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Incorporating Stakeholder Input into Financial Decision Making in California School Districts

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2017

Abstract

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by

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MA, University of Phoenix, 2011

BS, California State University, Fresno, 2008

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management – Finance Specialization

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Abstract

As of June 2013, all California public school districts are required to incorporate stakeholder input into their operational goals and expenditures to increase stakeholder trust. Trust is a belief by one party in a transaction that the other party in the transaction will act in a way that is fair and in the interest of both parties. The problem is that no guidance or direction relative to the methods or extent to which stakeholder input should be gathered and incorporated was provided within the new regulations. Lawmakers and stakeholders had no insight into the effectiveness or level of school district compliance relative to the new regulations. The research questions of this qualitative, holistic explanatory case study examined how financial managers in the California public school system are engaging stakeholders and gathering and integrating stakeholder priorities into financial planning and budgets in light of limited guidance. The conceptual framework for this study was that stakeholder trust is required for operational efficiency and is increased through transparency and stakeholder engagement. In this study, data was triangulated through 17 semistructured interviews and multiple sources of historical documents. Through data coding it was found that all school districts in the study were using similar engagement methods to gather input and all districts were engaging all required stakeholder groups. It was also found that these engagement processes increased transparency with the districts' stakeholders. This study contributes to positive social change by providing additional insight into how California public school districts are complying with law established to increase transparency and trust relative to the use of public funds where limited guidance for implementations is provided.

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Dedication

I dedicate this study to my son, Joshua. Raising him has changed my life by requiring me to look within myself and be the best person I can be in all areas of life so that I can raise him in that example. Without him, I would not have found my reason to rise to the best version of me.

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There have been a number of people that have been instrumental in my successful completion of the Doctoral program. My father, who also completed a Doctorate Degree, who taught me that education is imperative to a full, successful life. My mother, who always loved and supported my decisions no matter how unsound they may have been. My son’s father, who was always willing to step up and help, knowing that my completion of this program would improve my son’s life. I also want to mention all of my colleagues who always encouraged my educational journey, particularly Superintendent Martín Macias who provided the platform for my scholarly development and greatest period of personal and professional growth. There are many more people that were instrumental along the way. Please know I have not discounted your support and the impact you have had on my journey. To all of you, I love you and thank you for all that you have done for me.

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Chapter 1: Introduction to the Study

Introduction

In June of 2013, California public schools faced major funding changes for the first time in decades. As part of the July 1, 2013 California state budget, Governor Jerry Brown changed the public education funding formula and expenditure accountability system for the first time in over 40 years (Affeldt, 2015; Menefee-Libey & Kerchner, 2015). The new funding formula, based on student grade spans and other demographic information, become closely tied to district established performance goals (Wolf & Sands, 2016). To establish these goals, districts must incorporate input from all major stakeholder groups to establish the district annual budget based on the input collected and the established district goals as required by the California Department of Education (Affeldt, 2015; California Education Code 52062-52077). California public school districts established new processes for budgeting that had not been followed in previous years.

State funding provided to public schools is considered by California law as public funds for which all expenditures are public information and accountable to the public. Accountability for all funds provided to California public schools under the new funding formula, called the Local Control Funding Formula (LCFF), must be identified in a district wide achievement plan called the Local Control and Accountability Plan (LCAP) (Affeldt, 2015; Menefee-Libey & Kerchner, 2015). The LCAP is a tool used to measure district achievement growth and hold districts accountable for their students' academic performance and its financial expenditures (Wolf & Sands, 2016). The achievement goals outlined in the LCAP must be established with the input of all major stakeholder groups (WestEd, 2014). LCFF funds must be tied to one of the achievement goals outlined in the LCAP, established through stakeholder input, and expended accordingly (Affeldt, 2015). The State Board of Education first implemented the LCAP in July of 2013, and it remains a relatively new process for the school districts within the California public school system. Minimal empirical literature exists with regard to the effectiveness of the LCAP.

This holistic explanatory case study examined how school districts within the California public school system are gathering and integrating the stakeholder priorities identified through stakeholder engagement efforts into their LCAP. Stakeholder engagement increases transparency, which can lead to increased organizational trust (Driggs & Stier, 2015; Riley, 2008). Trust is a critical factor in optimal organizational operations and efficiency (Winn, Buttars, Holland, & Albrecht, 2012), however, trust in financial managers has significantly declined over the last few decades due to large corporate scandals coupled with the crash of the financial and housing markets (Harden, 2013; Sapienza & Zingales, 2012). This exploration provided insight into how effectively districts are integrating stakeholder priorities. Furthermore, this study provides insight into how districts can improve the development of trust in their financial managers through stakeholder engagement, and therefore increase operational efficiency.

Background

Organizations and financial managers have experienced a significant decrease in the level of public trust over the last few decades following the publication of scandals within multiple large multi-national corporations and the crash of the housing and financial markets. According to Karim and Taqi (2013), a failure of management accountability played a key role in the financial failure of organizations such as Worldcom and Enron that lead to the decreased levels of trust in organizational leaders. The lack of trust in organizations and financial managers is a significant issue because trust, internally and externally, is a critical component for management effectiveness and economic activity (Cook & Schilke, 2010; Sapienza & Zingales, 2012; Tong, 2013). Increasing trust is critical to increasing organizational efficiency.

One effective way to increase trust in organizations, including financial organizations and their managers, is to increase transparency. Features of transparency that facilitate the increase of trust are increased access to information, particularly around issues that may lead to organizational failure such as financial decisions (Plotnick, 2010). Transparency plays the role of moderator, while trust developed from transparency is a mediator, to prevent corruption and increase satisfaction among the agency's stakeholders (Park & Blenkinsopp, 2011). Increased levels of budget transparency lead to increased financial accountability, decreased public debt, and less frequent budget deficits (Sedmihradska & Haas, 2013). Transparency increases public access to information, which decreases the likelihood of managerial corruption and budget discrepancies.

Increasing stakeholder engagement is shown to increase transparency in organizations, leading to increased trust in the organization and its managers. When an organization increases stakeholder engagement as part of a corporate social responsibility

(CSR) plan, a significant decrease in asymmetric information occurred due to an increase in transparency (Cheng, Ioannou, & Serafeim, 2014). Stakeholder perceptions of an organization's effort to increase transparency are also significant to increasing trust in an organization because it reflects good will on the part of the organization to be accountable for its actions (Kang & Hustvedt, 2014). Additionally, a manager's level of transparency to stakeholders increased the level of trust and effectiveness of that manager (Norman, Avolio, & Luthans, 2010). Transparency and engagement of stakeholders are effective in increasing operational efficiency on multiple firm levels.

The State of California has made an effort to increase trust and accountability in California Public School Districts by implementing new transparency requirements for financial managers and decision makers in the state's public schools. California public school districts are required to complete an LCAP in conjunction with the approval of the district's annual budget by July 1 of each fiscal year (C.E.C. § 52060-52077; School Finance, Assembly Bill 97; 2013-2014). Under LCAP regulations, district management is required to gather stakeholder input regarding the goals and expenditure plans of the district by "consult[ing] with teachers, principals, administrators, other school personnel, parents, and pupils," as well as other parent advisory groups required by law developed for target student groups (Affeldt, 2015; California Educaction Code § 52060(g); Menefee-Libey & Kerchner, 2015; Wolf & Sands, 2016). District leadership increases accountability to the public by following the stakeholder input requirement of the LCAP process.

The focus on accountability and trust building in the LCAP process does not only include the requirement of gathering stakeholder input. The California Education Codes that govern the LCAP and budget development process also require that each school district incorporate the input from stakeholders into the goals and financial budgets of the district and explain in the LCAP how the stakeholder feedback effected the development of the LCAP (California Department of Education, 2015; C.E.C. § 52060-52077). However, the requirement in the LCAP template does not require school district management to show specific proof or supporting evidence that stakeholder input was incorporated into the goals of budgets on the District nor do the regulations provide guidance regarding how to gather stakeholder input. District management must determine how and to what extent stakeholder input will be gathered and incorporated, leaving room for significant variances throughout the state public school system.

Problem Statement

The general problem is that a lack of accountability for financial managers has led to a lack of trust in the California public school system (Harden, 2013; Sapienza & Zingales, 2012). The specific problem is that while the requirement of stakeholder engagement exists, there is currently no knowledge of how financial managers in the California public school system are integrating stakeholder engagement into financial planning and budgets. The LCAP regulations published by the State of California state that stakeholder engagement must be an integral part of the financial planning process for all California public schools, but provide no guidance of how to accomplish this. This holistic explanatory case study provided some clarity to leaders in the California public school system and managers within school districts, as well as the stakeholders of these organizations, into how California school districts are complying with the stakeholder engagement requirements.

Purpose Statement

The purpose of this qualitative, holistic, explanatory case study (Yin, 2013) was to explore how financial managers in the California public school system are gathering and integrating stakeholder priorities into financial planning and budgets. The paradigm lens was interpretivist. For the purposes of this study, I define stakeholder input as any communication from any school district stakeholder received by financial managers and decision makers that identifies the stakeholder's priorities for expending school district revenues. Under California Education Code § 52060-52077 et seq. all districts are required to hold public meetings with stakeholders to collect input for the establishment of district goals and budget planning, but the accountability for incorporating such input and expending revenues in a way that incorporates stakeholder interests does not exist.

Research Questions

The overarching question for this study is:

Research Question 1: How are financial managers in the California public school system integrating the priorities identified through stakeholder engagement into financial planning and budgets?

The specific research questions are as follows:

Research Question 2: How are financial managers in the California public school system engaging stakeholders to gather and obtain input for financial decision making as required under the LCAP regulations?

Research Question 3: How are financial managers in the California public school system prioritizing identified stakeholder priorities identified through stakeholder engagement?

Conceptual Framework

The conceptual framework for this study was existing research on the necessity of stakeholder trust in the organization for optimal operational efficiency and the effectiveness of transparency to stakeholders in increasing this trust. Gosschalk and Hyde (2005), Holm and Zaman (2012), and Sapienza and Zingales (2012) identified that trust in financial managers has decreased significantly over the last decade due to the collapse of multiple large organizations, attributed to corruption and fraudulent practices, and the recent economic recession marked with bank bailouts. However, trust is critical to managerial effectiveness and economic activity for both internal and external business transactions (Sapienza & Zingales, 2012). When stakeholders do not trust an organization, operational hurdles become more prevalent and the cost of transactions increase as managers attempt to mitigate and navigate these hurdles.

Transparency to an organization's stakeholders is an effective way to increase the level of trust felt toward the organization by the stakeholders. Trust developed from transparency with stakeholders serves to aid in the prevention and perception of corruption by stakeholders, as well as increasing stakeholder satisfaction (Park &

Blenkinsopp, 2011). The features of transparency that facilitate the increase of trust include increased access to information, particularly around issues that may lead to organizational failure such as financial decisions and budgeting practices (Plotnick, 2010). Sedmihradska and Haas (2013) found that, in the financial industry, increased levels of budget transparency leads to increased financial accountability, decreased public debt, and less frequent budget deficits. By providing increased access to organizational knowledge, confusion about organizational operations decreases, familiarity increases, and stakeholders' trust in organizational processes and management increases.

Stakeholder theory provided insight for this study. Stakeholder theory is an approach of organizational operation that recognizes that managing the interests of stakeholders increases operational efficiency by decreasing resistance by competing stakeholder interests (Brown & Foster, 2012; Donaldson & Preston, 1995; Greenwood & Van Buren III, 2010; Harrison & Wicks, 2013; Hasnas, 2013; Moriarty, 2014; Tullberg, 2013). Conflict among stakeholder interests naturally occurs because of varying priorities and needs (Chen & Turner, 2012; Harrison & Wicks, 2013; Greenwood & Van Buren III, 2010). An organization could unite contrasting stakeholder interests by finding the commonality among stakeholder groups in their support of the firm's goals (Harrison & Wicks, 2013). The organization must identify and manage the varying stakeholder interests to maximize stakeholder outputs.

Nature of Study

Since the LCAP and stakeholder engagement through the required financial planning process in the California public school system are new topics to empirical research, a qualitative, holistic explanatory approach aimed at understanding these processes was used. Yin (2013) described an explanatory case study as a research study that investigates, in detail, a current phenomenon within its own real-world environment with intent to understand a concept that has little preliminary research. Case study research allows for a phenomenon to be observed in its real-world environment (Houghton, Casey, Shaw, & Murphy, 2013). I explored the California public school system and the individual school districts within the system as the units of analysis. In an attempt to explore the phenomenon of stakeholder engagement within the California public school system as a whole within its real-life context and provide an in-depth description of the phenomenon, I used a holistic explanatory case study approach.

I explored other methodologies in addition to case study in an attempt to identify the most effective methodology. I eliminated quantitative approaches because the research questions for the study aim at exploring in-depth the behaviors of individuals without the desire to evaluate variable relationships or numerically measure data (Thamhain, 2014). I also considered using the qualitative grounded theory approach and found that grounded theory would be a suitable approach because this methodology allows for the generation of explanation, or theory, behind the central theme of a study that has little known about it (Johnson, 2015). However, a case study also allows for similar exploration, but also provides a narrower context for the exploration of such phenomenon within a more in-depth focus on a smaller population (Yin, 2013). This narrower, in-depth focus lead to the decision of using a case study approach as the

California public school system is a single case with extensive volumes of information to explore.

I gathered research data through a series of interviews with the senior financial manager, superintendent, and senior academic officer in the participating school districts to explore stakeholder engagement, the inclusion of stakeholder input into the LCAP, and the effects of such stakeholder input on the expenditure decision making by district management. I collected a letter of cooperation from each school district prior to collecting any data. I also collected informed consent forms from any school district interviewee prior to the interviews. To triangulate the research data, I examined records detailing the efforts of district management to collect stakeholder input, such as meeting minutes and surveys, as well as the participant school districts' most recent official Board of Trustees adopted LCAP document.

The participant pool consisted of three unified school districts, or units of analysis, from three different counties within the State of California. In order to establish literal replication, I only included unified California public school districts within the central California region. According to Yin (2013), cases selected for literal replication will predict similar results while the cases selected for theoretical replication will help predict, for anticipated reasons, contrasting results. Under California Education Code 52070, the county superintendent of schools with oversight authority over a school district has the responsibility for approving the school districts' LCAP and must provide training and technical assistance for districts to achieve a successful LCAP, creating an opportunity for foreseeable variations in how districts engage stakeholders. By selecting each district from three different counties, it is the aim of this study to create theoretical replication.

Definition of Terms

This list of definitions is included here to clarify terms that are used conceptually or operationally in this study. Other terms related to this research are defined in the text.

Basic aid district: A basic aid district in California is a school district that received property tax revenue in excess of the district LCFF formula and, therefore, does not receive any LCFF revenue from the state of California (Weston, 2013).

Local Control Funding Formula (LCFF): A formula that determines annual revenue to California K-14 pubic school districts based on grade span and demographic factors (California Department of Education, 2016; Wolf & Sands, 2016). See Appendix A for more detail on the LCFF calculation.

Local Control and Accountability Plan (LCAP): An accountability tool for funds disbursed under the LCFF to ensure each school district utilizes LCFF funding to meet district students' achievement growth goals (Cal. Edu. Code §52060 et seq; Menefee-Libey, & Kerchner, 2015).

Stakeholder: An individual, group of individuals, or organization that provides a significant input to the organization for receipt of output such that the organization would be hindered to some degree without the individual, group of individuals, or organization's input (Tullberg, 2012).

Stakeholder engagement: Efforts by an organization to include stakeholders in its activities in a positive way (Dawkins, 2014).

Transparency: The openness of communication of an organization toward the public at large regarding all information relative to its operational functions, excluding legally protected information (Sedmihradska & Haas, 2013).

Trust: A belief by one party in a transaction that the other party(ies) in the transaction will act in a way that is fair and in the interest of both(all) parties (Ehrmann, Soudan, & Stracca, 2013; Lachance & Tang, 2012).

Unified school district: A school or schools that provide educational services to both elementary and high school students under the supervision of one central administrative office.

Utility: The stakeholders' perceived value that the individual stakeholder receives from the organization (Harrison & Wicks, 2013)

Assumptions

In conducting this study, I made a few assumptions. I assumed that the input provided by stakeholder groups was provided to the school district for the benefit and improvement of the educational quality of instruction and operation of the district. I also assumed that the recording and documentation of stakeholder input was completed accurately and that records collected were true accounts of the meetings and stakeholder engagement. Additionally, I assumed that all districts included in this study followed the required steps for approving and adopting its LCAP. These steps are: (a) update the following years' annual goals, actions, and expenditures for the LCAP plan based on the prior years' progress and actions; (b) update the actions and expenditures for the previous year based on actual occurrence; (c) hold a public hearing seeking public response to the annual update; and (d) receive approval by the governing board of trustees for the annual update to the LCAP Plan.

Scope and Delimitations

The scope of this study extends to the stakeholder inclusion and transparency efforts of K-12 public education entities in the state of California subject to the LCAP. In this study I focused on California state funded public school districts receiving operational funding under the LCFF, which are the district revenues that fall within the jurisdiction of the LCAP. I excluded Basic Aid districts from this study because Basic Aid districts have additional operating funds due to local property values that could possibly create different dynamics among the district and stakeholder groups. This study is limited to unified public school districts within the within the state of California. Results are generalizable relative to the general occurrence of effort to include stakeholder input into district decision-making and financial goal setting

Limitations

Several practical issues limit this study. The first is the relatively small sample size from a population of over 1,020 school districts with wide variations in student population counts, ethnic diversity, poverty levels, and student achievement. The second limitation is the newness of the LCAP and the Local Control Funding Formula LCFF. School districts are in their fourth year of implementing the LCFF and LCAP; districts are making their third attempt at updating their LCAP goals and procedures in July 2017. A new template was adopted in 2016 making 2017 the first year to use the new template adopted by the State Board of Education.

I attribute the third identified limitation to the newness of the LCFF and LCAP. The first school year in which the California Department of Education required school districts to complete an LCAP was 2014/2015. In November 2014, the State Board of Education adopted the final template and regulations. The original template has undergone many changes in the first three years since the implementation of the LCAP. In October 2016, the California State Board of Education adopted a new template that had some of the same features as the prior template, but the appearance of the template differed greatly. The most recent template, prior to the design change in October 2016, is reflected in Appendix B. The revision adopted in October 2016 is reflected in Appendix C of this document.

Because of the template and regulation changes, districts are not yet familiar with the requirements and processes involved. With the learning curve, it is possible that district inclusion of stakeholder input could change significantly after the completion of this study. Additionally, since district training, LCAP approval, and technical assistance is provided to districts by the county superintendent of schools with territorial jurisdiction, variations of stakeholder engagement levels and processes may exist within other counties not included in this study. It is unclear whether the county superintendents of schools in California have consistent methods for training and assisting school districts in the LCAP development.

The final foreseeable limitation or possible bias that could exist relates to my connection to the research topic. As a chief business officer in the California public school system, I directly oversee the financial integration of LCAP goals into the financial budget. I also work intimately with the chief academic officer and superintendent to engage our stakeholders, gather stakeholder input, and assist with the development of goals and action for which stakeholder input must be integrated. Because I am so intimately involved in the LCAP process at the California public school district in which I am employed, there is risk that I could have guided the answers of the interview participants or miss trends or concepts in the data collected that I did not expect to exist.

To avoid the pitfalls of the possible limitation of my intimate knowledge of the LCAP and stakeholder engagement process, I utilized interview questions that are open ended and actively remain aware of this limitation to phrase any follow-up questions that allow the interviewee to guide the answers. Additionally, I utilized an expert research colleague in the review of the interview questions and my research journal throughout the extent of my research to ensure that I do not establish questions that lead the answer and that I do not overlook data trends due to this limitation.

Significance

This significance of this study occurs in three levels: significance to management practice, significance to theory and gaps in literature, and significance to foster social change.

Significance to Practice

Trust and management accountability is required for the optimal operational efficiencies of an organization. In practice, the actions of the managers studied could serve as a tool for managers and organizational leaders to help increase the level of stakeholder trust toward organizations, thus aiding in increasing operational efficiency.

Additionally, this study could provide additional accountability tools for financial managers and decision-makers in California school districts by providing insight to the State of California and stakeholders of California school districts into how stakeholder input is currently incorporated into financial decision-making and district goal setting.

Additionally, practice implications could include additional insight to California state lawmakers and the public, through the participant responses and document analysis, about how effective these legal requirements are in shaping the way districts are making financial decisions. In addition, the methods of stakeholder priority integration studied can serve as a method of collaborating ideas among school districts for gathering and incorporating stakeholder priorities. This knowledge is available to financial managers within California school districts to improve stakeholder trust in their communities and in financial managers and district decision-makers while improving operational efficiency.

Significance to Theory

The results of this study impact theory by adding to the body of knowledge related to management in action. The State of California established the requirement that all California public school districts must gather and integrate stakeholder engagement into the LCAP, the districts' goal and financial planning document. However, lawmakers in California did not provide guidance to school district leadership about how to gather, sort, prioritize, or integrate stakeholder input into the financial planning and goals setting to guide mangers in the process. This study provides insight into how management responds to enacted laws when little to no guidance or accountability measures are established when the new requirement is implemented. This study also provides the foundation for future studies that can further the theory relative to stakeholder theory and the effectiveness of laws established to improve stakeholder trust, as described in stakeholder theory.

Significance to Social Change

With an increase in stakeholder transparency and trust in the financial managers and decision-makers in school districts, the possibility of corruption in districts decreases while their operational efficiencies increase. Park and Blenkinsopp (2011) revealed that transparency and trust aid to curtail corruption and increase citizen satisfaction in government. Additionally, when trust exists in financial managers as a whole, economic activity and prosperity increases (Sapienza & Zingales, 2012). The participants studied here provided insightful information to all stakeholders involved in the financial planning and decision-making of California school districts subject to the LCAP regulations. The increase of trust in financial managers and operational efficiencies as well as the decreased opportunity for corruption improves the performance of financial managers, the school districts, and the economy, which also improves the livelihood of individuals living in those communities.

Summary

Stakeholder trust is a significant factor in organizational operational efficiency. An increase in trust can decrease operational hurdles such as the cost of financing, existence and perception of corruption, and stakeholder friction (Sengun & Wasti, 2011; Winn et al., 2012). Transparency through stakeholder engagement has a direct positive impact on the level of trust in an organization and its managers through increased access to information and managerial accountability (Cheng et al., 2013). The State of California has attempted to increase trust in school districts and their financial managers and decision makers by increasing stakeholder engagement in financial planning, but little guidance and accountability exists related to this requirement (Affeldt, 2015; California Education Code 52060; California Department of Education, 2014).

In this study I explored how California public school district leaders and managers are implementing the new stakeholder engagement laws established by the State of California. This qualitative, holistic explanatory case study provides insight into how California school district managers are gathering, prioritizing, and utilizing stakeholder engagement in the financial planning process to increase trust. I triangulated semistructured interviews of school district managers with multiple sources of historical data to identify trends and difference in the practices of California public school districts to implement the new stakeholder engagement requirements.

This study provides various theoretical and practical insight to the public, lawmakers, managers, and scholars. New and reaffirming insights relative to how managers and leaders are implementing laws and policies when little to no guidance is given is reflected. In addition, new knowledge is provided to California school district leaders and lawmakers relative to the effectiveness of the LCAP and stakeholder engagement laws established allowing for further clarification or guidance. This study also leads to positive social change in the improvement of accountability and transparency of public agencies and financial managers and the expenses relative to the use of public funds. The following chapter identifies in greater detail the role of trust in operational efficiency, recent trends in organizational trust, and how organizational trust can be established and improved.

Chapter 2: Literature Review

Research Background

The purpose of this qualitative, holistic explanatory case study is to explore how financial managers in the California public school system are gathering and integrating priorities identified through stakeholder engagement into financial planning and budgets. The general problem is that a lack of accountability for financial managers has led to a lack of trust in the California public school system. The specific problem is that while the requirement of stakeholder engagement exists to rebuild trust in the California public school system, there is currently limited knowledge of how financial managers in the California public school districts are integrating stakeholder engagement into financial planning and budgets. The central research question is: How are district financial managers integrating stakeholder priorities into financial planning and budgets?

To answer this question, I collected data in three ways. I first reviewed the participant school districts' board approved LCAP and budget, which identify all district efforts to solicit and collect stakeholder input in financial decisions. Secondly, I collected and reviewed minutes from stakeholder meetings, district distributed satisfaction surveys collected, and any other documentation available that details specific stakeholder engagement input. I completed the data collection by interviewing the senior financial managers and decision makers within the school district. The purpose of the interviews was to explore and explain the processes, procedures, and each manager's role in the collection of stakeholder input and integration of identified stakeholder priorities into the budget, as well as feedback to the stakeholders after input collection and integration. In this chapter I explore existing literature as it relates to the problem, research questions, and conceptual framework to identify the limits of existing literature and literature gaps.

Literature Search Strategy

Since the LCAP and the associated financial funding formula, the Local Control Funding Formula, are new to California policy, my original search on these topics yielded no related results. I began by using a more generalized search relative to the idea of stakeholder engagement in financial planning. Further into my research, I found a small amount of published literature on the LCAP and its implementation to include stakeholder engagement. To explore the existing literature, I used databases such as ProQuest, Business Source Complete, ABI/INFORM, Google Scholar, Emerald Management, SAGE premier, and PsycINFO.

The first step that I took in the approach to the literature review was to identify key terms related to stakeholder input in financial and budget management. The key term I used initially was *stakeholder*, together with one of the following terms: *finance, management, theory, trust,* and *budget*. I also used the following search terms: *school accountability procedures, trust and education, accountability, transparency and trust, finance* or *budget* and *trust* or *transparency*, and *public* or *public agency* and *trust* or *accountability* or *transparency*. I also later included *Local Control Funding Formula* and *Local Control Accountability Plan*.

To ensure that I completed an exhaustive search of the existing literature, I utilized additional steps and sources to identify other existing literature. I reviewed all reference lists for each identified source for other applicable literature. When searching literature databases with links to other published literature citing the current source, I reviewed the available lists of citing references. I also used dissertations as a tool to identify additional applicable literature related to the topics in this study. Table 1 reflects the total number of journal articles, dissertations, and books utilized for the literature review. The primary concepts I identified in the literature review were: a decline in trust in financial managers and financial institutions, the importance of trust in organizations and financial management, and stakeholder input as a method of increasing trust in financial management through transparency and accountability.

Table 1.

Study Reference Source

Source Type	**Number Used**
Academic Journal Articles	143
Dissertations	14
Books	11

Conceptual Framework

Trust is a nontangible element that exists to some degree in any business relationship between two or more parties. Trust in a business transaction is defined as a belief by one party in a transaction that the other party in the transaction will act in a way that is fair and in the interest of all (Armstrong, 2012; Ehrmann et al., 2013; Lachance & Tang, 2012; Sapienze & Zingales, 2012; Schilke & Cook, 2013; Werhane, Hartman, Archer, Bevan, & Clark, 2011). Trust must exist where one party cannot consistently monitor the actions and behavior of the other party to verify that they are behaving in accordance to the mutual agreement (Armstrong, 2012). Trust must exist in a transaction with two or more people where each party's actions are not visible at all times by all other parties.

The necessity for stakeholder trust has been recognized in theory since the mid-twentieth century. Edward Freeman was the first scholar to write a widely accepted publication about stakeholder theory in his book *Strategic Management: A Stakeholder Approach* that is still considered a seminal document in organizational theory today (Harrison & Wicks, 2013; Horisch, Freeman, & Schaltegger, 2014). Stakeholder theory is an approach of organizational operation that recognizes that managing the interests of stakeholders increases operational efficiency be decreasing resistance by competing stakeholder interests (Brown & Foster, 2012; Donaldson & Preston, 1995; Greenwood & Van Buren III, 2010; Harrison & Wicks, 2013; Hasnas, 2013; Moriarty, 2014; Tullberg, 2013). When stakeholder interests are not managed, asymmetric information and stakeholder resistance increases, reducing operational efficiency (Armstrong, 2012; Silva, Chavez, & Lopez-Lubian, 2013). Each stakeholder group has a relationship with the organization that can impact the level of trust, and thus the operational efficiency within the organization.

Trust must exist to some degree between all parties involved in a transaction or agreement in order for the relationship to exist. Trust involves perceived risk and a willingness to be vulnerable to that risk based on the expectation that the other party will act in some expected way (Eskerod & Vaagaasar, 2014; Hajli, Lin, Featherman, & Wang, 2013; Schilke & Cook, 2013). The trustor establishes the trustworthiness of the trustee through personal experience, prior interactions with the trustee, and the character and institutional climate or the trustee (Lachance & Tang, 2012; Louis, 2007; Schilke & Cook, 2013; Winn et al., 2012). While trust exists in all relationships, the degree to which it exists is dependent, in large, on the trustor's perceived actions of the trustee.

While trust has been defined within this study under one definition, multiple types of trust exist that affect different attributes of trust. Competence trust is confidence that the other party in the trust transaction will behave in the expected way and goodwill trust is the belief that the other party will act fairly in negotiations and not take advantage of an upper hand if it were to be present (Sengun & Wasti, 2011). Trust directly affects the attitude of an individual toward an organization and initiates loyalty in behavior where each type of trust has the ability to affect the attitude of an individual differently (Hsu, Chang, & Hsu, 2015). Increased levels of the trust types goodwill and competence has a positive relationship with cooperation, conflict resolution, inter-firm learning, and satisfaction while being negatively related to transaction costs (Sengun, 2010; Sengun & Wasti, 2011). Where goodwill and competency trust are increased, organizations can mitigate perceived risk and an element of trust.

Organizational Trust

Trust is a foundational attribute of all business transactions and is needed for operational efficiency. Trust is present in virtually every commercial and personal transaction and is a required component of any transaction, such that without it, cooperation among parties ceases, the cost of financing increases or financing becomes unavailable, and organizations break down (Sapienza & Zingales, 2012; Winn et al., 2012). Increased trust reduces transaction costs in contract negotiations and corporate financing and makes managing complex change easier as organizations realize an increase in corporation from the other parties involved in the transaction (Armstrong, 2012; Winn et al., 2012). Bureaucratic procedures and requirements decrease with increased trust as governing bodies create regulations to manage areas where distrust exists (Armstrong, 2012). Trust in an organization is required for operational efficiency because without it organizations face increased costs of doing business related to increased time requirements and direct financing costs.

In addition to maintaining operational efficiency, trust is also important for growth and development. Trust is essential when developing and promoting new products and services, as customers will be more willing to try unfamiliar products and services from entities in which they have developed trusting relationships (Hajli, Lin, Featherman, & Wang, 2014). Trust is also a required element for the successful implementation of change and continuous improvement as well as quality management practices, particularly in non-profit service organizations such as schools and government agencies (Louis 2007). The ability to maintain trust with customers is important too as media reports and word of mouth from family and friends directly affect the level of trust in organizations by the public as a whole (Jansen, Mosch, & van der Cruijsen, 2014). The public's perception of an organization directly affects the level of trust held by customers and can deter growth if negative perception exists.

Trust is important to the success of financial advisors and financial institutions, which are an important factor for growth in the overall economy. Trustworthiness is the most important criterion for selecting a financial advisor, and with the recent financial crises, investors are more aware of trust and the factors that develop trust in financial advisors and financial organizations (Lachance & Tang, 2012). In 2011, the financial industry's contribution to the gross domestic product (GDP) of the United States was 8.3%. A 15% increase in trust translates to a 1% increase in GDP (Armstrong, 2012; Ferguson, 2013). Trust in financial organizations can directly lead to an increase in the national economy through GDP, making trust a critical element to manage in financial organizations.

Trust in Times of Crisis

Factors affecting the public's trust levels differ in times of crisis than in times of growth. Negative media reports are the most influential non-crisis trust factor, followed by management bonuses and negative references by acquaintances. However, large bonuses became the most critical factor in trust determination during a crisis, followed by large share price drops and media reports (van der Cruijsen, Haan, & Jansen, 2015). The level of knowledge about an organization, prior experience with an organization that faced a crisis, age, willingness to take investment risk, and overall life satisfaction directly affected the level of trust decline in times of crisis (Ehrmann et al., 2013; Lachance & Tang, 2012; van der Cruijsen et al., 2015). While the priority of trust determinants change in times of crisis, all determinants remain important to trust levels and reflects a need by organizations to value all trust determinants as equally important in trust management.

Declining Trust

Trust in organizations and managers has been in decline since 2001 and has failed to improve. This decline began with the failure of large organizations such as Enron and WorldCom in 2001 and reaching its peak with the financial crisis of 2008 in the United States, in which $700 billion was paid to national and international banks by the United States government to prevent the collapse of additional financial institutions (Collins, 2015; Harden, 2013; Sapienza & Zingales, 2012; van der Cruijsen et al., 2015; Plotnick, 2010; Walti, 2012; Winn et al., 2012). Public trust in the American financial system was 27% in 2012 (Sapienza & Zingales, 2012) where distrust in banks and financial institutions was 41% in 2010, an increase of 20% from 2008 (Lachance & Tang, 2012). As organizations began to fail and the financial market experienced sudden changes in performance, trust began to decline in the financial industry.

Trust in the banks and the financial industry as a whole declined during the market crash of 2008 and remains low. On a five point scale, trust in other people was ranked by survey participants in the United States at a level of 3.33, followed by banks at 2.95, bankers at 2.6, large corporations at 2.22 and the stock market at 2.13 (Sapienza & Zingales, 2012). Trust in banks is the lowest it has been in forty years reflecting a decline in trust of up to 50% in some countries (Brescia & Steinway, 2013; Ehrmann et al., 2013; Walti, 2012). The attempts to revive trust in the financial industry were ineffective because of the long term effect on the economy and the discovery of additional financial failures (Brescia & Steinway, 2013). Public trust in financial institutions remains low due to lingering skepticism.

The public's lasting distrust in the financial industry exists due to multiple negative economic indicators. Stock price and returns, unemployment levels, inflation, divergence of sovereign bond yields, media reports, input from family and friends, and unclear information significantly affected the level of trust in banks and financial institutions (Ehrmann et al., 2013; Jansen, Mosch, & van der Cruijsen, 2014; Walti, 2012). Net trust reflected a seven percent decline for every one-percentage point change in sovereign bond yields (Walti, 2012). The rapid decline in the value of bonds and other financial instruments in the financial market crash of 2008 was significant in the continued decline of public trust.

Multiple factors contributed to the financial market crash of 2008. A failure of audit quality, low ethical climates within organizations, and a lack of managerial accountability and transparency to the public and their stakeholders were primary factors of large corporate failures (Holm & Zaman, 2012; Karim & Taqi, 2013; Michello & Deme, 2012; Soltani, 2014). When lending companies like Freddie and Fannie Mac collapsed and foreclosures suddenly increased, federal investigations scrutinized current lending practices, which showed their lending practices to be unethical. This led to a decreased level of trust in the financial market and a drop in home purchases and home construction (Breistein & Dini, 2012). While many factors led to the failure of large corporations and the financial crisis that followed, all factors have played a part in the end result: a significant decline in the level of trust in financial managers and financial institutions.

Organizations must be mindful of trust and distrust levels separately. As the level of trust in the organizational institution has declined, the level of distrust has increased (Werhane et al., 2011). Where trust is the belief that parties will act in goodwill and with mutually beneficial behavior and shared values, distrust is the belief that the other party will purposely act in opposition with a lack of concern for the party or with malicious behavior (Sapienza & Zingales, 2012; Sengun & Wasti, 2011; Werhane et al. , 2011). Distrust and trust are not natural opposites of each other, where simply a lack of presence of the attributes of trust establish the existence of distrust (Sengun & Wasti, 2011). In the absence of trust, distrust exists where an individual not only has a lack of belief that a party will act in their best interest, but also where the party believes that the other party will act in opposition to their interests. Organizations must reflect an intentional desire to act in the public's best interest as a lack of perception to act in opposition of public interest can eliminate distrust, but not directly build trust.

Methods for Establishing Trust

As trust is a vital element to an organization's operational efficiency, it is imperative that firms and their managers engage in activities that will increase trust in their organization. Survey respondents cited negative media as a top reason for a decline in trust, indicating it must be managed to increase organizational trust (Hajili, Lin, Featherman, & Wang, 2014; Jansen, Mosch, & van der Cruijsen, 2014). Negative media can come from the bad experiences of family and friends as well as social media and other forms of word of mouth. Trust has a strong emotional element that brings comfort to an individual and positive word of mouth from other people emotionally connected to the individual can increase a person's level of trust (Martin, 2014). By diminishing negative word of mouth and increasing positive references out into the public, the level of trust may increase.

In addition to word of mouth and emotional connection, the organization can take proactive action to increase trust. Financial literacy in an individual increases trust in financial organizations and their managers, which can be increased through operational transparency by organizations to customers and other stakeholders (Ehrmann et al., 2013; Lachance & Tang, 2012). Communication failures due to a lack of transparency and accurate financial records aided in the financial crises that lead to the current decreased level of trust (Michello & Deme, 2012; Soltani, 2014). An organization's audit is one channel available for organizations to create transparency when auditors and managers comply with regulations to reflect the organization's complete financial and operational position (Holm & Zaman, 2011). Increasing financial literacy in an organization's target audience by using tools such as the audit will increase an understanding of the organization's operations and therefore increase trust levels.

Trust in Schools

California public schools are an organizational unit that, like other firms, have a mission statement and provide services with a desired end result. Trust is equally important to the successful operation of a school district as any other organization (Adams & Forsyth, 2013; Romero, 2015). Trust has a strong positive relationship to the successful performance of a school district (Adams, 2013). Higher levels of student achievement and positive student behavior were directly linked to higher levels of trust between students and staff as well as between faculty and the students' families (Adams, 2013; Adams & Forsyth, 2013; Bower, Bowen, & Powers, 2011; Romero, 2015). A school district's organizational purpose is to help students achieve high academic performance, which is enhanced where trust exists.

Similar to for-profit organizations, employee satisfaction is required for optimal operational efficiency in schools and is dependent on trust. Student performance increases where school faculty trusts the organization and its leadership (Adams & Forsyth). Communication and transparency to employees by a school district's central administration is required for employees to trust the organization and its leaders (Zepeda & Mayers, 2013). Trust is increased between employees and leadership where organizational leaders communicate with employees and reflect this communication in their actions (Dan-Shang & Chia-Chun, 2013). Transparency and communication increase the level of trust the employees have in the organization, leading to increased student achievement and operational efficiency.

Corporate Governance

The strength of a firm's governance structure affects the level of public trust in an organization. Ineffective corporate governance, dysfunctional management, human judgement, and unethical decision-making were characteristics that were common among the organizational failures that lead to the financial crises (Jin, Drozdenka & DeLoughy, 2013; Soltani, 2014). Systematic, structured corporate governance increases trust in organizations because governing boards create long-term goals that can lead to long-term value creation, which managers are required to emulate throughout the organization (Ferguson, 2013; Schilke & Cook, 2013). Governing boards also establish the level of communication within the organization, which establishes a culture of transparency and communication to the public (Karim & Taqi, 2013); Simha & Stachowicz-Stanusch, 2015). Effective governing boards lead and direct long-term management behavior and external communication, which increases public institutional knowledge and trust.

Functional corporate governance boards provide additional benefits to firms other than value-creation and communication. Strong governance also deters the abuse of power by management that can lead to the unethical decision-making by managers because strong boards oversee and provide direction to management (Soltani, 2014). High levels of organizational ethics increase trust factors that lead to higher levels of employee satisfaction, notable through productivity and job satisfaction (Simha & Stachowicz-Stanusch, 2015). Employee satisfaction has a negative relationship with employee turnover, where high employee turnover has a negative relationship with firm performance (Böckerman & Ilmakunnas, 2012; Edmans, 2012; Hancock, Allen, Bosco, McDaniel, & Pierce, 2013). This is particularly true in the customer service industries, such as financial services, where the mean corrected correlation is -.10 (Hancock, Allen, Bosco, McDaniel, & Pierce, 2013). Strong corporate governance increases firm performance by increasing trust factors in employee satisfaction.

Corporate social responsibility (CSR) is an organizational governance approach that organizations adopt to increase trust. Organizations engage in CSR to foster ethical decision-making in firms and among management (Azmat &Ha, 2014; Cheng et al., 2014; Dhaliwal, Li, Tsang, & Yang, 2011; Dobele, Westberg, Steel, & Flowers, 2014). CSR is an organizational effort to positively affect its community through the use of firm resources, which increases organizational trust through the engagement of stakeholders (Azmat &Ha, 2014; Cheng et al., 2014; Dobele, 2014). CSR creates a perception of ethical decision-making and honesty that increases shareholder and firm value (Deng, Kang, & Low, 2013). CSR also increases access to financing and decreases financing costs as the CSR stakeholder involvement component increases trust in the organization and party cooperation (Cheng et al., 2014; Dhaliwal et al., 2011). CSR as a corporate governance structure increases trust through communication and stakeholder engagement, which leads to increased firm value and decreased operational costs.

CSR also improves firm performance through corporate reputation. CSR is an antecedent to corporate reputation with which CSR has a positive relationship (Agarwal, Osiyevskyy, & Feldman, 2015). Corporate reputation is an aggregated judgement about a firm's future behavioral character by all stakeholders based on past behavior (Agarwal et al., 2015; Chen-Chu, Bang, Melewar, & Dennis, 2015; Tong, 2013). Increased CSR increases positive perceptions of an organization's ethical behaviors, which increases the firm's corporate reputation. High corporate reputation increases firm performance because stakeholders place preference on firms with a reputation for favorable behavior, developed through a positive corporate reputation, decreasing transaction costs, increasing customer loyalty, and increasing financial performance (Tong, 2013). Managing a firm's reputation will lead to improved organizational results.

Risk transparency and disclosure of negative information is a method of managing corporate reputation. Risk exists when there is an absence of knowledge related to the organization's operations and risk transparency occurs when an organization openly communicates the extent and absence of such knowledge (Tong, 2013). When an organization recognizes the risk or negative outcomes materialize from such risk, the proactive release of negative information by the firm increases corporate reputation through credibility (Plotnick, 2010). Since past practices shape corporate reputation, stakeholders will have confidence that, when negative outcomes occur in the future, the organization will be forthcoming with such information, developing confidence in the organization and its decisions makers.

Stakeholder Theory

An existing theory that provides insight for this study is stakeholder theory. Stakeholder theory is an approach of organizational operation that recognizes that managing the interests of stakeholders increases operational efficiency by decreasing resistance by competing stakeholder interests (Brown & Foster, 2012; Donaldson & Preston, 1995; Greenwood & Van Buren III, 2010; Harrison & Wicks, 2013; Hasnas, 2013; Moriarty, 2014; Tullberg, 2013). Conflict among stakeholder interests does occur and the individual experiences, priorities, and values of stakeholders can shape the inputs to the organization, but organizations must balance all stakeholder interests with priority given to no single stakeholder group (Chen & Turner, 2012; Harrison & Wicks, 2013; Greenwood & Van Buren III, 2010). Harrison and Wicks (2013) stated that an organization could unite contrasting stakeholder interests by finding the commonality among stakeholder groups in their support of the firm's goals. The organization must identify and manage the varying stakeholder interests in an attempt to maximize stakeholder outputs.

Two primary schools of thought support stakeholder theory and the management of stakeholder interests. The first is that organizations and their managers have an obligation to create value, or utility, to the groups or individuals who may affect or be affected by the actions of the organization (Greenwood & Van Buren III, 2010; Hasnas, 2013; Horisch et al., 2014). A stakeholder by definition is a person that provides an input to the organization in exchange for some output and thus the output to the stakeholder may be affected by operational decisions made by managers (Duesing & White, 2013; Tullberg, 2012). By accepting the input and establishing the stakeholder relationship, the organization has created the obligation to manage that stakeholder's interest: the output.

The second supportive school of thought behind stakeholder theory is that organizations must manage risk related to the stakeholder's interest to retain the input of the stakeholder. Risk exists in the stakeholder-organization relationship in that stakeholders has relatively little control in dictating how their input is managed to increase its utility to the stakeholder and they must rely on the belief that the organization operates ethically with the best interest of the stakeholder in mind (Greenwood & Van Buren III, 2010; Duesing & White, 2013). The stakeholder must have trust that the organization will maximize the output to them, where, without this trust, the stakeholder may take the input they provide to the organization and leave (Greenwood & Van Buren III, 2010; Hasnas, 2013; Harrison & Wicks, 2013; Tullberg, 2012). Because risk exists in the stakeholder-organization relationship and the relationship is voluntarily, the organization and its managers must be attentive to stakeholder interests to retain the stakeholder input.

While much of the existing literature often discussed stakeholder theory in connection with for-profit firms that pay dividends to their stakeholders, many other types of organizations have stakeholder groups that apply within the context of the theory. Stakeholder theory applies to any voluntarily formed firm organized to realize identified organizational goals, where stakeholders are able to leave the organization freely, and the organization is able to draw in and maintain stakeholder relationships based on the shared interests of advancing the organization's goals (Hasnas, 2013; Harrison & Wicks, 2013). A stakeholder's utility from an organization is also not always economic (Greenwood & Van Buren III, 2010; Harrison & Wicks, 2013; Tullberg, 2012). Any organization that has stakeholders, which affect or can be affected by organizational operations in any way, can be subject to stakeholder theory and management of stakeholder interests.

Multiple uses for stakeholder theory exist in current practice. The normative use of stakeholder theory is the most frequently cited use and aims to explain the organization's purpose or function and how it manages the firm (Donaldson & Preston, 1995; Horisch et al., 2014; Moriarty, 2014). Hasnas (2013) and Horisch et al. (2014) cited two implications of normative stakeholder theory, the first being that stakeholders are defined by their interests in the organization and the value created by the organization is distributed equally among all stakeholders without value given to one stakeholder over another. The second implication is that each stakeholder has input into how the operations of the organization should attempt to create value for its stakeholders. If an organization operates within stakeholder theory, it views the stakeholder as a critical element of the firm that must be managed because of the input to the organization therefore the organization will value all stakeholders equally and aim to increase their utility in the firm.

Two additional uses for stakeholder theory are descriptive and instrumental views. The descriptive view of stakeholder theory uses the theory to describe how an organization identifies its stakeholders and their utility from the firm as well as how the organization manages the stakeholder interests (Hasnas, 2013; Horisch et al., 2014; Donaldson & Preston, 1995). The instrumental view of stakeholder theory aids in identifying the connection between the management of stakeholder interests and a firm's performance (Donaldson & Preston, 1995). Stakeholder theory has multiple uses for organizations in that is can be used by management as an operational and measurement tool.

Stakeholder Trust

Stakeholder trust in a firm is an element of organizational function that is critical for optimal operation. Stakeholders respond over time to management actions and can be hurdles to organizational operation if unsatisfied with management behavior and the organization's actions (Diggs & Stier, 2015, Eskerod & Vaagaasar, 2014). Transaction costs may increase as contract negotiations become more difficult with supplier stakeholders (Dhaliwal et al., 2011; Sapienza & Zingales, 2012). Productivity may decrease, increasing productions costs, where employee stakeholders are dissatisfied (Böckerman & Ilmakunnas, 2012; Edmans, 2012). In schools and government organizations where stakeholders elect leaders or renew employment contracts, trust in stakeholder relationships is critical for management stability (Riley, 2008). Increasing the level of trust that stakeholders have in the organization increases cooperation and decreases stakeholder hurdles.

Transparency

Transparent communication, or transparency, is an important element in CSR and an effective way for organizations to develop trust with all stakeholder groups. A lack of transparency to stakeholders was a main element that led to the large corporate failures in the early 21st century, which has led to increased laws and regulations for enhanced corporate oversight and information disclosure (Hermalin & Weisbach, 2012; Holm & Zaman, 2012; Plotnick, 2010; Schnackenberg & Tomlinson, 2014). When organizations willingly comply with information disclosure requirements and make an active effort to provide important information to the public, stakeholders begin to trust that information is not hidden and overall trust in the corporation increases (Dhaliwal et al., 2011; Mason, Hillenbrand, & Money, 2014, Plotnick, 2010). Organizations can increase stakeholder trust in the organization by being proactively transparent.

For an organization to be effectively transparent, it must understand what transparency is. Transparency is the process of communicating all operational information legally permissible and not immediately visible about what an organization’s goals are and how it achieves these operational goals to a group of actors that has the ability to evaluate the operations of the organization (Hong & Im, 2013; Meijer, 2013; Plotnick, 2010; Porumbescu, 2015). The quality of information as perceived by the recipient of the information is just as important as providing the information itself; the information must have meaning (Schackenberg, 2014). An organization must then understand what information is important to its stakeholders and ensure an open flow of such important information.

Transparency has a direct, positive affect on organizational success. The perceived efforts of a corporation to be transparent to stakeholders increase consumers' trust in the organization, increasing willingness to repurchase products or services from the organization, and spreads positive word of mouth (Kang & Hustvedt, 2014). Behavioral integrity is a perceived characteristic of transparent actions, which increases organizational trust internally and increases employee performance (Palanski, Kahai, & Yammarino, 2010). Transparency also improves liquidity by reducing asymmetric information in the market, which increases firm value by decreasing the cost of capital (Silva, Chavez, & Lopez-Lubian, 2013). Efforts to increase transparency in an organization will aid in increasing organizational performance.

Transparency efforts also increase trust in the organization's leaders, which also has a positive impact of firm operations. Where the firm's management plays an integral role in transparency efforts, transparency positively increases subordinate employees' perception of the manager's trustworthiness and creates more favorable leader evaluations (Norman, Avolio, & Luthans, 2010). Transparency also serves as a moderator for corruption among organizational management, where the actions of the leaders are part of transparency efforts, leading to increased trust in the firm's management and the overall actions of the organization (Park & Blenkinsopp, 2011). The actions and perceived trustworthiness of an organization's leader is an important element for a firm to manage because positive perceptions of a leader have a positive relationship with employee and customer loyalty and satisfaction (Jin & Yeo, 2011; Namasivayam, Guchait, & Lei, 2014). Transparency at both the management and organizational level affect the performance of the firm.

While trust and transparency are interconnected characteristics that an organization can develop, the elements do not develop simultaneously. A positive relationship between transparency and trust, or trustworthiness, exists, but only where transparency was an antecedent to trust (Palanski et al., 2010; Schnackenberg & Tomlinson, 2014). Where transparency was a dimension, or an element, of trust, the relationship was only marginal and weakly supported (Schnackenberg & Tomlinson, 2014). Transparency must exist within an organization as an independent element before trust can develop or increase.

Organizations must intentionally seek stakeholder input in transparency efforts. Participation of stakeholders is the ability for stakeholders to voice concerns and provide input (Porumbescu, 2015; Welch, 2012). A positive relationship exists between stakeholder participation and levels of transparency, but participation does not occur automatically or naturally (Welch, 2015). An organization must find a variety of ways to reach its varied stakeholder groups, such as social media, email, and open public forums where stakeholders are encouraged to provide feedback (Meijer, Curtin, & Hillebrandt, 2012; Porumbescu, 2015; Welch, 2012). By purposefully providing multiple avenues for stakeholders to participate in organizational operations, levels of stakeholder participation and transparency will both increase.

Perceptions of Transparency

While the term transparency is a widely known and understood concept, the compliance and effort of an attempt to be transparent is often perceived by different stakeholders differently. Rawlins (2008) described organizational transparency as an effort to provide information that is complete, relevant, verifiable, accurate, balanced, comparable, clear, timely, reliable, and accessible. Perceptions of transparency differ between the organization and its stakeholders when the perception of the elements of transparency differ (Park & Blankinsopp, 2016). Where the organization may feel that providing information to stakeholders within one week is timely, the affected stakeholder group may perceive a timeline of one week to be withholding information. Perceptions of transparency can differ greatly depending on the agent's perception of an element of transparent efforts.

While stakeholders' perceptions of an organization's transparency efforts can differ from that of an organization's actors, managing such stakeholder perceptions is important to managing trust. According to Kang and Hustvedt (2014), a direct positive relationship exists between stakeholders' perception of an organization's efforts to be transparent and the level of trust the stakeholder holds in the organization. A mutual understanding of the key elements of any undertaking between an organization and its stakeholders is necessary in order to maximize the positive perceptions of success (Davis, 2014). The transparency efforts of an organization and its leadership can be improved by understanding its stakeholder's perceptions of what transparency is, establishing a mutual understanding of the elements of transparency, and aiming to meet the established transparency expectations in the organization's actions.

Increasing Transparency

Organizational transparency benefits both stakeholders and the organization, but requires action on the part of organizational leaders. Transparency does not occur naturally; efforts must be made to create a transparent environment (Mitchell, 1998). The level of transparency required for each organization will depend on the external pressure by stakeholders for access to information (Fernandez-Feijoo, Romero, & Ruiz, 2013; Mitchell, 1998). Firm leadership can determine if the level of transparency is sufficient through stakeholder feedback received in engagement efforts (Dawkins, 2014; Plotnick, 2010). Firms must understand the level of transparency required by their stakeholder groups and adjust transparency efforts accordingly.

A variety of techniques have been employed by organizations that have successfully increased transparency to stakeholders. A method that has been used by larger oversight bodies, such as governmental bodies, is to require operational branches of these bodies to comply with standard periodic reports to include annual audit reports and public financial statements (Chung-Hao, Syou-Ching, & Hung-Chih, 2016; Neyland, 2007). When the organizational bodies establish clear directions and simple reporting formats that reduce reporting obstacles, compliance with required periodic reporting and transparency increases (Mitchell, 1998). Firms that provide incentives for completing reports and increasing reporting activities will increase employee compliance with reporting and transparency initiatives (Mitchell). Providing obstacle free pathways for standardized reporting of information made available to the public aids in increasing transparency.

Organization leaders have used digital measures to increase technology. Creating online arenas for stakeholders to learn about firm activities and strategies as well as communicate with and provide feedback to the organization increases the organization's level of transparency (Illia, Romenti, Rodriguez-Canovas, Murtarelli, & Carroll, 2015). Organizations that use social media specifically to communicate and provide information to their stakeholders can increase both transparency and trust levels between the organization and its stakeholders (Song & Lee, 2015). Transparency is also increased by making firm information such as audit reports and financial statements easily accessible online (Granados & Gupta, 2013). The use of modern internet technologies serves as a tool for increasing firm-stakeholder transparency.

Stakeholder Engagement

An effective way to increase organizational transparency is to increase stakeholder engagement as described in CSR. Stakeholder theory, as described earlier in this chapter, states that stakeholders must have an opportunity to provide input into the organizational operations that affect their stakeholder interest (Dawkins, 2015). Gathering information from various stakeholder groups to better understand each group's characteristics and values with reciprocal openness about the organizations values initiates stakeholder engagement, begins to develop trust, and establishes relationships that aids in information transfers (Driggs & Stier, 2015; Riley, 2008). Engaging stakeholder groups in conversations about values provides the opportunity for transparency of information.

With democracy in organizations, stakeholder engagement is even more important. Organizations that have democratic governance, such as school districts where stakeholders elect governing board members into management positions, must prioritize the interest of stakeholders into regular operation strategies to maintain support for the governing body (Riley, 2008). When stakeholders become unhappy, the stakeholders are able to vote to change the members of the governing body, incentivizing the elected representatives to address and act in unison with the desires of the stakeholders (Moriarty, 2014). The communication of stakeholder interests occurs when stakeholders are engaged in conversations and the decision-making processes of an organization's management (Dawkins, 2014). Stakeholder engagement improves stability in the organization's leadership.

The mere ability for stakeholders to give input is not enough to maintain stakeholder satisfaction. Stakeholder engagement must be intentional, meaningful, and engaging for the stakeholder (Dawkins, 2014; Plotnick, 2010). Organizations must also proactively provide as much information to stakeholders as legally permissible, particularly when negative information must be shared (Plotnick, 2010). While many organizations have eliminated or decreased budgets to communications departments during recession periods (Dillingham, 2012) communicating risk to stakeholders is necessary to maintain trust.

Firm Value Creation through Stakeholder Engagement

Stakeholder engagement not only serves as an effective tool for increasing transparency, but also increases firm value. The development of trust in the stakeholder-firm relationship created through transparency establishes a strategic competitive advantage for firms because operational information is more forthcoming and readily available (Crilly & Sloan, 2012; Harrison, 2010; Hillman & Keim, 2001; Tantalo & Priem, 2014). Varying utility perceptions are also communicated through stakeholder engagement, which enables the firm to develop actions and processes that can maximize the utility of the firm to multiple groups of stakeholders, thus increasing efficiency through decreasing asymmetry in the firm (Bridoux & Stoelhorts, 2014). Additionally, where internal stakeholders, such as employees, find utility as a stakeholder, productivity is increased and waste is decreased, decreasing the cost of doing business (Edmans, 2012). Increasing stakeholder utility increases firm value.

Stakeholder Value Management

Stakeholder value, or utility, derived from the firm varies due to multiple factors. A stakeholder's perception of the value of his relationship with the firm is based on the utility he receives from the firm (Harrison & Wicks, 2013). A firm's utility to a stakeholder is not always economic value (Harrison & Wicks, 2013; Tullberg, 2012). Management must understand what the varying utilities of its stakeholder groups are in order to increase the value of the firm for its stakeholders (Garriga, 2014; Lankoski, Smith, & Wassenhove, 2016; Tantalo & Priem, 2014) A firm can create value for stakeholder groups by enhancing specific stakeholder welfare and developing individual stakeholder capacities within the organization (Garriga, 2014). An organization's leadership must understand the varying utilities first before stakeholder value can be created.

Managing the varying stakeholder priorities that arise from stakeholder utility is a difficult task and is a factor in stakeholder engagement. Bridoux and Stoelhorst (2014) and Crilly & Sloan (2012) linked stakeholder synergy to increased value creation, however different groups of stakeholders have different interests and priorities (Choudhury, 2014; Tantalo & Priem, 2014). Organizations that provide increased autonomy to managers create more interaction and relationship building with stakeholder groups, which develops a deeper knowledge of stakeholder interests by managers (Crilly & Sloan, 2014). Crilly & Sloan (2014) stated that organizations with strict operational constraints for managers are less tolerant with creative solutions for managing stakeholder interests since managers are required to follow specific operating procedures. A flexible and autonomous environment for firm managers aids in developing stakeholder synergy.

Management relationship building is important for value creation and stakeholder synergy, but stakeholder management strategies will vary depending on the characteristics of the individual stakeholders. Bridoux and Stoelhort (2014) identified the fairness and the arms-length approaches as two stakeholder management strategies. Under the fairness approach, management treat all stakeholder groups equally, whereas under the arms-length approach, stakeholder priorities are managed based on the stakeholder group's bargaining power (Bridoux & Stoelhorst, 2014). Under the fairness approach, management prioritizes stakeholder interests so that each stakeholder group has some of their needs met. Managers using the arms-length approach meet stakeholder needs based on the value of the inputs they provide to the organization. The fairness approach is used where most stakeholder groups have similar value to the organization whereas the arm's length approach is used where differing degrees of value are placed on stakeholder groups. Managers must know the value of their stakeholder groups' interest in the organization to determine the most appropriate stakeholder management strategy.

Creating stakeholder synergy can also be accomplished through value mapping. Value mapping is a tool used to identify multi-stakeholder interests in an attempts to find overlapping interests or values by multiple stakeholders (Bocken, Rana, & Short, 2015). Value mapping identifies both tangible and intangible stakeholder values and aims to operationalize strategies that will bring the most value to the highest number of stakeholders through a single action (Bocken, Short, Rana, & Evans, 2013). Within multi-stakeholder management, opposing stakeholder interests will frequently occur, but it is possible to create value for more than one stakeholders without trade-off as long as the organization is aware of its stakeholders' interests (Hillebrand, Driessen, & Koll, 2015; Tantalo & Priem, 2014). Value mapping will provide a method for managing varying stakeholder interests by identifying common interests and ensuring all stakeholder groups have some of their interests and values met.

Managerial Accountability

Since the financial crisis of the 2000's, managerial accountability has been a topic of increased concern for stakeholders and citizens. The financial crisis has been linked to a failure of management accountability and hidden corporate activities, leading to an increased focus on transparency and accountability initiatives, such as the Freedom of Information Act, the California Public Records Act, and other various country wide and state specific access to information laws (Calland & Bentley, 2013;Dammeier, 2012; Gaventa & McGee, 2013). Managerial accountability is defined as the process in which managers are held accountable for their individual and organizational performance to a person or group that has the ability to award favorable ot negative consequences for such performance for a period of time (Karim & Taqi, 2013; Kaynak & Avci, 2012). Accountability have been of increased importance because of the insights provided into the outcomes of managerial activities.

Managerial accountability is an element of a cyclical relationship with transparency and stakeholder engagement. A positive relationship exists between accountability and transparency because, as transparency provides stakeholders more information about business activities, more information is available to evaluate the performance of management and the organization (Karim & Taqi, 2013; Zuccolotto & Teixeira, 2014). Accountability, in return, increases transparency because managers are required to report actions and operations aimed at reaching stakeholder interest and organizational goals (Kaynak & Avci, 2012). Stakeholder engagement is a part of the relationship because accountability requires stakeholders to identify their expectations of management so that stakeholders can evaluate outcomes for effectiveness (Karim & Taqi, 2013). Managerial accountability, stakeholder engagement, and transparency are equally important elements for success in the accountability process.

Stakeholder engagement is a foundation for managerial accountability. Stakeholders must communicate clearly defined expectations and organizational goals to management so that management can appropriately act and plan operational actions to meet those goals, which the stakeholders will use to evaluate their performance (Gualandris, Klassen, Vachon, & Kalchschmidt, 2015; Karim & Taqi, 2013). Stakholder engagement also enhances managerial accountability in elected bodies because managers must maintain stakeholder satisfaction in order to retain their position or avoid recall (Moriarty, 2014). Managers must then be able to communicate stakeholder expectations to other organizational employees and hold department staff accountable for the individual employee’s role in organizational performance (Karim & Taqi, 2013). Managerial accountability is a two-way process that requires effective stakeholder engagement for an effective accountability process.

Corporations can increase firm value by increasing managerial accountability. Accountability decreases corruption, since stakeholders monitor management activities, which then increases economic performance (Zuccolotto & Teixeira, 2014). Accountability initiatives have been shown to improve budget utilization, attentiveness to stakeholder interests, increased opportunities for stakeholder engagement, and improved services (Gaventa & McGee, 2013). Accountability to stakeholders through transparency increases liquidity by decreasing asymmetric information, which reduces the cost of capital, increasing firm value (Silva, Chavez, & Lopez-Lubian, 2013). Accountability increases firm value because stakeholders monitor and respond to value increasing behaviors.

Fiscal Transparency and Accountability

Transparency and accountability in organizational finance is an important element in stakeholder engagement. As transparency and accountability increase, incorrect assumptions about a firm's fiscal health, asymmetric financial information, corruption, and leniency of fiscal rules decrease (Sedmihradska & Haas, 2013). Similar to general operational transparency, increased fiscal transparency also leads to heightened level of stakeholder trust and satisfaction (Justice & McNutt, 2014). Transparency scholars have observed many of the value increasing qualities of stakeholder engagement in fiscal transparency efforts as well, leading to an increased effort for fiscal transparency.

Fiscal accountability is established by law for many public entities. For most governmental organizations, such as California School Districts, fiscal transparency and accountability is required under fiscal responsibility laws because these organizations operate on public revenues and are accountable for responsible fiscal management (Lienert, 2013). One example is Proposition 39, enacted in the year 2000, which allows for public school bonds to be voter succeed through an election with a lower voter approval rate, but only with higher fiscal oversight by an appointed third party committee (California Education Code §15278). This budget transparency requires that all information regarding a public agency's fiscal policy and activity be provided simply, with understandable financial statements and little complicated jargon (Zuccolotto & Teixeira, 2014). Where required by law, the level of fiscal transparency necessary is high.

Recent Studies

The LCAP is a new accountability procedure unique to the State of California. Due to the newness of the policy, little research exists relative to the LCAP and the LCFF. One similar study completed by Wolf & Sands (2016) was found during the literature review for this study. In the study conducted by Wolf & Sand (2016), the researchers interviewed policymakers, legislators, and organizational leaders who worked closely with California school districts. They also reviewed approximately 40 LCAPs and selected 10 school districts to participant in interviews. The school district interviews were completed with district staff and stakeholders.

The study looked at three key ideas: how were district leaders using the increased budget flexibility from the LCFF regulations, how were district leaders engaging stakeholders, and what changes and opportunities were provided to school districts under the LCFF. The interviews took place between June and October 2014; the end of the first year of the LCFF and LCAP implementation. The relevant part of Wolf & Sands (2016) is the second focus of the study, stakeholder engagement and it is from this section the interview questions for this doctoral study were drawn from.

Within Wolf & Sands (2016) some relevant information was provided that could reflect in the outcome of this doctoral study. The researchers found that school districts were utilizing community meetings, public forums, and online and paper surveys to engage stakeholders. My study took place almost exactly three years after Wolf & Sands in the fourth year of the LCAP implementation. It is possible that different engagement methods have been adopted or found to be more effective. It is also a possibility that districts are still using the same engagement methods. This research study expands Wolf and Sands study by exploring how California public school districts are prioritizing and integrating stakeholder input into the LCAP and district budgets

The Local Control Accountability Plan

The LCAP is a tool that all California public schools are required to use in their district wide goal setting and budgeting processes. California's new funding formula, the LCFF, was designed to switch from a low-trust, highly restrictive funding process with high state regulation to a high-trust, flexible funding formula with heightened local control (Wolf & Sands, 2016). While the goal of the LCFF was to give more control to local school districts whose managers know the needs of its student body better than the state government, the California state legislature still recognized a need for accountability and thus created the LCAP (Affeldt, 2015; Manefee-Libey, 2015). Lawmakers in California recognized the need to increase public trust in the public school system and provided the foundation to do so through the LCFF and LCAP.

California School District achievement and budget goals are established and explained in the individual school district's LCAP. Under California Education Code §52060, school districts are required to establish achievement and performance goals using 24 metrics that address eight state priorities (See Appendix C) as well as to identify the actions and services that the district will use to reach these goals and the funding source used for each (Affeldt, 2015). School districts must then identify the actions and services that will enable the district to reach the achievement and performance goals and allocate a budget to the action or service within the LCFF funding allocation (Menefee-

Libey & Kerchner, 2015; WestEd, 2014). The goals and outcomes established in the LCAP are then used as a tool to hold districts accountable for their expenditures based on student achievement.

Stakeholder Engagement in the LCAP Process

In the LCAP process, school districts are required in incorporate stakeholder engagement in two distinct ways as a method of increasing trust and transparency. The state legislature's desire to switch from a low-trust to a high-trust funding process lead to the incorporation of directives to seek and gather input from all major stakeholder groups within the district (Affeldt, 2015). These major stakeholder groups are outlined in California Education Code § 52062, which states that the district must consult with administrators, other school personnel, local bargaining units, parents, and pupils to establish district goals and desired measurable outcomes (Wolf & Sands, 2016). The LCAP template, established by the State Board of Education, requires districts to clearly list all meetings and communication efforts, to include dates, input received, and shared metric data, for all stakeholder groups (California Department of Education, 2015). The California legislature made clear its desire for transparency to stakeholders as an effort to increase trust in education funding.

The state of California gave special emphasis on the participation of parents in district planning by including parent involvement in two separate parts of the LCAP development. As mentioned in the paragraph above, the California Education Code requires that districts seek input from parents as part of stakeholder involvement in the LCAP planning process for goals and outcomes (Affedlt, 2005; Wolf & Sands, 2016).

The state also identified parent involvement as one of the eight state priorities that must be separately addressed within the goals of the district and emphasized the promotion of participation by parents with students in high needs and special education programs (Affeldt, 2015). Transparency and the development of trust in parent stakeholder groups is a critical part of the LCAP development process.

Research Methodology

This study is a qualitative, holistic explanatory case study. While stakeholder theory does apply to this study as a theoretical framework, a lack of published literature or data related to stakeholder engagement as a requirement in the LCAP, established by the State of California, still exists. A case study was be used because it allowed for an in-depth review of how and why something occurs within the organization in its natural environment (Houghton, Casey, Shaw, & Murphy, 2013; Meijer, 2013; Yin, 2013). In this study, I triangulated interviews with senior management and decision makers involved in the school district stakeholder engagement process with an extensive review of existing approved district LCAPs and documentation from stakeholder engagement efforts such as meeting minutes and surveys. This process provided a dynamic, multifaceted view of the LCAP stakeholder process that is currently occurring in California school districts.

The case study methodology has been used in comparable studies with similar desired outcomes. Crilly and Sloan (2012) used a case study approach when conducting a study to better understand why organizations operating in the same industry or field have different approaches to stakeholder management under the framework of

Stakeholder Theory. Garriga (2014) used a case study approach to measure how stakeholder groups determine and define value and how these stakeholder groups measure value. Garriga selected the case study approach because the researcher desired an in-depth view of a phenomenon where the researcher had no control over the study objects. For this study the case study methodology is appropriate because I also desire an in-depth view of a phenomenon through the Stakeholder Theory lens where I have no control over the elements of the phenomenon or the data.

Literature Gap

The existing body of academic and empirical literature shows a clear link between operational efficiency and value creation with trust, transparency, and stakeholder engagement. An organization cannot operate at its highest efficiency without holding stakeholder trust (Driggs & Stier, 2015; Hajli, Lin, Featherman, & Wang, 2012; Winn, 2012). A highly effective method for developing and enhancing the level of public trust in an organization is through transparency (Kang & Hustvedt, 2014; Silva, Chavez, & Lopez-Lubian, 2013). Stakeholder engagement effectively increases transparency through an active effort by the organization to gather stakeholder input on subjects that directly affect them (Porumbescu, 2015; Welch, 2012; Sapienza & Zangles, 2012). Stakeholder engagement is an effective method for increasing stakeholder trust, which is required for optimal organizational efficiency and value creation.

In June of 2013, the State of California adopted a new funding formula and accountability tool for California public schools. The state legislature recognized a need to switch from a low-trust, state controlled funding program to a high-trust, locally controlled funding formula to reach operational efficiency in the state education system (Manefee-Libey, 2015). The new expenditure accountability plan requires each school district to seek out and consult with stakeholders for input into goal setting and financial planning (Affeldt, 2015; Manefee-Libey, 2015; Wolf & Sands, 2016). Each district must specifically outline within the LCAP any action taken by the district to gather stakeholder input and identify the input stakeholders provided during each attempt (California Department of Education, 2015). While the requirement to confer with stakeholder groups and gather stakeholder input exists, the State of California provides no specific guidelines regarding how districts should gather stakeholder input or any requirements for communicating to stakeholders how the districts incorporated the gathered stakeholder input into the annual district budget.

The legislature of the State of California has recognized that stakeholder input is an important part to the effective operation of the state's public schools. However, there is currently no published literature on how school districts are gathering stakeholder input and to what extent, if any, the district management is transparent about the incorporation of the stakeholder input given. This study provides insight to the state legislature and school district stakeholders regarding the effectiveness of the new regulation regarding stakeholder input and engagement into district decision making and financial planning. This study also reflects the effectiveness and shortcomings of the current guidelines for stakeholder engagement provided to California school districts as well as highlighting the effectiveness of the new legislation to increase school districts' transparency to their stakeholders.

Fostering Social Change

California public school districts are funded primarily through state tax revenues, which are considered public funds. Public school districts in California are subject to the California Public Records Act, where all financial activity of the school district where tax revenues are expended is subject to public disclosure upon request. California public school districts are also required to disclose in audit reports, required periodic financial reports, its LCAP, and in other state and federally mandated financial reports, its fiscal decisions and activities. These requirements reflect the desire by state and federal law makers to hold public school districts accountable to members of the public for the use of the district's use of public funds.

The new California requirement for stakeholder engagement under the LCAP regulations also reflect an obligation by California public school districts to be transparent to their stakeholders for the use of their LCFF generated revenues, which are also tax generated revenues. This study positively affects social change because the results of the study provide increased transparency and accountability to members of the public as to how California school districts are spending its public funds. The results of this study provide insight to lawmakers and members of the public into how and to what extent California school districts are complying with the LCAP regulations related to stakeholder engagement and stakeholder input integration. Without insight into these activities, the public and state and federal law makers cannot accurately assess District compliance with LCAP laws and regulations. The results of this study provides such stakeholders with these tools

Summary

Stakeholder management is a central idea in both the theoretical and conceptual lens for this case study. Stakeholder theory was developed with the belief that managing varying stakeholder interests increases firm value because asymmetric information and stakeholder resistance is decreased (Brown & Foster, 2012; Donaldson & Preston, 1995; Greenwood & Van Buren III, 2010; Harrison & Wicks, 2013; Hasnas, 2013; Moriarty, 2014; Tullberg, 2013). In both the theoretical and conceptual frameworks, trust is a critical element for operational efficiency and firm value creation (Hasnas, 2013; Harrison & Wicks, 2013; Sapienza & Zingales, 2012; Tullberg, 2012; Winn, 2012). Stakeholders must trust the organization to operate with the intent to create value for its stakeholders, to include stockholders. Without trust, many barriers to operational efficiency exist.

Trust in firms has declined over the last two decades. With the stock market and housing marking crash of the early twenty-first century, trust in financial managers and organizational leadership showed a sharp decrease (van der Cruijsenet al., 2015; Plotnick, 2010; Walti, 2012; Winn et al., 2012). Stricter auditing laws and the rise of CSR reflect an attempt to increase this trust (Dobele, 2014; Holm & Zaman, 2011). One element of CSR that is linked to increased trust in firms is stakeholder engagement and transparency to stakeholders (Driggs & Stier, 2015; Riley, 2008). Increasing transparency to stakeholders through expanded engagement efforts leads to heightened trust and operational efficiency.

The State of California is one organization that has recognized that stakeholder engagement is an important element for operational efficiency. In July 2013, the State of California established a new funding formula, the LCFF, and an associated accountability tool, the LCAP, that requires California public school districts to deliberately seek out and include stakeholder input into goal setting and financial planning. While the State has recognized the need to increase trust and chose to do so with stakeholder engagement, no guidelines were provided for how to generate stakeholder engagement. No direction for the implementation and incorporation of stakeholder input was provided either. This study provides insight into how California public school districts are complying with the stakeholder engagement regulation and to what extent stakeholder input is being incorporated into school district goals and financial decisions.

Chapter 3: Research Method

Introduction

In June of 2013, California public schools faced major funding changes for the first time in decades. As part of the July 1, 2013 California state budget, Governor Jerry Brown changed the public education funding formula and expenditure accountability system for the first time in over 40 years (Menefee-Libey & Kerchner, 2015). The new funding formula, based on student grade spans and other demographic information, become closely tied to district established performance goals (Affeldt, 2015). To establish these goals, districts are required by the California Education Code to incorporate input from all major stakeholder groups then establish the district annual budget based on the input collected and the established district goals. California public school districts established new processes for budgeting that had not been followed in previous years.

The purpose of this qualitative, holistic explanatory case study is to explore how financial managers in the California public school system are gathering and integrating priorities identified through stakeholder engagement into financial planning and budgets. The general problem is that a lack of accountability for financial managers has led to a lack of trust in the California public school system. The specific problem is that while the requirement of stakeholder engagement exists to rebuild trust in the California public school system, there is currently limited knowledge of how financial managers in the California public school districts are integrating stakeholder engagement into financial planning and budgets. The problem was explored by triangulating data collected from interviews, documents reflecting stakeholder engagement efforts, and the participant school district's most recent board approved LCAP.

Research Questions

The overarching question for this study is:

Research Question 1: How are financial managers in the California public school system integrating the priorities identified through stakeholder engagement into financial planning and budgets?

The specific research questions are as follows:

Research Question 2: How are financial managers in the California public school system engaging stakeholders to gather and obtain input for financial decision making as required under the LCAP regulations?

Research Question 3: How are financial managers in the California public school system prioritizing identified stakeholder priorities identified through stakeholder engagement?

Literature Summary

The literature foundation for this study focuses on the requirement of established trust between an organization and its stakeholders for operational efficiency and organizational success. Trust is a critical element in the success of organizational operations because without it, financial transactions become more costly, organizations experience heightened resistance to change and progress, and employee satisfaction decreases (Armstrong, 2012; Sapienza & Zangles, 2012; Winn, 2012). Stakeholder trust is one important source of organizational trust that is needed for operational efficiency because stakeholders have the ability to withhold or withdraw their interest in the organization if distrust exists (Greenwood & Van Buren III, 2010; Hasnas, 2013; Harrison & Wicks, 2013; Tullberg, 2012). Stakeholder trust in an organization is necessary to maximize operational efficiency.

Two strategies for increasing stakeholder trust that are intertwined are transparency and stakeholder engagement. To gather stakeholder input that is a true representation of the priorities and utility of the stakeholders, accurate and transparent information related to the operational details of the organization must be provided (Dawkins, 2015; Driggs & Stier, 2015; Riley, 2008). Firm management must actively find ways to encourage and seek out stakeholder input since transparency and stakeholder engagement do not naturally occur (Meijer, Curtin, & Hillebrandt, 2012; Porumbescu, 2015; Welch, 2012). Through transparency and engagement, stakeholder feelings of inclusion and organization understanding increases, leading to increased feelings of trust (Palanski et al., 2010; Schnackenberg & Tomlinson, 2014). Where increases in trust occur, operational efficiency also increases.

While the state of California requires California public school districts to include stakeholder input in their goal setting and financial planning while documenting all stakeholder engagement efforts, there are no guidelines for how this should be done. The task of training district administrators in stakeholder engagement is left to the County Offices of Education that hold oversight authority. Still, no guidance is provided to the County Offices of Education on stakeholder engagement. Additionally, there is no available empirical knowledge as to how districts are actually gathering stakeholder input and incorporating the input into district goals and financial plans. This study provides such insight and sheds light on the possible need for additional guidance from the State of California related to the requirement of stakeholder engagement or the intent of the regulations.

Contribution of the Study

Trust and management accountability are required for the optimal operational efficiencies of an organization. The actions of the managers studied could help to increase the level of trust and provide additional accountability for financial managers and decision-makers in California school districts by providing insight to the State of California and stakeholders of California school districts into how stakeholder input is currently being incorporated into financial decision-making and district goal setting. The participants in this study also provides insight to California state lawmakers and the public about how effective these legal requirements are in shaping the way districts are making financial decisions.

In addition, when publicized, the methods of stakeholder priority integration studied may serve as a method for which ideas can be shared among school districts for gathering and incorporating stakeholder priorities. This knowledge may allow the financial managers within California school districts to improve stakeholder trust in their communities and in financial managers and district decision-makers while improving operational efficiency.

Role of the Researcher

The role of the researcher in any study is to protect the confidentiality of the participants and the integrity of the data. It is the responsibility of the researcher to guard against threats to validity and unethical practices (Patton, 2015; Yin, 2013). This is done by thoroughly exploring the possible existing biases of the researcher, participants, and data and establishing a plan prior to data collection to guard against such biases (Yin, 2013). My role as the researcher was to investigate the phenomenon while guarding against threats to validity of the study, ensure the ethical treatment of participants and their confidentiality to the extent of the law, and to ensure accurate analysis of the data collected.

One known possible bias that I guarded against is my closeness to the phenomena. I am currently employed as a chief business officer for a California Public school District and am a main facilitator of the stakeholder engagement at the district. I am very intimately involved in the stakeholder engagement process and am responsible for the integration of priorities into the LCAP and budget. I also am familiar with many financial managers in the California public school system. To guard against this I did not solicit participation from any school district in which there may be a relationship between myself and either the district or an employee that may hinder the trustworthiness of the results of this study. The trustworthiness section below identifies additional methods for how I guarded against threats to validity and unethical practices.

Research Methodology

Case Study Design

The design for this study is a qualitative, holistic explanatory, embedded single-case study where the California Public School System is the case and public school districts are the units of analysis. The phenomenon to be studied is the methods of stakeholder engagement being implemented by California public school districts and their financial managers. While studying the methods of engagement, I also explored the extent stakeholders are being engaged, who and what stakeholder groups are being engaged, and how are stakeholder priorities identified through engagement being incorporated into the school district LCAP and budget.

Qualitative designs are best suited where the primary purpose of the study is to explore and understand the underlying reasons why or how a phenomenon is occurring (Patton, 2015). According to Yin (2013), a case study allows a researcher to explore deeper into why decisions were made and how they were implemented within the case. A case-study also allows for the exploration of a phenomenon in its real-world, natural environment (Houghton, Casey, Shaw, & Murphy, 2013). Using a case study in this research study allowed for the exploration and deeper understanding of the natural operation of the school districts and senior administrators participating in the study.

Participant Selection Logic

In this embedded single-case study, the case to be explored is the California public school system. The embedded subunits are the individual public school districts within the California public school system. For this study, the typical cases sampling method was used to identify subunits for analysis. According to Patton (2015), the typical cases sampling method seeks to identify units that are considered average within the population. I selected subunits studied to understand what is normal within the population. By studying and evaluating average cases, this study established baseline data related to the behavior of average subunits with in the case from which outliers can be compared in a future study.

The characteristics of an average unit are identified through statistical data about the population or informed experts that can aid in the identification of typical units (Patton, 2015). I used statistical data from the California Department of Education in this embedded single-case study to determine required school district characteristics for both literal and theoretical replication. I selected sample subunits for this study for both literal and theoretical replication. According to Yin (2013), for literal replication, subunits are selected to predict similar results. For theoretical replication, subunits are selected for predicting contrasting results that have been anticipated (Yin 2013). I selected six subunits, or school districts: two districts were selected for literal replication and four were selected for theoretical replication.

Oversight authority over school districts for the purpose of LCAP evaluation and support is provided to each county office of education in the state of California for all districts within its geographic county limits (AB 1200). For this reason, two districts from three separate California counties were selected. Literal replication is be seen between the two districts selected in all three counties. While county offices of education are tasked with oversight for all LCAP purposes, the state does not provide a standard measurement tool or training materials that would provide uniformity in county office expectations of school district performance relative to stakeholder engagement processes. It was reasonably expected that variation in county oversight would exist, creating variations between subunits in different counties.

Subunits were selected based on a standard set of qualifying requirements. Two requirements of selected subunits are that the district is state funded under the LCFF calculation and that it is a unified district serving all grades from kindergarten through twelfth grades, called a unified school district. The LCAP template has been established to address the educational needs of students in all grade levels with the understanding that different grade spans have different levels and types of needs for educational success. In the 2014-2015 school year, there were 343 unified school districts out of a total of 1,023 public school districts in California (California Department of Education, 2016). In order to capture stakeholder engagement and input for all LCAP goals, I only included unified school districts, which serve all grade levels.

Additionally, the number of state funded school districts greatly exceed the number of basic aid districts; there were 126 basic aid school districts in the 2012-2013 school year out of a total of 1,038 California public school system (California Department of Education, 2016), therefore, state funded districts are considered average. After identification of unified school districts, the next level of subunit identification was to identify counties within the state of California that have two or more state funded unified school districts because, for comparison purposes, two districts were selected from three different counties, as described earlier in this chapter. The next criteria was the identification of unified, state funded school districts with financial managers of which I have an existing personal or professional relationship with and eliminated those districts are possible participants. I included all other unified, state funded California public school districts as part of the possible participant pool. All of the criteria listed above is publicly accessible on the California Department of Education website.

I then organized districts that meet the established criteria by county office of education oversight and requested at random to participate. I eliminated school districts that were not located in a county that had at least one other unified school districts since two districts from three different counties were included for cross county exploration. I made email and telephone calls to all districts in the remaining counties for participation. Counties were selected at random. The first three counties that had two school districts agree to participate in the study were selected participant districts.

Instrumentation

Three different instruments were used for this study allowing for the triangulation of data. Triangulation of data means that multiple sources of data are combined to strengthen the results of a study since no one source of data can accurately capture the full picture of reality (Patton, 2015; Yin, 2013). The first two instruments in this case study were historical documents that were collected from each participating school district. The most recent Board of Trustees approved LCAP was the first data that that was collected. The LCAP was reviewed for identified stakeholder engagement efforts identified in section one of the LCAP template (see Appendix C). The LCAP was also reviewed for evidence of integration of stakeholder priorities identified in stakeholder engagement efforts.

Second, I collected and reviewed retained documentation from stakeholder engagement efforts for the school year in which the most recent LCAP was developed, as identified in the LCAP. This included meeting minutes from various stakeholder meetings as well as questionnaires that the participating districts collected from stakeholders for feedback related to the development of the LCAP and other written feedback. Meeting agendas, minutes, and notes taken during such meetings was gathered to document stakeholder engagement methods.

The third set of data that I used for triangulation was participant interviews. The researcher conducted semi-structured interviews with senior administrative personnel who played an integral part in the development of the District's LCAP. The chief business officer or equivalent, the superintendent, and the chief academic officer or equivalent, was interviewed. There was only one district that did not have three interviewees due to a last minute emergency, but the other interviewees were able to address all interview questions with no void in information. The chief academic officers were interviewed in each district because of their oversight responsibilities for student achievement and classroom instruction. The superintendent was included in the interviews because of their role as the lead position of the school district and the liaison between the school district, the school board, and various stakeholders in the district.

The interview questions were used with slight modification and with approval from a published source. The questions were developed for a study conducted by Wolf &

Sands (2016). Approval was provided by the researcher. The approval can be found in Appendix E. The interview questions were utilized to example the initial implementation of the LCAP and LCFF through interviews with state policy makers and school district leaders.

Each data set has a unique purpose independently, but also provide insight when reviewed in connection to the other two sets of data. The stakeholder engagement data collected provides insight into how in-depth the stakeholder engagement process was and how openly stakeholders communicated with the District about their priorities. Within the LCAP, district leaders provided insight into the stakeholder engagement process and identified the goals, actions and service, and financial planning that was a result of the stakeholder input, and ultimately approved as a final operational plan by the Board of Trustees. The interviews provided insight into the opinion and perceptions of the administrators involved in the stakeholder input related to district commitment to the stakeholder engagement process.

When evaluated together, elements of each instrument were seen within each of the other instruments. The interviews provided descriptions of how stakeholders were engaged during the engagement efforts, how the administrators engaged the stakeholders, and how the input was ultimately integrated into the LCAP. The documents from stakeholder engagement efforts provided evidence of the administrators' efforts to engage stakeholders as described in the interviews, and may identify the specific input provided by the stakeholders. The LCAP then reflected the administrators' efforts to integrate the stakeholder input gathered during engagement efforts into the final planning of expenditures for the district that have been reflected in the stakeholder engagement documentation. Through the use of all three instruments individually and jointly, triangulation of data was achieved.

Qualitative Interviews

As previously described, semi-structured interviews were conducted with the most senior administrators to include the superintendent, chief business officer, and chief academic officer, or the equivalent at each of the six (6) subunit school districts. The total number of formal scheduled interviews was seventeen (17). The interviews were recorded with the interviewees' approval and acknowledgement. Approval for recording was required in the selection of participant districts. As the researcher, I took notes during each of the interviews with the consent of the interviewees. Additionally, I completed all required trainings and certifications that any researcher is required to complete prior to conducting interviews to ensure the integrity of the interviews and notes. The notes from the researcher were reviewed along with the recordings to ensure the accuracy of all interview documentation.

The questions that were utilized in the semi-structured interviews were derived from a previously published qualitative study. The study, conducted by Wolf and Sands (2016), focused on the first year implementation of the LCFF and LCAP. The study aimed to better understand how school district and county offices of education in California were utilizing the increased budget flexibility under the LCFF as well as how districts were engaging stakeholders and what challenges the districts faced due to the changes from the LCFF implementation. I received approval from the researchers in the

Wolf and Sands' study in the form of email approval (found in Appendix E) to utilize the interview questions used in their study. The researchers from Wolf and Sands used the interview questions to conduct semi-structured interviews with the leaders of ten California public school districts ranging in size and demographic make-up. I also conducted semi-structured interviews with California public school district leaders, but I adjusting the wording in the questions slightly to better align with the focus of my study, which is the LCAP and the integration of stakeholder engagement into the budgeting and goal setting processes. To ensure that the changes made did not affect the effectiveness of the interview questions, a pilot study was conducted.

This study differed from Wolf and Sands' (2016) study in that the LCAP and LCFF are now in the fourth year of implementation and school district leaders have had more time to refine practices and receive feedback from other agencies regarding stakeholder engagement. Wolf and Sands focused on the impact that the new LCFF regulations had on California public school districts in the first year of implementation whereas this study focused on how the districts are complying with the language of the law and to what impact a lack of guidance from lawmakers regarding the implementation of the law is having on compliance with the new regulations. This study expands the body of knowledge that was started with the Wolf and Sands study.

Pilot Study

Prior to conducting the formal case study interviews, a pilot study was conducted. A pilot study is "a preliminary case study aimed at developing, testing, or refining the planned research questions and procedures that will later be used in the formal case study" (Yin, 2013, p. 240). None of the participants or interview data were used in the formal study. Experienced financial administrators familiar with the LCAP and its stakeholder engagement requirements were used in the pilot study. Three chief business officers from different California public school districts were selected for the pilot study. Each pilot study participant was involved in stakeholder engagement efforts and priority integration into the school district's LCAP. Participants were selected based on proximity to the researcher. Additionally, an expert researcher was selected to review the research questions to ensure that they did not lead or guide a particular answer. This researcher is a current chief business officer in a California public school district and is a published research scholar.

Protection of Participants' Information

Under the California Public Records Act, all documents of a state of local government agency, including public school districts, not legally protected that are considered public documents and are required to be made available to the public upon formal request by an member of the public (1 CA. Gov. § 6250-6270.5). All school district LCAPs are considered unprotected public documents as well as the documentation of stakeholder input efforts. Under the California Public Records Act, I am considered a member of the public and have a legal right to receive copies of the documents that were used to collect data for this study.

Prior to the interviews, the California Public Records Act was discussed with all participants and they were offered the option to receive a copy of the California Public Records Act if they choose. All participants were notified that their name and identify was not be disclosed in this study, however, under the California Public Records Act, if I receive a request from the public to review my data collection, including participant information, I will be required by law to provide the information (1 CA. Gov. § 6250-6270.5). As employees or a public school district providing information regarding the operation of the public school district, the information provided in the interviews is public information. Each participant was required to sign an acknowledgment that they have been offered a copy of the California Public Records Act and have been notified of my legal obligation to provide my research data if requested under the applicable California Government Codes.

Informed Participants

In addition to being notified about the California Public Records Act, all participants were informed about the intent and results of the study. As part of the selection process, the desired participant districts received a request to participate in the study. The request was provide an overview of the background of the study, its possible impacts, and the problem, purpose, and research questions. In order to participate, the district leaders must agree to be part of the interview process. As participants, they have the ability to request a copy of the result of the study, which will be mailed by the researcher to the participant at the completion of the study.

To ensure all interviewees are informed, the researcher followed an established protocol for all participant interviewees. Prior to commencing the interview, the researcher briefed the interviewees on the information that was included in the request for participation sent to the participant district and require the interviewee to sign an acknowledgement that they have received the research study brief. Once the study is complete, a copy of the final study will be mailed to each of the participant district with a form to request additional copies for each interviewee if desired.

Data Management and Analysis

In this case study, three data sets were used: historical documents recording any efforts made by the school district to in stakeholder engagement efforts, the district's adopted LCAP and budget, and the interviews. All three data sets were analyzed by coding themes within the data collected using a qualitative data analysis software (QDAS) to identify patterns and themes (Patton, 2015). Coding is the process of breaking down raw data into smaller ideas that are then assigned a code based on topic relevance (Schwandt, 2007). After coding was completed, the data was then organized by code which allows for the identification of themes and repetitive ideas among the data.

The researcher created the codes for which all data was compared and assigned a code to data segments. QDAS is a type of software that assists the researcher in tracking and organizing coded data as well a group and review such coded data for patterns and outlying responses (Patton, 2015; Yin, 2013). For this case study, nVivo, a type of QDAS, was used to code the collected data and report the study results. Using nVivo allowed me to highlight and tag sections of data to a code and then easily recall all data sections tied to a specific data code for easy review.

Ethical Procedures

Procedures were implemented in all stages of the study to ensure ethical procedures were followed. An approval from the Internal Review Board (IRB) at

Walden University was received prior to the collection of any data. The approval number is 05-24-17-0345005. The existence of preexisting relationships between me and possible participants was a concern because I am employed as a financial manager in a California public school district. To eliminate this concern, all school districts in which I have a personal or professional preexisting relationship with were eliminated as possible participants for the study.

Additional ethical considerations were the safety and protection of participants. A letter of cooperation was collected from each school district superintendent before making contact with the individual interviewees. School district superintendents were contacted by email and telephone requesting participation of the school district in the study. A script of this study and all other ethical documents used in this study and mentioned in this section were approved as part of the IRB application and can be found in Appendix F. An informed consent form and confidentiality agreement was provided to all interviewees in the pilot study and the formal study prior to starting the interview. The interviewees were informed as part of the consent, that they had the right to leave the interview at any time. All known risks were identified and provided to the participants prior to participation.

Issues of Trustworthiness

The trustworthiness of a study is critical to the significance of the study. In qualitative studies, four criteria exist to determine the trustworthiness and level of rigor of a study (Guba & Lincoln as referenced in Morse, 2015; Yin, 2013). These four trustworthiness criteria for which to evaluate the rigor and validity of a study are credibility, transferability, dependability, and confirmability. Validity is established within the design of the study and are created by the researcher (Houghton, Casey, Shaw, & Murphy, 2013). Strategies for ensuring the presence of these four qualities require strategy and planning on the part of the researcher (Morse, 2015; Patton, 2015). To ensure the trustworthiness of a qualitative study and the significance of the results, it is important that the researcher implement strategies to address the four criteria for qualitative rigor.

The first criteria is credibility. Credibility exists when the researcher has correctly represented and reported the events that the participants have experienced and that the outcome is accurately linked to these experiences (Schwandt, 2007). A researcher can aid the credibility of a study by developing and adopting procedures that have been successful in previous research studies (Shenton, 2004). To ensure the credibility of the interview data, the researcher adopted research questions from a previously completed and published research study with only minor adjustments to the research questions. To best ensure that these minor changes to the interview questions did not skew the effectiveness of the interview questions, a pilot study was also conducted and evaluated prior to any collection of official research data.

The second trustworthiness criteria is transferability. Transferability refers to the ability to generalize, or transfer, the findings of this study to other contexts or settings by finding enough similarities between the cases or participants involved and keeping the inferences and meanings intact (Houghton, Casey, Shaw, & Murphy, 2013; Schwandt, 2007; Yin, 2013). To ensure transferability, concepts, theories, and research processes and procedures must be thoroughly and deeply described so that other researchers can understand the meanings and inferences of the original study and accurately apply them to a different scenario (Houghton, Casey, Shaw, & Murphy, 2013). In this study, all inferences, descriptions, theories, and meanings were reviewed by a researcher familiar with the topic, but unfamiliar with the study. The outside researcher will engage in discussion with this researcher about his understandings of the inferences, descriptions, and theories so that this researcher can ensure that these ideas convey the true meanings from the study.

The final two criterion for evaluating the rigor and validity of a research study are dependability and confirmability. The dependability of a study refers to the ability of another researcher to replicate the finding or results of the study where they to follow the same procedure outlines in the study (Yin, 2013). This requires that the researcher's methods of inquiry were logical, documented thoroughly, and replicable (Schwandt, 2007). Confirmability is similar to dependability and means that the interpretation of the data is accurate and that others in the field can confirm the links made between within the results of the study (Houghton, Casey, Shaw, & Murphy, 2013; Schwandt, 2007). Both dependability and confirmability address the accurateness of the findings in the study for applicability to the field of research. If the results are not a true representation of the phenomena, then the results are unreliable and irrelevant.

Since dependability and confirmability are similar concepts of trustworthiness, the same strategies were used to ensure that both criterion are met. Peer debriefing and auditing was utilized. For peer debriefing, an expert colleague in the field of California public school finance was asked to review the data collected and the approach to describing and coding the data for input and feedback (Houghton, Casey, Shaw, & Murphy, 2012; Schwandt, 2007). The colleague was considered an expert in the field because he possessed both a Doctorate Degree so that he was familiar with empirical research and also worked directly with the LCAP of a school district as part of a school district's fiscal department. Peer debriefing helped to ensure that the correlations made and the approach to data coding was logical and lead to the identified results.

The second technique that was used to ensure dependability and confirmability is auditing. The expert colleague identified for peer debriefing was also be asked to participate in the auditing. According to Schwandt (2007), auditing is the procedure whereby an expert colleague familiar with research techniques reviews the audit trail created by the researcher to ensure that the research procedures and practices are ethical and can lead to dependable results. The audit trail was a researcher maintained journal that clearly identifies all procedures and steps taken to collect and analyze research data as well as any theories and thought processes that led to the conclusions of the results (Houghton, Casey, Shaw & Murphy, 2012; Schwandt, 2007; Shenton, 2004). The audit trail allowed the expert colleagues to understand the path and thought process that lead the researcher to the identified conclusions and provided feedback on the dependability and confirmability of those conclusions. The auditor reviewed the research journal along with the research conclusions and data sources. To ensure confidentiality, the auditor signed a confidentiality agreement prior to reviewing any data.

Triangulation

In addition to the efforts listed above that was taken to ensure credibility, transferability, dependability and confirmability, the strategy of triangulation was used to further ensure all four trustworthiness criterion are met. Triangulation is the use of different sources of data, theories, analysis, or research methods in an effort to identify converging data to strengthen the validity of a study (Patton, 2015; Schwandt, 2007; Yin, 2013). Triangulation is used to strengthen to trustworthiness and validity issues, such as the inferences made by a researcher, by intersecting data (Patton, 2015; Schwandt, 2007). Trustworthiness identified the points of consistency as well as inconsistencies within the data to strengthen the study.

Triangulation is an important element of case study research. According to Yin (2013), qualitative research involves a high level of inference making based on historical data and behavior that cannot be tested or controlled. The use of triangulation allows for the researcher to review and incorporate data from larger breadths of history to identify a higher number of converging data lines (Yin, 2013). The type of triangulation and sources of triangulation should be based on the validity threats within a study since triangulation is used in an attempt to strengthen the trustworthiness of the study (Maxwell, 2013). When selecting the type of data, the threats to validity should be identified and triangulated among different sources of data, for example, that eliminate that threat.

Two types of triangulation was used. The first is analyst triangulation, which is the use of more than one analyst or researcher to review the data and findings to ensure that the data collected lead to the same results (Patton, 2015). Analyst triangulation occurred through the use of an audit trail. An audit trail, as described by Schwandt (2007) and Houghton, et. al. (2013), is an organized and routinely maintained set of research notes maintained by the researcher that provides detailed notes about research procedures, data collected, and the theory that shaped the researcher's lens. The audit train also includes,

> … a statement of the theoretical framework that shaped the study at the onset; explanations of concepts, models, and the like that were developed as part of the effort to make sense of the data; description of the procedures used to generate data and analyze them; [and] a statement of the findings or conclusions of the investigation… (Schwandt, 2013, p. 12)

A third-party examiner experienced in qualitative research audited the audit trail to ensure logical connections between the data collected and the conclusions and findings.

The second type of triangulation that I used in this study was data triangulation. Data triangulation is the use of more than one type of data source in the same study (Patton, 2015). In this study, I combined interviews and historical documents to find intersecting data points and common themes. One threat to validity and the trustworthiness of the study was self-report bias that occurs in both interviews and documents such as meeting minutes. Self-reporting bias is a bias of reality based on data provided from participants that are skewed by their own view of themselves (de Reuver & Bouwman, 2015). This is a threat to validity in this study because both types of data could include this bias. The use of analyst triangulation helped to eliminate this threat by allowing a second researcher to review the data and results.

Application of Results

The results of this study will be used to create positive social change within the California public school system. The purpose of the LCAP is to allow school districts the ability to develop district specific achievement goals and identify how the district are achieving these goals. While LCAP laws and regulations establish the requirement for stakeholder input into the LCAP development and budgeting provides no guidance is provided regarding how and to what extent stakeholder input should be collected. The results of this study provide insight to the State of California lawmakers, employees of the California public school system, and the stakeholders of California public schools related to how stakeholder input is being gathered, themes and differences among districts, and if county oversight has created similarities or differences between the districts within and outside of counties.

The results of this study serve as a tool for agents that can create change in the California public school system. The information may help lawmakers to determine if more guidance is needed to achieve the level of stakeholder input desired. The results also provide an opportunity for school districts to gather insight into methods of stakeholder input collection that are effective or ineffective. The information also creates a deeper understanding for stakeholders about how they can be involved and effective methods for evaluating the stakeholder engagement processes of their local public school district.

Summary

An organization's efficiency can be optimized only when stakeholders trust the organization. Trust can be increase through transparency and stakeholder engagement. While the State of California requires that California public school districts include stakeholder engagement in the process of district goal setting and financial planning, there are no established guidelines for school districts to follow to ensure that stakeholder engagement occurs. The case study utilized the triangulation of multiple data sources, to include interviews and multiple document sources, to explore the current practices taken by California public schools to gather and incorporate stakeholder input and engage stakeholders in the planning processes. This study provides insight to school district administrators, district stakeholders, and policy makers into whether additional guidance is needed and to what extent districts are providing opportunities for stakeholder engagement and input.

Chapter 4: Results

Introduction

In June of 2013, California public schools faced major funding changes for the first time in decades. As part of the July 1, 2013 California state budget, Governor Jerry Brown changed the public education funding formula and expenditure accountability system for the first time in over 40 years (Menefee-Libey & Kerchner, 2015). The new funding formula, based on student grade spans and other demographic information, become closely tied to district established performance goals (Affeldt, 2015). To establish these goals, districts are required by the California Education Code to incorporate input from all major stakeholder groups then establish the district annual budget based on the input collected and the established district goals. California public school districts established new processes for budgeting that had not been followed in previous years.

The purpose of this qualitative, holistic explanatory case study is to explore how financial managers in the California public school system are gathering and integrating priorities identified through stakeholder engagement into financial planning and budgets. The general problem is that a lack of accountability for financial managers has led to a lack of trust in the California public school system. The specific problem is that while the requirement of stakeholder engagement exists to rebuild trust in the California public school system, there is currently limited knowledge of how financial managers in the California public school districts are integrating stakeholder engagement into financial planning and budgets.

Pilot Study

A pilot study was conducted to determine the feasibility of the main study and as a measure to reduce threats to validity related to feasibility and the correct measurement of the intended data collection. A pilot study is a smaller version of the main study using the same instrumentations and operations simply using a smaller scale of participants all enables the identification of factors relevant to the development and implementation of the study that may not have otherwise been considered (Tickle-Degnen, 2013; Yin, 2013). The pilot study participants included three school districts that were geographically close in location to me, but had no interest or other connection to me or the study.

At each school district, I interviewed the senior financial manager at the school district main office in a private room. The participants completed a confidentiality agreement and an informed consent form. This interview questions were asked and recorded in the same manner as the formal test. The questions were semi-structured allowing for discussion and follow-up.

After completion of the three interviews, the results of all three interviews were reviewed in comparison to the established research questions to determine if the data gathered addressed the intended research questions and aligned with the purpose of the study. The result of the pilot study was that the data collected from the interviews did yield the data necessary to answer the research questions. Interesting and insightful patterns emerged from the data collected in the pilot study that indicated that the main study was feasible and would provide answers to the research questions. The data collected from the pilot study is not used nor serves a purpose in the main study other than aid in determining study feasibility.

Data Collection

Data for this study, multiple data sources were collected. Interviews were conducted as well as the collection of multiple types of historical data. Multiple sources of data was used to provide data triangulation. Triangulation of data means that multiple sources of data are combined to strengthen the results of a study since no one source of data can accurately capture the full picture of reality (Patton, 2015; Yin, 2013). In this study, the interview data was compared to the historical data sources from each school districts to verify answers provided in the interviews.

Participants

In this exploratory case study, the case being studied was the California public school system. The school districts in the system were the sub-cases and participants selected for the study. Participants were recruited through random selection. I first collected demographic data from the State of California that identified all unified school districts within the State of California and the county boundaries in while each district lies. County jurisdiction means that the school district is subject to the oversight of the county office of education based on the geographic boundaries of the school district (California Education Code 1240). This factor was important to this study because county offices of education have legal oversight authority as well as the responsibility to provide technical assistance and training over the LCAP operations of school district and its managers that are within the county boundaries (California Education Code 52070-

52072). For these reasons, this study's aim was to review the actions of two unified school districts within three different county boundaries.

During the participation selection process, unified school districts that did not fall under a county with jurisdiction over two or more unified school districts were eliminated from participation recruitment. Counties with two or more unified school districts were selected at random for participation consideration. When a county was identified as having two or more unified school districts within its boundaries, community partner participation requests were emailed to the superintendent of all unified school districts within the county jurisdiction. If two school district superintendents in the county did not accept the request to participate, I randomly selected another county.

This process identified above for district selection continued until six districts, two districts in three different counties, were identified and I received a signed Community Partner Agreement from each district. While I did have to eliminate counties due to the lack of two superintendents accepting the participation request, I did not have any counties where more than two school superintendents responded. This eliminated the need to determine factors for narrowing the participation for any county. While requests for participation were sent to school district in counties throughout the state, the final pool of participants were all located within close neighboring counties with the furthest school districts being 145 miles apart.

Interviews

The first source of data collection was the interview with each district. Each school district was interviewed separately in a private location with staff at the district's main office. The interviews were recorded with the approval of the participant interviewees. The interviewees at each district included the superintendent, the primary administrative manager responsible for coordinating stakeholder engagement into the LCAP, and the senior financial manager was included.   Below in Table B are the six district participants and the professional titles of the interviewees for each as a representation of the interviewee positions within each organization. The total number of interviewees was 17. All interviews were completed within a 30-day period. Each interview lasted between 40 and 75 minutes based on the length of interviewee responses. The interviews were semi-structured with 24 research questions. Each interview questions were asked of all participants, but the participants were allowed the opportunity to provide any information they wanted to provide pertaining to the topic.

Table 2

Participant Interviewee Titles

County	District	Interviewee Titles
County A	District AA	superintendent
		assistant superintendent
		chief business official
	District AB	superintendent
		assistant superintendent of business services
		director of state and federal programs
County B	District BA	superintendent
		assistant superintendent curriculum & instruction
		chief business officer
	District BB	superintendent
		director of curriculum
County C	District CA	superintendent
		chief business official
		associate superintendent
	District CB	superintendent
		associate superintendent of business services
		associate superintendent of educational services

The interviews were semistructured and allowed for follow-up questions to clarify an interviewee's response where necessary. The interview questions, found in Appendix D, were presented in printed format to each interviewee to follow along as I read the interview questions out loud. All research questions were read and answered for each district interview. The interviewees signed a confidentiality agreement and an informed consent form before the interview and were provided a $20 gift card for their participation in the interview process. After the interviews were completed, a professional transcriptionist transcribed the recorded interviews. Once I received each completed interview transcription, I reviewed the transcription while listening to the recording to ensure that the transcripts were accurate. Interviews were conducted over a 45-day period.

Historical Data

Historical data was collected to cross reference data collected during the interviews as a form of data triangulation. Three types of historical data was collected from each participant school district. The first source of historical data was the most recent LCAP approved by the school district's Board of Education. The LCAP template, Appendix C, requires each district to list all stakeholder LCAP meetings and the results of the meetings. The LCAP also identifies district priorities through goals and actions and services. In reviewing the LCAP, I am able to verify that the stakeholder groups and stakeholder priorities identified in the interviews have been integrated into the LCAP and district planning.

Historical budget data was also collected from the participant school districts as the second form of historical data. The State of California requires financial reports to be submitted by school districts to be in a state standardized format called the Standardized Account Code Structure (SACS), which also includes a specialized reporting software and report format. The financial data collected from the participant districts consisted of the general fund and multi-year financial position reports in the SACS format. This provided consistency in the budget data collected. I was about to confirm the financial position of the district as well as the incorporation of LCAP expenditures as identified during the interviews.

The third source of historical data collected from participant school districts was documentation of stakeholder participation. The documentation of stakeholder participation included survey results, meeting minutes, and written stakeholder feedback. For each district, the source and amount of stakeholder participation documentation varied. The LCAP guidelines do not provide any guidance as to how and what extent stakeholders must be included in the LCAP development and does not provide guidance or requirements for documenting stakeholder participation other than the requirement incorporated in the LCAP template (Appendix C). By reviewing the documentation of stakeholder participation collected from the participant districts, I was able to verify methods of stakeholder participation, the inclusion of specific stakeholder groups, and match feedback trends to the data collected during the interviews.

Each of the three sources of historical data was used to cross reference sections of data collected in the interviews, but also provided a method of cross referencing data within other historical data sources. The collection of historical budget data provided an opportunity to ensure that the funds identified in the LCAP document were incorporated into the budget. The documents of stakeholder participation provided a method of verifying the inclusion of particular stakeholder groups that were identified in the LCAP. All sources of data collection served as a resource to triangulate data from a different data source.

Data Analysis

Data analysis was completed using the Nvivo research software. All transcripts, budget documents, LCAPs, and documents of stakeholder participation were uploaded into the Nvivo software. All relevant content of each document was coded to a node, or theme. After each document was reviewed and coded, the documents were reviewed a second time to ensure consistency in the method of coding. Next, all nodes were reviewed to ensure all coded text within the node was appropriately placed.

Once coding was completed, word queries, word trees, and word charts were created to identify themes and differences between the participant school districts. Patterns and differences we identified among all of the participants as individual school districts. Secondly, participant districts were placed together based on county office of education jurisdiction to review trends and themes among different county office of education affiliations. I looked for identifiable similarities and differences in both groups: individual districts and county office of education groups. Common nodes or themes that were identified were the types of engagement methods used the types of stakeholder groups engaged as well as methods of tracking data. Some of the nodes used to code themes were: budget development, county office, students, community, trust, transparency, surveys, and meetings.

Evidence of Trustworthiness

Trustworthiness in qualitative research is critical to the significance of the study because inaccurate data leads to inaccurate results. In qualitative studies, four criteria exist to determine the trustworthiness and level of rigor of a study (Morse, 2015; Yin, 2013). These four trustworthiness criteria are credibility, transferability, dependability, and confirmability. Strategies for ensuring the presence of these four qualities require strategy and planning on the part of the researcher (Morse, 2015; Patton, 2015). To ensure the trustworthiness of a qualitative study and the significance of the results, it is important that the researcher implement strategies to address the four criteria for qualitative rigor.

Credibility

Credibility is one of four criteria of transferability. Credibility exists when the researcher has correctly represented and reported the events that the participants have experienced and that the outcome is accurately linked to these experiences (Schwandt, 2007). A method to ensure the credibility of a study is to adopt procedures from a previously completed, successful research study (Shenton, 2004). In this study, credibility was preserved by adopting research questions from a previously success and published research study, with the approval of the original researchers. The research questions were only changes slightly to best reflect and address the research questions in this study. Prior to collecting any official data and beginning the data collection for this study, a pilot study was completed to ensure these changes did not negatively affect the credibility of the research questions. The pilot study was completed and evaluated prior to any official data collection.

Transferability

The second trustworthiness criteria is transferability. Transferability refers to the ability to generalize, or transfer, the findings of this study to other contexts or settings by finding enough similarities between the cases or participants involved and keeping the inferences and meanings intact (Houghton, Casey, Shaw, & Murphy, 2013; Schwandt, 2007; Yin, 2013). To ensure transferability, concepts, theories, and research processes and procedures must be thoroughly and deeply described so that other researchers can understand the meanings and inferences of the original study and accurately apply them to a different scenario (Houghton et al., 2013). Details such as including boundaries and exclusion to a study are factors that can provide additional insight into the transferability of a study.

To maximize transferability of this study, extensive descriptors of the research participants, the methods used participant selections, the methods used in data collection, the interview questions, and data analysis have been provided with this dissertation. Additionally, I engaged in conversation with another experienced researcher who was unfamiliar with the context of the study related to the details of the study listed above. This allowed for the outside researcher to ask questions about this research study to highlight details of this study that should be disclosed and identified to ensure the transferability of the study.

Dependability

The third criteria in trustworthiness is dependability. The dependability of a study refers to the ability of another researcher to replicate the finding or results of the study where they to follow the same procedure outlines in the study (Yin, 2013). This requires that the researcher's methods of inquiry were logical, documented thoroughly, and replicable (Schwandt, 2007). Peer debriefing and auditing were two procedures adopted for this study that aided in establishing dependability.

For peer debriefing, an expert colleague in the field of California public school finance reviewed the data collected and the approach to describing and coding the data for input and feedback (Houghton, Casey, Shaw, & Murphy, 2012; Schwandt, 2007). The colleague was considered an expert in the field because of the successful completion of a doctorate degree so that they are familiar with empirical research and have also worked directly with the LCAP of a school district as part of a school district's fiscal department. The colleague that participated also has experience as a supervisor mentor or doctoral research and serves as the chief business officer for a California public school district. Peer debriefing helped to ensure that the correlations made and the approach to data coding was logical and led to the identified results.

The second technique that was used to ensure dependability and was auditing. The expert colleague identified for peer debriefing was also be asked to participate in the auditing. Auditing is the procedure whereby an expert colleague familiar with research techniques reviews the audit trail created by the researcher to ensure that the research procedures and practices are ethical and can lead to dependable results (Schwandt, 2007;

Shenton, 2004). The audit trail is completed with a researcher maintained journal that clearly identifies all procedures and steps taken to collect and analyze research data as well as any theories and thought processes that lead to the conclusions of the results (Houghton, Casey, Shaw & Murphy, 2012; Schwandt, 2007; Shenton, 2004). The audit trail allowed the expert colleague to understand the path and thought process that led the researcher to the identified conclusions and provide feedback on the dependability and confirmability of those conclusions. The auditor reviewed all notes and signed a confirmation of review after asking clarifying questions and providing feedback.

Confirmability

Confirmability is closely similar to dependability. Confirmability means that the interpretation of the data is accurate and that others in the field can confirm the links made between within the results of the study (Houghton, Casey, Shaw, & Murphy, 2013; Schwandt, 2007). Both dependability and confirmability address the accurateness of the findings in the study for applicability to the field of research. If the results are not a true representation of the phenomena, then the results are unreliable and irrelevant. Since dependability and confirmability are similar concepts of trustworthiness, the same strategies were used to ensure that both criterion are met. Peer debriefing and the audit train helped to ensure the credibility of this study.

Triangulation

In addition to the strategies outlined above to ensure credibility, transferability, dependability, and confirmability, the triangulation of data that was utilized in this study also provide supports for ensuing the validity of this study. Triangulation is the use of different sources of data, theories, analysis, or research methods in an effort to identify converging data to strengthen the validity of a study and is used to strengthen to trustworthiness and validity issues, such as the inferences made by a researcher, by intersecting data (Patton, 2015; Schwandt, 2007; Yin, 2013). In this study, I used the triangulation of researchers and data sources to identify inconsistencies in procedures and analysis and well as highlight areas that needed additional analysis to draw accurate conclusions.

Research Questions

The overarching question for this study is:

Research Question 1: How are financial managers in the California public school system integrating the priorities identified through stakeholder engagement into financial planning and budgets?

The specific research questions are as follows:

Research Question 2: How are financial managers in the California public school system engaging stakeholders to gather and obtain input for financial decision making as required under the LCAP regulations?

Research Question 3: How are financial managers in the California public school system prioritizing identified stakeholder priorities identified through stakeholder engagement?

Financial Managers

In each of the research questions, primary and secondary, the term financial manager is used and must be defined prior to answering the research questions. For the purpose of this research study, the term financial manager extends past the manager of the finance or business department of the organization. While all districts participating in this study identified the chief business officer, or title equivalent, as being the person to monitor and develop the budget and financial processes, the ultimate responsibility for managing school funds and solvency is the superintendent who is responsible for management and oversight of the chief business officer.

In addition, the Superintendent, the chief business officer, and the chief academic officer, or title equivalents, were identified by the participating school districts, as being jointly responsible for engaging stakeholders, prioritizing input, and developing the LCAP. The LCAP then informs the budget. While the chief business officer is the person responsible for monitoring the district expenditure process, the chief business officer, superintendent, and chief academic Oofficer are jointly responsible for guiding the finances through goal setting and LCAP development. Therefore, the term financial managers is extended to all school district leaders responsible for setting the goals and LCAP development for the district.

Results

The second and third research question inform the answer to the first research question, or overarching research question, and are addressed below first.

Research Question 2**:** How are financial managers in the California public school system engaging stakeholders to gather and obtain input for financial decision making as required under the LCAP regulations?

The LCAP requirements established by the State of California's Department of Education state that all California public school districts must engage stakeholders "using the most efficient method of notification possible," but does not provide any other directive or method(s) for communication (California Education Code 52062). The participant school districts engaged stakeholder groups through the use of surveys, meetings, and written feedback. Below in table 3 is a representation of each method of engagement and the number of participant districts utilizing each mother to engage stakeholders. This study included six (6) school district participants creating a maximum number of districts to use a single engagement method of six (6). Financial managers in the California public school system are prioritizing identified stakeholder priorities identified through stakeholder engagement.

Table 3

Methods of Stakeholder Engagement

Method	**Number of Districts Using the Method**
Surveys	5
Meetings	6
Written Guided Feedback	1
Specific Email Directed Communication	1
Other Informal Communication	6

The regulations for the LCAP are prescriptive as it relates to the required stakeholder groups that the district must engage. Each district must engage the following groups: a parent advisory committee, an English learner advisory committee (for school district having at least 15% of their student enrollment being English learners and have at least 50 English language learners enrolled), the public at large, teachers, principals, administrators, other school staff, local bargaining units, and students (California Education Code 52062; WestEd, March 2014). Each district did include all required stakeholder groups. Many of the participant districts included an even more expansive list of stakeholder groups than what is required in legislation.

The stakeholder groups identified through the data collection are listed below in table 4 with the number of school districts engaging each group. As above with methods of engagement, the number of participant groups is limited to six (6) as this was the total number of participant school districts included in the study.

Table 4

Participant Groups Engaged

Participant Group	**Number of Districts Engaging the Group**
Students	6
Parent Advisory Committee	6
Public (Community)	6
Teachers	6
Local Bargaining Units (Unions)	6
Other School Staff	6
English Learner Advisory Committee	6
Principals	6
Administrators	6
Other Groups Identified	6

Interviewees from each participant school district reported engagement with each of the required stakeholder participant groups. This data was triangulated with the LCAP from each district and the stakeholder engagement documentation provided. It was reflected in all data sources that all participant districts did engage all required stakeholder groups. Furthermore, all six participant school district identified additional stakeholder groups that were included in the engagement process that were unique to each participant district due to their unique stakeholders. Financial managers in the California public school system are engaging stakeholders to gather and obtain input for financial decision making as required under the LCAP regulations through the use of surveys, meetings, written feedback, electronic feedback, and through other informal communication with all stakeholder groups identified in LCAP legislation and other district relevant stakeholder groups.

Research Question 3: How are financial managers in the California public school system prioritizing identified stakeholder priorities identified through stakeholder engagement?

When identifying stakeholder input, district financial managers for all six participant districts stated that they look for trends within the gathered stakeholder input. The input trends are then evaluated based on a set of criteria. Five of the six participant school districts' interviews stated that these criteria are district goals and vison or mission. The sixth district stated that the input must be supported by research or evidence reflecting that the input would lead to a desired outcome.

In order to be considered for inclusion into the school district's LCAP, the input identified must align with these district established criteria. If the input identified as a trend did align with the established criteria, a program, service, or support was then identified to address the input. Funding was then verified to support the action or service established to address in input. If funding was available, the program, service, or support would then become a stakeholder priority.

Financial managers in the California public school system are prioritizing identified stakeholder priorities identified through stakeholder engagement by relevance to the district's criteria. All identified input that aligns with the district's criteria are determined for fiscal viability. All input that meets the district's criteria and have fiscal viability are considered a priority.

Research Question 1**:** How are financial managers in the California public school system integrating the priorities identified through stakeholder engagement into financial planning and budgets?

When a new program, service, or support is implemented, either through stakeholder input or district identification, it is identified in the LCAP document as an action or service under one of the listed operational goals (see Appendix C for additional information). All stakeholder input is evaluated by the district's financial managers to determine if the input meets the district's criteria. If the input does meet these criteria and has fiscal viability, it is then incorporated into the LCAP as an action or service. If the action or service has a fiscal impact, it is then incorporated into the budget. All currently implemented LCAP priorities, including those identified through stakeholder engagement, that have a fiscal impact are incorporated into the budget at all school districts. Through the data collected, I determined that these input integration methods are followed at all participant school districts.

Additional Data Results

In addition to the research data collected to answer the research questions, data regarding the processes and implications of the practices of stakeholder engagement as identified in the LCAP legislation was also gathered to further explore the conceptual framework outside of the immediate problem. One theme that emerged among all school districts is how expenditures identified in the LCAP are being tracked. All districts reported using account code structures to code LCAP expenditures. Two districts reported that other additional expenditures were tracked internally through spreadsheets or personnel knowledge. All districts are making efforts to track LCAP expenditures within the budget.

An additional theme that emerged was the existence of stakeholder engagement practices among a majority of the districts prior to the implementation of the LCAP. Three districts had strategic plans that incorporated extensive stakeholder engagement and input. Two other districts reported intentional engagement efforts prior to LCAP implementation. Only one district reported that the stakeholder engagement efforts required under the LCAP required new efforts by the district. The districts that had intentional stakeholder engagement efforts prior to the development of the LCAP reporting having high levels of stakeholder engagement and feedback on district priorities and direction prior to the LCAP. For these districts, the strategic operating plan and stakeholder input that was in place prior to the LCAP lead and guided the development of the district's LCAP.

Even though these districts were already engaging stakeholders in the district goal planning process prior to the LCAP, four out of the six districts experienced an increase in stakeholder trust credited to either additional communication or increased transparency by the district. The other two school districts reported no change in trust due to the LCAP requirements. Both districts stated that there was no change in the level of trust because stakeholders already trusted the district prior to the LCAP do to other efforts made by the district. No district reported a decrease in the level of trust due to the LCAP process.

County Office of Education Oversight

Participant districts were selected based partially on the county jurisdiction because I wanted to explore possible differences among the oversight provided by the County Officer of Education in the state of California. Two districts from three different counties were selected. There were no noticeable differences identified during data analysis that could be linked to county location. Within the data collected, I identified that a majority of school districts had similar responses to each interview question. Where differences were identified, no patterns tied to jurisdiction for any single question was identified.

Summary

In June 2013, the state of California established new requirements for the financial leaders of California public schools within the California public school system to gather and incorporate stakeholder input into the goal setting and financial planning of the school district. No guidance was provided as to how stakeholders should be engaged nor was guidance given as to how stakeholder input should be incorporated into the school district LCAP and budget. After the triangulation of data from interviews with the financial leaders of six participant school districts and historical data, I identified trends that provide insight into how California public school districts are gathering stakeholder input and incorporating it into the LCAP and school district budget.

All legally required stakeholder groups are engaged, including some other locally significant stakeholder groups, through a variety of formal and informal engagement methods. All input that the financial managers can justify to be in alignment with district criteria are then incorporated into the LCAP and the budget if funds are available to support actions or services implemented to address the stakeholder input. The data shows that California public school districts are complying with the new LCAP laws and have incorporated the LCAP requirements into the general operation and financial goal setting procedures of the school district.

Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

In June 2013 the LCFF and LCAP were adopted into law. For the first time in over 40 years, the funding formula for public Education changed and implemented a new funding and performance accountability system, the LCAP (Menefee-Libey & Kerchner, 2015). The LCAP identified a school district's operational goals, assigns metrics to measure goal achievement, identifies the actions and services that the district will take to meet the identified goals, and assigns LCFF funding to each action and service. Through the senate bill that brought the LCFF and LCAP into law and California Education Code, California lawmakers established a requirement for California public school districts to engage stakeholders in the school district's LCAP development process to increase transparency and accountability to the public in which the District serves. While the senate bill identifies stakeholder groups that must be engaged in the development process, no guidance is given as to how or to what extent the stakeholder groups should be engaged.

The purpose of this qualitative, holistic explanatory case study is to explore how financial managers in the California public school system are gathering and integrating priorities identified through stakeholder engagement into financial planning and budgets. The general problem is that a lack of accountability for financial managers has led to a lack of trust in the California public school system. The specific problem is that while the requirement of stakeholder engagement exists to rebuild trust in the California public school system, there is currently limited knowledge of how financial managers in the

California public school districts are integrating stakeholder engagement into financial planning and budgets.

Interpretation of Findings

The conceptual framework for this study was the necessity for stakeholder trust for operational efficiency in an organization. Trust can be established and increased through increased transparency with stakeholders (Kang & Hustvedt, 2014; Palanski et al.2010). The intent of the LCAP was to create an accountability plan that increased transparency through stakeholder engagement in the California public school system to increase trust and accountability.

Based on the data collected, the stakeholder engagement efforts for LCAP development reflected that a majority of school districts are experiencing an increase in trust. This increase in trust was contributed to increased transparency and communication. School Districts that do not experience an increase in trust do to the LCAP required stakeholder engagement methods already had high levels of trust in the district due to other efforts. The communication and transparency required in order to engage stakeholders is increasing trust in the California public school system and school districts.

During the literature review for this study, one article was identified as partially similar to this study in scope. Wolf & Sands (2016) examined how California public schools were utilizing the increased spending flexibility under the LCFF, how school districts were engaging stakeholders in the LCAP process, and what opportunities the LCFF provided to school districts. Wolf and Sands’ study is similar to this doctoral study in the they both explored how California public school districts are engaging stakeholders, but this doctoral study expanded the exploration into how school districts are then prioritizing input and integrating it into the LCAP and budget documents.

The results of this study support Wolf and Sands (2016). Wolf and Sands found that school districts were engaging stakeholders through community meetings, public forums, and online and paper surveys. This doctoral study also found that California public school districts are still using the same methods of engagement today as they were three years ago during Wolf and Sands exploration. School districts are still utilizing the same engagement methods that were in use three years ago during the first year of the LCAP implementation.

The exploration of the research questions in this study revealed consistent efforts by school districts to implement the LCAP legislation. All school districts used a variety of methods to engage all required stakeholder groups to gather input into goal setting and budget development in accordance to LCAP legislation. Districts are also making efforts to track LCAP expenditures in the budget to increase transparency in expenditures. School districts are following and complying in whole with the stakeholder engagement requirements established by the California Department of Education related to the LCAP development and are making efforts to increase communication and transparency with stakeholders.

Limitations of Study

Limitations to a research study are features of the design or methodology of the study that can impact or influence the data and interpretation of findings. In this study, one limitation was that the participant districts did not regularly keep meeting minutes or other documentation of discussion from stakeholder engagement efforts or in a consistent method. The verification of stakeholder meetings was triangulated between the interviews and LCAP document, but not all stakeholder engagement efforts had topic discussion support.

The second limitation was the relatively small sample size from a population of over 1,020 school districts with wide variations in student population counts, ethnic diversity, poverty levels, and student achievement. The third limitation was the newness of the LCA) and LCFF. School districts are in their fourth year of implementing the LCFF and LCAP and district financial managers were making their third attempt at updating their LCAP goals and procedures in July 2017. The first school year in which school districts were required to complete an LCAP was 2014/2015.

Additionally, the original template has undergone many changes in the first three years since the template was published. In October 2016, the California State Board of Education adopted a new template that had some of the same features as the prior template, but the appearance of the template differed greatly. The most recent template, prior to the design change in October 2016, is reflected in Appendix B. The revision adopted in October 2016 is reflected in Appendix C of this document.

In light of the template and regulation changes, districts are still becoming familiar with the requirements and processes involved. With the learning curve, it is possible that district inclusion of stakeholder input could change significantly after the completion of this study. Additionally, since district training, LCAP approval, and technical assistance is provided to districts by the county superintendent of schools with territorial jurisdiction, variations of stakeholder engagement levels and processes may exist within other counties not included in this study. It is unclear whether the county superintendents of schools in California have consistent methods for training and assisting school districts in the LCAP development.

The final limitation relates to my connection to the research topic. As a chief business officer in the California public school system, I directly oversee the financial integration of LCAP goals into the financial budget. I also work intimately with the chief academic officer and superintendent to engage our stakeholders, gather stakeholder input, and assist with the development of goals and action for which stakeholder input must be integrated. Since I am so intimately involved in the LCAP process at the California public school district in which I am employed, there is risk that I could have guided the answers of the interview participants or miss trends or concepts in the data collected that I do not expect to exist.

To avoid the pitfalls of this possible limitation, I utilized interview questions that are open ended and actively remained aware of this limitation to phrase any follow-up questions that allow the interviewee to guide the answers. A pilot study was completed prior to any official research data collection to ensure the research questions gathered and measured the intended data. Additionally, I had an expert research colleague review the interview questions and my research journal and data along with the causal connections and conclusions to ensure that I do not establish questions that lead the answer and that I do not overlook or falsely identify data trends due to this limitation.

Recommendations

A recommendation for future research would seek to look at the LCAP stakeholder engagement process from the view of the stakeholders of the district. In this study, the participants and perspectives of stakeholder engagement efforts were limited to the financial managers of the California public school districts. A follow-up study would seek participation from key stakeholder groups, such as the English learner advisory groups, staff members, or students and explore the extent to which these groups feel that their input is important to the district for LCAP and budget planning purposes.

A second recommendation for future research is to explore how the attitudes towards and acceptance of the LCAP process from school district financial managers impacts the perception of transparency levels. During the interview process a variety of perspectives and acceptance levels of financial managers from the participant school districts was expressed. Opinions of discontent, indifference, and great support were all noted. This data was not explored because it was not an intent of this study, but this information could be important in understanding the full impact of the LCAP process on transparency in the California public school system.

Implications of Results

The implications of the results provide insight into how public school districts in the California public school system are complying with the requirements of stakeholder engagement for the LCAP development process. School districts are complying with the requirements as identified in LCAP legislation. California public school districts are using meetings, surveys, written feedback, electronic feedback, and other informal communication to engage all stakeholder groups required under the LCAP regulations. School districts are prioritizing stakeholder input by identifying alignment with district criteria and fiscal viability. All priorities that align with district criteria that have fiscal viability are incorporated into the district LCAP as an action or service and is then identified in the district budget.

California public school district efforts to engage stakeholders in the LCAP development process has made an impact on stakeholder trust towards the district. Through the increased communication and transparency to stakeholders through engagement, districts reported an increase in trust in a majority of school districts. For districts that did not experience an increase, high levels of trust existed before the LCAP and did not decrease through the LCAP stakeholder engagement processes. The LCAP stakeholder engagement efforts are meeting the intent of the LCAP by trust through increasing transparency and communication.

Implications for Positive Social Change

In review of the data collected during this research study, I found that all participant school districts were complying with the laws established for the LCAP guiding stakeholder engagement. Even where there were no clear guidelines provided, California public school district financial managers are making efforts and taking action to comply with their understanding of the law. This reflects a positive ethical standard among the leaders of California public schools. Even where law is vague, all school districts complied with the legislation to the extent possible.

The results of this study also provided additional insight to California lawmakers into the effectiveness of established legislation. The intent of the LCAP was to increase transparency between stakeholders and the California public school system. The results of this study show that the LCAP stakeholder engagement process did increase trust through transparency and communication. California public school districts are funded with public tax funds allocated through the LCFF. This study informs positive social change in the improvement of accountability and transparency of public agencies and financial managers and the expenses relative to the use of public funds.

Conclusion

Lawmakers in California established the LCAP as an accountability tool for the new LCFF funding apportionment system for California public school districts to increase transparency to school district stakeholders. The legislation for the LCAP requires all California public schools to engage stakeholders in the LCAP development, but did not provide guidance as to how and to what extent stakeholder input should be incorporated. This qualitative case study explored how school districts in the California public school system are gathering and integrating stakeholder priorities under the LCAP requirements.

The data reflected compliance by all school districts with the LCAP stakeholder engagement procedures through common engagement and incorporation methods. It was also identified that a majority of California public school districts experienced an increase in stakeholder trust as a result of increased transparency and communication with stakeholders. Further research on how the attitude and acceptance of the legislation toward the LCAP process as well as the perspective of the stakeholders would further the understanding of the impact of the LCAP engagement requirements on transparency and trust levels.

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Appendix A: LCFF Calculation

CALCULATE LCFF TARGET						
					COLA	1.570%
Unduplicated as % of Enrollment				93.83%	93.83%	**2013-14**
	ADA	Base	Grade Span	Supplemental	Concentration	TARGET
Grades TK-3	586.57	6,952	724	1,440	1,490	6,221,615
Grades 4-6	482.44	7,056		1,324	1,370	4,703,815
Grades 7-8	280.54	7,266		1,364	1,411	2,816,687
Grades 9-12	464.58	8,419	219	1,621	1,677	5,545,262
Subtract NSS	-	-	-			-
NSS Allowance		-				-
TOTAL BASE	1,814.13	13,431,635	526,420	2,619,368	2,709,956	19,287,379
Targeted Instructional Improvement Block Grant						-
Home-to-School Transportation						729,362
Small School District Bus Replacement Program						-
LOCAL CONTROL FUNDING FORMULA (LCFF) TARGET						**20,016,741**

Fiscal Crisis & Management Assistance Team. (2016). LCFF Calculator v17.6. Retrieved from: http://fcmat.org/local-control-funding-formula-resources/

Appendix B: LCAP Template Before October 2016

See next page.

Introduction:

LEA: __________________________ Contact (Name, Title, Email, Phone Number):___________________________________ LCAP Year:__________

Local Control and Accountability Plan and Annual Update Template

The Local Control and Accountability Plan (LCAP) and Annual Update Template shall be used to provide details regarding local educational agencies' (LEAs) actions and expenditures to support pupil outcomes and overall performance pursuant to Education Code sections 52060, 52066, 47605, 47605.5, and 47606.5. The LCAP and Annual Update Template must be completed by all LEAs each year.

For school districts, pursuant to Education Code section 52060, the LCAP must describe, for the school district and each school within the district, goals and specific actions to achieve those goals for all pupils and each subgroup of pupils identified in Education Code section 52052, including pupils with disabilities, for each of the state priorities and any locally identified priorities.

For county offices of education, pursuant to Education Code section 52066, the LCAP must describe, for each county office of education-operated school and program, goals and specific actions to achieve those goals for all pupils and each subgroup of pupils identified in Education Code section 52052, including pupils with disabilities, who are funded through the county office of education Local Control Funding Formula as identified in Education Code section 2574 (pupils attending juvenile court schools, on probation or parole, or mandatorily expelled) for each of the state priorities and any locally identified priorities. School districts and county offices of education may additionally coordinate and describe in their LCAPs services provided to pupils funded by a school district but attending county-operated schools and programs, including special education programs.

Charter schools, pursuant to Education Code sections 47605, 47605.5, and 47606.5, must describe goals and specific actions to achieve those goals for all pupils and each subgroup of pupils identified in Education Code section 52052, including pupils with disabilities, for each of the state priorities as applicable and any locally identified priorities. For charter schools, the inclusion and description of goals for state priorities in the LCAP may be modified to meet the grade levels served and the nature of the programs provided, including modifications to reflect only the statutory requirements explicitly applicable to charter schools in the Education Code.

The LCAP is intended to be a comprehensive planning tool. Accordingly, in developing goals, specific actions, and expenditures, LEAs should carefully consider how to reflect the services and related expenses for their basic instructional program in relationship to the state priorities. LEAs may reference and describe actions and expenditures in other plans and funded by a variety of other fund sources when *detailing goals, actions, and expenditures related to the state and local priorities. LCAPs must be consistent with school plans submitted pursuant to Education Code section 64001. The information contained in the LCAP, or annual update, may be supplemented by information contained in other plans (including the LEA plan pursuant to Section 1112 of Subpart 1 of Part A of Title I of Public Law 107-110) that are incorporated or referenced as relevant in this document.*

For each section of the template, LEAs shall comply with instructions and should use the guiding questions as prompts (but not limits) for completing the information as required by statute. Guiding questions do not require separate narrative responses. However, the narrative response and goals and actions should demonstrate each guiding question was considered during the development of the plan. Data referenced in the LCAP must be consistent with the school accountability report card where appropriate. LEAs may resize pages or attach additional pages as necessary to facilitate completion of the LCAP.

State Priorities

The state priorities listed in Education Code sections 52060 and 52066 can be categorized as specified below for planning purposes, however, school districts and county offices of education must address each of the state priorities in their LCAP. Charter schools must address the priorities in Education Code section 52060(d) that apply to the grade levels served, or the nature of the program operated, by the charter school.

A. Conditions of Learning:

Basic: *degree to which teachers are appropriately assigned pursuant to Education Code section 44258.9, and fully credentialed in the subject areas and for the pupils they are teaching; pupils have access to standards-aligned instructional materials pursuant to Education Code section 60119; and school facilities are maintained in good repair pursuant to Education Code section 17002(d). (Priority 1)*

Implementation of State Standards: *implementation of academic content and performance standards and English language development standards adopted by the state board for all pupils, including English learners. (Priority 2)*

Course access: *pupil enrollment in a broad course of study that includes all of the subject areas described in Education Code section 51210 and subdivisions (a) to (i), inclusive, of Section 51220, as applicable. (Priority 7)*

Expelled pupils (for county offices of education only): *coordination of instruction of expelled pupils pursuant to Education Code section 48926. (Priority 9)*

Foster youth (for county offices of education only): *coordination of services, including working with the county child welfare agency to share information, responding to the needs of the juvenile court system, and ensuring transfer of health and education records. (Priority 10)*

B. Pupil Outcomes:

Pupil achievement: *performance on standardized tests, score on Academic Performance Index, share of pupils that are college and career ready, share of English learners that become English proficient, English learner reclassification rate, share of pupils that pass Advanced Placement exams with 3 or higher, share of pupils determined prepared for college by the Early Assessment Program. (Priority 4)*

Other pupil outcomes: *pupil outcomes in the subject areas described in Education Code section 51210 and subdivisions (a) to (i), inclusive, of Education Code section 51220, as applicable. (Priority 8)*

C. Engagement:

Parental involvement: *efforts to seek parent input in decision making at the district and each schoolsite, promotion of parent participation in programs for unduplicated pupils and special need subgroups. (Priority 3)*

Pupil engagement: *school attendance rates, chronic absenteeism rates, middle school dropout rates, high school dropout rates, high school graduations rates. (Priority 5)*

School climate: *pupil suspension rates, pupil expulsion rates, other local measures including surveys of pupils, parents and teachers on the sense of safety and school connectedness. (Priority 6)*

Section 1: Stakeholder Engagement

Meaningful engagement of parents, pupils, and other stakeholders, including those representing the subgroups identified in Education Code section 52052, is critical to the LCAP and budget process. Education Code sections 52060(g), 52062 and 52063 specify the minimum requirements for school districts; Education Code sections 52066(g), 52068 and 52069 specify the minimum requirements for county offices of education, and Education Code section 47606.5 specifies the minimum requirements for charter schools. In addition, Education Code section 48985 specifies the requirements for translation of documents.

Instructions: Describe the process used to consult with parents, pupils, school personnel, local bargaining units as applicable, and the community and how this consultation contributed to development of the LCAP or annual update. Note that the LEA's goals, actions, services and expenditures related to the state priority of parental involvement are to be described separately in Section 2. In the annual update boxes, describe the stakeholder involvement process for the review, and describe its impact on, the development of the annual update to LCAP goals, actions, services, and expenditures.

Guiding Questions:

1) How have applicable stakeholders (e.g., parents and pupils, including parents of unduplicated pupils and unduplicated pupils identified in Education Code section 42238.01; community members; local bargaining units; LEA personnel; county child welfare agencies; county office of education foster youth services programs, court-appointed special advocates, and other foster youth stakeholders; community organizations representing English learners; and others as appropriate) been engaged and involved in developing, reviewing, and supporting implementation of the LCAP?
2) How have stakeholders been included in the LEA's process in a timely manner to allow for engagement in the development of the LCAP?
3) What information (e.g., quantitative and qualitative data/metrics) was made available to stakeholders related to the state priorities and used by the LEA to inform the LCAP goal setting process? How was the information made available?
4) What changes, if any, were made in the LCAP prior to adoption as a result of written comments or other feedback received by the LEA through any of the LEA's engagement processes?
5) What specific actions were taken to meet statutory requirements for stakeholder engagement pursuant to Education Code sections 52062, 52068, and 47606.5, including engagement with representatives of parents and guardians of pupils identified in Education Code section 42238.01?

6) What specific actions were taken to consult with pupils to meet the requirements 5 CCR 15495(a)?
7) How has stakeholder involvement been continued and supported? How has the involvement of these stakeholders supported improved outcomes for pupils, including unduplicated pupils, related to the state priorities?

Involvement Process	**Impact on LCAP**
Annual Update:	**Annual Update:**

Section 2: Goals, Actions, Expenditures, and Progress Indicators

Instructions:

All LEAs must complete the LCAP and Annual Update Template each year. The LCAP is a three-year plan for the upcoming school year and the two years that follow. In this way, the program and goals contained in the LCAP align with the term of a school district and county office of education budget and multiyear budget projections. The Annual Update section of the template reviews progress made for each stated goal in the school year that is coming to a close, assesses the effectiveness of actions and services provided, and describes the changes made in the LCAP for the next three years that are based on this review and assessment.

Charter schools may adjust the table below to align with the term of the charter school's budget that is submitted to the school's authorizer pursuant to Education Code section 47604.33.

For school districts, Education Code sections 52060 and 52061, for county offices of education, Education Code sections 52066 and 52067, and for charter schools, Education Code section 47606.5 require(s) the LCAP to include a description of the annual goals, for all pupils and each subgroup of pupils, to be achieved for each state priority as defined in 5 CCR 15495(i) and any local priorities; a description of the specific actions an LEA will take to meet the identified goals; a description of the expenditures required to implement the specific actions; and an annual update to include a review of progress towards the goals and describe any changes to the goals.

To facilitate alignment between the LCAP and school plans, the LCAP shall identify and incorporate school-specific goals related to the state and local priorities from the school plans submitted pursuant to Education Code section 64001. Furthermore, the LCAP should be shared with, and input requested from, schoolsite-level advisory groups, as applicable (e.g., schoolsite councils, English Learner Advisory Councils, pupil advisory groups, etc.) to facilitate alignment between school-site and district-level goals and actions. An LEA may incorporate or reference actions described in other plans that are being undertaken to meet the goal.

Using the following instructions and guiding questions, complete a goal table (see below) for each of the LEA's goals. Duplicate and expand the fields as necessary.

Goal: Describe the goal:

> When completing the goal tables, include goals for all pupils and specific goals for schoolsites and specific subgroups, including pupils with disabilities, both at the LEA level and, where applicable, at the schoolsite level. The LEA may identify which schoolsites and subgroups have the same goals, and group and describe those goals together. The LEA may also indicate those goals that are not applicable to a specific subgroup or schoolsite.

Related State and/or Local Priorities: Identify the state and/or local priorities addressed by the goal by placing a check mark next to the applicable priority or priorities. The LCAP must include goals that address each of the state priorities, as defined in 5 CCR 15495(i), and any additional local priorities; however, one goal may address multiple priorities.

Identified Need: Describe the need(s) identified by the LEA that this goal addresses, including a description of the supporting data used to identify the need(s).

Schools: Identify the schoolsites to which the goal applies. LEAs may indicate "all" for all schools, specify an individual school or a subset of schools, or specify grade spans (e.g., all high schools or grades K-5).

Applicable Pupil Subgroups: Identify the pupil subgroups as defined in Education Code section 52052 to which the goal applies, or indicate "all" for all pupils.

Expected Annual Measurable Outcomes: For each LCAP year, identify and describe specific expected measurable outcomes for all pupils using, at minimum, the applicable required metrics for the related state priorities. Where applicable, include descriptions of specific expected measurable outcomes for schoolsites and specific subgroups, including pupils with disabilities, both at the LEA level and at the schoolsite level.

The metrics used to describe the expected measurable outcomes may be quantitative or qualitative, although the goal tables must address all required metrics for every state priority in each LCAP year. The required metrics are the specified measures and objectives for each state priority as set forth in Education Code sections 52060(d) and 52066(d). For the pupil engagement priority metrics, LEAs must calculate the rates specified in Education Code sections 52060(d)(5)(B), (C), (D) and (E) as described in the Local Control Accountability Plan and Annual Update Template Appendix, sections (a) through (d).

Actions/Services: For each LCAP year, identify all annual actions to be performed and services provided to meet the described goal. Actions may describe a group of services that are implemented to achieve the identified goal.

Scope of Service: Describe the scope of each action/service by identifying the schoolsites covered. LEAs may indicate "all" for all schools, specify an individual school or a subset of schools, or specify grade spans (e.g., all high schools or grades K-5). If supplemental and concentration funds are used to support the action/service, the LEA must identify if the scope of service is districtwide, schoolwide, countywide, or charterwide.

Pupils to be served within identified scope of service: For each action/service, identify the pupils to be served within the identified scope of service. If the action to be performed or the service to be provided is for all pupils, place a check mark next to "ALL."

For each action and/or service to be provided above what is being provided for all pupils, place a check mark next to the applicable unduplicated pupil subgroup(s) and/or other pupil subgroup(s) that will benefit from the additional action, and/or will receive the additional service. Identify, as applicable, additional actions and services for unduplicated pupil subgroup(s) as defined in Education Code section 42238.01, pupils redesignated fluent English proficient, and/or pupils subgroup(s) as defined in Education Code section 52052.

Budgeted Expenditures: For each action/service, list and describe budgeted expenditures for each school year to implement these actions, including where those expenditures can be found in the LEA's budget. The LEA must reference all fund sources for each proposed expenditure. Expenditures must be classified using the California School Accounting Manual as required by Education Code sections 52061, 52067, and 47606.5.

Guiding Questions:

1) What are the LEA's goal(s) to address state priorities related to "Conditions of Learning"?
2) What are the LEA's goal(s) to address state priorities related to "Pupil Outcomes"?
3) What are the LEA's goal(s) to address state priorities related to parent and pupil "Engagement" (e.g., parent involvement, pupil engagement, and school climate)?
4) What are the LEA's goal(s) to address any locally-identified priorities?
5) How have the unique needs of individual schoolsites been evaluated to inform the development of meaningful district and/or individual schoolsite goals (e.g., input from site level advisory groups, staff, parents, community, pupils; review of school level plans; in-depth school level data analysis, etc.)?
6) What are the unique goals for unduplicated pupils as defined in Education Code sections 42238.01 and subgroups as defined in section 52052 that are different from the LEA's goals for all pupils?
7) What are the specific expected measurable outcomes associated with each of the goals annually and over the term of the LCAP?
8) What information (e.g., quantitative and qualitative data/metrics) was considered/reviewed to develop goals to address each state or local priority?
9) What information was considered/reviewed for individual schoolsites?
10) What information was considered/reviewed for subgroups identified in Education Code section 52052?
11) What actions/services will be provided to all pupils, to subgroups of pupils identified pursuant to Education Code section 52052, to specific schoolsites, to English learners, to low-income pupils, and/or to foster youth to achieve goals identified in the LCAP?
12) How do these actions/services link to identified goals and expected measurable outcomes?

13) What expenditures support changes to actions/services as a result of the goal identified? Where can these expenditures be found in the LEA's budget?

GOAL:		Related State and/or Local Priorities: 1__ 2__ 3__ 4__ 5__ 6__ 7__ 8__ COE only: 9__ 10__ Local : Specify ______________________
Identified Need :		
Goal Applies to:	Schools:	
	Applicable Pupil Subgroups:	

LCAP Year 1: xxxx-xx

Expected Annual Measurable Outcomes:	

Actions/Services	Scope of Service	Pupils to be served within identified scope of service	Budgeted Expenditures
		__ALL OR: __Low Income pupils __English Learners __Foster Youth __Redesignated fluent English proficient __Other Subgroups:(Specify)_________________________	
		__ALL OR: __Low Income pupils __English Learners __Foster Youth __Redesignated fluent English proficient __Other Subgroups:(Specify)_________________________	

		__ALL OR: __Low Income pupils __English Learners __Foster Youth __Redesignated fluent English proficient __Other Subgroups:(Specify)________________________	
LCAP Year 2: xxxx-xx			
Expected Annual Measurable Outcomes:			
Actions/Services	Scope of Service	Pupils to be served within identified scope of service	Budgeted Expenditures
		__ALL OR: __Low Income pupils __English Learners __Foster Youth __Redesignated fluent English proficient __Other Subgroups:(Specify)________________________	
		__ALL OR: __Low Income pupils __English Learners __Foster Youth __Redesignated fluent English proficient __Other Subgroups:(Specify)________________________	
		__ALL OR: __Low Income pupils __English Learners __Foster Youth __Redesignated fluent English proficient __Other Subgroups:(Specify)________________________	
LCAP Year 3: xxxx-xx			

Expected Annual Measurable Outcomes:				
Actions/Services	**Scope of Service**	**Pupils to be served within identified scope of service**		**Budgeted Expenditures**
		__ALL OR: __Low Income pupils __English Learners __Foster Youth __Redesignated fluent English proficient __Other Subgroups: (Specify)________________________		
		__ALL OR: __Low Income pupils __English Learners __Foster Youth __Redesignated fluent English proficient __Other Subgroups: (Specify)________________________		
		__ALL OR: __Low Income pupils __English Learners __Foster Youth __Redesignated fluent English proficient __Other Subgroups: (Specify)________________________		

Complete a copy of this table for each of the LEA's goals. Duplicate and expand the fields as necessary.

Annual Update

Annual Update Instructions: For each goal in the prior year LCAP, review the progress toward the expected annual outcome(s) based on, at a minimum, the required metrics pursuant to Education Code sections 52060 and 52066. The review must include an assessment of the effectiveness of the specific actions. Describe any changes to the actions or goals the LEA will take as a result of the review and assessment. In addition, review the applicability of each goal in the LCAP.

Guiding Questions:

1) How have the actions/services addressed the needs of all pupils and did the provisions of those services result in the desired outcomes?
2) How have the actions/services addressed the needs of all subgroups of pupils identified pursuant to Education Code section 52052, including, but not limited to, English learners, low-income pupils, and foster youth; and did the provision of those actions/services result in the desired outcomes?
3) How have the actions/services addressed the identified needs and goals of specific schoolsites and were these actions/services effective in achieving the desired outcomes?
4) What information (e.g., quantitative and qualitative data/metrics) was examined to review progress toward goals in the annual update?
5) What progress has been achieved toward the goal and expected measurable outcome(s)? How effective were the actions and services in making progress toward the goal? What changes to goals, actions, services, and expenditures are being made in the LCAP as a result of the review of progress and assessment of the effectiveness of the actions and services?
6) What differences are there between budgeted expenditures and estimated actual annual expenditures? What were the reasons for any differences?

Complete a copy of this table for each of the LEA's goals in the prior year LCAP. Duplicate and expand the fields as necessary.

Original GOAL from prior year LCAP:			Related State and/or Local Priorities: 1__ 2__ 3__ 4__ 5__ 6__ 7__ 8__ COE only: 9__ 10__ Local : Specify ____________________
Goal Applies to:	Schools:		

<table>
<tr><td></td><td>Applicable Pupil Subgroups:</td><td colspan="4"></td></tr>
<tr><td>Expected Annual Measurable Outcomes:</td><td colspan="2"></td><td>Actual Annual Measurable Outcomes:</td><td colspan="2"></td></tr>
<tr><td colspan="6">LCAP Year: xxxx-xx</td></tr>
<tr><td colspan="3">Planned Actions/Services</td><td colspan="3">Actual Actions/Services</td></tr>
<tr><td colspan="2"></td><td>Budgeted Expenditures</td><td colspan="2"></td><td>Estimated Actual Annual Expenditures</td></tr>
<tr><td colspan="2"></td><td></td><td colspan="2"></td><td></td></tr>
<tr><td>Scope of service:</td><td></td><td rowspan="3"></td><td>Scope of service:</td><td></td><td rowspan="3"></td></tr>
<tr><td colspan="2">__ALL</td><td colspan="2">__ALL</td></tr>
<tr><td colspan="2">OR:
__Low Income pupils __English Learners
__Foster Youth __Redesignated fluent English proficient
__Other Subgroups:(Specify)_______________</td><td colspan="2">OR:
__Low Income pupils __English Learners
__Foster Youth __Redesignated fluent English proficient
__Other Subgroups:(Specify)__________________________</td></tr>
<tr><td colspan="2"></td><td></td><td colspan="2"></td><td></td></tr>
<tr><td>Scope of service:</td><td></td><td rowspan="3"></td><td>Scope of service:</td><td></td><td rowspan="3"></td></tr>
<tr><td colspan="2">__ALL</td><td colspan="2">__ALL</td></tr>
<tr><td colspan="2">OR:
__Low Income pupils __English Learners
__Foster Youth __Redesignated fluent English proficient</td><td colspan="2">OR:
__Low Income pupils __English Learners</td></tr>
</table>

__Other Subgroups:(Specify)______________		__Foster Youth __Redesignated fluent English proficient __Other Subgroups:(Specify)________________________	
What changes in actions, services, and expenditures will be made as a result of reviewing past progress and/or changes to goals?			

Complete a copy of this table for each of the LEA's goals in the prior year LCAP. Duplicate and expand the fields as necessary.

Section 3: Use of Supplemental and Concentration Grant funds and Proportionality

A. In the box below, identify the amount of funds in the LCAP year calculated on the basis of the number and concentration of low income, foster youth, and English learner pupils as determined pursuant to 5 CCR 15496(a)(5).

Describe how the LEA is expending these funds in the LCAP year. Include a description of, and justification for, the use of any funds in a districtwide, schoolwide, countywide, or charterwide manner as specified in 5 CCR 15496.

For school districts with below 55 percent of enrollment of unduplicated pupils in the district or below 40 percent of enrollment of unduplicated pupils at a schoolsite in the LCAP year, when using supplemental and concentration funds in a districtwide or schoolwide manner, the school district must additionally describe how the services provided are the most effective use of funds to meet the district's goals for unduplicated pupils in the state and any local priority areas. (See 5 CCR 15496(b) for guidance.)

Total amount of Supplemental and Concentration grant funds	$_____________________________

B. In the box below, identify the percentage by which services for unduplicated pupils must be increased or improved as compared to the services provided to all pupils in the LCAP year as calculated pursuant to 5 CCR 15496(a).

Consistent with the requirements of 5 CCR 15496, demonstrate how the services provided in the LCAP year for low income pupils, foster youth, and English learners provide for increased or improved services for these pupils in proportion to the increase in funding provided for such pupils in that year as calculated pursuant to 5 CCR 15496(a)(7). An LEA shall describe how the proportionality percentage is met using a quantitative and/or qualitative description of the increased and/or improved services for unduplicated pupils as compared to the services provided to all pupils.

	%

LOCAL CONTROL AND ACCOUNTABILITY PLAN AND ANNUAL UPDATE APPENDIX

For the purposes of completing the LCAP in reference to the state priorities under Education Code sections 52060 and 52066, the following shall apply:

(a) “Chronic absenteeism rate” shall be calculated as follows:

(1) The number of pupils with a primary, secondary, or short-term enrollment during the academic year (July 1 – June 30) who are chronically absent where “chronic absentee” means a pupil who is absent 10 percent or more of the

schooldays in the school year when the total number of days a pupil is absent is divided by the total number of days the pupil is enrolled and school was actually taught in the total number of days the pupil is enrolled and school was actually taught in the regular day schools of the district, exclusive of Saturdays and Sundays.

(2) The unduplicated count of pupils with a primary, secondary, or short-term enrollment during the academic year (July 1 – June 30).

(3) Divide (1) by (2).

(b) “Middle School dropout rate” shall be calculated as set forth in California Code of Regulations, title 5, section 1039.1.

(c) “High school dropout rate” shall be calculated as follows:

(1) The number of cohort members who dropout by the end of year 4 in the cohort where “cohort” is defined as the number of first-time grade 9 pupils in year 1 (starting cohort) plus pupils who transfer in, minus pupils who transfer out, emigrate, or die during school years 1, 2, 3, and 4.

(2) The total number of cohort members.

(3) Divide (1) by (2).

(d) “High school graduation rate” shall be calculated as follows:

(1) The number of cohort members who earned a regular high school diploma [or earned an adult education high school diploma or passed the California High School Proficiency Exam] by the end of year 4 in the cohort where “cohort” is defined as the number of first-time grade 9 pupils in year 1 (starting cohort) plus pupils who transfer in, minus pupils who transfer out, emigrate, or die during school years 1, 2, 3, and 4.

(2) The total number of cohort members.

(3) Divide (1) by (2).

(e) “Suspension rate” shall be calculated as follows:

(1) The unduplicated count of pupils involved in one or more incidents for which the pupil was suspended during the academic year (July 1 – June 30).

(2) The unduplicated count of pupils with a primary, secondary, or short-term enrollment during the academic year (July 1 – June 30).

(3) Divide (1) by (2).

(f) “Expulsion rate” shall be calculated as follows:

(1) The unduplicated count of pupils involved in one or more incidents for which the pupil was expelled during the academic year (July 1 – June 30).

(2) The unduplicated count of pupils with a primary, secondary, or short-term enrollment during the academic year (July 1 – June 30).

(3) Divide (1) by (2).

California Department of Education. (13 January 2015). LCAP Template. Retrieved from: http://www.cde.ca.gov/fg/aa/lc/

Appendix C: LCAP Template as of October 2016

See next page.

LCAP Year ☐ 2017–18 ☐ 2018–19 ☐ 2019–20

Local Control Accountability Plan and Annual Update (LCAP) Template

Addendum: General instructions & regulatory requirements.

Appendix A: Priorities 5 and 6 Rate Calculations

Appendix B: Guiding Questions: Use as prompts (not limits)

LCFF Evaluation Rubrics: Essential data to support completion of this LCAP. Please analyze the LEA's full data set; specific links to the rubrics are also provided within the template.

LEA Name			
Contact Name and Title		Email and Phone	

2017-20 Plan Summary

THE STORY

Briefly describe the students and community and how the LEA serves them.

LCAP HIGHLIGHTS

Identify and briefly summarize the key features of this year's LCAP.

REVIEW OF PERFORMANCE

Based on a review of performance on the state indicators and local performance indicators included in the LCFF Evaluation Rubrics, progress toward LCAP goals, local self-assessment tools, stakeholder input, or other information, what progress is the LEA most proud of and how does the LEA plan to maintain or build upon that success? This may include identifying any specific examples of how past increases or improvements in services for low-income students, English learners, and foster youth have led to improved performance for these students.

GREATEST PROGRESS

Referring to the LCFF Evaluation Rubrics, identify any state indicator or local performance indicator for which overall performance was in the “Red” or “Orange” performance category or where the LEA received a “Not Met” or “Not Met for Two or More Years” rating. Additionally, identify any areas that the LEA has determined need significant improvement based on review of local performance indicators or other local indicators. What steps is the LEA planning to take to address these areas with the greatest need for improvement?

GREATEST NEEDS

Referring to the LCFF Evaluation Rubrics, identify any state indicator for which performance for any student group was two or more performance levels below the “all student” performance. What steps is the LEA planning to take to address these performance gaps?

PERFORMANCE GAPS

INCREASED OR IMPROVED SERVICES

If not previously addressed, identify the two to three most significant ways that the LEA will increase or improve services for low-income students, English learners, and foster youth.

BUDGET SUMMARY

Complete the table below. LEAs may include additional information or more detail, including graphics.

DESCRIPTION	AMOUNT
Total General Fund Budget Expenditures for LCAP Year	$
Total Funds Budgeted for Planned Actions/Services to Meet the Goals in the LCAP for LCAP Year	$

The LCAP is intended to be a comprehensive planning tool but may not describe all General Fund Budget Expenditures. Briefly describe any of the General Fund Budget Expenditures specified above for the LCAP year not included in the LCAP.

$	Total Projected LCFF Revenues for LCAP Year

Annual Update

LCAP Year Reviewed: XXXX–XX

Complete a copy of the following table for each of the LEA's goals from the prior year LCAP. Duplicate the table as needed.

Goal 1	

State and/or Local Priorities Addressed by this goal:

STATE ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8

COE ☐ 9 ☐ 10

LOCAL ______________________________

ANNUAL MEASURABLE OUTCOMES

EXPECTED	ACTUAL

ACTIONS / SERVICES

Duplicate the Actions/Services from the prior year LCAP and complete a copy of the following table for each. Duplicate the table as needed.

Action 1

Actions/Services	PLANNED	ACTUAL
Expenditures	BUDGETED	ESTIMATED ACTUAL

ANALYSIS

Complete a copy of the following table for each of the LEA's goals from the prior year LCAP. Duplicate the table as needed.

Use actual annual measurable outcome data, including performance data from the LCFF Evaluation Rubrics, as applicable.

Describe the overall implementation of the actions/services to achieve the articulated goal.	
Describe the overall effectiveness of the actions/services to achieve the articulated goal as measured by the LEA.	
Explain material differences between Budgeted Expenditures and Estimated Actual Expenditures.	
Describe any changes made to this goal, expected outcomes, metrics, or actions and services to achieve this goal as a result of this analysis and analysis of the LCFF Evaluation Rubrics, as applicable. Identify where those changes can be found in the LCAP.	

Stakeholder Engagement

LCAP Year	☐ 2017–18 ☐ 2018–19 ☐ 2019–20

INVOLVEMENT PROCESS FOR LCAP AND ANNUAL UPDATE

How, when, and with whom did the LEA consult as part of the planning process for this LCAP/Annual Review and Analysis?

IMPACT ON LCAP AND ANNUAL UPDATE

How did these consultations impact the LCAP for the upcoming year?

Goals, Actions, & Services

Strategic Planning Details and Accountability

Complete a copy of the following table for each of the LEA's goals. Duplicate the table as needed.

	☐ New ☐ Modified ☐ Unchanged
Goal 1	

State and/or Local Priorities Addressed by this goal:

STATE ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6 ☐ 7 ☐ 8

COE ☐ 9 ☐ 10

LOCAL ______________________________________

Identified Need

EXPECTED ANNUAL MEASURABLE OUTCOMES

Metrics/Indicators	Baseline	2017-18	2018-19	2019-20

PLANNED ACTIONS / SERVICES

Complete a copy of the following table for each of the LEA's Actions/Services. Duplicate the table, including Budgeted Expenditures, as needed.

Action **1**

For Actions/Services not included as contributing to meeting the Increased or Improved Services Requirement:	
Students to be Served	☐ All ☐ Students with Disabilities ☐ [Specific Student Group(s)] ____________________
Location(s)	☐ All schools ☐ Specific Schools: ____________________ ☐ Specific Grade spans: ____________________

OR

For Actions/Services included as contributing to meeting the Increased or Improved Services Requirement:	
Students to be Served	☐ English Learners ☐ Foster Youth ☐ Low Income
Scope of Services	☐ LEA-wide ☐ Schoolwide **OR** ☐ Limited to Unduplicated Student Group(s)
Location(s)	☐ All schools ☐ Specific Schools: ____________________ ☐ Specific Grade spans: ____________________

ACTIONS/SERVICES

2017-18	**2018-19**	**2019-20**
☐ New ☐ Modified ☐ Unchanged	☐ New ☐ Modified ☐ Unchanged	☐ New ☐ Modified ☐ Unchanged

BUDGETED EXPENDITURES

2017-18		**2018-19**		**2019-20**	
Amount		Amount		Amount	
Source		Source		Source	
Budget		Budget		Budget	

Reference		Reference		Reference	

Demonstration of Increased or Improved Services for Unduplicated Pupils

LCAP Year	☐ 2017–18 ☐ 2018–19 ☐ 2019–20

Estimated Supplemental and Concentration Grant Funds:	$	Percentage to Increase or Improve Services:	%

Describe how services provided for unduplicated pupils are increased or improved by at least the percentage identified above, either qualitatively or quantitatively, as compared to services provided for all students in the LCAP year.

Identify each action/service being funded and provided on a schoolwide or LEA-wide basis. Include the required descriptions supporting each schoolwide or LEA-wide use of funds (see instructions).

APPENDIX A: PRIORITIES 5 AND 6 RATE CALCULATION INSTRUCTIONS

APPENDIX B: GUIDING QUESTIONS

Guiding Questions: Annual Review and Analysis

1) How have the actions/services addressed the needs of all pupils and did the provisions of those services result in the desired outcomes?
2) How have the actions/services addressed the needs of all subgroups of pupils identified pursuant to *EC* Section 52052, including, but not limited to, English learners, low-income pupils, and foster youth; and did the provision of those actions/services result in the desired outcomes?
3) How have the actions/services addressed the identified needs and goals of specific school sites and were these actions/services effective in achieving the desired outcomes?
4) What information (e.g., quantitative and qualitative data/metrics) was examined to review progress toward goals in the annual update?
5) What progress has been achieved toward the goal and expected measurable outcome(s)? How effective were the actions and services in making progress toward the goal? What changes to goals, actions, services, and expenditures are being made in the LCAP as a result of the review of progress and assessment of the effectiveness of the actions and services?
6) What differences are there between budgeted expenditures and estimated actual annual expenditures? What were the reasons for any differences?

Guiding Questions: Stakeholder Engagement

1) How have applicable stakeholders (e.g., parents and pupils, including parents of unduplicated pupils and unduplicated pupils identified in *EC* Section 42238.01; community members; local bargaining units; LEA personnel; county child welfare agencies; county office of education foster youth services programs, court-appointed special advocates, and other foster youth stakeholders; community organizations representing English learners; and others as appropriate) been engaged and involved in developing, reviewing, and supporting implementation of the LCAP?
2) How have stakeholders been included in the LEA's process in a timely manner to allow for engagement in the development of the LCAP?
3) What information (e.g., quantitative and qualitative data/metrics) was made available to stakeholders related to the state priorities and used by the LEA to inform the LCAP goal setting process? How was the information made available?
4) What changes, if any, were made in the LCAP prior to adoption as a result of written comments or other feedback received by the LEA through any of the LEA's engagement processes?
5) What specific actions were taken to meet statutory requirements for stakeholder engagement pursuant to *EC* sections 52062, 52068, or 47606.5, as applicable, including

engagement with representatives of parents and guardians of pupils identified in *EC* Section 42238.01?

6) What specific actions were taken to consult with pupils to meet the requirements 5 *CCR* Section 15495(a)?
7) How has stakeholder involvement been continued and supported? How has the involvement of these stakeholders supported improved outcomes for pupils, including unduplicated pupils, related to the state priorities?

Guiding Questions: Goals, Actions, and Services

1) What are the LEA's goal(s) to address state priorities related to "Conditions of Learning": Basic Services (Priority 1), the Implementation of State Standards (Priority 2), and Course Access (Priority 7)?
2) What are the LEA's goal(s) to address state priorities related to "Pupil Outcomes": Pupil Achievement (Priority 4), Pupil Outcomes (Priority 8), Coordination of Instruction of Expelled Pupils (Priority 9 – COE Only), and Coordination of Services for Foster Youth (Priority 10 – COE Only)?
3) What are the LEA's goal(s) to address state priorities related to parent and pupil "Engagement": Parental Involvement (Priority 3), Pupil Engagement (Priority 5), and School Climate (Priority 6)?
4) What are the LEA's goal(s) to address any locally-identified priorities?
5) How have the unique needs of individual school sites been evaluated to inform the development of meaningful district and/or individual school site goals (e.g., input from site level advisory groups, staff, parents, community, pupils; review of school level plans; in-depth school level data analysis, etc.)?
6) What are the unique goals for unduplicated pupils as defined in *EC* Section 42238.01 and groups as defined in *EC* Section 52052 that are different from the LEA's goals for all pupils?
7) What are the specific expected measurable outcomes associated with each of the goals annually and over the term of the LCAP?
8) What information (e.g., quantitative and qualitative data/metrics) was considered/reviewed to develop goals to address each state or local priority?
9) What information was considered/reviewed for individual school sites?
10) What information was considered/reviewed for subgroups identified in *EC* Section 52052?
11) What actions/services will be provided to all pupils, to subgroups of pupils identified pursuant to *EC* Section 52052, to specific school sites, to English learners, to low-income pupils, and/or to foster youth to achieve goals identified in the LCAP?
12) How do these actions/services link to identified goals and expected measurable outcomes?
13) What expenditures support changes to actions/services as a result of the goal identified? Where can these expenditures be found in the LEA's budget?

Appendix D: Interview Questions

1. What was the general financial condition of the district prior to the implementation of the Local Control Funding Formula (LCFF) and Local Control Accountability Plan (LCAP)?
2. Please describe the budget and Local Control Accountability Plan (LCAP) development processes in the district?
3. How were you involved in the LCAP and/or budget development process?
4. How did the LCAP change your budget development process?
5. How were stakeholders involved in the LCAP development process?
6. What were the processes around stakeholder involvement?
7. Were all subgroups of parents involved? How was this tracked?
8. How were teachers and school level administrators involved in LCAP development?
9. How were the unions involved? Which unions were involved?
10. How were the parent/English learner advisory committees involved in the LCAP? What other school/district committees were involved in the LCAP development process? How?
11. Were students involved in the LCAP development?
12. What other stakeholder groups were intentionally targeted for engagement in the LCAP process?
13. What outside organizations provided support in the stakeholder engagement process?
14. What difficulties have you faced getting stakeholders participation in the LCAP development?
15. How did you analyze stakeholder input to identify stakeholder priorities?
16. What was the process and what factors were involved in determining which stakeholder priorities to incorporate into your LCAP?
17. Were all LCAP actions and services, including those identified through stakeholder engagement efforts, included in the district budget?
18. How are you tracking expenditures for actions and services identified in the LCAP?
19. Did the information you gathered as a result of stakeholder engagement cause you to make decisions you might not otherwise have made? If yes, give an example. How did these changes affect your budget?
20. Were any final decisions about the LCAP contested? By whom? How did you reconcile the disagreement?
21. What new initiatives or supports have been developed as a result of stakeholder feedback?

22. Have you experienced an increase in stakeholder participation in organizational activities outside of LCAP development processes since the implementation of the LCAP? If so, which stakeholder groups? Provide examples.
23. Have you experienced an increase in the trust level of stakeholders toward the district since the implementation of the LCAP? If so, which stakeholder groups? Provide examples.
24. Anything else you would like us to know?

Appendix E: Approval for Use of Interview Questions

The approval to utilize the interview questions from Wolf & Sands (2016) is attached.

Appendix F: IRB Ethics Forms

The forms used in this study to ensure ethical standards are included in this appendix. The included forms were also used to receive approval from the Internal Review Board (IRB).

CONFIDENTIALITY AGREEMENT

Name of Signer:

During the course of my activity in collecting data for this research, "Incorporating Stakeholder Input into Financial Decision Making in California School Districts", I will have access to information, which is confidential and should not be disclosed. I acknowledge that the information must remain confidential, and that improper disclosure of confidential information can be damaging to the participant.

By signing this Confidentiality Agreement I acknowledge and agree that:

1. I will not disclose or discuss any confidential information with others, including friends or family.
2. I will not in any way divulge, copy, release, sell, loan, alter or destroy any confidential information except as properly authorized.
3. I will not discuss confidential information where others can overhear the conversation. I understand that it is not acceptable to discuss confidential information even if the participant's name is not used.
4. I will not make any unauthorized transmissions, inquiries, modification or purging of confidential information.
5. I agree that my obligations under this agreement will continue after termination of the job that I will perform.
6. I understand that violation of this agreement will have legal implications.
7. I will only access or use systems or devices I'm officially authorized to access and I will not demonstrate the operation or function of systems or devices to unauthorized individuals.

Signing this document, I acknowledge that I have read the agreement and I agree to comply with all the terms and conditions stated above.

Signature: **Date:**

Telephone Script and/or Email Template Invitation to Participate in a Research Study
Participant Invitation
LeAnn Nowlin: A00345005

Hello, my name is LeAnn Nowlin. I am a doctoral student from Walden University's College of Management and Technology. I am working toward the completion of a dissertation as a requirement of a Doctorate of Philosophy. I am calling to invite you and (NAME OF SCHOOL DISTRICT) to participate in a research study about the efforts taken by (NAME OF SCHOOL DISTRICT) to engage stakeholders in its Local Control Accountability Plan (LCAP) and budgeting processes. The participants of this study will be limited to state funded, unified public school districts in California with enrolments within ten percent of the median unified public school district enrollment in the state of California, which is 4,727.

Your participation in this study is completely voluntary. This means that you do not have to participate in this study unless you want to. The purpose of this study is to explore how leaders and financial managers in the California public school system are gathering and integrating stakeholder priorities into financial planning and budgets.

I will be funding and conducting the study myself. I will be collecting the district's most recent school board approved LCAP and budget as well as documentation collected from stakeholder engagement efforts, such as: meeting minutes, surveys, and visual graphics. I will also ask the Superintendent, Chief Academic Officer, and Chief Business Officer and any other personnel key to LCAP stakeholder engagement at (NAME OF SCHOOL DISTRICT) to participate in one, one hour interview. The questions will address the individual's participation in the school district's LCAP and stakeholder engagement efforts, stakeholder priority identification procedures, and integration of these priorities into the district LCAP. Sample questions are:

- How were you involved in the LCAP and/or budget development process?
- How did the LCAP change your budget development process?
- How were stakeholders involved in the LCAP development process?
- What were the processes around stakeholder involvement?
- Were all subgroups of parents involved? How was this tracked?

Do you have any questions that I can answer for you?

Are you and (INSERT NAME OF SCHOOL DISTRICT) willing to participate in this study?

Thank you so much for your time today.

Telephone Script and/or Email Template Invitation to Participate in a Research Study
District Invitation

LeAnn Nowlin: A00345005

Hello, my name is LeAnn Nowlin. I am a doctoral student from Walden University's College of Management and Technology. I am working toward the completion of a dissertation as a requirement of a Doctorate of Philosophy. I am calling to invite (NAME OF SCHOOL DISTRICT) to participate in a research study about the efforts taken by (NAME OF SCHOOL DISTRICT) to engage stakeholders in its Local Control Accountability Plan (LCAP) and budgeting processes. The participants of this study will be limited to state funded, unified public school districts in California with enrolments within ten percent of the median unified public school district enrollment in the state of California, which is 4,727.

The District's participation in this study is completely voluntary. This means that the District does not have to participate in this study unless it wants to. The purpose of this study is to explore how leaders and financial managers in the California public school system are gathering and integrating stakeholder priorities into financial planning and budgets. I will be funding and conducting the study myself.

If the District consents to participating in the study, I will request that the personnel critical to the District's LCAP stakeholder efforts participate in a one-hour, private, individual semi-structured interviews with me, the researcher. After consent from the District to participate, I will personally contact each of the individuals and ask for their voluntary consent to participate in the interviews. The interviews will be limited to the Superintendent, the Academic Services Director, and the Chief Business Officer, or their position equivalents, and any other personnel instrumental in the collection of stakeholder input for LCAP purposes.

Sample questions are:

- How were you involved in the LCAP and/or budget development process?
- How did the LCAP change your budget development process?
- How were stakeholders involved in the LCAP development process?
- What were the processes around stakeholder involvement?
- Were all subgroups of parents involved? How was this tracked?

In addition to the interviews, I will be collecting the district's most recent school board approved LCAP and budget as well as documentation collected from stakeholder engagement efforts, such as: meeting minutes, surveys, and visual graphics.

Do you have any questions that I can answer for you?

Is (INSERT NAME OF SCHOOL DISTRICT) willing to participate in this study?

Thank you so much for your time today.