the teachers." The shock of the rollback's passage caused many of the pro-rollbackers to cast their votes for the 1989 bond election. He said that they told him, "Man, we're not going to kick them [the school district] again." The superintendent believed that citizens would not roll back the district's tax rate again after having seen what it did to School District B in 1988-89. Since the rollback's passage, the superintendent noticed that fewer parents
and teachers came before the board to request new programs, equipment, and salary increases.

The rollback supporters, however, relished in their victory and urged trustees to make deeper cuts than they were proposing for 1988-89. In the summer of 1989, the county taxpayers association removed three prominent citizens from its board. The trio were three wealthy older ladies, who were large land owners in the district and represented the old guard. The superintendent observed that the trio had become too positive in the estimation of the association's more radical leaders. Their exclusion provided evidence of the group's steady demise, he surmised. He contended that many in the district wanted to support School District B:

The problem is, after you go through a rollback, you can talk that "support the schools" all you want to. But, it is the devil pulling out of it. See, it's chasing a rabbit. Raise the tax a few times, but it goes to the mandates. And, so they feel for us and they want to correct this, but the correction of it is much tougher than to bite the bullet one time in three years [with] that twenty-cent tax increase.

The former board president who served as a trustee shared the superintendent's hope that the Citizens Budget Review Committee would build up taxpayers' confidence in the school board's and administration's budgetary decision-making abilities. He described how the board had selected financial professionals from the community for the committee. "We had to have somebody that was accustomed with budgets and figures and understood how they work," he said. Purposively, the board named one of the more rational pro-rollback advocates to the committee. The trustee explained that the man was retired but not a financial expert; however, he was a "very smart man." The former board president hoped that the
committee members would speak up on behalf of the district at August 1989 budget workshops and public hearings. It was important, he felt, that the committee members were not affiliated with the schools like the administrators and the school board trustees. The rollback election had marked a turning point in the way School District B's board of trustees approached decision-making he explained: "Before that [the rollback], we've run along here years and years. If we wanted a new school, all we had to do was just call for a bond election. There wasn't any opposition to it or anything. It just all happened." He found the rollback campaign frustrating because the pro-rollback leaders refused to listen to the district's explanations. Instead, they published materials and made comments in newspaper articles which were totally untrue, the trustee said. "They admitted it. But, you know, they wouldn't retract it." In addition, the pro-rollback leaders suggested that the district simply ignore state mandates. At standing-room-only meetings, they refused to understand that the twenty-two-to-one student-teacher ratio was not an option. The former board president remembered some saying, "There's room for thirty-five in there [a classroom]." Some less radical pro-rollback proponents encouraged the school board to reduce the tax rate by two cents. He believed that those voters just wanted to see some movement on the board's part which would indicate that they had heard the taxpayers. "They were haggling," he said. "And, like I said at the time, with the information that we had, there wasn't room to go down two pennies. And, we stood by that." The district's large number of retirees, especially those between fifty-five and eighty years old, appeared to vote en masse for the rollback. Their turnout was a first in school district history. He explained that reaching them was quite difficult
because "the biggest part of them isolate themselves completely from the community." Most of them never ventured into the town from their self-contained lake shore developments, but the rollback election mobilized them.

The current board president found the pro-rollback leaders difficult to read. During budget workshops, they told trustees that they understood and appreciated the district's challenges. But, at the end of the meetings, they lambasted the board saying they were not trying to cut costs and that they had no consideration for the poor taxpayers. He recalled how "They would turn 180 degrees at the end of the meeting." The board president also found that the pro-rollback leaders reveled in reporting to their group's membership that they had given the school board a hard time. The county taxpayers association used the same tactic when the board was designing the district's 1989 bond package. Early in meetings, they seemed to support the idea of building a new school. But, suddenly at the end of the sessions, they would accuse the board of not working with them. At that point, they told trustees that they only approved of enlarging existing schools. The board president reminisced, "Gosh, these people are not trying to work with us. They are trying to put on a little show here." Besides monopolizing school board meetings with their rhetorical outbursts, the rollbackers were "very irresponsible," the president explained. "They would flat lie. They would misrepresent. They would go to the paper and spread untruths." The board and administration found themselves on the defensive throughout much of the rollback campaign. The pro-rollback leaders disseminated misinformation and the school officials tried to set the record straight with facts. The president summarized the pro-rollback side's
disruptive strategy: "They didn't want to understand. As the cliché goes, 'Don't cloud my mind with the truth and facts,' you know. They don't want to know any facts. Don't muddle the picture with any facts."

He described how the county taxpayers association had supported three candidates in the May 1989 board race. None of the three won. Instead, "those people made fools of themselves," he said. Their campaigns were farcical. The candidates repeatedly demonstrated their lack of understanding about the school district's mission and challenges. For example, one of the major pro-rollback leaders ran on a platform that parents of truant students and parents of students who failed to master basic skills should be fined $500. The trio's campaign brochure claimed that the district's overhead was too high because it had "too many principals and superintendents... too many high salaried sports coaches." It also charged the district's trustees and administrators with corruption and under-the-table deals.

Along with the superintendent and former board president, the current president hoped the Citizens Budget Review Committee would provide a counterbalance to such capricious attacks from the county taxpayers association. He hoped that the community would ask questions of the committee members and know that the answers they received were candid and forthright. He also believed they would be much more rational:

I think they'll have a significant influence in that we'll feel like we're getting representation from the community. And, we'll feel that if they're out of line, we can talk with them and communicate with them and say, you know, "Here's why we can't do what you can do." Or, they've got some input we haven't thought of. Of course, that will be very beneficial to us.
He, too, observed that the over-sixty-five-year-olds formed a large portion of the district's registered voters. They were independent and their lives revolved around the activities of their retirement communities' golf courses and clubhouses. While some individuals in those communities became quite involved and supportive of the community, most remained apart and unresponsive. He noted that many did not read the local newspaper and did not care whether the high school football team won or lost. They had little interest in students' academic successes or the quality of the instructional programs. The veterinarian board president said, "It's hard to get those people to support an increase in your school taxes."

The president believed that many voters would support another rollback if the school board again attempted to raise the tax rate too high. The trustees respected the power the voters exercised at the ballot box. Therefore, rational or irrational citizens were listened to and the trustees and administration vowed to themselves to treat each one with courtesy. However, in 1989-90, the board president was determined to regain control over public board meetings. "We'll let them speak their piece. But, they're not going to interrupt our meetings and put their two bits in on everything that we say and do," he declared.

Citizens perceptions of school officials

The chairman of Citizens Against Rollback Elections, who had served on the school board, observed that School District B's board had let its president do most of the legwork on budget analysis in the years prior to the rollback election. They let the president ask questions and make the presentation to the other trustees. Since the election, however, he observed
that all of the trustees had "stepped in and started doing the legwork. I think each board member is kind of on his own." All trustees expressed personal views about budget items. He believed that the rollback's passage had caused teachers and administrators to avoid presenting needs to the school board because they felt the district simply could not afford the expenditures. As a result, he feared that some of the district's basic needs were not being addressed.

The local newspaper editor recalled how the rollback election evolved from the superintendent's recommendation to increase the tax rate 26.33 percent to the board's voting down several of his recommendations. At the outset, the perception was that the superintendent "ran the show," he said. "Now, I'm not so sure. I think maybe the board may be considered to have a bigger say in the matter. That's just what I gather from people." Some citizens criticized trustees for not debating the superintendent when he proposed the tax hike.

One of the pro-rollback leaders stated that the district had more than one superintendent. He referred to the principal of an elementary school as superintendent. He accused the board of not approving budgetary change orders as required by law. He said, "It doesn't matter what they submit to the public. They can tell them one thing [in the budget] and go in there and punch the computer and have something entirely different... The whole system is worthless." He believed that the school board and administration colluded to hide large amounts of money from the public.

Another pro-rollback leader suspected the Texas Association of School Boards of driving up administrators' salaries across the state. He believed that newly placed superintendents were given a deadline by
which they had to have increased their own salaries as well as those of their key administrators. He said that the search consultant had assured the new superintendent that School District B's voters had never turned down a bond election or challenged a tax rate increase. Therefore, the consultant told the new superintendent that he would "get his money." The pro-rollback leader's dislike of superintendents in general grew out of his belief that they controlled education in Texas because they spent so much time in Austin lobbying the legislators. He asked, "How can those lousy superintendents spend as much time as they spend in Austin? Because they're running the show. And, they're not here in the community running it. They hire these assistants to run the local." He claimed that the Texas Association of School Administrators orchestrated anti-rollback campaigns statewide. His proof was that numerous districts across the state had named their anti-rollback groups Save Our Schools, or SOS. He asked, "Where did they come up with this SOS thing? How did they have the money to develop that? Because that SOS thing showed up in every damn school district that had a rollback election." Curiously, he ignored the fact that the community's anti-rollback group called itself Citizens Against Rollback Elections, or CARE.

Citizens' perceptions of other citizens

A member of Citizens Against Rollback Elections believed that the county taxpayers association had been formed for the express purpose of scrutinizing all taxing entities. However, their primary target seemed to be the school district. The group vowed to fight tax increases and were well-organized. She observed that an association representative attended every
board meeting. As the board and administration wrestled with cuts after the rollback election, the taxpayer's group kept telling them that they needed to cut more. The rollback experience had made all citizens more aware of the school district's expenditures and more alert to changes in the tax rate. At the same time, she noted that citizens seemed united in their determination to rid the community of drugs. When a United States Congressman met with and surveyed a group of residents, he reported that the majority—even senior citizens—said that they would support taxes for more drug education in the schools.

One of the pro-rollback leaders perceived most citizens as too lazy to challenge the school board and administration. They refused to spend the time needed to sit down and study the budget. "They really don't want to go look for graft," he said. "And me, once I get started, I dig right down to the bottom of the barrel." Despite his commitment to ferret out graft and to monitor school board actions, he contended that citizens could do little to influence the district's budgetary decisions.

Another pro-rollbacker discounted the effectiveness of the Citizens Budget Review Committee. He said:

Finance committees are the groups of honest, hard-working, naive citizens that act and react based on information furnished to them by the administration. So, consequently, these people are hamstrung jump goats. Basically, what it is is window dressing.

Citizens' perceptions of the district's communications

The pro-rollback leaders expressed frustration at not being given an accounting of actual expenditures in the 1987-88 budget. He explained that the actual cash on hand was never listed in the budget proposal for
1988-89. When he contacted the Texas Education Agency to obtain that information, they explained that they had to wait for the end-of-year audit by a certified public accountant. It generally was completed in late November or early December. The rollerker contended that the one-page summary was as fraudulent as the district's budget. The figures added up, but they told taxpayers absolutely nothing, he said.

One of the major points of contention during the rollback campaign was the district's newsletter. The new superintendent launched the publication since the community had identified improved public relations as a priority in its superintendent profile. The $5,500 expenditure drew fire from the rollerkers who viewed it as a way to promote incumbent trustees and the superintendent. One of the pro-rollback leaders described the publication:

He [the superintendent] started printing some pamphlets that they passed out on the highway there. Had his picture in it. The board president's picture in it. That's so the people would know them. I told Ralph, I said, "Every time we're traveling someplace, the first thing that crosses my mind is I wonder who the school superintendent is."

The pro-rollback spokesperson concurred with his colleague. He called the district's newsletter "slick" and "obviously political." He challenged the superintendent's statement that the publication cost taxpayers $5,500. Besides the printing costs, the rollerker included the $36,000 salary of the administrator responsible for its production. He said, "It was just an out-and-out fraudulent deal. In other words, they didn't have her listed as public relations." Following the rollback election, this person's position was eliminated since it was the district's newest administrative post. The board
told her that they would allow her two-year contract to run out even though she had done an admirable job. Besides the newsletter, the administrative assistant served as the district's second appraiser, curriculum coordinator, and textbook custodian. Ironically, she accepted a position in School District A after its rollback election failed in January 1989. The move into that district's curriculum director's job earned her a $15,000 raise over what she had been making in School District B.

The first pro-rollback leader objected to the limited notice taxpayers received before public hearings on the budget and the tax rate. While the district complied with the state's posting laws for meetings, citizens knew little about what would be discussed. To keep abreast of the budget's development, citizens had to attend the school board meetings and budget workshops. The evening meetings were announced one-to-two weeks ahead of time. He felt that gave citizens too little time to study the budget and no time to meet with those who could explain its complexities in a way that they would understand. As a result, all that citizens could do was protest the tax increase. He said, "They [citizens] didn't know nothing about the budget or what was in it. They just knew something was wrong. And they knew they couldn't afford no 26 or 27 percent increase." Once the board and administration realized that they had opposition to the tax rate proposal, he described how they ceased providing the pro-rollback group with budgetary data.

After the rollback's success, the board made their public meetings more open. The pro-rollback leader observed, "Now, you just get up and say what you want to. They all sat there and looked at you like they were made out of granite. That's it." In addition, trustees became more
knowledgeable about the budget's contents. Before the election, this was not the case, according to the pro-rollback spokesperson. He believed that board meetings had been carefully orchestrated since the rollback election. "The school board [room] is practically always full of teachers," he said.

He explained that the previous superintendent had allowed citizens to "raise cain and pound the desk and just do anything you wanted to do." The current school board, however, required citizens to sign up in advance. "They've got a lot of rules now that they didn't have before," he claimed. He admitted, however, that the board encouraged people to address it. They listened politely to appease voters. He said:

The idea is that if you get the opportunity to stand up and spill your guts, they have "defused" you. And, so now you're passed on ahead. You can go back and take your seat. So, it's a waste of time.

Those who wished to address the board were asked to sign up on the Audience Participation Form. They listed their name, address, telephone number, the meeting's date, and the subject of the comments. The first thirty minutes of each board meeting was set aside to "hear citizen communications not on the agenda." The first six persons to turn in their forms would be heard. Each speaker was allotted a maximum of five minutes. The Audience Participation Form advised citizens that they could bring information to or request information from the board. They read that "The board may respond to requests for future information or requests for information concerning board policies." However, the board was not allowed to deliberate, discuss, or take any votes on anything a citizen presented.
A member of Citizens Against Rollback Elections explained that the district's primary communications channel was the local newspaper which was published twice each week. Although the area's retirees did not subscribe to it, it was widely read by most citizens, she believed. The anti-rollback group used it to communicate its messages to voters. "At that point [during the rollback campaign], people were reading it because this was such a controversial thing. I think people were probably buying the paper that never bought it before," she said. School officials turned to the local newspaper to encourage citizens to attend budget workshops and to visit with administrators in order to have their budget and tax rate questions answered. She explained that the superintendent told people to visit with him. He promised to answer their questions. Those personal visits and the public board meetings were taxpayers only avenues for obtaining accurate, firsthand information.

In addition, the community had one radio station which broadcast from 6 a.m. to 10 p.m. She did not believe that the country-western station attracted many listeners, however. A large metropolitan daily covered the district in its Texas section which highlighted smaller communities within its circulation area. Infrequently, the community's news appeared in that section.

The chairperson of Citizens Against Rollback Elections who had served as a board member commented that while he was a trustee, few, if any, citizens had attended budget workshops or public hearings. He recalled one meeting at which two citizens were present, but no newspaper reporter covered the session. Once the new superintendent proposed the 26.33 percent tax increase, however, citizens crowded into the board
meeting room. Trustees frequently were confronted by standing-room-only crowds in the summer and fall of 1987 and winter and spring of 1988. The media also became a regular observer of all board meetings. He explained:

Now, they can't seat everybody in their board meetings. I'm sure board members are more cautious of what they say now because of the media and because of the anti-this and anti-that group sitting out there looking them in the eye. But, it wasn't that way when I was on the board.

Administration's perceptions of the district's communications

The superintendent took the public's requests for improved communications seriously when he arrived July 1, 1987. He immediately decided to launch a four-page, letter-size newsletter to send to School District B's taxpayers. "It never had been done before, and we thought it was a super good deal as far as communications," he said. "Each month we put one board member's picture inside and a description of them so people would know who their board members are." The pro-rollback leaders labeled the newsletter a "frill" and saw it as an advertising medium to help trustees win re-election. Besides the printed word, the superintendent and his assistant superintendent took the district's needs to the community during the rollback and bond election campaigns. "We covered every base you possibly could to communicate with them [the public]," he said. He met with more success in the weeks leading to the bond election because his listeners remained more open to hearing what he had to say. During the rollback speaking tour, he realized many people had already made up their minds.
While the newsletter provided a vehicle for external communications, the superintendent also focused on improving the district's internal communications. He wrote a teachers' handbook, another first for the district. Twice each month he met with two employee groups: a faculty council with representatives from each school and principals and directors. Each week the superintendent wrote a weekly update of district happenings and important insights. It was sent to the seven board members each Friday. He had produced the update prior to the rollback election. The superintendent began production of the weekly updates as soon as he arrived in the district in July 1987. He explained:

I just really believe in this. Some of them [the updates] are rather lengthy. There's a constant communication; and, as a result, they are probably more knowledgeable than maybe an average board would be. In my decision-making, I try to get to them what I'm thinking. I will get input back from that. So, maybe I'm thinking about recommending this salary schedule or whatever. I'll get that to them. Give them my rationale. Tell them, "Any questions about that, please see me." I do the same thing with staff.

While attempting to cut the budget following the 1988 rollback election, the superintendent explained that he and school board members used a two-way communications approach to gather information from every source. The board allowed pro-rollback representatives to speak informally at its public meetings. The superintendent advised trustees to encourage citizens' questions. He hoped the two groups could learn to work together without becoming adversarial. He said:

Now, there's more of a rollback kind of syndrome at the board meetings input-wise. I guess the rollback people were real proud of themselves. They'd come to board meetings, and they thought they needed to comment on everything that's happening. And, the board
was pretty lenient about that. Tried not to be defensive. So, they allowed probably a lot of just informal input. And, I think they were wise in that. I encouraged them, "Let's let them ask their questions. Let's try and work with them and not be defensive." And, we've done that. But, we've got kind of tired of it. You know, it's getting more back to where we're going to conduct business as normal.

School board's perceptions of the district's communications

The board's previous and current board presidents and its vice president viewed the superintendent as their primary information source about the school district. Input from citizens, parents, and district employees proved another valuable information link as the board wrestled with developing the 1988-89 rollback budget before standing-room-only crowds. The board encouraged citizens to suggest possible cuts and to explain what the district was doing wrong. Some citizens made lengthy presentations and delivered tirades. This approach slowed budget planning workshops and board meeting. The current board president described how trustees and the administration patiently tried to respond to the taxpayers association's questions and suggestions. The county taxpayers association's recommended cuts ranged from wiping out gifted and talented education to cutting out most University Interscholastic League programs. The president described the board's attempts to work with the vocal taxpayers:

We catered to them, and we did everything we could to make these people happy. We probably went to extremes by essentially letting them to a certain extent run our workshops and our meetings. We were trying to pacify them... or not pacify them but trying to work with them and trying any way we could to make them realize this was a tough decision. I thought they were appreciative of it. And, they would be very cooperative for half of the meeting or half of the workshop. And at the end, it was as if they hadn't even been there.
While the board weighed the citizens' input, ultimately it had to make the final decisions. In 1989-90, the president vowed to help the board regain control over its public meetings. Input from citizens would be welcomed, but he hoped to conduct orderly business meetings. He said, "We want their input, and we want to work with them; but, we're going to have to go ahead and make things happen." The president viewed the Citizens Budget Review Committee as an important communications vehicle in the development of the 1989-90 budget. Its members' credibility in the community, he hoped, would lend credence to whatever budget the board proposed.

The Budgetary Decision-Making Process

Factors to be Considered

The district had not done any long-range strategic planning. Therefore, its budgetary decision-making process was unfocused. However, the superintendent and his central staff had written a two-page document outlining the administration's major goals for 1988-89. Topping the list was communications. Since the district's newsletter to taxpayers had been lost in the post-rollback budget cutting process, the administration's goals zeroed in on staff development, improved channels of communication between campuses and the central administration, involvement of the community, and media coverage of ongoing school programs.

The second goal targeted community support and financial stability. In 1988-89, the district had to manage its resources carefully and regain
community support for necessary funding. However, 1989-90 would be the year to balance the budget without deficit spending and to win public support for increasing the tax rate.

The third goal spotlighted drug and alcohol abuse education. Recognizing that the district could not finance the needed programs on its own, it would solicit funding from the community and tap into available resources such as the police department, church and civic groups, and area medical facilities. Students needed to receive factual information through curricular and co-curricular programs. Enhancing students’ self-esteem would be a vital element in the overall drug education program.

The fourth goal aimed to improve students’ writing composition. Staff inservice programs were needed. The computerized “Writing to Read” program had to be implemented at all schools serving kindergarten through fourth grade. The state’s basic skills tests scores would be increased by ten points.

The fifth goal emphasized computer literacy and computer-assisted instruction. New computer labs would be made functional for the intermediate and middle school programs for at-risk students. Computer drafting would be put into operation. The middle school’s computer literacy labs and the high school’s computerized science lab would be upgraded with equipment and support materials. Inservice training would be provided for teachers at all levels in order to maximize the computer equipment’s use.

The sixth goal sought to initiate alternative education programs for at-risk youngsters at the middle school. The program’s objective was to
curb the district's dropout rate and to create a positive learning environment for the at-risk youngsters.

The seventh goal of the administration was improvement of staff morale and the creation of a positive work climate. Attention would first be focused on the classroom followed by the staff's needs and concerns. Recognition programs would be developed to honor teachers and students.

The final goal centered on organizational needs. The policy manual would be updated, a job description manual would be developed, and staff would continue defining and clarifying written administrative procedures.

**School Board Philosophies**

Because fiscal survival was the board's primary objective, the trustees interviewed articulated few philosophical positions. They seemed to equate philosophies with the ability to envision future programs. In their financial straits, being visionaries was a luxury for which they had little time or energy. Only during the superintendent's search process during the first six months of 1987 had the trustees and community taken time to outline philosophical positions. They decided that the new superintendent should be an instructional leader, unlike his predecessor who had been a financial leader. It was decided that the district should financially support a quality instructional program. The current board president described the district's new approach:

> We want to emphasize academics. We want to emphasize excelling. We know that School District B and the community it serves have the potential and the resources to be an outstanding district. We can excel, and we want to do so. And, so we were changing our philosophy going into that budget [1987-88]. And, our superintendent comes in and says, "Fine. That's great. We do have
the resources to do it. There's no reason this district shouldn't be way up because of the calibre of people that live in this district. You know, there's a well-educated people in the community that know what an education can do. And, so you would think they would be supportive of an excellent school district. So, that was our philosophy going in. You know, and then, it takes money to do those things.

However, their vision of progress was shattered by the taxpayers' rebellion against the twenty-cent tax increase proposed by the new superintendent in August 1987. The president described how the board and administration began the summer with an upbeat philosophy and a determination that the community would have a top-notch school district. Within six months, they found themselves in a survival posture. He explained how school officials' thinking changed between August 1987 and February 1988:

Let's get through this thing and regroup as soon as we get through. Then, we'll take off again. But, a rollback... it doesn't set you back one year. It sets you back several years. It's going to take the community several more years to ever dig out of this thing. . . . I still feel like the community has the potential and should be high academically. But, now that philosophy and that drive to go in that direction is overshadowed by the fact that we're going to have to get there at a slower pace than we should. . . . We have to slow down because of this huge rollback support group out there that can rise again if we don't respect them.

Following the rollback's passage, school officials replaced their questions about how to create an instructionally strong school district with questions of how to appease angry taxpayers. They asked: How could they keep peace in the community? How could they regain the credibility in taxpayers' minds? How could they get the newspaper to continue its support for the board, administration, and district?
Superintendent's Philosophies

When the superintendent accepted School District B's top job, board members told him that the community wanted an innovative instructional leader. Thus, he arrived July 1, 1987, ready to initiate new programs with the board's blessing. "We decided on this superintendent because he was strong in curriculum. He had that philosophy and attitude to support and initiate those programs," the current board president said.

After the rollback election, the superintendent fought to protect the children's interests. He did not believe in cutting extracurricular programs saying, "You don't penalize the kids." Because the district was under siege, the superintendent, like the board, adopted a survival philosophy. His goal was simply to survive the rollback budget of 1988-89 and begin regaining ground instructionally in 1989-90.

Curriculum Needs

Topping the superintendent's list of curriculum needs was the program for middle school at-risk students called OASIS, or Our Aim: Success in School. It was launched in 1988-89, the rollback budget year. Over seventy students benefited from the modified instructional setting with its smaller class sizes, computer-assisted instruction, and accelerated learning programs. Core classes were taught by two teachers in portable buildings. The youngsters moved inside the school building for specialized classes such as music and physical education. Funding for the program was provided through a $73,204 grant from the North Texas Council of Governments. It paid the salaries of a coordinator, computer lab teacher, and program secretary. However, the program was jeopardized in 1989-90.
when the grant totaled only $9,700. The superintendent saw a need for a similar program at the intermediate level for at-risk fifth and sixth graders and at the high school level for ninth through twelfth graders. He described his frustration at not being able to expand the programs:

What happens when they get to high school now? What do I have in high school? And, I'm just dying for a true alternative school for high school. And, I have a prejudice about that. I feel it has to be a true alternative. I don't think it can be in that high school. I don't think it needs to look like that high school.

The superintendent felt the high school needed a journalism program complete with news reporting and photography courses and a student newspaper. Since his arrival in the district, he had been unable to find the funds to start the program. He lamented that the students were being cheated. "I think we're doing a disservice there," he said. "That's an example of a program that I see a tremendous need for."

The superintendent recognized that School District B had not equipped its schools with enough computers to support the curriculum. "We're not even touching the hem of the garment at the middle school and high school with computers we need," he remarked. Many courses could be enriched if computer labs were available to supplement traditional teaching methods.

The former board member who led Citizens Against Rollback Elections cited the need for more comprehensive science programs in the junior high school and expanded laboratory facilities. Like the superintendent, he emphasized that computers were needed at that level. The district's libraries needed more books to comply with state accreditation standards.
The current board president added the district's gifted and talented program to the list of curriculum needs. Although the board wanted a stronger curriculum overall, finding the money to offer new courses proved frustrating. "We want to bring our academic standards up," the president said. "We want our kids to do better in college. And, it's going to be hard to implement some of those [in 1989-90 budget]."

The board vice president, an avid proponent of drug education, explained that she would push for a more concentrated program in the 1989-90 budget. Although the district used state funds to employ a drug education coordinator in 1988-89, the rollback budget year, the program had to rely on community volunteers. She felt that the district had to make a stronger commitment by saying, "This is a priority, and we will pay for this."

Extracurricular Needs

Neither the superintendent nor the three trustees identified any pressing extracurricular needs. The current board president explained that "There are always plenty of areas that you can expand your extracurricular programs. You can extend it into the junior high." But, maintaining what was in place proved to be the board's major concern. The most recent athletic additions--boys soccer and girls volleyball--barely escaped the budget ax as board members scoured the 1988-89 proposal for possible cuts. Some citizens suggested they be cut because they were the newest programs. Other citizens advised the board to eliminate all University Interscholastic League programs, both the athletic teams and co-curricular events.
Facility Needs

With the passage of $7.67-million bond packages in February 1989, voters gave their go-ahead to the following construction projects: a second intermediate school for fourth through sixth grade was scheduled to open in September 1990, a second middle school for seventh and eighth grades was set to open in September 1991, and a metal physical education building at an existing elementary school. At the high school, projects included the renovation of the library and the construction of a classroom addition for science labs and classes for mentally retarded students, and a greenhouse for horticulture classes. Prior to the bond election, both sides predicted victory. The superintendent told a reporter:

I think the bond issue will pass. I think that most people that look at the facts and don’t listen to the scare tactics realize that the school board is doing the best they can do to meet the absolute basic needs of our students in the most efficient way. The kids are here, the growth is here, and we have to move forward to having classes for our kids. This is the time we need to change from the negative attitudes and emotions of the rollback to a positive step forward in meeting the needs of our kids.

The county taxpayers association’s second vice president believed the bond package would fail because it was an unrealistic solution to the district’s growth problems. His group rejected projections that the district would continue to grow at an 8 percent average once the 9,000-member construction crew at the nuclear power plant completed its work. They emphasized that the plant’s operating staff would number 2,000. Despite the opposition’s claims, the bond election passed with 2,221 voting for it and 1,552 voting against it.
When the new intermediate school opened in September 1990, fourth graders would be moved into it and the existing intermediate school. By relieving overcrowding in the lower elementary grades, the superintendent hoped to make room for computer labs on each campus.

**Personnel Needs**

Because School District B had a history of continual growth, it hired teachers to meet the twenty-two-to-one student-teacher ratio in kindergarten through fourth grade. The superintendent noted that the district had no vocational education director. "It's pretty well up to the teacher," he said, "and we're fortunate we've got some good teachers there. But, we don't always." The superintendent explained that the administrative staff was too lean. He served as business manager as well as superintendent. Rather than focusing the majority of his time on instructional issues, he was forced to deal with all of the business aspects of the district's day-to-day operation. In August 1989, he brought in an administrative assistant to handle the budget, purchasing, accounts payable, payroll, and benefits. This meant that the superintendent still had to coordinate all of the 1989-90 budget preparation activities. He met with the Citizens Budget Review Committee as requested and made all budget presentations.

The former board president, who now served as a trustee, and the current president agreed that additional administrative staffers were needed. The problem the board faced was citizens who perceived that administration was top-heavy already. The trustees recognized that the superintendent did not have enough time to administer the district's financial matters and to work with curriculum. The current board
The president noted that a push was being made to hire more guidance counselors as well as drug counselors. The board vice president described the situation in 1988-89: "We have one elementary counselor for five campuses. Even if we had one for every two campuses, you're asking a person to do an impossible job."

The Role of the Citizen Finance Committees

In September 1988, School District B formed a fourteen-member Citizens Facilities Needs Assessment Committee. The advisory group's mission was to review the district's facilities for adequacy and efficiency. In addition, it was directed to project growth patterns through 1993 and recommend changes to existing facilities as well as new construction and renovation projects. The president of the community's major bank chaired the committee. Groups of committee members toured the district's seven campuses during the school day so that they could see how the facilities were being utilized. They gathered insights from teachers, administrators, custodial and maintenance staffers, and students. The committee included the president of the county taxpayers association. He expressed amazement at the large number of students in the schools.

In addition, the committee directed the administration to send an information form home with each student to gather parental input. The chairman said, "It is hoped that we can gather as much input from the public as possible before we report back to the school board." Non-parents were encouraged to write or call so a copy of the survey could be sent to them.
On October 18, 1988, the Citizens Facilities Needs Assessment Committee reported its preliminary findings to the board. The bottom line was that the spiraling enrollment would cause the district to need forty-two new classrooms by September 1991. The chairman explained that his committee would recommend a frill-free bond package to the board.

At the November 15, 1988, school board meeting, the committee recommended a $7.76-million bond package. The chairman told trustees, “Our recommendation is a bare-bones, no-frills project.” It included a new intermediate school and a new middle school along with other recommendations. One committee member pleaded for community support: “If we don’t get two schools on the ground in the next two or three years, we’ve got a problem.” At a special meeting November 29, 1988, trustees wrestled with the bond proposal’s wording. A member of the taxpayers association clamored to expand existing schools. One board member philosophically opposed large schools. He argued, “You’re getting into my philosophy.” The association representative responded, “You’re getting into our pocketbooks.” Another taxpayer, a retiree who had supported the pro-rollback camp, urged trustees to word the ballot so voters understood what they were voting for or against. He warned, “If they don’t understand it, they’ll vote against it.” The retiree encouraged the board to tell voters up front how much their taxes would go up because of the bond issue. Taking his advice, school officials decided later to tell voters that the bond package would increase their taxes by five cents. In order to cover the district’s 1989-90 needs, the maintenance and operations tax rate would climb by ten cents. The district informed voters that the ten-cent increase was higher than tax rollback rate level. When the bond election passed in February
1989, the board president attributed its success to the Citizens Facilities Needs Assessment Committee's hours of hard work and the board's forthrightness. He said, "Probably more information was given to people than in the rollback election. A lot of people got out and worked." As a result, voters understood the lack of classroom space. In the course of the bond election campaign, the local newspaper ran the following positive pieces: a column by the editor urging citizens to vote yes, a special forum page with "Answers to Saturday's school bond election," and a front page editorial by the publisher which urged voters to support education.

On December 19, 1988, the superintendent recommended that the board appoint a ten-member Citizens Budget Review Committee. Its charge was twofold: (1) to review the 1988-89 budget in order to become familiar with budgeting codes and the system for Texas Education Agency audit compliance and (2) to review development of the 1989-90 budget with recommendations finalized during the August 1989 budget workshops. On August 1, 1989 a six-member advisory committee of bankers, an investment broker, a savings and loan officer, and a retiree reported. The chairman described how the group had held fifteen meetings of approximately two hours each. They had reviewed budgets for the fiscal years beginning September 1, 1986 and September 1, 1987, as well as a draft of the proposed budget for the fiscal year beginning September 1, 1989. The superintendent, department heads, and school staff met with the committee as requested. They provided the group with information and explanations as needed. Purposely, the superintendent did not attend every meeting. He believed it was imperative that this group remain detached from the
administration and the school board. No trustee ever attended a committee meeting.

Because the completed 1989-90 budget was unavailable for the committee's scrutiny, a written and indepth analysis was not possible, the chairman said. However, the committee's recommendations addressed broad areas. The report explained that "The nature of the committee's assignment was to identify those areas of budget procedures or policies that needed improvement." Accordingly, the report did not address those areas in which the district was operating satisfactorily.

The committee offered the following recommendations:

1. The district needed to develop both short- and long-range plans in order to provide a focus for the budgetary decision-making process. It would help citizens understand the district's challenges and objectives, and it would guide the school board. Summary level budgets for each campus and department would become integral parts of the overall written strategic plan which would address at least the following areas: a balanced budget, a restored fund balance, proposed district growth, administrative organization, compensation, training, and transportation.

2. For board and public review, a separate budget needed to be presented for each campus and department. The layman's version of the complex official budget would identify all costs budgeted for each cost center. Items would include general operating expenses, food service, and all federally supported programs.

3. Each cost center's proposed budget needed to be submitted so that staff review could be completed by June 30 of each year.
4. A manual needed to be developed which would detail all of the procedures of budget preparation at the department and campus levels. All departmental budgets would be designed using zero-based budgeting. Each year the department would have to justify all of its costs for the coming year. Principals, on the other hand, would develop their budgets based on the amount allocated per student and based on previous expenditures. All capital improvements would be cost-justified on an item-by-item basis. The report noted that "The practice of lump-sum budgeting shall be eliminated." An equipment list needed to be developed for each school and grade level. Subsequently, no capital expenditures would be approved that exceeded the authorized limit. Finally, all expenditures needed to be prioritized in order to speed staff review and to make budget adjustment easier to process when forecasted revenue became available.

5. Because the current budgetary development process did not provide proper documentation, trustees and citizens had to rely on the oral presentation of the superintendent. Therefore, the following charts needed to be developed. First, a chart was needed to reflect the actual spending by object code for the preceding two years, the spending of the present year projected to its conclusion, and the proposed budget variances between the current and proposed budgets. Second, a chart was needed to reflect the current number of employees, their total salaries, and the projected number of employees with their proposed salaries. Explanations of variances would be required. Those whose salaries were allocated to more than one cost center (e.g., special education cooperative personnel), would have to be identified and the method of allocation explained. Third, a chart was needed to track the number of students enrolled the preceding
two years, the present year, and the proposed budget year. Fourth, a chart was needed to reflect formulas and planning factors used to determine campuses' allocated costs for the present year and the upcoming budget year. Finally, a detailed line-by-line budget was needed.

6. Problems existed in the monitoring of the budget. To solve those problems, campus and department needs had to be broken down into a month-to-month document and presented to the board each month. The budget, actual expenditures, and encumbrances would be explained. Rather than making budget changes throughout the year, the district was advised to make amendments only at the year's end.

7. The district needed to hire an insurance consultant to review coverage rather than relying on the presentations of sales representatives. Consideration of self-insurance in some areas needed to be considered.

8. The district needed to conduct a salary study of its non-instructional positions. Jobs needed to be compared to similar jobs in the area's market.

9. The district needed to consider eliminating fixed travel allowance. Instead, reimbursements should be based on actual mileage.

10. The district needed to conduct a study of the bus fleet and sell any unreliable vehicles.

During the August 1989 budget workshops, the only item with which the Citizens Budget Review Committee had a problem was the amount set aside for utilities. The administration could not offer supportive data for its recommendation. Its only argument was that some cushion had to be built into the budget to protect the district from unexpected utility costs.
Steps in Budget Preparation Process

The 1987-88 budget process

When the superintendent began working part-time in the district in the spring of 1987, he called a meeting of his principals and administrators. He explained that before he returned, he expected them to prepare their campuses' and departments' budgets. He provided administrators with budget preparation forms and did not expect any difficulties. The next time he met with the group, however, one of the administrators explained that they had never participated in the budget planning process under the previous superintendent. Therefore, they did not have any concept of what he wanted. They did not know how to start. The administrator told the new superintendent, "We just turned our requests in." Realizing he did not have time to teach his staff how to prepare their budgets, the superintendent told administrators that he would handle the budget for 1987-88. However, he said, "This will be the last time of this. Everybody's going to have to prepare their budgets. You're going to have to develop them from the ground up."

The 1988-89 budget process

With the 1988-89 budget, however, the superintendent and board handled all of the preparation because it consisted primarily of cuts. The principals and department heads had to operate with whatever was allocated to them during the rollback year. The superintendent explained:

Unfortunately, you see, that February [1988], we had the rollback. So, the next year, we were just talking about slicing the budget to
smithereens. So, there wasn't any reason to go through a budget process. It was, you know, you get what you got last year minus 10 percent.... So, I didn't take them through it.

The 1989-90 budget process

In the superintendent's third budget go-around as head of School District B, the principals and department heads did develop their own budgets. During the preceding two years, they had learned how to use computer printouts of their budgets. They had become knowledgeable about the budget coding system. They had gained experience amending their budgets. "It gave me an opportunity for my principals to go out and become totally aware of the budget process," the superintendent said. "Now, they've had to develop a budget. We still have got a long way to go."

The 1989-90 budget was the district's first grass-roots budget. Teachers developed budgets under the guidance of their department heads. Throughout the 1988-89 school year, principals had monitored expenses by subjects and grade levels. They had budgeted using the fifty dollars per student allocations assigned to their campus. The fifty dollars was divided into the following categories: five dollars for the copying machine, ten dollars for the paper, and thirty-five dollars for teaching supplies. The superintendent described how the budgeting process worked for teachers:

The principals will work with their teachers. Usually they do that by grade level to disperse that out so that each grade level can do with its money whatever it wants to. And, I think they're pretty well-funded on teaching supplies. That's the guts of your budget.

The principals then reviewed their teachers' budgets before forwarding them to their immediate supervisor. After compiling all of the campus requests, the mid-managers sent them to the superintendent. He, then,
assessed the district’s overall needs, prioritized them, and calculated the cost of the initial budget proposal. From this point, he reviewed needs and priorities. He made initial cuts before presenting the first draft to the school board. At budget workshops in August, the board reviewed the proposal and began making its own cuts. Justifications for new programs were sought. Trustees asked numerous questions of staff so that they could interpret the proposal to other citizens and to the media.

While the principals and department heads were becoming more attuned to the budget preparation process, they had a long way to go in the superintendent’s estimation. “We’re not to the point that we’re really going from the ground up,” he said. “But, we’re close to it.” He hoped that the new administrative assistant for finance would be able to shoulder much of the budget planning responsibilities as the 1990-91 budget was developed. However, being short staffed administratively, the administrative assistant also served as a second appraiser of classroom teachers.

The post-rollback budget cut debate

While no cuts were finalized at a March 1, 1988, meeting, the superintendent directed trustees to study possible cuts in salaries, transportation, sports, and band. Three weeks later, teachers crowded into the board meeting room. They worried about the superintendent’s proposed salary freeze which would save $418,000 in 1988-89. One teacher told trustees and the superintendent:

If you cut or freeze teachers’ pay, you will cut the very heart out of your public education. If you go for deficit spending for any programs, you can do it for teachers’ salaries, too!
The high school teacher suggested doing away with all University Interscholastic League activities such as sports, band, and co-curricular events. She also proposed that students and athletes pay for their bus trips, equipment, and uniforms. Turning back thermostats on heating and air-conditioning, in her opinion, would save dollars. She stressed, "We will all be uncomfortable, but we won't die. Voters will never vote for more taxes if they don't see and feel the need now."

In addition, the audience learned that immediate cuts were needed to protect as much of the current budget as possible for the coming year. School officials projected a loss of $1.4 million in local tax revenues as a result of the rollback election. In addition, early projections indicated the district might lose as much as $500,000 in state funding.

The superintendent told trustees and the public that a maximum of $633,000 could be carved from the 1987-88 budget "without taking out the guts of the school system." Some trustees and some vocal teachers argued for deeper cuts. They believed that deep cuts would "get the public's attention and support in case of another rollback election." Four trustees urged deeper cuts in the current budget so that the district would not place itself in a rollback position in the future. Another trustee favored the superintendent's $600,000 proposal. He encouraged the board to consider the Texas School Services Foundation's Capital Acquisition Program. The low-cost financing program enabled several school districts to join together to obtain low interest bonds. The program could be used to purchase such equipment as buses, computers, portable buildings, library books, heating/air-conditioning equipment, copiers, and other large equipment.
By the April 6, 1988, meeting, one of the trustees who had encouraged deeper cuts said that he had changed his position. He said, "I’ve done a lot of studying and the cuts aren’t there unless you destroy the school system. I know I’ve gone from one extreme to the other. I know I’m eating my own words.” The superintendent predicted a tax increase in 1989-90, but he would not specify an exact amount. The actions taken by the board for the remainder of 1988 and during the rollback year of 1988-89 aimed at minimizing the tax rate increase. During the workshop, trustees considered charging parents $15 to $18 per month if their child rode a school bus within the two-mile limit. That would represent a savings of $16,000. Trustees also discussed delaying the purchase of three needed school buses, making football players buy their shoes and insurance, charging instrument rental fees to band students, raising the out-of-district tuition from $200 to $300, raising community education fees, and closing elementaries in July to save utilities and custodians’ salaries. Before the meeting ended, the board president appointed a subcommittee to study the budget and recommend further cuts.

At its April 19, 1988, board meeting, the board approved $633,000 in cuts from the 1987-88 budget. Because the district now projected a total loss of $1.9 million in 1988-89, school officials anticipated a $1.3-million shortfall. Again, the superintendent advised trustees that a tax rate increase was inevitable to fund the 1989-90 budget. The superintendent told the audience that the $633,000 cut represented nine cents on the tax rate. He contended:

I do not feel the public gave a mandate of cutting twenty cents. I think we need to listen [to citizens] and back off, but we have to ask
the public to listen to us and see we don't have this "fat" in the budget.

The 1988-89 budget debate

This budget, known in School District B as the rollback budget, was prepared by the superintendent and presented to the board in public meetings. Whenever a budget workshop was held, citizens packed into the board room. While everyone knew that deep cuts were inevitable, no one wanted those cuts to affect them, their children, their programs, or their salaries.

On July 26, 1988, the board approved $148,791 to purchase the following items through the Capital Acquisition Program: computers for the elementary “Write to Read” program, a high school programming lab, and four air-conditioning units. Trustees had approved participation in the Texas School Services Foundation's Capital Acquisition Program in May 1988. The superintendent prepared the board and citizens for a significant fiscal challenge. He said, "While we're having increased costs and cutting back our budget, the state revenue will be less. That's the bleak picture."

At the August 4, 1988, budget workshop, the superintendent proposed an $11.8 million operating budget. Even though trustees already had cut nearly $1 million, the proposal was $188,000 over the 1987-88 budget. The superintendent revised the district's estimated loss downward to $1.2 million because of the rollback election. Therefore, the district faced a deficit budget of over a million dollars. School officials argued that further cuts would jeopardize the education of students. Representatives of the county taxpayers association countered that the district had not made deep enough cuts. The group's spokesperson said, "We've got to get this
thing reduced. When we talk about deficit spending that's another big tax increase [next summer]. That's what we're trying to avoid." Twenty-five members of the taxpayers group attended the workshop. One vocal member accused the board of not doing its job and of "rubber stamping" the superintendent's proposal. This angered a trustee who fired back, "I feel attacked by your statement that the board did not do their job. We sat here for hours [earlier this year] and worked on this budget. I will take this budget home and study it line-by-line."

At the August 11, 1988, budget workshop, strained relations surfaced between the superintendent and one of the trustees. The board member argued for further cuts. He said, "We've got a problem, and I think we need to do something." Even though school officials had managed to cut more than $760,000 from the budget, they faced more than $1 million deficit. Frozen teachers salaries constituted more than half of the budget cuts. The trustee admitted that any additional cuts in travel, repairs, equipment, telephone, supplies, and school board expenses would be minimal. Even so, he hoped to appease the taxpayers. He said, "If we can cut maybe 10 percent here and there... maybe we could squeeze out without devastating the kids." The superintendent disagreed with the trustee's recommended travel cuts. Moving ahead, the superintendent told the board and audience that the sixty-nine cent tax rate was "way below" the state average. Making his case, he emphasized:

We are trying to do something reasonable. We have to find out what the public thinks is reasonable. Does the community want to gut its school system? If we continue to freeze teacher salaries, we'll be running off quality teachers and you'll be hurting your kids.
After the August 16, 1988, board meeting, the superintendent told a reporter that taxpayers might face a 10-cent tax increase in 1989-90. Even at seventy-nine cents per $100 valuation, School District B's tax rate would still fall below the state's average. That increase was half of what the district proposed in 1987-88 when taxes increased twenty cents per $100 valuation. The trustee who had challenged the superintendent to find more areas to cut at the August 11, 1988, meeting, convinced his colleagues to back off their proposed $76,461 in additional cuts. He eliminated $61,461 “because the cuts are so close and some areas will fall short.” Those areas affected included supplies, paper, travel, utilities, library books, furniture, extracurricular spending, and equipment.

At its August 23, 1988, board meeting, the board approved a new health insurance carrier for its employees. Concerned that the salary freeze had adversely affected teachers, the board entered into an agreement which required premiums at approximately the same level as 1987-88. To achieve this, however, the deductible was raised from $300 to $500. It also approved the district's 1988-89 budget of $14.8 million. The final budget represented a $332,575 increase over the previous year's. Because the district anticipated a $1.2-million combined loss in local revenue because of the rollback and reduced state funding, the budget deficit totaled $937,817. To cover the shortfall, the board said it would draw money from its $2.6-million fund balance. The trustees also adopted a sixty-nine cent tax rate over which they had no control because of the rollback election. By the time trustees adopted the 1988-89 budget, they had chopped $822,000 from it. Once again the county taxpayers association pushed for deeper cuts to balance the budget.
The 1989-90 budget debate

While members of the Citizens Budget Review Committee attended every budget workshop and board meeting at which the budget and tax rate were discussed, school officials discovered that fewer teachers and citizens observed their deliberations. The county taxpayers association was represented by one person at each meeting. In essence, the board was left to make its budget cuts under the scrutiny of a few citizens and the local newspaper reporter. At each meeting, the superintendent distributed handouts to trustees and audience members. Everyone in the board room benefited from the same information.

On August 1, 1989, the budget workshop was attended by seventeen individuals. Before the meeting began, the superintendent explained to members of the Citizens Budget Review Committee how the district's taxable value could increase and the district still could wind up with a lower taxable value. The committee's senior citizen outlined how the over-sixty-five exemption froze the taxes on the owner's homestead.

The superintendent began the first budget workshop by distributing copies of the proposed budget. The trustees, superintendent, district administrators, and members of the Citizens Budget Review Committee sat at tables arranged in a large square. This gave the perception that everyone was an equal player in the budgetary decision-making process although the trustees had to vote on the final budget and tax rate. The superintendent reviewed the budget line-by-line. He explained that the maintenance and operations tax rate was subject to a rollback but not the interest and sinking tax rate. Throughout the meeting, trustees asked questions to which the superintendent did not always have ready answers.
His secretary took notes. He promised to find the answers before the August 8, 1989, budget workshop. He encouraged trustees to contact him with any other questions they might have. He said, "It will save time if you'll call in your questions. I have some of your questions jotted down. I will give you the answers in Friday's update."

The superintendent projected a 1989-90 budget deficit of $432,000. He estimated that the 1988-89 fund balance would be approximately $1.9 million. The district needed to begin building up its fund balance, he emphasized. He explained that a teacher had been cut from the middle school's at-risk program because the grant had been severely reduced in its second year. During its first year, the grant totaled $73,204. In 1989-90, however, it had been reduced to $9,700. Cutting the gifted and talented budget caught the attention of the board. Several expressed concern that the program appeared to be "dwindling away." One trustee said, "I just want to be sure we protect the program." When quizzed about the $10,000 increase in the band budget, the superintendent explained that some purchases had been delayed during the rollback budget of 1988-89. In addition, students could not be required to purchase larger expensive instruments such as tubas.

The first budget workshop ended with a report from the Citizens Budget Review Committee. The group identified four years of deficit spending as the district's major problem. Since the 1986-87 school year, deficit expenditures totaled $1,754,000. The committee suggested that the budget preparation process begin with classroom teachers. The superintendent explained that the district had no grass-roots budget process when he arrived in July 1987. He said:
There wasn't much point to go through the process in the rollback year. This is the first year we've developed the budget from the ground up. It was a weak step, but we're on our way. We can take this and do a much better job next year. We do need better communications. We get frustrated with the limited resources. With all our efforts, we're still more than $400,000 into deficit spending.

The August 8, 1989, budget workshop began with the superintendent providing trustees and an audience of twenty-seven with answers to questions posed on August 1, 1988. The superintendent methodically taught, reinforced, and reviewed key points throughout the evening. He corrected his figures on interest earned on investments in 1988-89. His calculations underestimated by approximately $75,000. The travel allowed for co-curricular activities was $40,700 rather than $59,000. He explained that this line item included hotel as well as travel for students and their sponsors. He explained that the estimate varied from year to year depending upon whether or not students advanced to regional and state competition. Most of the capital outlay budget had been spent in 1988-89. In fact, "There is very little to be moved to spend elsewhere," the superintendent explained. Equipment and furniture requests exceeded resources; therefore, needs were being prioritized. He explained that he had cut $58,000 from the athletic budget and $13,900 from band budget. He reminded trustees that the 1988-89 budget cuts had deflated both departments' inventories. "Now, they're out," he said.

In response to the Citizens Budget Review Committee's objection to inflated utility budgets, he noted adjustments which reflected actual expenditures in 1988-89. In that budget, the high school had overbudgeted approximately $50,000 while the middle school had overcompensated by
about $10,000. He cautioned trustees that the elementary’s utility costs had
gone over budget $16,000 when a transformer failed. After the
superintendent finished, the committee chairman countered, "I still have
questions about the utilities. There’s a $52,000 increase. It’s still $36,000 if
adjusted for the transformer. Why are we projecting a $16,000 increase
over last year in utilities?" The superintendent responded, "It’s our
conservative nature. Utilities scare us. So, there’s a $36,000 buffer.
There’s $36,000 and we have seven campuses." The chairman voiced his
concern again: "I can understand 5 percent. In my opinion, 12.2 percent is
excessive." The trustees engaged in a discussion on the topic.

As trustees pored over the budget printout and the superintendent’s
changes, one complained that the board needed to see the actual
expenditures to date for the 1988-89 budget. The superintendent promised
to send those figures the next day. Another trustee expressed frustration
that "We don’t know how much of a fund was amended out and spent
elsewhere."

During an explanation of how new bonds would be "feathered in" as
older bonds were retired, the senior citizen on the Citizens Budget Review
Committee asked, "Are you saying a $3-million bond sale next will not
increase the interest and sinking tax rate?" The superintendent assured
him that bond consultants had calculated that it would not exceed the five
cents promised during the 1989 bond campaign. The senior citizen, a
former pro-rollback advocate, responded, "I brought it up to help make sure
no one would think the school board was not giving all the information.
They’ve done so admirably. I wanted to bring this up to make it clear and
get it off the table." Turning to the audience, he continued, "I hope you understand so that no one has any objection in the future."

Tackling the teacher salary issue, which was sensitive because of the 1988-89 salary freeze, the superintendent explained that recent legislation had caused the district to fall below the state base in all but two steps on the schedule. To remedy the problem, he explained that some teachers would receive higher raises than others. In response to the Citizens Budget Review Committee, the superintendent announced that the new administrative assistant for finance would conduct a secretarial salary study.

Turning to the middle school at-risk program's budget, one trustee expressed concern that it was not being properly staffed. After the superintendent lauded the remaining teacher's talents and experience, the trustee replied, "So, we're saying 'You're so good we're going to stretch you further.' I hate to see her stretched so far. I regret we can't do more. It worries me that we have nothing for these kids when they go to high school."

The Products of the Budgetary Decision-Making Process

Special Board Meeting/Vote to Advertise Budget and Tax Rate--August 15, 1989

At the August 15, 1989, board meeting, the superintendent reviewed $211,260 in budget cuts. These cuts brought the deficit for 1989-90 to
$228,594 rather than the original $432,000 projected on August 1, 1989.

Some of the major cuts included the following:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A contingent teacher</td>
<td>-24,600</td>
</tr>
<tr>
<td>Substitute teachers</td>
<td>- 9,500</td>
</tr>
<tr>
<td>Textbooks</td>
<td>- 500</td>
</tr>
<tr>
<td>Teacher supplies</td>
<td>-18,662</td>
</tr>
<tr>
<td>Paper</td>
<td>- 5,613</td>
</tr>
<tr>
<td>Furniture</td>
<td>- 3,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>-10,000</td>
</tr>
<tr>
<td>Elementary level supplementary textbooks</td>
<td>- 700</td>
</tr>
<tr>
<td>Supplies for administration and superintendent</td>
<td>- 500</td>
</tr>
<tr>
<td>Travel for superintendent</td>
<td>- 300</td>
</tr>
<tr>
<td>Audio-visual supplies</td>
<td>- 1,300</td>
</tr>
<tr>
<td>Bus drivers' salaries</td>
<td>- 9,954</td>
</tr>
<tr>
<td>Vehicle insurance</td>
<td>- 9,000</td>
</tr>
<tr>
<td>Purchased contracted service</td>
<td>- 547</td>
</tr>
<tr>
<td>Supplies and materials</td>
<td>- 3,800</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>- 7,250</td>
</tr>
<tr>
<td>Other</td>
<td>- 8,500</td>
</tr>
</tbody>
</table>

The senior citizen member of the Citizens Budget Review Committee asked for an exception to the five-minute maximum to address the board on a topic of personal concern to him. Once granted, he said he recognized the pain with which the board had made some of the cuts. However, he was most concerned about the decision to cut the proposed funding for the drug
education program. "In my opinion, this is a priority," he said. "There's no shots for drug addition. There's no shots for alcoholism." Using flip charts, he outlined three benefits beyond the curriculum itself. First, it would help lower the district's dropout rate. Second, it would contribute to a lower crime rate. Third, it would improve the district's quality of life. He asked trustees to look at the expenditure as "life insurance." He reminded the board that they had placed $18,000 in the budget to provide insurance for student athletes and other University Interscholastic League participants for the first time in the district's history. The senior citizen told trustees:

You folks ought to know the turmoil I had within myself since last Thursday. I kept asking, "Why did the board do that?" I thought, "They don't recognize the need." But, there's been too much publicity for you not to see the need. Then, I asked, "Do you recognize the urgency?"

Although the drug education program had been staffed predominantly with volunteers in 1988-89, he worried that the volunteers would burn out. He challenged trustees saying, "Five thousand three hundred dollars is not a whole lot of money when you're buying life insurance."

In response to the retiree's impassioned presentation, the superintendent reminded trustees that he had cut a grand total of $228,594 when the board's goal had been $204,000. Even though the superintendent provided the board with a way to fund the drug education program as originally presented, several trustees balked at adding the program back into the budget without further research. They said that they might consider it later if detailed costs and benefits were outlined. One trustee said, "I'm not willing to add in a category here or there after what we've
been through." A colleague added, "We charged the superintendent with the job of cutting] and gave him guidelines. We wasted his time and ours. We hashed this out last Thursday." Another objected to it simply because it was a new program. One trustee said, "My concern with the drug education program was it was the only one cut 100 percent." The request was turned down after one board member explained, "I hate to put money out for a program that even the administration doesn't know what we'd do. I want to see the program first."

After concluding their discussion, the board voted six-to-one to advertise the proposed budget. In another six-to-one vote, the board agreed to advertise the 83.5536c tax rate. The maintenance and operations tax rate totaled 55.1882c while the interest and sinking tax rate amounted to 28.365c. The former amounted to a 19.38 percent increase over the net effective tax rate, or 10c per $100 valuation. The latter represented an increase of 3.85c. Both increases were as projected during the 1989 bond election campaign.

**Tax Rate Hearing--August 28, 1989**

Unlike the previous year, only one citizen and a local newspaper reporter joined school officials and members of the Citizens Budget Review Committee for the August 28, 1989 tax rate hearing. The citizen questioned the $228,000 budget deficit. He asked if the deficit could be cut so that the fund balance would not be depleted. The board president explained that several weeks earlier trustees had been facing a $479,000 deficit. He feared the cuts made might prove too extensive. The citizen countered, "Are you working on some long-term goal to get to zero, or are you going to
keep adding ten cents to the tax rate?" The president admitted that the
district did not have any long-term goals, but it was working on them with
the help of the Citizens Budget Review Committee. The citizen told trustees
that he worried about all the "for sale" signs around town. He feared that
taxpayers were being taxed out of their homes. The young father of two
said, "I worry we have the highest tax rate and I can't sell my house if I
need to. Yet, I have two kids in school and want decent schools. But, I
don't want to keep up with the Joneses." The former pro-rollback supporter
and retiree spoke up. He assured the young man that the board had been
fiscally conservative. In fact, he said, "They have gone overboard to
minimize the deficit. Last year it was $1.1 million. This year it's only
$228,594." About fifteen minutes after the public hearing began, it ended.

**Tax Rate Adopted—September 6, 1989**

On September 6, 1989, School District B's board of trustees approved
a tax rate of 83.5¢ per $100 valuation. Though the new rate was subject to
a rollback because it exceeded the net effective tax rate by 19.38 percent,
no one spoke in opposition to it.

**Summary**

What a difference a year made in the budgetary decision-making
process of School District B. In August 1988, the board room was packed
with teachers worried about salary cuts, parents concerned about user fees,
and members of the county taxpayers association contesting the tax hike.
One year later, no more than thirty people attended the budget workshops.
Many of those individuals were staff members or members of the Citizens
Budget Review Committee. Only one citizen and a newspaper reporter showed up for the tax rate hearing. The county taxpayers associations' representatives did not address the board.

The Citizens Budget Review Committee apparently had given the board the credibility it needed to convince taxpayers that the budget contained no "fat" and was as conservative as possible without jeopardizing instructional programs. A senior citizen and former pro-rollbacker became one of the board's champions.

Throughout the budget workshops, the superintendent provided everyone present with copious handouts. All received the same information as the trustees and staff. Therefore, everyone felt informed. Throughout the orderly process, citizens and staff interjected concerns, posed questions, and offered suggestions. Although School District B was beginning to dig its way out of a dark fiscal hole, it was doing so with the support of its taxpayers. While progress would be slow, it appeared that School District B once again was held in higher regard by the majority of its citizens who perceived its trustees and administrators as being honest. Lessons from the rollback experience had not been lost on school officials. They sought citizen input. They provided reams of information to anyone who asked. They opened up the budgetary decision-making process. In short, they put the public back into public education.
CHAPTER V

CONCLUSIONS AND INTERPRETATIONS

Summary

This multi-case study examined the budgetary decision-making processes used in two school districts as they developed their budgets and set their tax rates for 1989-90. The study was conducted in a post-rollback election environment so that differences in each district's pre- and post-tax limitation decision-making processes could be determined. In School District B, the rollback election passed in 1988. In School District A, the rollback election failed in 1989. The need for study in this area was indicated by prior research (Kelly, 1983; St. Clair, 1988; Shoultz 1987; Walsh 1983). The topic of this study was selected because it provided an opportunity to analyze factors which influence and shape the budgetary decision-making process and the differences in school officials' pre- and post-rollback budgetary decision-making strategies.

Qualitative data collection procedures included researcher observations, recorded field notes, document analyses, and interviews with participants. Field notes and tape-recorded interviews were made to determine the roles of participants, the evolution of the budgetary decision-making process, factors leading to the rollback election and dynamics evidenced among participants. Participants were interviewed prior to the first public workshop at which the 1989-90 budget proposal was presented by the administration. In these interviews, participants described how
decisions had been made prior to the rollback election and how they predicted they would be made in regard to the 1989-90 budget. The resulting data base consisted of more than 1,000 pages of verbatim transcriptions, district memoranda, state education agency data, state property tax board memoranda, previous budgets, budget proposals, district publications, newspaper clippings and rollback election publications.

Texans first exercised their privilege of voting on whether or not to limit their school tax rates in 1983. Only 56, or 5.3 percent, of the state's 1,060 school districts experienced rollback elections between January 15, 1983, and March 11, 1989. While the number of rollback elections is small when compared to the greater context of public education in Texas, the impact rollback elections have upon their districts can be financially devastating.

The participants included the following school officials: the superintendent, the business manager, the school board president, the school board vice president and a school trustee. Citizen participants included the local newspaper editor, pro-rollback leaders and anti-rollback leaders.

Recognizing that many external forces influenced school officials' budgetary decision-making processes, data analysis consisted of a system of categorical coding. Using this coding scheme, the researcher identified and described the roles of participants, the perceptions participants held of themselves and others, the pressures generated by the climate of fiscal stress, the types of decisions made, the way certain factors influenced the decisions, and the decision-making and decision-maker characteristics exhibited throughout the budget development process. Comparative
analysis (Glaser and Strauss 1967) and the analytic inductive analysis (Goetz and LeCompte 1984) of field notes, transcriptions, and documents resulted in the emergence of seven major categories and sixty-three subcategories. Using the coding scheme, the researcher identified the influences and procedures utilized in budget planning, revision, and presentation. The codes emerged not only from the research questions but also from evident and unanticipated repetitions in the content of the transcriptions.

Data were displayed in narrative form. Comparisons were drawn between the data in the coded transcriptions, other documents, the budget proposals, and the final budget documents. The use of numerous direct and indirect quotations from the participants interviewed provides the reader with an opportunity to validate the findings of the study and to confirm its reliability.

Findings and Tentative Explanations

The research questions addressed in this study provide a framework for the discussion of the findings:

1. How are the school districts' various decision-making processes (e.g., budget, tax rate, curricular and extracurricular programs, and staffing) different today than they were before the rollback election?

2. How are districts' public relations/communications strategies different today than they were before the rollback election?

3. How is the media's coverage of the school districts different today than it was before the rollback election?
4. How is citizen participation in the school districts' decision-making processes different today than it was before the rollback election?

5. How is staff involvement in the school districts' decision-making processes different today than it was before the rollback election?

Significant factors creating fiscal stress were highlighted. The roles of participants, procedures, and decision-making processes were separated for clarity. It must be noted that all three elements are interrelated.

Research Question 1

The first research objective was to identify the differences in each school district's pre- and post-rollback election budgetary decision-making processes. Before the rollback election, School District A's board of trustees voted to exceed the 8 percent rollback tax rate in order to provide students with what they considered adequate instructional opportunities. The tax rate enabled School District A to implement costly state mandates and to maintain employees' salaries and benefits. After the rollback election's defeat, School District A's board of trustees adopted a different philosophy: The tax rate was not to exceed the 8 percent rollback tax rate. The budget could increase the tax rate 7.9999 percent and no more. The board decided that the district would have to operate with whatever revenues that tax rate increase generated.

Before the rollback election, School District B exceeded the 8 percent rollback tax rate in order to comply with state mandates, increase employees' salaries and benefits, expand curricular offerings, and add new instructional programs. Following the rollback's passage, School District B's board of trustees announced its intent to hold a bond election. During the
bond election campaign in early 1989, School District B's board of trustees and superintendent publicly announced that the 1989-90 tax rate would exceed the 8 percent rollback tax rate. Citizens passed the bond election and accepted that the tax rate would rise above the 8 percent rollback trigger.

School District A approached the 1989-90 budgetary decision-making process with a carefully drafted Five-Year Plan. The plan had been in place before the rollback election. Campus goals supported the district's goals. In turn, the superintendent's and other administrators' goals were tied to the district's Five-Year Plan. While developing the first post-rollback election budget, school board members frequently expressed concerns that the district was failing to reach the plans' goals. Although School District A did not achieve all of its goals, school officials made budgetary decisions which moved the district closer to those objectives. A comprehensive facilities study and a demographic assessment provide the school board with a reference base.

On the other hand, School District B approached the 1989-90 budgetary decision-making process without any formalized district goals. As a result, individual trustees lobbied for budgetary items which they deemed important. While each budgeted item benefited either children or the employees or both, school officials had no long-term objectives on which to focus. The Citizens Budget Review Committee's number one recommendation to the board and administration was to develop short-term and long-term goals on which future financial decisions could be based.

In both school districts, the superintendents and school trustees altered their behavior toward citizens who addressed them at board
meetings. Prior to the rollback elections, school officials had politely listened to citizens. The open forum portion of the meetings was more symbolic than substantive. Following the rollback election, school officials in both districts listened more intently to what citizens had to say during open forums at board meetings and budget workshops. They weighed citizens' input more carefully. Periodically, the trustees altered, tabled, or rejected some of the administration's recommendations based on citizen input.

In both school districts before the rollback election, the boards were perceived as asking too few questions about their administrations' recommendations. After the rollback elections, trustees in both districts demonstrated that they had studied their agenda packets carefully. They quizzed administrators directly. They sometimes delayed votes until all of their questions had been answered. They were prepared to openly challenge some of the administrations' proposals. In both school districts, the boards were perceived as less of a "rubber stamp" for the superintendent after the rollback elections.

In both school districts prior to the rollbacks, the tax rate increase was the focus of citizens' and school officials' attention. Following District A's rollback election, a tax abatement request monopolized both citizens' and school officials' attention. The increased 1989-90 tax rate attracted minimal attention because (1) it did not exceed the 8 percent rollback tax rate and (2) the long-term implications of the tax abatement request overshadowed the one-year effect of the tax rate. Following School District B's rollback election, the 1989 bond election became the focus of citizens' and school officials' attention. The bond campaign stressed that the
1989-90 tax rate would exceed the 8 percent rollback tax rate. Because citizens were prepared to exceed the 8 percent rollback tax rate, the 1989-90 budget and tax rate were accepted without controversy.

On the surface, the budget planning process in both districts appeared rational at the first budget workshop in the summer of 1989. The lines of command were clearly defined. Justifications were sought. Priorities were established. Alternatives were considered. Facts were collected. Questions were anticipated. Answers were prepared. Although the budget planning process began rationally in both districts, the budget cutting process followed the garbage can decision-making model as the deadlines neared for adopting their budgets and tax rates. Solutions and problems were dumped into the garbage can. Problems and solutions bumped into one another. School officials selected the most available solutions to solve their most pressing problems. In neither school district did school officials explore all the available alternatives and their consequences. The lack of time and staff resources prevented this from occurring.

As the deadlines for voting on the budgets and tax rates neared, trustees in both districts ceased functioning as a body. Instead, individual trustees dominated the budget cutting process. They slashed items from the budget proposal without referring to any particular criteria. The only goal trustees focused upon was a specified budget total.

Research Question 2

The second research objective was to identify differences in each school district's pre- and post-rollback election public relations/
communications strategies. Neither school district had a comprehensive, systematic, planned, on-going, two-way communications action plan either before or after the rollback election. District A's school officials recognized the need for such a plan. District B's school officials did not express a need for a comprehensive public relations program.

Both school districts published monthly newsletters for their citizens prior to their rollback elections. After the rollback passed in School District B, the newsletter was discontinued. Leaders of the pro-rollback group had accused school officials of using the district's newsletter for the political advantage of board incumbents and the top administrators. After School District A defeated the rollback attempt, the board voted to purchase computerized graphic arts equipment for the high school's vocational program which was to be used to produce the monthly district newsletter. The board continued to budget for the publication, declaring it was the district's sole avenue of communicating information to all of the district's citizens.

Anti-rollback citizen groups formed in each school district. District A's teachers helped register voters and manned phone banks. District B's teachers were told not to become involved in the rollback election campaign. Following the rollback's passage in District 8, the Facilities Needs Assessment Committee advised school officials to encourage teacher and employee participation in the bond election campaign. The bond package won the approval of voters. In both districts, the Council of Parent-Teachers Associations sponsored a districtwide public forum at which pro- and anti-rollback leaders debated the need for exceeding the 8 percent rollback tax rate.
Although School District B received constant coverage from its own local newspaper, subscribers did not include the majority of retirees who lived in 140 housing developments around the lake. Many of those retirees chose not to be actively involved in the community. They were uninformed about the school district’s needs. They became involved and informed, however, when they learned that the 1987-88 tax rate would exceed the 8 percent rollback tax rate. The retirees mobilized and cast their votes for the rollback. School officials quickly understood the clout exercised by the "sleeping giant" of senior citizen voters.

In School District A, citizens had no identifiable source of school district news. Residents in the district’s six towns and owners of agricultural land were fragmented. The ranchers, farmers, and small town residents shared little in common with the more affluent homeowners in Portiuncula, a planned suburban community. This group of white-collar professionals and retirees flexed the strongest political muscle.

Research Question 3

The third research objective was to identify differences in the media’s pre- and post-rollback election coverage of each school district. In both school districts, the local newspapers covered the budgetary decision-making processes, both before and after the rollback elections. In both school districts before the rollback elections, the newspapers became the major vehicle for both sides to express their views about the tax rate increase. During the 1989-90 budgetary decision-making process, newspapers in both districts covered board meetings and budget workshops. School board members, the superintendents, and District A’s
business manager were most often quoted. Reporters interviewed few citizens in the post-rollback election environment.

School District A received much post-rollback election coverage because of the August 1989 tax abatement debate. Along with the print media, the electronic media covered the tax abatement public hearings. However, the electronic media did not report on tax rate workshops or public hearings. The tax abatement decision attracted greater media coverage because Century Airport affected the economic development of an entire region rather than just School District A.

Research Question 4

The fourth research objective was to identify pre- and post-rollback election differences in citizens' participation in the budgetary decision-making process in each school district. In both school districts, citizen finance committees did not exist prior to the rollback election, but they were formed afterward.

Based on the superintendent's recommendations, School District A selected members for an Education Awareness Committee during the rollback campaign. The group's composition did not represent the district's six small towns. The group was not given a formal charge or any reporting deadlines. Infrequently, the superintendent convened the group. Basically, he provided them with information about the district's finances. In turn, committee members were asked to share the information with their families, neighbors, and friends. Soon after the rollback election's defeat, School District A's citizens committee studied the district's budgetary documents and budget workshop handouts. The committee offered
suggestions to school officials on how they could make the budget more understandable and more accessible to citizens. School officials attempted to implement the group's suggestions by preparing simplified handouts for citizens who attended the 1989-90 budget workshops. The handouts proved to be more confusing than helpful because school officials based their discussions on the detailed budget printout. Though invited, committee members did not attend the 1989-90 budget workshops. The group was inactive within eight months of the rollback election. In School District A, where the rollback was defeated, the committees were more symbolic than functional. The group's chairperson of the committee, board members, and the superintendent were unable to define the group's mission, agree on the group's proper name, or describe its composition.

In School District B, two citizen finance committees were formed after the rollback election passed. The first group was a Facilities Needs Assessment Committee of ten members. This group helped school officials develop the 1989 bond package, which voters approved. The second group was a fourteen-member Citizens Budget Review Committee. School trustees named both groups, presented each with a formal charge, and established reporting deadlines. Both groups were advisory. Each group contained a cross section of the district's citizens. The superintendent served as a resource person, but he did not dominate the group. In fact, he only attended meetings of the Citizens Budget Review Committee when invited to present information, explain school financial formulas, or respond to questions.

School District A's superintendent controlled the citizens committee and its effectiveness was minimal as far as the budgetary decision-making
process was concerned. School District B's superintendent allowed the citizens committees to function independently and their effectiveness was maximized. The Citizens Budget Review Committee recommended tightening the district's 1989-90 utilities budget.

School District A's citizens committee did not increase the school board's or the administration's credibility with voters. School District B's citizen committees served a symbolic function as well as a functional role. As a result, they helped the school board regain its credibility with taxpayers following the rollback election. They also helped the new superintendent achieve a degree of credibility with taxpayers. As a result, the 1989 bond election passed and the 1989-90 budget and tax rate were adopted without opposition. In fact, only one citizen asked questions at the public hearing on the tax rate.

While School District B had historically enjoyed the support of citizens in every bond package it proposed, School District A had not been able to pass a bond election since the late 1970s. School District A's newest elementary school had been constructed with fund balance monies.

Research Question 5

The fifth research objective was to identify differences in the amount of pre- and post-rollback election staff involvement in the budgetary decision making process in each school district. In School District A, the superintendent of eight years dominated the budget meetings prior to the rollback election. Following the rollback election, the district's business manager led the budget workshops and the superintendent commented infrequently. After the superintendent announced his resignation, the
business manager became the chief authority on the budget. School trustees fired questions at the business manager. It was his job to either respond or to have the answers for the next meeting. From mid-July through August 10, the superintendent became a passive observer until his departure. Less than one month later, the budget and tax rate were adopted without opposition and with minimal citizen scrutiny.

In both school districts, the superintendents' behavior changed. Prior to the rollback elections, both superintendents had proposed and won trustees' approval for new programs expenditures. Both superintendents "sprung" their ideas on the trustees without laying groundwork to earn their acceptance. Expenditures for equipment as well as new programs and positions were superintendent-driven. Following the rollback election, both superintendents discussed new programs, personnel, and equipment expenditures with individual board members in an attempt to refine their proposals before presenting them publicly. Trustees were given ample time to question the proposal.

In School District A, the budget proposal was developed from the campus level up, both before and after the rollback elections. Principals and other administrators were expected to defend their budget requests before their supervisors. All curriculum-related expenditures were ultimately reviewed by the superintendent before he forwarded them to the business manager for inclusion in the proposal. Campus-level and district administrators understood budgeting codes. In School District B, the superintendent historically generated the entire budget proposal. Principals and directors were simply told how much money they would have to spend in the coming school year. These administrators had gained some
understanding of budget codes, but they were not involved in the
While the superintendent expressed a desire to involve teachers, principals,
and department heads in the process, he believed he could not achieve this
goal until 1990-91.

Conclusions

After analyzing the data collected in the two districts included in this
case study, the researcher reached the following conclusions:

1. School board members and school administrations became more
conservative in developing their districts' budgets following the rollback
election. It did not matter if the rollback passed or failed.

2. In the school district where the rollback passed, school officials
ceased publishing the monthly newsletter for citizens. It is peculiar that
they abandoned the publication when they needed to improve their
communications and public relations program. Because only two school
districts were studied, conclusions were not definitive.

3. Both school districts received extensive newspaper coverage
during and after the rollback elections.

4. Both school districts increased citizen participation in the
development of post-rollback budgets.

5. The amount of staff participation in the budgetary decision-
making process remained the same in both school districts.

6. Rollback elections result in voters losing confidence in their school
administrators and school board members.
7. Rollback election campaigns divide the district's taxpayers into distinct camps and pit citizens against educators.

8. The rolling back of the tax rate or the threat of rolling back the tax rate results in budgetary decisions which erode the instructional program to the detriment of students.

9. Rollback elections force school officials to reconsider their methods of making budgetary decisions.

10. Rollback elections result in improved communication between school officials and taxpayers.

11. Rollback elections help citizens understand and appreciate the fiscal challenges faced by their school districts.

12. Whether the rollback passes or fails, there is very little difference in the public's attitude toward the school district and its officials. The holding of the rollback election seems to be the deciding factor in any changes that occur.

13. Whether the rollback passes or fails, school officials become ultra-conservative in their budgetary decision-making process.

Implications

Some specific points can be drawn from this study and applied to future budgetary decision-making processes used in public school districts:

1. The roles and responsibilities of participants in the decision-making process must be clearly defined at the beginning. Staff members must understand how the entire process functions if they are to support the final budget document and tax rate.
2. Citizen finance committees should be given a specific charge, definite reporting deadlines, and ample time to analyze the budgetary decision-making process, previous budgets, budget proposals, possible cuts, and state and federal requirements. School personnel should serve as resources to the committee, as requested, but should not chair the group or attempt to dominate it. The committee should include citizens who possess a high degree of credibility, who bring a high level of financial expertise to the task, and who represent the various segments of the citizenry (i.e., senior citizens, business leaders, non-parents, etc.). The committee should become the citizens' advocate and the board's adviser.

3. The format in which budget proposals are presented and the oral presentation of the budget proposal must be understandable to citizens. Communicating the budget proposal's contents clearly and precisely is just as important as preparing each line item expenditure. Failure to make copies of the budget proposal readily accessible to citizens in an understandable format results in misinformation, charges of inefficiency, accusations of dishonesty, and claims of costly administrative overhead.

4. School districts should develop long-range strategic plans which guide school board members and administrators in preparing, cutting, and refining their budgets. Without a clear set of long-range goals, the budgetary decision-making process wanders without purpose or direction. Short-term priorities are established without a long-term understanding of where they will lead.

5. School officials should produce monthly budget printouts which indicate allocations and actual expenditures-to-date for each object code. These monthly reports would provide decision-makers and citizens finance
committees with a basis on which to evaluate the budget proposal. Finally, it should communicate to the public that the school district operates above board and uses accepted budgetary controls.

6. Each year a planned, on-going, two-way, systematic communications action plan should be developed as an essential part of the district's overall management function. The responsibility for developing and annually revising the district's communication action plan should be assigned to a designated administrator. The plan should address both internal communication strategies and external communication strategies. Internal communication strategies should be viewed just as important, or even more important, than external communication strategies because the district's employees have more credibility in the district than school trustees and top administrators possess. The plan should seek to obtain input from the taxpayers as well as direct information to targeted audiences such as parents, senior citizens, business leaders, religious leaders, civic officials, and non-parents.

Recommendations for Future Studies

Findings emerging from this study point to future areas in which research is needed whether it is qualitative or quantitative or a combination of the two. Because the Texas Legislature has been charged with developing a new school funding formula no later than May 1, 1990, the context in which tax limitation elections occur in the future may be altered. The dynamics leading to rollback elections vary from district to district. A broader research base is needed on which to build future studies. Presently, studies about rollback elections in Texas are few. Therefore, the
following recommendations should be considered by future researchers who desire to add to the literature of tax limitation elections:

1. Additional research should be conducted to determine the degree to which the long-range plans of pre- and post-rollback election districts' are reflected in their budgets over a period of three to five years.

2. Further research efforts need to focus on the actual effectiveness and perceived effectiveness of citizen finance committees as they interface with school officials throughout the budgetary decision-making process in pre- and post-rollback districts.

3. Research should be conducted into the perceived symbolic and functional roles of citizen finance committees in pre- and post-rollback election school districts.

4. Further research is warranted in pre- and post-rollback election districts to determine whether or not school board members take a more active role in the budgetary decision-making process. Consideration should be given to the amount, type, and significance of the questions posed during budget workshops and the degree of acceptance with which trustees receive administrators' responses.

5. Research should be conducted into the evolution of pro- and anti-rollback citizen groups, the characteristics of their leaders and members, their campaign strategies, and their continued presence, or lack thereof, following the rollback election.

6. Further research needs to be conducted into the role senior citizens play in pre- and post-rollback election school districts. Consideration should be given to their involvement in the rollback campaign, efforts by school officials to redirect their energies, and their
post-rollback election activities as related to the school districts' budgets and tax rates.
APPENDIX A

Superintendent Questionnaire
**SUPERINTENDENT QUESTIONNAIRE:**

**SUGGESTED SOURCES FOR STUDYING**

**THE PERCEIVED DIFFERENCES**

**IN SCHOOL DISTRICTS' DECISION-MAKING PROCESSES**

**BEFORE AND AFTER ROLLBACK ELECTIONS**

Please check all those sources of information you believe the researcher should include in her qualitative study of rollback elections. Only districts which have held rollback elections will be considered as possible subjects for this study.

Use stamped, self-addressed envelop to return this questionnaire to the following address on or before June 12, 1989:

Rosemary Travis  
Arlington Independent School District  
1203 West Pioneer Parkway  
Arlington, Texas 76013  
(817) 459-7343

1. Individuals the researcher should be sure to interview to obtain accurate perceptions of the differences in the school districts' decision-making processes before and after the rollback election. Check as many as apply.

|     | Superintendent |     | Business Manager |     | Board President |     | Board Vice President |     | Newspaper Editor |     | Tax Opposition Leader |     | Anti-Rollback Leader |     | PTA Council President |     | Teacher Association |     | City Council Member |
|-----|----------------|-----|------------------|-----|-----------------|-----|--------------------|-----|--------------------|-----|--------------------|-----|--------------------|-----|--------------------|-----|---------------------|-----|----------------------|-----|
|     |                |     |                  |     |                 |     |                    |     |                    |     |                  |     |                    |     |                    |     |                    |     |                     |     |                     |     |
|     |                |     |                  |     |                 |     |                    |     |                    |     |                  |     |                    |     |                    |     |                    |     |                     |     |                     |     |                     |     |

OTHER:

---

---
2. Documents the researcher should be sure to study to obtain accurate perceptions of the differences in the school districts' decision-making processes before and after a rollback election. Check as many as apply.

- Newspaper articles
- District's rollback publications
- Anti-rollback publications produced by citizens
- Budget documents for tax year following rollback election
- Board meeting minutes
- Pro-rollback publications produced by citizens
- Budget documents for tax year in which rollback election was called
- Scripts for district's anti-rollback slide show or video
- OTHER:

3. Please list any other sources you would encourage the researcher to explore in this study.

THANK YOU FOR YOUR PARTICIPATION.

PLEASE INCLUDE YOUR BUSINESS CARD IF YOU WOULD LIKE A COPY OF THIS STUDY'S RESULTS.
APPENDIX B
Letter Accompanying Superintendent Questionnaire
May 27, 1989

Dr. W. Steven Jones, Sr.
Superintendent
Magnolia Independent School District
P.O. Box 88
Magnolia, Texas 77355-0088

Dear Dr. Jones,

As a doctoral candidate in the College of Education at the University of North Texas, I am working on a qualitative dissertation. The purpose of this study is to provide superintendents and school boards with information concerning how rollback elections may influence their decisions and the ways they make those decisions.

Because your school district has experienced a rollback election, you have been selected to complete the enclosed questionnaire. Even if you were not superintendent at the time of the rollback election, you and your district continue to feel its effects. The results of this preliminary survey will guide the direction of my research project.

Your completed survey will remain confidential. Its primary purpose is to ensure that I research the most appropriate sources of information. As a superintendent in a rollback school district, your insights are extremely valuable. I hope you will take time to share them.

To obtain more information about his research study, please feel free to contact one or both of the following persons:

- The researcher....
  Rosemary Travis
  Information Services Director
  Arlington Independent School District
  1203 West Pioneer Parkway
  Arlington, Texas 76013
  817-261-5948 or 817-451-6203

- Researcher's major professor....
  Dr. Hoyt Watson
  Department of Educational Administration & Supervision
  College of Education
  The University of North Texas
  Denton, Texas 76203
  817-565-2946

I encourage you to complete your questionnaire and return it to me on or before June 15.

Sincerely,

Rosemary Travis
Director
Information Services
APPENDIX C

Interview Schedule of Questions
INTERVIEW SCHEDULE

Demographic Data

- Current position
- Years in current position
- Previous positions with the school district, if any
- Length of residence in the school district
- District committees served on since Jan. 1, 1988
- Primary sources (3) of information about your school district

Questions

1. How were finance committees formed in your district before the rollback election and how are they formed now?

2. How much influence do you believe finance committees had upon the district's decisions before the rollback election and how much influence do they have today?

3. Was it harder to get budgets for new programs approved before the rollback election than it is today? Please explain.

4. What new programs have been introduced since the rollback election? Are they properly funded?

5. Before the rollback election, what processes were used to cut programs?

6. Since the rollback election, what processes are used to cut programs? Were these the same programs school officials said would have to be cut if the rollback election passed?

7. Before the rollback election, what processes were used to cut staff positions?

8. Since the rollback election, what processes are used to cut staff positions? Were the positions cut the same ones school officials said would have to be cut if the rollback election passed?

9. Before the rollback election, who were the key players in the budget planning process? What part did each person play in the decision-making process?
10. Since the rollback election, who are the key players in the budget planning process? What part does each person play in the decision-making process?

11. Was the budget review process more stringent before the rollback election or is it more stringent today? If more stringent today, how has the type, format, amount and relevance of information compiled and reviewed prior to the making of budgetary decisions different?

12. Compare how budget cuts were made both before and after the rollback election.

13. Compare how the district's priorities were set both before and after the rollback election.

14. Compare how the district communicated information about the budget planning process to each of the following publics both before and after the rollback election:
   - parents
   - senior citizens
   - the business community
   - non-parents

15. Since the rollback election, what kinds of projects need to be accomplished which are not being addressed:
   - bond elections
   - new academic programs
   - new extracurricular programs
   - expanded programs
   - new staff positions
   - salary increases for employees
   - benefits for employees
   - construction projects
   - renovation projects
   - equipment purchases

16. Compare the amount of input citizens are allowed to have at Board meetings today with what they were allowed before the rollback election.

17. Before the rollback election, what approach(es) would you have used to influence decisions in the following areas:
   - setting the budget
   - setting the tax rate
   - curricular and extracurricular programs
   - staffing
18. Since the rollback election, what approach(es) do you use, if any, to influence the district's financial decisions in each of the following areas:
   — budget
   — tax rate
   — curricular and extracurricular programs
   — staffing

19. Before the rollback election, if someone asked you how to influence financial decisions in each of the following areas, what proven strategies would you have recommended:
   — budget
   — tax rate
   — curricular and extracurricular programs
   — staffing

20. Since the rollback election, if someone asked you how to influence financial decisions in each of the following areas, what proven strategies would you recommend:
   — budget
   — tax rate
   — curricular and extracurricular programs
   — staffing

21. Describe any significant differences in the superintendent's pre- and post-rollback election decision-making style.

22. Describe any significant differences in the Board president's pre- and post-rollback election decision-making style.

23. Today whom does the public perceive as the ultimate decision-maker(s) in your district? Was that the case prior to the rollback election?

24. Today whom do the employees perceive as the ultimate decision-maker(s) in your district? Was that the case prior to the rollback election?

25. Is there anything you'd like to add which I've not touched upon with these questions?
APPENDIX D
Segment from Interview with Two Rollback Advocates
Rollback Proponents
School District A
Interviewed 6/23/89

I = Interviewer  
A = Rollback Leader #1  
B = Rollback Leader #2

I: Rollback Leader A, what was your position, I guess, in the rollback? I ask everybody, "What is your position?"

A: Spokesperson. I was in a position to speak out. That's why I got to be the mouthpiece, I guess.

I: I saw your name as I read through all the clippings that I've been able to collect.

[Unintelligible]

Now, some of these things you may feel "I just don't know." And, that's OK.

A: All right.

I: Have you served on any committees within the school district since Jan. 1988?

A: No.

I: What are your three primary sources of information about the school district?

A: Personal experience. We were involved for a year with the schools. And Don P., the board member at the time, who had all the information of the budget was a real good source of information. And, the other was the meetings we attended on the budget.

B: School board meetings.

I: School board meeting and work sessions and all.

A: Right.
I: How were finance committees formed in this district before the rollback and how are they formed now?

A: The finance committee last year was basically school board members during a workshop with a few people that they invited in from the community. Claude S. was there as one.

B: As an outside consultant... But short of input from the audience during those workshops there wasn't any. To our knowledge, there wasn't any other input.

I: Basically, it was all done by the school staff and board?

A: Correct.

B: The staff apparently presents a budget to the board and then the board goes over the budget that they were given by the administration.

I: And, at the work sessions when people made comments or asked questions...

A: Only if you signed a roster as you came in. And, as you signed, you were allowed to speak; but not to make comments during the session. You knew to go in with thoughts in mind...prepared to speak on them...and those points alone. Other than that, you were not allowed to speak.

I: When you went into the work session, did they have any...

B: Well, that was the hearing, wasn't it?

I: Oh, it was the hearing?

A: No. Even during their workshops, because we had gone to several of their workshops during the summer on...and that is their procedure and their policy and they adhere strictly to it.
I: Did they give you any handouts when you go in so as they’re talking you could kind of look at...?

A: No. It’s just your own notes.

B: The only handouts that came up was very general information comparing them with other school districts. It was nothing that they presented on the budget per se. This is what we did. This is what we need to do. Item per item or category per category. There was none of that information available.

I: So all you got...

A: You know what Kitty... Yeah. And your own personal notes. But that information never came out until it got down to the wire and they needed...they knew they were in trouble. They knew that people were getting angry and talk of a rollback. It was kind of a rumble that went on. And, that's when they started coming out with those handouts.

B: But, they were still very vague. There was nothing very specific in them.

A: No. And gross generalizations. And comparing us with districts where there were no similarities whatsoever. But, the figures would speak. If someone didn't really look into it and just took it for what they had in front of them, then they [board/adm] were safe. But, for people who were questioning, it was obvious. I mean, it was trash. Why they were even bothering us with this? You know...

I: Do you sense... So it wasn't really a committee? There was never a real committee.

My next question was “How much influence do you believe finance committees have had upon the district’s decisions before the rollback and how much influence do they have now?”

B: I don't think there will be any [finance committees] because they've already scheduled
some budget workshops for the school board again. Some are coming up, I believe, in July. Right?

They're going about it in almost the same manner.

I: OK. From your point of view, nothing's changed in the way they presented it a year ago and the way they're presenting it this year?

A: Right.

I: Was it harder to get... Now you all are going to be a little different than Granbury, so my question has to be anticipated because you haven't gone through a whole budget cycle yet. You're kind of into your first budget since rollback.

A: Right.

I: Was it harder to get budgets for new programs approved before the rollback election than it is today?

B: New programs. I don't think they've even contemplated doing anything as far as new programs.

A: No. And they weren't... Last year they weren't open to new programs. Only state mandated. And, then those state-mandated programs were played up like an albatross. Like we are being forced to do these things. And, it's going to cost you money. And, you can't question it. We have to do it. And, this is the way it should be done. Other than that, they're not open to suggestions. They're not open for change. And, only open when it's force on them.

I: Before the rollback, what steps were taken to cut programs if ever there had to be any programs cut?

A: The only cuts were threats. If we had the rollback, then they would go after the teachers first. It would be teachers salaries. Teachers insurance
would be totally... Teachers salaries would be cut back. Insurance would be eliminated. And, then athletics. And they went after the athletics program.

B: Kindergarten cut to half a day from a full day. That was another one that was brought up. But, that was just if we don't get this money, we will have to cut all these.

I: Did they say these are some of the things that have to be cut or were they specific about how to cut athletics? Or they just said athletics and left a question mark?

B: Athletics would have to move to being an after school program and some of the competitions in middle school would have to be eliminated. You know, there were some specific things that they threatened.

I: Since the rollback election, what steps have been taken to cut programs? Has there been anything cut since that rollback election?

A
B: No.

I: Before the rollback election, what steps were used to cut staff positions if any?

A: None. Resignations once weren't. Positions that had been resigned weren't filled. That's about the only thing.

B: Only in a few instances.

A: Most of the coaches or things [unintelligible] need to replace. But, other than that, if a teacher resigned... They were hiring new teachers because of the 22-to-1 ratio. They were forced into hiring some new teachers. But other than that, they didn't really...

I mean, the aides... The aides had gotten a letter before the budget last year telling them that they didn't know if they'd have a position in the fall.
But, they all had positions in the fall. They didn’t have to eliminate anything.

I: Since the rollback, what steps have been used to cut staff positions if any?

B: None. Everything that I’m aware of... people have been hired to replace.

I: Before the rollback election, who were the key players in the budget planning process and what part did each play?

A: I think for the administration it has to be Jack Superintendent A and Business Manager A and then the school board.

I: What part did you see Business Manager A, Superintendent A and the school board...?

A: Business Manager A and Superintendent A basically formulate the budget, put it together in booklet form with Assistant Superintendent A’s help.

B: With Assistant Superintendent A’s help. [snicker]

I: Who’s Assistant Superintendent A?

A: I don’t know. I mean, he’s always there. I’m sure he has a title, but...

B: Secretary of something. I’m not even sure what he...

I: Is he like an assistant superintendent?

A

B: No.

A: But, he’s there. He’s at the administration office. And, whenever there’s any question or research work, Assistant Superintendent A gets that to do. So...
APPENDIX E
Segment from Observation of August 28 Public Hearing
on Intent to Increase Tax Rate
Segment from Observation of August 28 Public Hearing on Intent to Increase Tax Rate

School District B

Observer Comments. Two budget workshops and a regular board meeting at which the 1989-90 budget proposal was discussed preceded School District B's public hearing on its intent to raise the tax rate. One trustee was absent. Besides members of the Citizens Budget Review Committee (CBRC), the only taxpayer in the audience was the father of pre-school children. Of course, administrative staffers were present.

The public hearing was conducted in School District B's Board Room. While separate from the administration building, it was immediately adjacent to it. Trustees and the superintendent sat at the curved board area which rested on a raised platform. Approximately 75-80 chairs were lined up for the audience. The one reporter sat at a table in the back of the room.

Before the meeting began, the board president was observed talking with a senior citizen and his wife. Their topic centered on the fact that legislators had not raised taxes at the state level. Instead, they had shifted the tax burden onto the shoulders of the local property owner.

The board vice president sat at the media table in the back of the room. With her sat a member of CBRC who had been a pro-rollback leader in 1987-88. She was trying to answer his questions about how certain line items had changed since last year.

After calling the public hearing to order, the board president explained that the tax rate was the meeting's only agenda item. He outlined that the superintendent would present a summary of the budget changes and respond to questions trustees and citizens had posed to him since the August 15 meeting. Then, members of the audience would be invited to share their thoughts and concerns about the proposed budget.
The superintendent provided everyone in the room with two handouts: a copy of the proposed budget and a summary of deletions and additions. In an effort to educate those present, the superintendent reviewed the following items: (1) the tax rate breakdown into the maintenance and operations rate as well as the interest and sinking rate, (2) a definition of the term net effective tax rate, (3) a definition of the term maintenance and operations tax rate, (4) a review of the recommended salary schedules, (5) an explanation of the amount budgeted for utilities, (6) a definition of the term interest and sinking tax rate, and (7) an explanation of how the administrative requests had caused the district to increase its tax rate 19.38 percent over the net effective tax rate. He also explained that a public hearing must be held whenever the tax rate is increased by more than three percent.

After the superintendent finished, a citizen asked if the $228,000-plus deficit were because no further cuts could be made. The board president replied by telling him that the deficit had been $479,000 several weeks earlier. Therefore, the cuts it took to reach the $228,000-deficit mark had been extensive. The citizen then asked if trustees were working on a long-term goal to create budgets with zero deficits. He worried that the board would keep adding ten cents to the tax rate. The board president explained that that would be the work of the CBRC. It would require extensive study and could not be responded to during the meeting.

The superintendent explained that the district would have to pay for the staff, utilities, and supplies at a new school which would open in 1990-91. He noted that the cost of that facility would affect the tax rate, but he could not determine at this point the exact amount. Factors such as the certified tax roll and the number of students enrolled would impact the 1990-91 tax rate. He told the man that the general public recognized that the ten-cent increase was needed.

The citizen shared his worries about property values dropping because he had seen so many "for sale" signs about town. He noted that those who stayed in the district were concerned with the projected 4.4-percent increase in enrollment.
The superintendent said that the district had conducted research on the impact of a nuclear power plant which was under construction. He noted that only 40 percent of its workers were expected to live in School District B.

Next a member of the CBRC presented the group's report. He explained that they had studied the 1988-89 budget as well as the 1989-90 budget proposal. He also indicated that the group was attempting to look at the district's long-term financial picture. Long-range planning was on the agenda.

The citizen asked, "When do you vote on this?"

The board president replied, "September 5."

The board vice president assured the man that School District B's Board was very conservative. But, the citizen was still worried. He said that the tax rate could go so high that he would be forced to sell his home. He wanted decent schools for his two kids but he did not want to lose his home. He explained that his family did not try to "keep up with the Joneses."

The board president tried to explain how the rollback's passage had put the school district two years behind in its planned improvements. He explained that the district's maintenance and operations tax rate was the only one to which the eight-percent rollback tax rate trigger applied. Since it was so low, raising the tax rate the maximum did not yield much money.

The superintendent said that districts with higher maintenance and operations rates received much more money when they raised their rates. For School District B, an eight-percent increase did not bring in much money by comparison.

The citizen told the superintendent that a two-, three-, or five-cent increase was more desirable.

The senior citizen who had been a rollerbacker in 1988 and had served on the CBRC in 1989 told the citizen that the proposal reflected the board's conservative attitude. Salaries increased
$668,000 and $64,000 was parceled out to other areas. He said that the board had gone overboard in minimizing the deficit. He noted that last year's deficit had been $1.1 million while the proposed deficit was only $228,594.

The superintendent explained that the district received no more state money in 1989-90 for the anticipated 277 new students. "Student money is not there, but costly mandates are," he said. He explained that the costly mandates made it very difficult—perhaps impossible—to dig out of the deficit hole. He assured the citizen that districts were penalized which did not tax at the average rate. He noted that the School District B rate was not at the state average; therefore, it was penalized. The district's 69-cent tax rate was "way below" the state's average.

The citizen asked if the easements had been settled for the new school. He asked if any law suits were pending.

The board president said that work had not yet begun but that the district was working on the school's plans each day. He hoped to culminate the process and move forward rapidly with construction. The school is projected to open at the end of August 1990.

No one but the one citizen asked questions. He seemed satisfied with the answers although he preferred no tax increase. The researcher left quickly to drive to School District A which was 40-50 miles away. School District A's board was scheduled to vote on the much-debated tax abatement for the Century Airport.
APPENDIX F

Coding Categories
<table>
<thead>
<tr>
<th>Category</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPT</td>
<td>Superintendent before the rollback election</td>
<td>Superintendent after the rollback election</td>
</tr>
<tr>
<td>BM</td>
<td>Business manager before the rollback election</td>
<td>Business manager after the rollback election</td>
</tr>
<tr>
<td>SB</td>
<td>School board before the rollback election</td>
<td>School board after the rollback election</td>
</tr>
<tr>
<td>STF</td>
<td>Staff before the rollback election</td>
<td>Staff after the rollback election</td>
</tr>
<tr>
<td>C+</td>
<td>Positive citizens before the rollback election</td>
<td>Positive citizens after the rollback election</td>
</tr>
<tr>
<td>C-</td>
<td>Negative citizens before the rollback election</td>
<td>Negative citizens after the rollback election</td>
</tr>
<tr>
<td>ED</td>
<td>Newspaper editor before the rollback election</td>
<td>Newspaper editor after the rollback election</td>
</tr>
<tr>
<td>AB</td>
<td>Related to tax abatement</td>
<td></td>
</tr>
<tr>
<td>COM</td>
<td>District communications/public relations</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal communications/public relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>before the rollback election</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Internal communications/public relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>after the rollback election</td>
<td></td>
</tr>
<tr>
<td></td>
<td>External communications/public relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>before the rollback election</td>
<td></td>
</tr>
<tr>
<td></td>
<td>External communications/public relations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>after the rollback election</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BUD</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUD</td>
<td>Budget increase before the rollback election</td>
</tr>
<tr>
<td>BUD</td>
<td>Budget increase after the rollback election</td>
</tr>
<tr>
<td>BUD</td>
<td>Budget decrease before the rollback election</td>
</tr>
<tr>
<td>BUD</td>
<td>Budget decrease after the rollback election</td>
</tr>
<tr>
<td>BUD</td>
<td>Budget did not change from before to after the rollback election</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PHIL</th>
<th>Philosophy</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPT</td>
<td>Superintendent's philosophy before the rollback election</td>
</tr>
<tr>
<td>SPT</td>
<td>Superintendent's philosophy after the rollback election</td>
</tr>
<tr>
<td>SB</td>
<td>School board's philosophy before the rollback election</td>
</tr>
<tr>
<td>SB</td>
<td>School board's philosophy after the rollback election</td>
</tr>
<tr>
<td>PER Perceptions</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>←— SPT</td>
<td>Perception of the superintendent before the rollback election</td>
</tr>
<tr>
<td>←— SPT</td>
<td>Perception of the superintendent after the rollback election</td>
</tr>
<tr>
<td>←— SB</td>
<td>Perception of the school board before the rollback election</td>
</tr>
<tr>
<td>←— SB</td>
<td>Perception of the school board after the rollback election</td>
</tr>
<tr>
<td>←— C+</td>
<td>Perception of positive citizens before the rollback election</td>
</tr>
<tr>
<td>←— C+</td>
<td>Perception of positive citizens after the rollback election</td>
</tr>
<tr>
<td>←— C-</td>
<td>Perception of negative citizens before the rollback election</td>
</tr>
<tr>
<td>←— C-</td>
<td>Perception of negative citizens after the rollback election</td>
</tr>
<tr>
<td>←— STF</td>
<td>Perception of district's staff before the rollback election</td>
</tr>
<tr>
<td>←— STF</td>
<td>Perception of district's staff after the rollback election</td>
</tr>
<tr>
<td>←— CUR</td>
<td>Perception of the curriculum before the rollback election</td>
</tr>
<tr>
<td>←— CUR</td>
<td>Perception of the curriculum after the rollback election</td>
</tr>
<tr>
<td>←— EXC</td>
<td>Perception of extracurricular offerings before the rollback election</td>
</tr>
<tr>
<td>←— EXC</td>
<td>Perception of extracurricular offerings after the rollback election</td>
</tr>
<tr>
<td>←— COM-IN</td>
<td>Perception of internal communications/public relations before the rollback election</td>
</tr>
</tbody>
</table>
- COM-IN  Perception of internal communications/public relations after the rollback election
- COM-EX  Perception of external communications/public relations before the rollback election
- COM-EX  Perception of external communications/public relations after the rollback election
- ISD    Perception of the school district before the rollback election
- ISD    Perception of the school district after the rollback election

**MED Local print media/Newspapers**

- MED+  Positive media coverage before the rollback election
- MED+  Positive media coverage after the rollback election
- MED-  Negative media coverage before the rollback election
- MED-  Negative media coverage after the rollback election

**NDS Needs**

- FAC   Facility needs before the rollback election
- FAC   Facility needs after the rollback election
- STF   Staffing (position) needs before the rollback election
- STF   Staffing (position) needs after the rollback election
<table>
<thead>
<tr>
<th>Arrows</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUR</td>
<td>Curriculum needs before the rollback election</td>
</tr>
<tr>
<td>CUR</td>
<td>Curriculum needs after the rollback election</td>
</tr>
<tr>
<td>EXC</td>
<td>Extracurricular needs before the rollback election</td>
</tr>
<tr>
<td>EXC</td>
<td>Extracurricular needs after the rollback election</td>
</tr>
<tr>
<td>COM</td>
<td>Communication/public relations needs before the rollback election</td>
</tr>
<tr>
<td>COM</td>
<td>Communication/public relation needs after the rollback election</td>
</tr>
<tr>
<td>$</td>
<td>Payroll/benefit needs before the rollback election</td>
</tr>
<tr>
<td>$</td>
<td>Payroll/benefit needs after the rollback election</td>
</tr>
</tbody>
</table>
SELECTED BIBLIOGRAPHY


