



Straight talk in financially uncertain times: How district leaders can communicate about the messy financial landscape coming their way

Laura Anderson and Marguerite Roza

The economic turmoil is unleashing problematic financial forecasts for public education. Given that state revenues are generally down but still in flux, and there is talk of another federal stimulus, many aren't yet sure of the magnitude of shortfalls they'll face or the implications for their communities. Those uncertainties make it challenging for district leaders to communicate about potential budget gaps and what they might mean for their staff and communities.

But that doesn't mean that the best course of action for district leaders is to postpone the discussion of potential budget problems ahead. In fact, keeping communities in the dark could have the effect of eroding trust in district leaders just when engagement and support for tough spending choices is most needed.

In 2018, researchers at Georgetown University's Edunomics Lab worked with Edge Research to learn how district staff, principals, teachers, and parents engage with and react to information about district finances. Reinforcing findings from earlier interviews conducted by The Winston Group, we uncovered lessons for district leaders when it comes to engaging their staff and communities on the topic. Here we adapt those lessons for the current context to help leaders connect on finance in a way that cultivates transparency and trust.

DO Start sharing concerns now even if forecasts are still uncertain

In a recent informal poll of 30 district financial leaders, we found that while most anticipated needing to make budget cuts in the next few months, only 27% had shared that information with their schools or communities. One leader said she had avoided sharing the news in order to keep her community calm. But the evidence is clear that even when it comes to bad or incomplete financial news, communities want to be kept informed.

"It appears we will have fewer funds from the state next year, and while projections are still in flux, our district anticipates we will have less to spend on behalf of our students."

Our research also suggests that even principals and teachers are unclear about where funds originate and the role the district plays in allocating those funds, so communication should help clarify how money flows. In the current moment, many states are forecasting revenue shortfalls, and where districts get a portion of their funding from the state, leaders can explain how such shortfalls matter for districts.

Down the road, if and when cuts do start materializing, staff and parents will want to know that their leaders were honest with them at every step.

DO Link spending decisions to students

During financial strain, it will be important to regularly emphasize that choices are made with regard to doing the most for *students*, especially when so much attention is focused on other goals, like averting staff layoffs, or balancing the budget. When communities don't hear their leaders emphasize that the driving agenda is to do the most for students, they worry that leaders have lost their focus. Even pointing out that "reducing layoffs means preserving services for *students*" can help communicate that continued focus even in the midst of financial cuts.

DO Engage principals, inviting them to weigh in on tradeoffs for their individual schools

While staff and parents often distrust their district leaders on financial topics, we found that when financial messages are delivered by principals, trust was higher, in part because these school leaders are more sensitive to their own school's needs. *Given this trust, it makes sense to elevate principals' role and voice on budget and regular communications with their school community as well, and to share back what they are hearing from teachers, staff, and parents.* Such communication channels send a message that the district is transparent, has processes in place to share concerns, and is sensitive to impacts on schools.

"We are engaging with our principals on how to protect what matters most for their students."

Some will worry that principals don't want to be involved or are too busy to participate. Yet virtually every principal interviewed for this research expressed a desire to be more involved in finance issues. Others may worry that principals won't stay "on message" when it comes to the district's finances. If disconnects do happen, it may signal a moment for the district to stop and listen, then consider whether and how to engage more with principals.

DO Communicate with dollar amounts and acknowledge tradeoffs. BUT, AVOID using business lingo

In our research, we found that citing dollar amounts improves credibility and offering real dollar tradeoffs helps stakeholders understand the constraints on the system, including the limits on what is possible with available resources. Even where budgets are in flux, district leaders can share that they are crafting plans to cut as little as \$X per pupil or as much as \$XX per pupil so as to be prepared.

"The district must cut \$400 dollars per pupil. If we exempt one school or department from cuts, we'll have to cut more from another."

Using terms like "efficiency," "deficit-reduction," "marginal costs," or "fund distributions" could inadvertently send the message that leaders are focused only on the spreadsheets and aren't sensitive to the impacts of these decisions on students and teachers. And some who are frustrated by any mention of cuts may worry that district leaders did not consider all options. Sharing tradeoffs helps assure audiences of the work done and the dollar amounts involved.

DO Offer the public and those inside the system a means to weigh in on financial decisions

Teachers and parents trust system leaders more when they know they have a voice, can engage in discussions of tradeoffs, and can offer their perspectives. Most of all, they care about transparency and the opportunity to participate.

"We want to hear from all involved. Please communicate directly with your principals and we will be in regular communication with them."

One easy strategy is for all district communications to include an invitation to share thoughts (even via email). Contact information shows that communication flows two ways, not just from the district to the public but from the public to the district as well.

Research suggests that if leaders' invitation for public feedback is authentic, those leaders are perceived as more trustworthy and competent. Even if a decision has already been made, inviting feedback on how a change is playing out can go a long way toward maintaining confidence.

Yes, communication in a crisis is a challenge, as leaders face a firehose of urgent demands. But a crisis—and the uncertainty it sparks—makes timely communication more critical than ever. Leaders who communicate early, honestly, and often can build much-needed trust with their public and partners—from the teachers' union and parents to student advocacy groups and school boards. Smart strategic communication lays the groundwork for goodwill when difficult spending tradeoffs and cuts must be made. It lets communities feel heard. And it helps ensure all parties understand how and why decisions are made, even budget cuts.

An earlier version of this article was published May 30, 2020 on The Leading Edge Blog at AASA.