About GFOA

- Non-profit organization established in 1906
- 19,000 Members
- Offices in Chicago and Washington DC
- Offer resources, publications, training, networking/conferences, award programs, and advisory services
- Recognized for providing best practice statements across several areas of financial management

Need for Better Budgeting

- “Traditional” budget model
  - Incremental changes
  - Limited resources drive budget process
  - More reactionary than pro-active
  - Focus on current year challenges
- Need for better alignment of budget process and student achievement goals
  - Attempts likely made
  - Potential questions on sustainability
Budgeting’s Future

- Best Practices in School Budgeting and Smarter School Spending
  - More pro-active approach
  - Strategic plan drives budget with focus on student achievement rather than limited resources
  - Enhanced credibility
    - Continuous improvement principles
    - Strategic financial plan

Best Practices in School Budgeting

- Focus on 5 major areas:
  1. Plan and Prepare
  2. Set Instructional Priorities
  3. Pay for Priorities
  4. Implement Plan
  5. Ensure Sustainability
Implementing the Best Practices

- Not meant as an outright replacement of existing budget process
- Framework to integrate current efforts to help move the bar forward
- Way to help identify areas that may need improvement
- Not a linear path - focus on areas of most immediate benefit to gain quick wins

Development

- **Best Practices in School Budgeting** developed by GFOA with input of several districts and other experts - [http://gfoa.org/pk-12-budget](http://gfoa.org/pk-12-budget)
- **Smarter School Spending** initially developed in partnership with four districts - resource library of examples, tools, etc. - [http://smarterschoolspending.org/](http://smarterschoolspending.org/)
- **Award for Best Practices in School Budgeting** is a new GFOA budget award based on the Best Practices in School Budgeting - [http://gfoa.org/school-budgeting](http://gfoa.org/school-budgeting)
- **Alliance for Excellence in School Budgeting** is an early adopter group of over 70 districts formed by GFOA to aid in implementing the new Best Practices - [http://gfoa.org/alliance-excellence-school-budgeting](http://gfoa.org/alliance-excellence-school-budgeting)

Alliance 1.0 Members

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<tr>
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Before Diving into the Framework…

- Quick self-assessment of how the current budget process works for you:
  - What works well?
  - What doesn’t work so well?
  - What would you like to see improved?

1-2-4-All

- Steps
  - Silent self-reflection – 1 minute
  - Expand on your ideas in pairs – 2 minutes
  - Share & develop ideas in foursome – 4 minutes
  - Each group shares at least one important idea with all
How to Begin

- Emphasis on planning and setting the stage
  - Collaboration
  - Framing the process
  - Baseline performance
  - Engagement

Establish a Partnership between the Finance and Instructional Leaders

- Collaboration between the academic and financial leadership of a district is key to the Best Practices in School Budgeting

1. Plan and Prepare
   A. Establish a Partnership between the Finance and Instructional Leaders
   B. Develop Principles and Policies to Guide the Budget Process
   C. Analyze Current Levels of Student Learning
   D. Identify Communications Strategy
Developing Principles

- Use as a way to set tone/change culture
  - Focus on students
  - Data
  - Cost-effectiveness
  - Equity
  - Long-term
  - Transparency

District Examples

- Beaverton School District, OR
  - Partnership took time and conscious effort
  - Lead with academics, not finance
  - Levels of implementation
- Traverse City Area Public Schools, MI
  - Use best practices as district principles
  - Makes decisions better, not easier
  - Culture trumps strategy
  - Make connections at relatable level

Second – What is the Focus

- Establishing direction
  - Goal-setting
  - Deep dive on issues
  - Develop strategies
  - Prioritization

http://smarterschoolspending.org/resources/district-examples/beaverton-school-district-academic-partnerships-case-study
http://smarterschoolspending.org/resources/district-examples/traverse-city-area-public-schools-principles-policies
2. Set Instructional Priorities
A. Develop Goals
   - **SMARTER framework:**
     - **Specific** - precise outcome or result
     - **Measureable** - verifiable, ideally quantifiable
     - **Achievable** - grounded in reality
     - **Relevant** - focused on student achievement
     - **Time-bound** - short and long-term objectives
     - **Engaging** - reach for ambitious improvement
     - **Resourced** - finances aligned with goals

B. Identify Root Cause of Gap between Goal and Current State
C. Research and Develop Potential Instructional Priorities
D. Evaluate Choices amongst Instructional Priorities

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Develop Goals

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  - **Specific** - precise outcome or result
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Example: Lake County Schools, Florida

**Major Goal:** Immediate Investment in Struggling Students

**Sub-Goal: ELL Students**
Fund programs aimed at closing the achievement gap of English Language Learner (ELL) students

**What is the need?** LCS spends less on ELL students than comparison districts. The LCS ELL population is growing steadily as the student achievement rates continue to be low.
Example: Lake County Schools, Florida

What will the District do?
- Determine programming options
- Compare options by potential A-ROI
- Select highest return option(s)

What will it cost?

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>$1.9 million</td>
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<tr>
<td>Year 2</td>
<td>$2 million</td>
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<td>Year 3</td>
<td>$2 million</td>
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What gains does the district expect?

<table>
<thead>
<tr>
<th>Measure</th>
<th>Proj. '15</th>
<th>Act. '15</th>
<th>Goal '16</th>
<th>Goal '17</th>
<th>Goal '18</th>
<th>Goal '19</th>
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</thead>
<tbody>
<tr>
<td>ELL Grad. Rate</td>
<td>70%</td>
<td>57%</td>
<td>70%</td>
<td>80%</td>
<td>90%</td>
<td>95%</td>
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Root Cause Analysis Example

A Root Cause Analysis on Special Education from Beaverton

Q. Why are so few 8th graders who receive special education not meeting State standards?
A. They are not prepared to meet the standards.

Q. Why are they not prepared to meet the standards?
A. They lack access to appropriate instruction in grade level content.

Q. Why do general education teachers feel unprepared to instruct students who receive special education services?
A. Professional development for general education teachers may not support how to instruct students with varied learning and behavioral needs.

Q. Why doesn’t professional development support these skills?
A. The budget for professional development to support special education students is provided exclusively by the special education department, which only trains special education teachers.

Solution: We need to change the budget so that professional development for helping special education students goes to all teachers, not just special education teachers.

Research & Develop Potential Instructional Priorities

What is an instructional priority?
- Strategy for overcoming identified problems and achieving stated goals

How to research and develop instructional priorities?
- Look at proven practices
- Guidelines for development
District Examples

- Lake County Schools, FL
  - Limit the number of goals
  - Maintain some consistency in goals
- Beaverton School District, OR
  - Find root causes and address them
  - Use pilot programs

http://smarterschoolspending.org/resources/district-examples/lake-county-school-district-smarter-goals-case-study
http://smarterschoolspending.org/resources/district-examples/beaverton-school-district-instructional-priority-development-case-study

Third – How to Fund

- Allocating/finding resources
  - Analyzing current programs
  - Evaluating new proposals

3. Pay for Priorities
   A. Applying Cost Analysis to the Budget Process
   B. Evaluate & Prioritize Use of Resources to Enact the Instructional Priorities
Apply Cost Analysis to the Budget

- Staffing analysis
- Cost of service analysis
  - Per unit costs
  - Cost per outcome
  - Relative cost per outcome
  - Academic return on investment (A-ROI)
- But – understanding the need for pairing context with analytical results

Relative Cost Per Outcome

Great! Replicate results here.

District Examples

- Lake County Schools, FL
  - Quantitative data as clue – not necessarily a conclusion
  - Diverse portfolio of strategies
- Traverse City Area Public Schools, MI
  - Cost effectiveness as a principle
  - Multiple data points
  - Do not let the perfect become the enemy of the good.

http://smarterschoolspending.org/resources/district-examples/lake-county-school-district-pay-priorities-case-study
http://smarterschoolspending.org/resources/district-examples/traverse-city-area-public-schools-academic-roi-case-study
Next – Put Plans to Action

- Implementing with fidelity
  - Financially
  - Clear steps/responsibilities for implementation
  - Impacts to school sites
  - Communicating through the budget

4. Implement Plan
A. Develop a Strategic Financial Plan
B. Develop a Plan of Action
C. Allocate Resources to Individual School Sites
D. Develop Budget Presentation

Develop a Strategic Financial Plan

- Financial in nature – but needs to provide greater picture
- Goals and strategies of organization inform financial future – not just external factors
- Prepare for future as best as possible – as opposed to react to foreseeable events
Lake County Schools, Florida

Strategic Financial Plan

http://smarterschoolspending.org/resources/district-examples/lake-county-school-strategic-financial-plan


Develop Budget Presentation

- Fundamental organization of the budget:
  - The Challenges
  - Goals — remember SMARTER framework
  - Strategies and programs
  - Financial plan
  - Risks to long-range financial sustainability

- Telling the district’s story
- Use as a communication device

District Example

- Wylie Independent School District, TX
  - Policy on maximizing dollars
  - Strong academic planning greatly helps implementing an improved budget process
  - Using visuals to show where money goes

http://smarterschoolspending.org/resources/district-examples/wylie-independent-school-district-budget-document-case-study
Finally - Sustaining

- Measuring results and evaluating process

5. Ensure Sustainability
   A. Put the Strategies into Practice and Evaluate Results

More Information

- Smarter School Spending
  - Free resources – including case studies, district examples, templates, etc
  - www.smarterschoolspending.org

- GFOA School Budgeting Resource Center
  - Additional free resources – more district examples, outside links, GFOA best practices, etc.
  - www.gfoa.org/pk-12-budget

- Trainings
Questions?

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  Research & Consulting Center
  mbubness@gfoa.org
  312-578-2267