

Building Financial Leadership To Do More for Students: Lessons from a Landscape Analysis of Education Finance Curriculum in Higher Ed



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Deciding how to spend the nation's education dollars is a tremendous responsibility. It's easy to forget that this responsibility falls primarily to district leaders (sometimes with input from principals). Sometimes those decisions go well and schools beat the odds on student outcomes. Other times, they do not, and student outcomes lag. Sometimes these decisions help ensure financial stability from one year to the next. Other times, district leaders commit to spending more than the district can afford, resulting in disruptive and destabilizing cuts to schools.

There's no doubt, finance is a critical part of the job for K-12 leaders, from school principals to district officials to state superintendents. But there is growing evidence that these leaders are not getting the financial skills they need from the nation's colleges of education, where most leaders get their training.

This study explores what kind of finance training is offered among leading colleges of education and how well it meets the finance demands on today's K-12 leaders.

Mounting evidence suggests leaders receive insufficient preparation in finance for their roles

Some analysis has already documented a finance training gap, particularly for principals. A 2016 analysis of perceptions about principal preparation programs found that university curriculum does not mirror what principals were expected to do in their jobs. The report highlights a need for "course content that supports the development of principals who can demonstrate both management skills and leadership skills needed to lead change and improvement."¹ And in our center's 2017-18 [survey](#) of principals from 14 districts in 11 states, fewer than half (46 percent) reported receiving any budget training in their preparation or certification programs.² Instead, whatever financial knowledge these leaders have tended to be picked up on the job.

Universities generally have discretion over what content and skills they include in their programs. With pedagogy being the focus of colleges of education, it is unsurprising that finance gets short shrift. As such, when the federal Institute for Education Sciences (IES) in 2018 announced new requirements that funded research must include cost analysis, faculty at many institutions across the country responded that no such expertise existed among their colleges at all.³ IES Director Mark Schneider himself noted in an April 14, 2020, [blog](#) that "economic analysis requires a skill set that is different from what has been 'traditionally' used or taught in graduate training programs in the education sciences."⁴

Our center regularly sees the downstream demand for more finance training even after graduates of these programs become leaders. The last several years have seen increasing requests for finance training from groups like The School

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1. In [Improving University Principal Preparation Programs Five Themes from the Field, 2016](#), the Wallace Foundation conducted a comprehensive literature review comprising surveys, interviews and reports from the AACTE; AASA; AIR; and the UCEA.
 2. Ashley Jochim and Katherine Silberstein, [Taking Stock of Principals' Role in Weighted Student Funding Districts](#), Edunomics Lab, October 2020.
 3. Institute of Education Sciences, [Standards for Excellence in Education Research](#) (SEER).
 4. Mark Schneider, ["A New Tool to Support Cost Analysis in Education Research,"](#) April 14, 2020, U.S. Department of Education, Institute of Education Sciences.

Superintendents Association (AASA), the National Association of Elementary School Principals (NAESP), and the Association of School Business Officials (ASBO). These requests appear to be growing, as finance decisions are taking center stage in the work leaders do.

Defining eight financial domains as a framework for financial training

In the absence of established curricular standards on finance in colleges of education, we worked together with an advisory board of experts and practitioners to develop a set of eight financial domains that could serve as the framework for financial training.⁵ These domains represent common financial tasks leaders confront and can help them operationalize finance-relevant [professional standards](#) for effective leaders. These Professional Standards for Educational Leaders (PSEL) include calls for leaders to engage in “effective budgeting and accounting practices” and to ensure each student has “equitable access” to resources.

A framework for financial training: Eight domains

1. Reading financial documents (e.g., budgets)
2. Understanding total revenues, revenue structure, compliance
3. Projecting major cost drivers (labor, compensation, benefits)
4. Calculating trade-offs, marginal costs, budget cutting
5. Making productivity and efficiency tradeoffs, and computing cost-benefit analyses
6. Designing and managing district or school budgets
7. Understanding district allocation formulas and their spending implications
8. Using finance as strategy and understanding the equity implications of spending choices

Exploring curricular gaps in education finance among 41 universities

With [project funding from IES](#), we then explored what finance curricula is offered at 41 universities in programs serving would-be principals and district leaders, policymakers, and researchers and cross referenced that with the financial domains.⁶ (See Appendix for the list of universities included in our scan.)

Among the 41 universities we examined, 30 had U.S. *News & World Report* top-ranked graduate-level programs in education administration, education policy, and/or research. The other 11 universities were thought to have relevant finance content or courses, as flagged in the research or surfaced from queries to our networks.⁷

Once we identified the universities and programs for our scan, we then gathered and reviewed online information on education finance courses or relevant content in non-finance courses. This included degree program requirements, course descriptions, and syllabi, when available. Notably, a single university sometimes had multiple programs included in our scan.

5. While there are some credentialing standards for education administrator programs, such as Professional Standards for Educational Leaders (PSEL) and National Educational Leadership Preparation (NELP) Standards, there is ample latitude for curricular components to satisfy those broad standards.

6. [Building Financial Leadership in Education to Do More for Students](#), Award Number R305U200003.

7. As part of our outreach, we asked our Advisory Board members, Certificate in Education Finance program alumni, Association for Education Finance and Policy members, and others to connect us with colleagues and/or graduate programs that might have curricula.

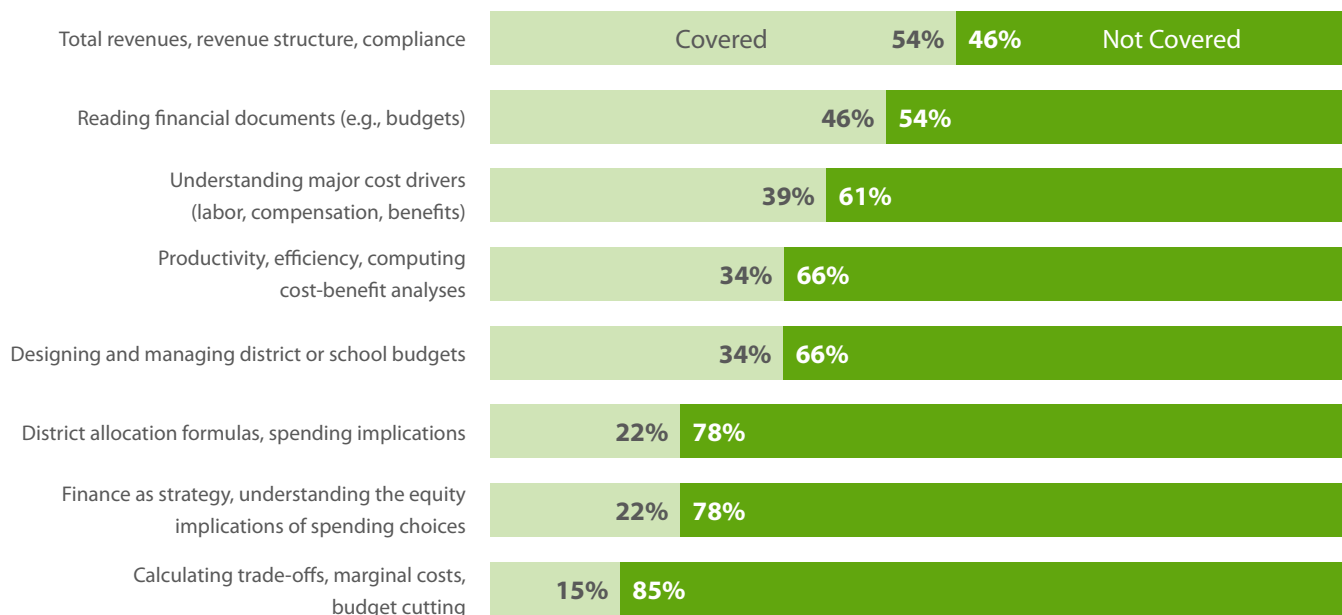
Where information was unavailable online, we contacted program offices to ask them to identify relevant courses, then emailed and phoned individual faculty to try to secure syllabi. We did subsequent rounds of outreach, as needed, to program offices and faculty to try to maximize our response rate and the number and quality of the materials we could access.⁸

Of the 41 universities we reached out to, 11 provided no curricular materials and/or did not respond to repeated inquiries. All told, we received 65 course descriptions and/or syllabi from 30 universities. We reviewed and analyzed these materials to identify which, if any, of the eight finance domains each course covered. This let us identify where there are curricular gaps.

Finding: Curricular gaps in finance are typical in today's college of education programs

Our scan found that many university curricula reflected gaps in some or many finance skills, as shown in the chart below. On average, courses met two of the eight elements in our framework. (Courses reviewed at University of North Carolina and University of Michigan met none.) Two universities offered no apparent education finance-related courses.

Sampled universities' coverage of financial curriculum topics



Four universities in our sample distinguish themselves as outliers because their coursework met six or more finance elements: University of Minnesota, Johns Hopkins, Vanderbilt University and Arizona State. (Full disclosure: John Hopkins is using some of the Edunomics Lab-developed curriculum.)

8. With the curricular scan conducted during the COVID-19 pandemic, many universities we contacted were unresponsive. When referred to individual faculty members, we were often unable to verify course information, at times because we were told that the syllabi and even the course description were proprietary information.

Significantly, university curricula tend to offer less treatment of the *spending* side of education finance (focusing more on the revenues). Just 15 percent of universities seemed to offer any preparation in calculating spending tradeoffs, marginal costs, or even budget cutting. Only one in five universities touched on district allocation or weighing competing spending choices.

This represents a fundamental curricular gap. District leaders generally do not make decisions about revenue. But they are the very people called on to make critical decisions about *spending*.

The curricular gap impacts current and future leaders. Resources and remedies are available

These findings have potentially far-reaching implications. The nation's colleges of education prepare people for a wide range of roles in the education ecosystem, all of which, ultimately, exist to serve the nation's schoolchildren. These roles include school administrators, district administrators, principals, education policy experts, and researchers. This curricular scan suggests that, currently, none of these people are receiving what they need in strategic education finance skills and knowledge to meet the growing demands of their jobs.

And these are the institutions preparing future education faculty. Without fluency in strategic education finance, how can those faculty help equip tomorrow's K-12 leaders with the skills they need to do the most for their students? Or help up-and-coming education researchers build the expertise needed to do cost analyses as they assess interventions?

It is significant that we found so many curricular gaps in the nation's top-ranked programs. Other (lower-ranked and/or state or regional) institutions often closely follow their higher-ranked peers, taking cues from them on program offerings.

That said, remedies and resources are available to close the curricular gap. Universities can tap curricular modules we are developing, based on [training](#) that embeds the eight elements in the finance framework used in this scan. And states could create requirements for administrator preparation programs to include critical finance skills.

We would be remiss if we did not note the urgent context in which this project is operating. The COVID-19 pandemic and the resulting historic federal relief aid has put to the test the financial acumen of education leaders at all levels—particularly those at the district. The spending decisions leaders are making today will have ramifications for students and communities for years to come. Some decisions we are tracking suggest a lack of strategic finance training on the part of those leaders. Additionally, the equity, productivity, and other implications of district leaders' spending choices are increasingly on full display in the [school-by-school spending data](#) required by the federal Every Student Succeeds Act.

With this study, the nature of the education finance training gap is becoming clearer. The next step is bridging that gap as swiftly as possible so that future K-12 leaders receive the comprehensive financial training they need to better leverage resources on behalf of the nation's students.

Acknowledgments

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Edonomics Lab is a research center dedicated to exploring and modeling complex education fiscal decisions and growing the capacity of education leaders on the topic of education finance. Edonomics Lab is part of the McCourt School of Public Policy at Georgetown University.

Appendix. Current university curricula reflect gaps in some or many education finance skills

Each institution is listed with a separate line for each relevant course offered.

University	University has Relevant Coursework	Course	# Criteria Met	University	University has Relevant Coursework	Course	# Criteria Met
Arizona State University	Yes	Course #1	7	University of Georgia	Yes	Course #1	3
Auburn University	Yes	Course #1	3	University of Illinois - Champaign	Yes	Course #1	1
Auburn University	Yes	Course #2	2	University of Illinois - Champaign	Yes	Course #2	3
Bank Street College	Yes	Course #1	0	University of Illinois - Champaign	Yes	Course #3	1
Bank Street College	Yes	Course #2	3	University of Illinois - Chicago	Yes	Course #1	1
Bank Street College	Yes	Course #3	2	University of Maryland	Yes	Course #1	2
Boston University	Yes	Course #1	4	University of Michigan	Yes	Course #1	0
Columbia University (Teacher's College)	Yes	Course #1	2	University of Michigan	Yes	Course #2	0
Delta State University	Could not verify			University of Minnesota	Yes	Course #1	2
Duke University	No			University of Minnesota	Yes	Course #2	6
Eastern Michigan University	Yes	Course #1	3	University of Mississippi	Yes	Course #1	3
Howard University	Could not verify			University of North Carolina	Yes	Course #1	0
Indiana University	Yes	Course #1	2	University of Pennsylvania	Yes	Course #1	0
Indiana University	Yes	Course #2	3	University of Pennsylvania	Yes	Course #2	3
Indiana University	Yes	Course #3	1	University of Pennsylvania	Yes	Course #3	2
Johns Hopkins University	Yes	Course #1	8	University of Pennsylvania	Yes	Course #4	1
Michigan State University	Could not verify			University of Pennsylvania	Yes	Course #5	2
North Carolina State University	Yes	Course #1	0	University of Pennsylvania	Yes	Course #6	3
North Carolina State University	Yes	Course #2	4	University of San Diego	No		
North Carolina State University	Yes	Course #3	2	University of Southern California	Yes	Course #1	2
Northwestern University	Yes	Course #1	2	University of Texas - Austin	Yes	Course #1	3
Northwestern University	Yes	Course #2	1	University of Virginia	Yes	Course #1	3
NYU, Steinhardt	Yes	Course #1	0	University of Washington	Yes	Course #1	4
NYU, Steinhardt	Yes	Course #2	1	University of Washington	Yes	Course #2	4
NYU, Steinhardt	Yes	Course #3	0	University of Wisconsin	Yes	Course #1	2
NYU, Steinhardt	Yes	Course #4	0	University of Wisconsin	Yes	Course #2	1
NYU, Steinhardt	Yes	Course #5	3	University of Wisconsin	Yes	Course #3	0
Ohio State University	Could not verify			University of Wisconsin	Yes	Course #4	1
Penn State University	Yes	Course #1	1	University of Wisconsin	Yes	Course #5	1
Purdue University	Yes	Course #1	2	University of Wisconsin	Yes	Course #6	1
Purdue University	Yes	Course #2	1	University of Wisconsin	Yes	Course #7	1
Stanford University	Could not verify			University of Wisconsin	Yes	Course #8	0
Texas A&M	Could not verify			University of Wisconsin	Yes	Course #9	1
University of California - Berkeley	Could not verify			University of Wisconsin	Yes	Course #10	0
University of California - Los Angeles	Could not verify			University of Wisconsin	Yes	Course #11	1
University of Connecticut	Could not verify			Vanderbilt University	Yes	Course #1	4
University of Denver	Yes	Course #1	1	Vanderbilt University	Yes	Course #2	6
University of Florida	Yes	Course #1	0	Vanderbilt University	Yes	Course #3	5
University of Florida	Yes	Course #2	4				