

# District Perspectives on Engaging Stakeholders in Financial Transparency

## Blog 1 – Why Engage Stakeholders in Local Financial Transparency Efforts?

***Dr. Jay Marino, Superintendent of Antioch School District 34 in Antioch, Illinois***

**Audio Clip #1: The importance of engaging stakeholders in district finances:**

*Jim Colyott:* Dr. Marino, why do you believe it is important for school superintendents to hold meetings with their school and community stakeholders regarding the district's finances?

*Dr. Marino:* I live in the school district in which I'm superintendent, and I have two children, a fifth and a sixth grader. So I'm a resident and a taxpayer, a homeowner, a parent, and I also happen to be superintendent. And I understand the perspective of stakeholders wanting to know that the school district is being -- is providing -- resources and is overseeing finances in a -- in the -- most efficient and effective way to educate kids. So one of the things that I've always said is that if people aren't up on something, they're down on it. And that's a simplistic way of saying, if we're not out communicating our story and message, then people will assume whatever perspective that they have. We pride ourselves in hosting community forums. We just passed a referendum a couple of years ago after four failed referendums in the past ten years. I think that's a tribute to the work that we've tried to do with creating financial transparency and establishing a need and communicating and engaging our stakeholders in really understanding our finances, our facilities, how we're using our tax dollars and being good stewards of community resources.

**Audio Clip #2: Engaging stakeholders in referendum efforts:**

*Jim Colyott:* So if you had to attribute one reason, Dr. Marino, of why after four failed referendums you and your board were able to get a referendum passed recently (a couple of years ago), to what would you attribute that success?

*Dr. Marino:* People said for the first time, they felt we started with a plan and through a series of four or five different community forums, that plan changed and shifted according to the feedback from the people who, who provided their perspective. And so the compliment was, "You didn't come out and try and force a plan down our throats and say, support this or else we're cutting stuff." They said, "You came, you gave us a concept, we provided input. You came back the very next meeting and said, based on your input, here's how we've adjusted the plan. And then you said, let's tweak it further." And, and

so people realize that coming to these forums [was] a valuable use of their time because they were actually providing input into the revisions that over the course of four or five different forums gave us a finalized plan that was presented to the community. People stood behind that and they said, “We told them this was important, and they came back the next meeting with an adjustment to the plan and said, we heard you. Now here’s what the plan looks like.” And so it’s through that series of continued opportunities where not only do you ask the question and listen, but you come back and say the very next meeting, “Here’s what you said, here’s how the plan has changed based on your feedback.” And, and clearly, we passed the referendum two-to-one after failing miserably four prior times in the last ten years. And that was what people said made the difference. “You listened to us, you, you made adjustments in, this is something we could stand in our neighborhood and say, vote yes, because this plan meets the needs of our kids. And we had a voice and the district listened.”

### ***Mr. Fred Heid, Superintendent of Community Unit School District 300 in Algonquin, Illinois***

#### **Audio Clip #3: The importance of communicating the return on investment of successful schools:**

*Jim Colyott:* Mr. Heid, why do you believe it is important for school superintendent staff meetings with their school and community stakeholders regarding the topic of financial transparency?

*Mr. Heid:* Well, in a state like Illinois the vast majority of the economic burden is actually passed on to local residents. In states like ours, it’s incredibly important to show and be transparent with your finances, with your stakeholders, simply from the standpoint of even those who don’t have a touch point in your schools. So when you look at a community that supports the school system through property taxes and other taxes and revenue where the local effort<sup>1</sup> is 60% or more, there are a lot of people within your community who don’t have a child at school. And so when they look at their tax bills, they need to have an understanding of what’s the ROI [return on investment]. So if I don’t have a child directly benefiting from the school setting or the instructional setting, how does my community as a whole benefit? I think that’s the ROI that we try and convey to our local stakeholders so that they get a solid sense that we’re performing well, that we are maintaining our fiduciary responsibility. We do not have excessive expenditures. And we’re able to show them exactly the breakdown of where we spend our dollars and what percentage of their tax dollars go where. I think that the importance is, again, to provide them with background because other than outside of that, they may not have any communication or interest in the local school system. But I think also for those who are within the school system, I think it’s an indicator of your health. You know, how you’re spending your money, how you make decisions to spend your money, and where that directly impacts staff or students or programs. Services are incredibly important. Especially thinking outside of what’s apparent, again, if you’re looking at business, local business leaders their only indicator of a school or district’s overall health is the graduation rate. And how are those students benefiting or benefiting their organization by means of becoming a good recruitment base for employment. So I think from their perspective,

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<sup>1</sup> i.e., the percentage of school funding that stems from local taxes.

they also need to hear not just necessarily where the money's being spent but how we're spending dollars that ultimately will benefit them in their organizations as well.

## **Blog 2 – How Can School Districts Engage Stakeholders in Financial Transparency?**

***Dr. Jay Marino, Superintendent of Antioch School District 34 in Antioch, Illinois***

### **Audio Clip #1: Strategies around information dissemination:**

*Jim Colyott:* Dr. Marino, how often do you try to hold these types of meetings [community forums] and who might be the target audience for those meetings when you hold them?

*Dr. Marino:* In the last year, we held four quarterly community forums. We send a postcard to about 25,000 residents within my school district boundaries, and we send a postcard to every home. So they're getting a piece of mail because unless you have children in our system, you're not really connected to us electronically. So we ensure that every household gets a postcard, an invitation to the event usually six to eight weeks in advance time, location. We provide some light beverages and snacks that always seems to draw people, and we host them between 6:30 and 8:30 at night when most people are done with their work day and have the ability to attend these events. We also do a quarterly magazine. We also use that communication method to ensure that our stakeholders, if they're paying attention, are able to understand what forums we're hosting, where they're hosted, what the outcomes are. One of the powerful things that we've done is we always summarize the feedback that we received and post it back out. So people realize that when they're sharing information or perspectives or were seeking input, they know that they're going to have the opportunity to see how everybody responded to a -- whatever questions or reflections that we're focusing on.

### **Audio Clip #2: Strategies around scheduling:**

*Jim Colyott:* What strategies do you use to actually get the stakeholders to attend these meetings? Because everybody is so busy and swamped in their daily lives and meeting their own and making their own ends meet, how do you get them to actually attend these meetings?

*Dr. Marino:* You know, everybody wants to see their kids perform. And so we're shamelessly scheduling concerts: band, orchestra, choir. We typically put them right before community forums. So if we have a 7:00 p.m. meeting, we're doing a 6:30 p.m. performance where we're getting the schools together and getting kids there because parents are going to come and see their kids. And so that's one method that we've used; hey, if we're going to get parents out anyway, let's have them come see

their kids perform and then stay and roll right into a community forum. So that, that's one of the methods that we use. Um, another is from time to time, we'll also ask uh, other entities to join us, too. If they're not completely interested [in our district's] financial transparency, maybe they're interested in [another village] or you know, another, another entity. So from time to time, we've invited the village administrator or the mayor to also come and share a state of the city or state of the village. And so by combining other events with ours, we seem to have been able to draw more crowd than if it was just a stand-alone meeting for you to talk about finances or that kind of thing.

### **Audio Clip #3: Summarizing stakeholder feedback:**

*Jim Colyott:* What other opportunities do you provide your school and community stakeholders to give you feedback as the district superintendent? How do you solicit the feedback from all the different types of stakeholders within your community? Not necessarily just about the big financial decisions, but any financial decision?

*Dr. Marino:* We do a variety of surveys with our parents, [which is] much easier when we're doing surveys and that type of thing. I've got about 5,000 parents who have the children in our schools, and we have the ability very easily to communicate with them electronically because they are connected to us to check their child's grades and whatnot. We're almost completely digital in our communication right now.

### **Mr. Fred Heid, Superintendent of Community Unit School District 300 in Algonquin, Illinois**

#### **Audio Clip #4: Strategies on information dissemination:**

*Jim Colyott:* What strategies do you use to encourage the school and community stakeholders to actively participate?

*Mr. Heid:* At the school level, we really support the school improvement plan template, and we actively promote that amongst the PTO, PTC, PTA [i.e., parent and family organizations], and we have all three in our school district, as well as other parents who have an interest. So when I talked about school improvement planning, they talk about where they currently are. They talk about where they're headed, and they're talking about the ad [advertising] dollars that will be allocated there to help support those programs at the district level.

I mean, obviously our strategy is to be as transparent as possible. We videotape and publish all of our district school board meetings. And then there are other community groups that we have. For example, we're between groups now because the last cohort just finished. But we have community leadership academy, so we ask for at least two representatives from each building to volunteer. They typically serve a term of two years, and during that two-year time they're given an incredible background on school funding and finance, and they also get to hear about initiatives and provide feedback and ask questions. So that we

do face to face, but we also make sure that we send home, as I said before, print materials with summaries of our overall financial status and our stability. And we again provide regular updates to the community and to -- through the board via our board meetings.

#### **Audio Clip #5: Engaging stakeholders beyond current families:**

*Jim Colyott:* Who ideally, would you like to have attend any of these types of different meetings where financial information is shared about the district?

*Mr. Heid:* I think if any stakeholder in the district who has a vested interest in how the school district's performing and how they're spending their dollars that's combined with not only our parents, but of other residents who are taxpayers of local businesses, realtors, um, community colleges. There's a lot of interests there, at times not always correct, but there's an argument to be made that where you're spending your dollars is considered to be a priority. Those priorities may or may not align with your stakeholders and what their interests and needs are. I think that's why we would like, or we always encourage anyone to attend who is directly impacted by the local tax base or by the school system.

### **Blog 3 – What Can School Districts Do to Visualize Complex Financial Data for Stakeholders?**

#### ***Dr. Jay Marino, Superintendent of Antioch School District 34 in Antioch, Illinois***

##### **Audio Clip #1: Data visualization for stakeholders:**

*Jim Colyott:* Regarding sharing the right information, once you have this captive audience and they're there to listen to the school about finances, how do you know what to share with them? What information regarding finances do you find it's vital to share with them once you do have them present in your school?

*Dr. Marino:* We use what we call our five-year projection, and we refresh that every six months. We work with a PMA, which is a company who specializes in school district finances. And so every six months, we get a new five-year projection, and what it does is it takes all of your funds, and it shows you make assumptions in there. You say what do we think we're going to settle on the teacher's contract? What our administrative increase is going to be, what do we anticipate a consumer price index to be? So you load it with assumptions, and then it calculates for you in a visual way: the five-year projection. What we've found is that throwing numbers in front of people is not very effective because most people aren't going to really understand the number piece. But if you could give them a visual, we knew this is what we call the five-year curve. It's an aligned graph, and it shows five years out what our revenues are, which is one color. It shows what our anticipated expenditures are, and then it shows our fund balance. So we have three lines out there like a red, a blue, and a purple. The red is what's coming in for revenue, the blue is

what are we expanding in, the purple is [that] we have a 40% fund balance policy in our district, meaning 40% -- we've got almost a \$40 million annual budget. So we want to have about 40%, uh, in reserve, just about \$16 million. So that line shows very visually over time. Our, where are we financially in our position, and almost everybody can understand a graph like that. One graph, one chart with three lines: revenues, expenditures, fund balance. And the goal is that within 5 years, we don't want to see expenditures dip below that 40% fundamental. So that's been a really effective way people are accustomed to seeing one chart and they understand over five years where are we, where we stand financially in respect to revenues, expenditures, and then our fund balance.

***Mr. Fred Heid, Superintendent of Community Unit School District 300 in Algonquin, Illinois***

**Audio Clip #2: Data visualization for stakeholders:**

*Jim Colyott:* What strategies do you use for making what can be incredibly complicated information more digestible for the community members that you've targeted in these communications?

*Mr. Heid:* If someone were to look at a school board meeting and look at one of Ms. Harkins' [Financial Chief of Staff] formal presentations, it could be 60 slides long, and there's a lot of language in there that's not everyday language, right? There's terminologies and most educators know we have our own language and our own acronyms that most people don't operate with. So I think we have to be careful first and foremost to present the information in a user friendly format, right? That, that terms are well defined and understood. It doesn't get too in the weeds but provides enough insight. There's a fine balance right between providing too much information or too little information. So we have to walk that fine balance there to make sure that we're completely defining something. So someone has an operating -- operational understanding of it to the point where they can actually understand what's being presented to them. But we also use a lot of graphics, a lot of visuals to show comparative analyses in different areas. And we find that that's by and large more successful. I mean school finance in any stage is complicated here, more so when you start talking about [local effort] and it just, you can very easily get lost in the topic of Illinois funding and school finance and funding. We do make a concerted effort to make sure that our data is user friendly, yet thorough. And then we are always responsive to questions that might come in as it relates to somebody who might want a deeper dive.