

THE AFTERSHOCK OF SUPERINTENDENT BUYOUTS: AN ANALYSIS OF THE EFFECTS ON SCHOOL FINANCE, SCHOOL CLIMATE, STUDENT ACHIEVEMENT AND COMMUNITY RELATIONS

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ABSTRACT

The purpose of the study was to investigate the factors associated with superintendents' contract termination and buyout, along with the impact on the school districts in the area of finance, student achievement, staff morale, and community support. Data for the study were collected from the Texas Education Agency and through personal interviews.

The sample population for the study included five school districts that had a superintendent termination and contract buyout, and also had a reduction in foundation funds due to the buyout. Areas of study included the impact on staff morale, student achievement, and community support. Descriptive statistics were applied to examine the factors associated with the contract termination and buyout. In all five districts studied, there was a financial impact due to the buyout and reduction in foundation funds. The five districts examined showed a negative impact on student achievement. The knowledge gained from the study provided valuable data to school districts, practicing superintendents, aspiring superintendents, board members, higher educational institutions, education associations and state and federal governing bodies in the preparation for a superintendent termination and contract buyout.

Introduction

Among the ever changing cultivation of public education, one potentially serious problem is the financial and educational impact on a school district when the district terminates a superintendent's contract and a buyout occurs. Conflict can cause unexpected turnover in the superintendency. Poor board/superintendent relationships, differences in educational priorities and expectations, financial mismanagement and malfeasance, communication issues, board member turnover, changing demographics of the student population, and other systemic relationships can create conflicts that may bring an end to the superintendent's tenure (Yee, 1996).

Research shows that superintendents remain in a school district an average of three years (Yee & Cuban, 1996). This frequent turnover requires the district to constantly adjust to change. Turnover affects students, staff, parents, community members and business associates. When there is a change in superintendents, uncertainty and apprehension is likely to occur. Superintendent and board relationships, which are dysfunctional, can result in a negative financial impact in the district as well as a negative impact on staff morale, student achievement, and community support. On the other hand, new leadership after the termination and buyout can result in a positive turnaround for the district in the areas of finances, staff morale, student achievement, and community support.

The superintendent is the chief executive officer for the district. Boards of trustee are the educational policy-making body. Both must work together to function as a single team, a team of eight. When this team works as it is designed to, the district may experience many successes. Without this teamwork, successes may be fewer and much more difficult to accomplish.

Purpose of the Study

The purpose of the study was to assist individual board members, the board as a body, and the superintendent in understanding the factors associated with the termination and buyout of the superintendent's contract. To realize this purpose, quantitative and qualitative data were collected. Quantitative data were gathered from the Texas Education Agency. Qualitative data were gathered through personal interviews. Interview questions were developed by the researcher using information assembled from the review of literature. Questions were open-ended and focused on the areas of district finance, staff morale, student achievement and community support.

Five school districts in Texas were selected for examination. Districts were selected from information gathered through the Texas Education Agency. Selected districts were those districts that had superintendent terminations and contract buyouts resulting in a reduction in state foundation school funds to the district. Districts ranged from rural to inner city.

Analysis of Data

In all of the five school districts that were examined, there was an impact on the district's finances, staff morale, student achievement and community support when the superintendent was terminated and a buyout occurred.

Impact on District Finances

The quantitative data revealed a negative impact on the district's financial situation. As reported in Chapter IV, Data Analysis, all five school districts experienced financial problems during the year of the buyout, reduction in foundation funds, or both. The years following these events also revealed negative financial situations. Probing questions revealed that money could have been spent to enhance current educational programs, add staff to reduce student/teacher ratio, or increase the reserve fund balance for the district instead of buying out the previous superintendent's contract. Maintenance and Operations tax rates could have remained the same or even been reduced if the buyout had not occurred. Fund balance was reduced in Districts C, D and E. District C took the greatest hit in fund balance, reducing it from \$56,075,490 to \$2,830,073 in one year. Expenditures exceeded revenue for Districts B, C, D and E for the year of the buyout and/or the year the foundation funds were reduced, resulting in the district operating under a deficit budget.

Impact on Staff Morale

Qualitative research question one examined the educational impact of termination and buyout of a superintendent's contract on teachers. Open-ended

interview questions revealed that staff morale improved when the new superintendent took over the district. In each district studied the stress and apprehension of the staff members was high during the termination but once the process was completed the staff members were eager to put their trust in the new leader. One district, District C, felt the terminated superintendent was treated unfairly. Staff morale was not low due to her leadership, but reached a low during the board's decision to terminate her. After the new superintendent took over, staff morale increased to the level it was prior to the termination process. In the other four districts studied, staff morale was low prior to the termination process, which contributed to the change in leader.

Impact on Student Achievement

Student achievement was the focus of qualitative research question two. Based on interviews, the constant response in all five school districts was that the academic programs would have been enhanced if the money had not been spent to buyout the previous superintendent. Only one district, District B, dropped in accountability rating the year following the buyout. District B dropped from Recognized to Academically Acceptable. Ratings of the other four districts remained constant. It is difficult to quantify the effects of the superintendent's contract termination and buyout on student achievement based on the accountability rating given by the state of Texas. During the research period, the state's accountability system changed drastically, making it difficult to compare one year's data to the next. In 2002-2003, the accountability system changed from the Texas Assessment of Academic Skills (TAAS), a basic skills test, to the Texas Assessment of Knowledge and Skills (TAKS), a higher order-thinking test. Scoring for the 2002-2003 school year on the TAKS was two standard error of measurement below the recommended panels scoring standard. This was an attempt to phase in the new test over a three-year period. Scoring for the 2003-2004 school year on the TAKS was one standard error of measurement below the recommended panel-scoring standard, with the exception of the exit level test for the students in 11th grade. Eleventh grade students were still scored on the two standard errors of measurement below the panel's recommendation. Based on the transition of assessment instruments and the phase in scoring procedures, it is difficult to quantify the impact on academic achievement from 2002-2004.

Impact on Community Support

Qualitative research question three examined the educational impact of termination and buyout of a superintendent's contract on the community. Open-ended interview questions revealed a positive impact on community support following the termination and buyout. All five districts studied had parental support issues with the terminated superintendent. Communities, including parents and business partners, supported the change in the top leadership position. A constant feeling found in all five communities was that the buyout of the superintendent's contract was a misuse of monies. They would have preferred to see that money spent directly on students but were supportive when the process was complete and the new leaders were in charge of the district.

Conclusions

The following conclusions from the analysis of data are offered:

Financial Impact

What is the financial impact on a school district when the superintendent's contract has been terminated and a buyout has occurred?

Of the five districts examined, finances were negatively affected due to the superintendent's termination and contract buyout. The Texas Education Agency stated that reduction of funds has little to no significant fiscal impact on the state, but districts that make severance payments to terminated superintendents will experience a negative fiscal impact (Reeves, 2001). Findings also support a recent study by Villarreal (2003) that stated that a dysfunctional relationship between the superintendent and school board that results in a termination can have a tremendous financial impact of a district. When buyouts occur, money is taken from the students, staff, and academic programs that would otherwise be used to increase student achievement. Excessive turnover is harmful to the students and costly to the educational system (Jess, 1990). Superintendent searches are costly therefore frequent turnover is unhealthy for a district's financial situation (Metzger, 1997).

With the financial uncertainties that are associated with a termination and buyout, preparing a district's budget becomes an even larger challenge. Budget preparation implies the need to think strategically, particularly in terms of school program requirements but also in terms of the political and economic configuration of the community (Blumberg, 1985). Overall goals of accounting and financial reporting for public school districts are to provide financial information useful for making economic and educational decisions and for demonstrating accountability and stewardship, and to provide information useful for evaluating managerial and organizational performance. A school district's budget has been described as a picture, drawn with dollar values, which clearly outlines the philosophy, priorities, and operating mode of an organization (Vornberg, 1989). A superintendent's contract buyout resulting in a reduction in foundation funds most likely does not fit with these district philosophies and priorities for educating students.

Staff Morale

What is the educational impact of termination and buyout of a superintendent's contract on staff?

Studies indicate vacated superintendencies can create uncertainty and apprehension for staff members, while the school board engages in the search process for a new superintendent (McIntire, 2001). Jess (1990) found that the higher the rate of superintendent turnover, the lower the staff morale resulting in an increase of dissatisfaction among the staff and an increase in staff turnover. Higher turnover levels have a negative effect on organizational effectiveness. Involuntary turnover in the superintendency generally results in district-wide turmoil. This is mostly due to a lack of direction and stability at the top, and also because some staff and community members still support the "old" superintendent (Metzger, 1997).

All five districts reported that staff morale was low at the time of the termination and buyout, and continued to be low throughout the termination process. With each change comes abandoned programs and disillusioned staff members. Staff members end up feeling confused and abandoned (Johnson, 1996). Once stability was regained in the district, staff morale began to improve resulting in a more effective organization. Johnson (1996) also states that teachers and principals seek assurance that a new superintendent stands for important values, understands educational issues and practices, will work hard with others,

and can be trusted. They want to know that the superintendent will be there with them for the long term. A negative educational impact on staff initially occurred, but once the top leadership position was decided and the new superintendent began working in the district, staff morale began to improve, resulting in a more positive environment than before the termination occurred.

Student Achievement

What is the educational impact of termination and buyout of a superintendent's contract on students?

Students are harmed by superintendent turnover, as supported by Jess (1990), excessive turnover is harmful to the students and costly to the educational system. In two of the five districts examined, students suffered due to a lack of focus on the educational process, while too much focus was on the political turmoil of the superintendent's termination. School districts cannot succeed in their mission to educate and prepare children to fulfill their potential without teamwork and cooperation between the superintendent and the board of trustees (Archer, 2002). Implications are that poor student performance will not improve until the superintendent and school board work as a team. When conflict exists among this team, decisions may not always be made in the best interest of the students (Renchler, 2002). Superintendents and board members can help one another face conflict with assurance, confidence, and grace by providing understanding, support, and reassurance to each other. They can reinforce one another in their common commitment to do what benefits students, to forgive one another's inevitable mistakes, and to help each other grow through sincere dialogue (Reeves, 2001).

In two of the five districts there was a negative impact on the students in the district due to the superintendent's termination and buyout. Each district that participated in the study showed that teachers needed to refocus after the new superintendent was hired. Refocusing took time, but once it occurred there was confidence that student achievement would be higher than before the termination and buyout. The board and superintendent working together through conflictive issues will result in a commitment for student's success.

Community Support

What is the educational impact of termination and buyout of a superintendent's contract on the community?

A similar trend occurred in the community support as did in staff morale and student achievement. Once the initial uncertainty of the termination process ended, community support increased for the district when the new superintendent was hired. As McIntire (2001) stated, uncertainty and apprehension occurs with the community when the superintendency is vacated until the school board selects a new leader. Community support is dependent on communication from the superintendent. The review of literature endorses the importance of public relations in regards to community support. The superintendent plays the most critical role in establishing the climate of communication, thus affecting community support. The goal of public relations is to gain the support of the community. Superintendents' strategic communication should consist of messages that reflect desired behaviors identified as necessary to a successful program (Fullan & Stiegelbauer, 1991). Cutlip (1994) explained that public relations use principles, procedures, and techniques of mass communication. In each of the five districts examined, the new superintendents had effective communication skills, which resulted in immediate support of the district's decision to hire a new leader.

Contributions to the Literature

The study has contributed a distinctive element in the research unique to the field of superintendent termination studies. It has examined a population that is rarely found in the literature. A sample population of school districts that have had a superintendent termination and buyout yielded data that is exclusive to this type of study. Past studies have focused on the board and superintendent relationship. Additionally, the study provides an in-depth explanation of the financial impact on a school district when a superintendent's contract is terminated and a buyout occurs. Through the qualitative component of the study, additional information is revealed that the data alone cannot provide.

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