

Best Practices in School Budgeting



Government Finance Officers Association

May 22, 2017

Before we start today...

- Quick self-assessment of how the current budget process works for you:
 - What brought you to this lunch/session?
 - What are you hoping to learn?



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



Need for Better Budgeting

- “Traditional” budget model
 - Incremental changes in resource allocation
 - Limited resources drive spending plan
 - More reactionary than pro-active
 - More focused on current year challenges than multi-year strategies
- 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
 - Pro-active approach
 - Strategic plan drives budget with focus on student achievement rather than limited resources
 - 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



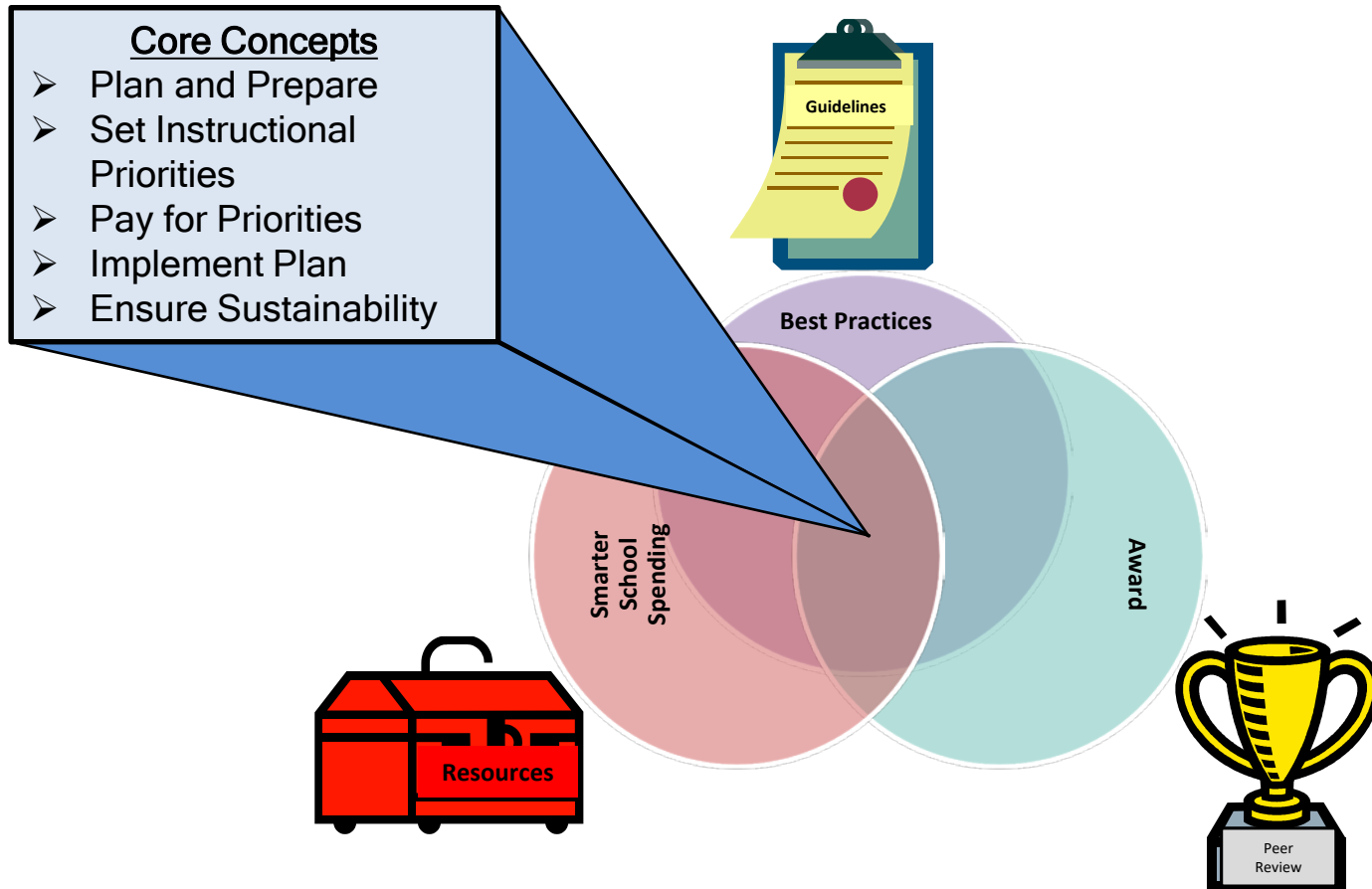


Development

- **Best Practices in School Budgeting** developed by GFOA with input of several districts and other experts - <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/>
- **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>
- **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>



How are they related?





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
- Additional Information about joining Alliance, national trainings, etc. can also be found at www.gfoa.org

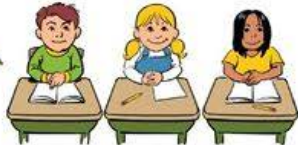
Implementing the Best Practices

- 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

Principals



Teachers



School Board

Community



Engage Your Stakeholders.
Keep Students at the Center.

Student Learning Goals Achieved!!!



How Do We Prioritize the Strategies Over the Long Term?



Create a Strategic Financial Plan

Academic



What are our Student Learning Goals?

Set S.M.A.R.T.E.E.R. Goals



What is Preventing Us From Reaching Our Goals?

Use Root Cause Analysis



What are the Best Strategies to Reach the Goals?

Use Evidence-based Decision Making



How Do We Pay for the Strategies?

Use Cost Savings Best Practices

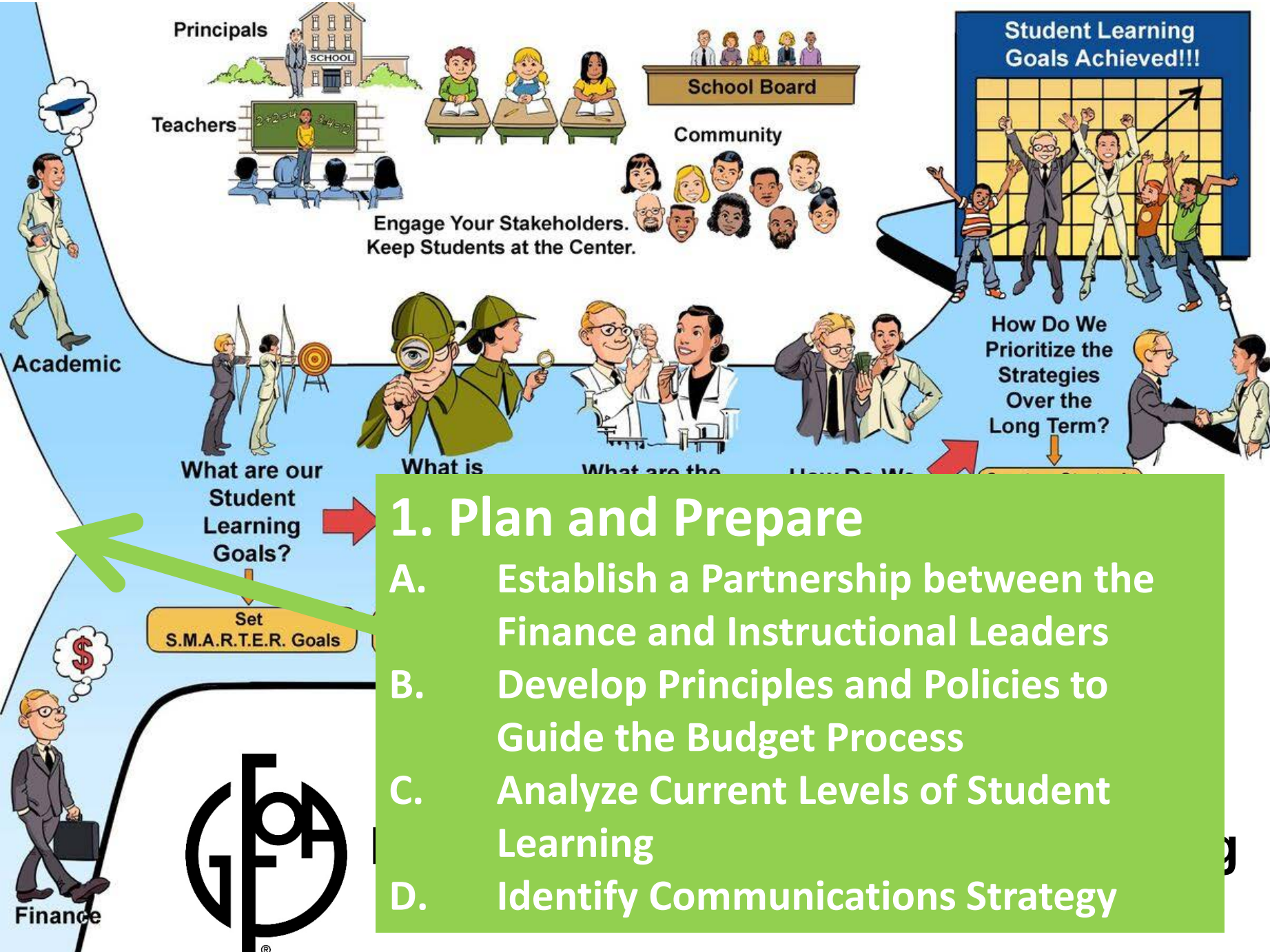
Finance



Best Practices in School Budgeting

First – How to Begin

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



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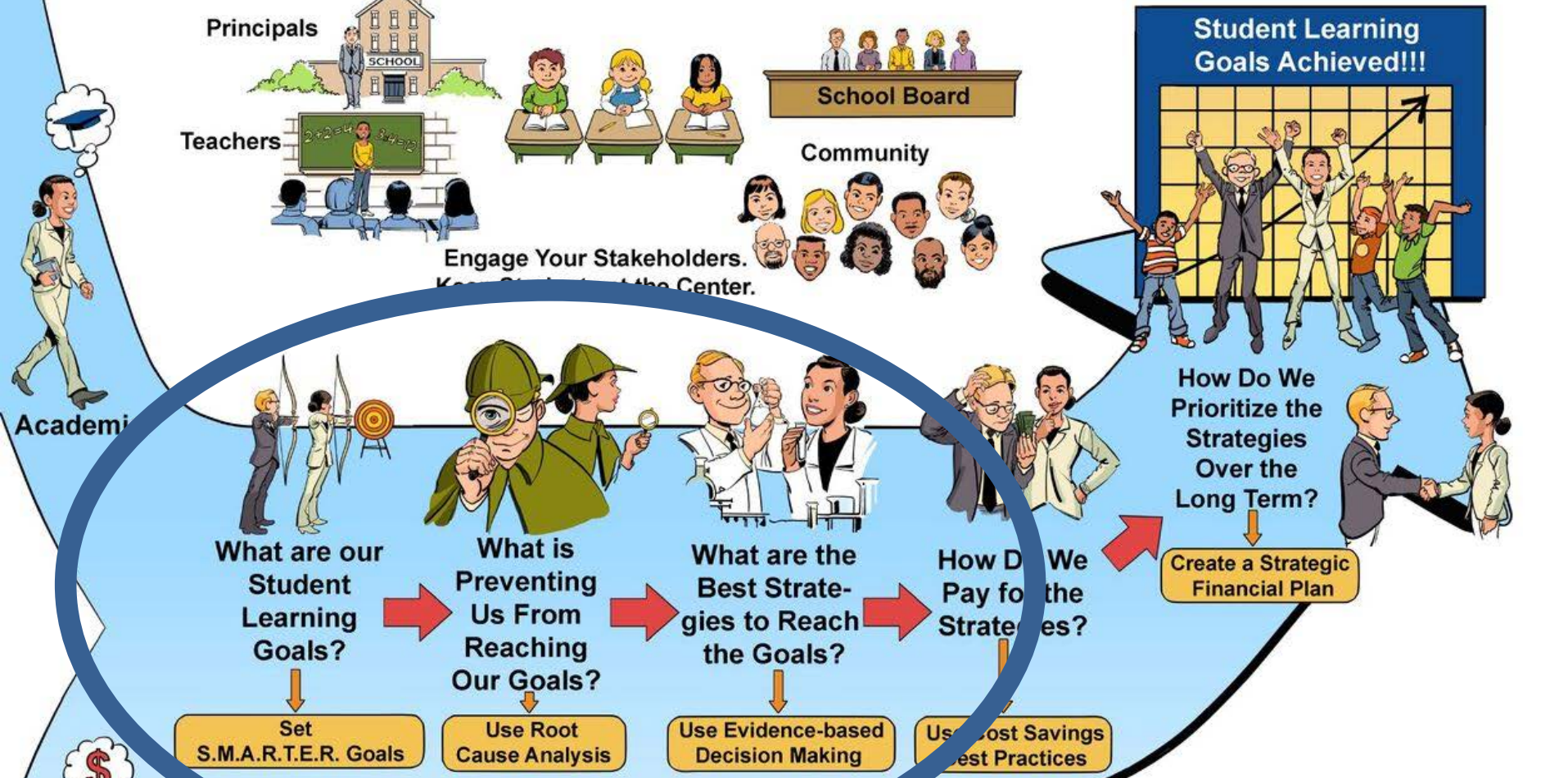
1. Plan and Prepare

- 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



Second – What is the Focus

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

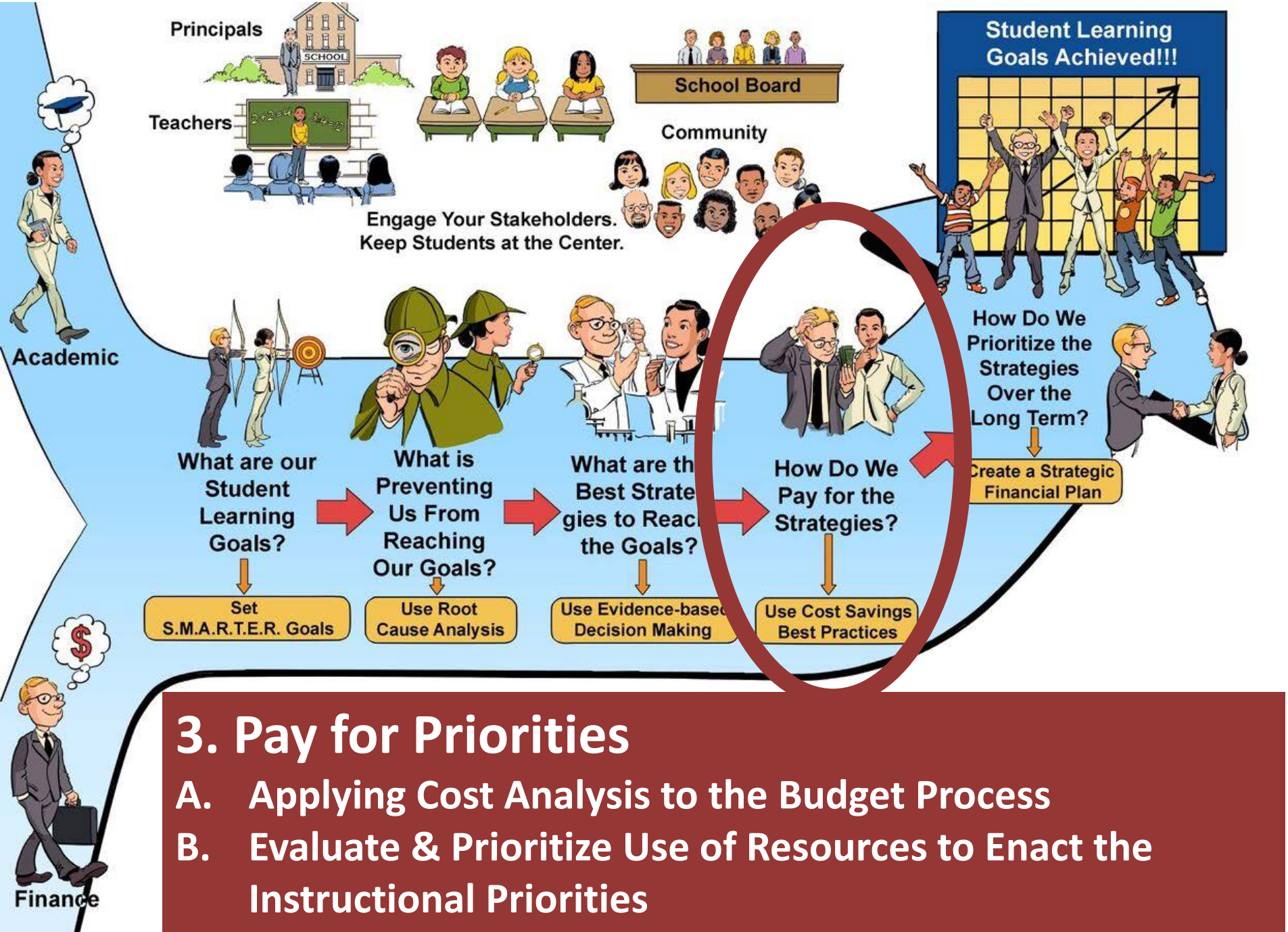


2. Set Instructional Priorities

- A. Develop 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

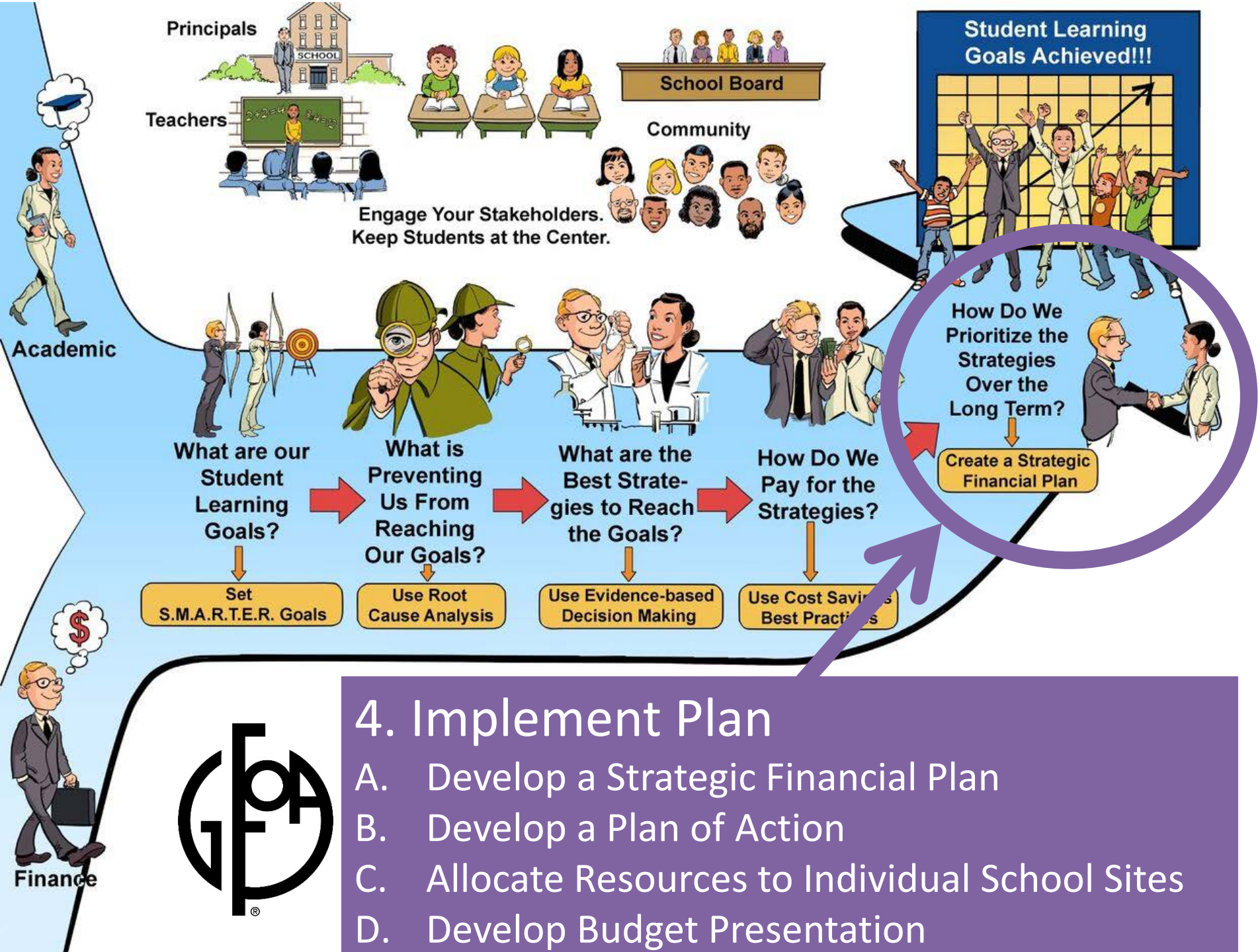
Third – How to Fund

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



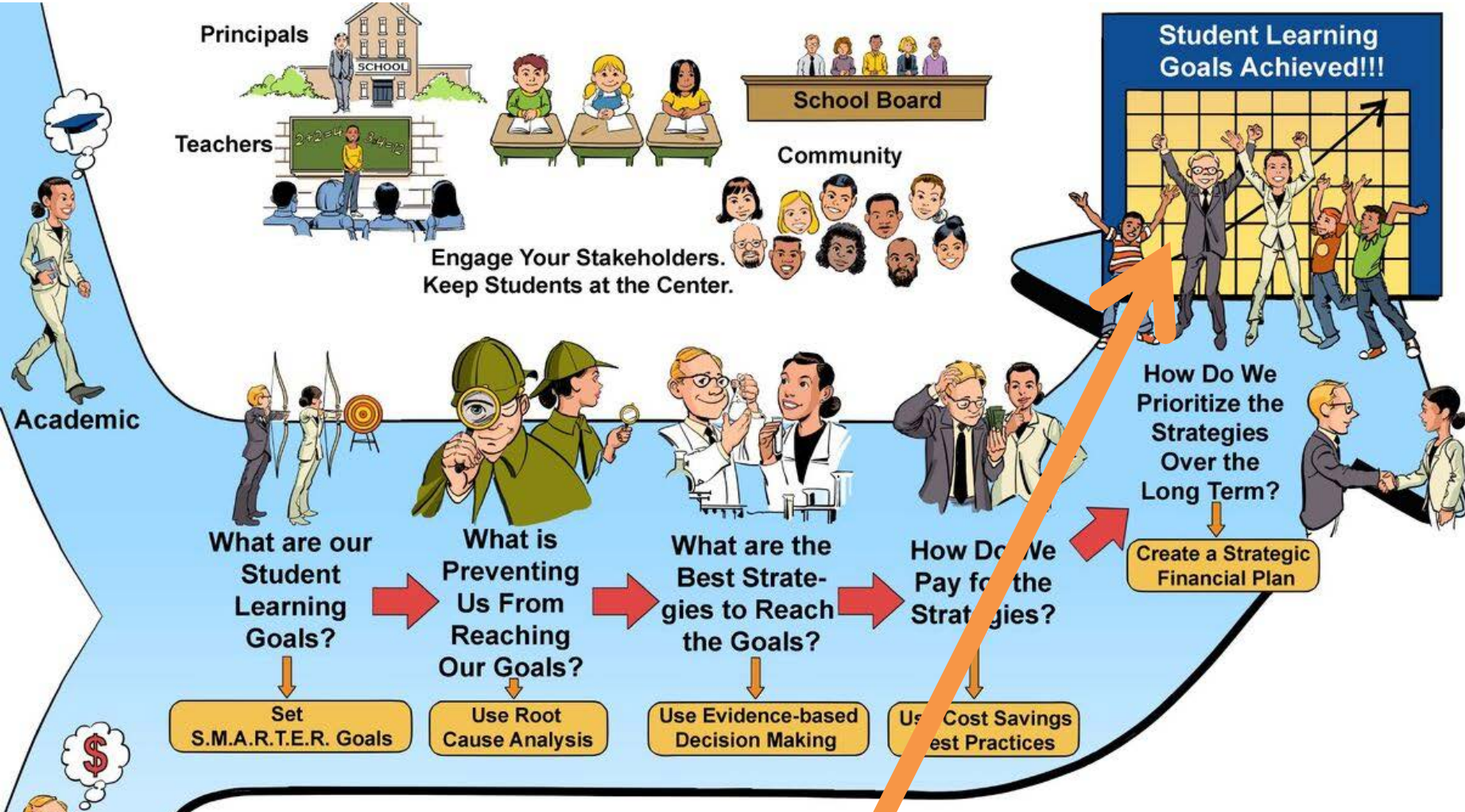
Fourth – Put Plans to Action

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



Finally - Sustaining

- Measuring results and evaluating process



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





Alliance 1.0 Members

AZ	Amphitheater Public Schools	NJ	Elizabeth Public Schools
CA	Hayward Unified School District	NY	Rochester City School District
	Pomona Unified School District	OH	Bexley City School District
	Santa Ana Unified School District		Columbus City Schools
	Tracy Unified School District		Dayton City School District
CO	Boulder Valley School District	OR	Beaverton School District
	Moffat County School District		North Bend School District
FL	Lake County Schools		Portland Public Schools (OR)
	Miami-Dade County Public Schools		Tigard-Tualatin School District
GA	Fulton County School System		Willamette Education Service District
IL	St. Charles Community Unit School District 303	PA	Upper Moreland School District
IA	Des Moines Public Schools	TX	DeSoto Independent School District
KY	Fayette County Public Schools		Wylie Independent School District
LA	DeSoto Parish School System	VA	Goochland County Public Schools
MD	Howard County Public School System		Hanover County Public Schools
MI	St. Johns Public Schools	WA	Bellevue School District
	Traverse City Area Public Schools	WI	School District of Fort Atkinson
NE	Beatrice Public Schools		



Alliance 2.0 Members

CA	Education for Change	NV	Carson City School District
	San Francisco Unified School District		OH
CO	Eagle County School District RE50J	Springfield City School District	
	Jeffco Public Schools	Toledo Public Schools	
FL	School District of Palm Beach County	OR	Trotwood-Madison School District
	Volusia County Schools		Hillsboro School District 1J
GA	Atlanta Public Schools	RI	Bristol Warren Regional School District
ID	Nampa School District	SC	Greenville County Schools
IL	River Trails School District 26	TX	Fort Worth Independent School District
	Rockford Public School District 205		Lamar Consolidated Independent School District
	Thornton Township High School District 205		WA
MA	Cambridge Public Schools	Central Kitsap School District Organization	
	Pittsfield Public Schools	North Mason School District	
MI	Glen Lake Community Schools	Olympic Educational Service District 114	
	Troy School District	Pasco School District	
	Wayne-Westland Community Schools	Shoreline School District No. 412	
MT	Billings School District	WI	Milwaukee Public Schools
NE	Omaha Public Schools		School District of Menomonee Falls

How this being implemented?





More from Alliance Members

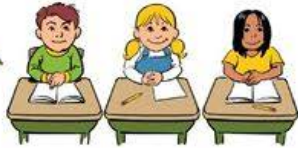
- Miami-Dade County Public Schools, FL
- Upper Moreland School District, PA
- Jeffco Public Schools, CO
- School District of Palm Beach County, FL
- Boulder Valley School District, CO
- Volusia County Schools, FL

Examples of Resources

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Principles and Policies

Best Practices in School Budgeting



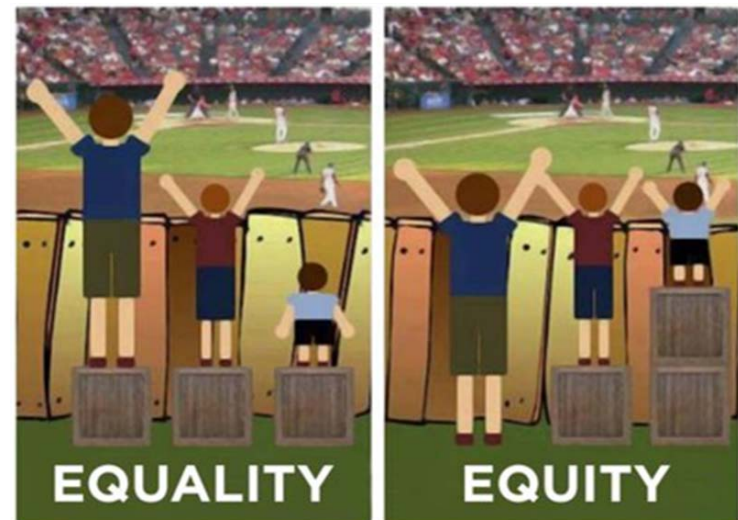
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Potential Principles

- Student achievement goals drive the process
- Data driven decisions
- Total value created for children
- Critically re-examine patterns of spending
- Equality of opportunity
- Long-term perspective
- Transparency





Traverse City Area Public Schools, Michigan

- Articulate Best Practices/SSS as district principles
- Makes decisions better, not easier
- Culture trumps strategy



Portland Public Schools, Oregon

- Key Principles:
 - Providing students an exceptional educational experience and ensuring academic success should drive the budget process
 - Decisions should be driven by data
 - Base resourcing decisions on cost-effectiveness
 - Prioritize the core program in all schools
 - Critically re-examine patterns of spending
 - Provide every student with equitable access
 - Take a long-term perspective

Recommended Policies

- General fund reserve
- Definition of a balanced budget
- Financial emergency policy
- Long-term forecasting
- Asset maintenance & replacement
- Budgeting and management of categorical funds
- Budgeting for staff compensation
- Program review and sunset/alternative service delivery
- Year-end savings
- Funding new programs

Templates for Two Policies

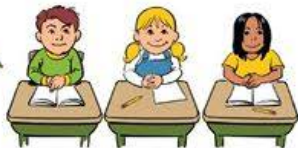
- Templates available for the following policies which will help frame the budget process:
 - General fund reserve policy
 - Balanced budget policy
- Available at:
 - <http://www.gfoa.org/step-1-plan-and-prepare>



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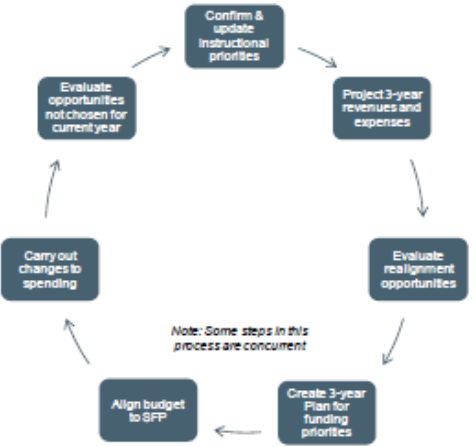


Finance

Essential Elements

- Reference to district's strategic plan
- Goals for the district
- Description of the instructional priorities
- Evaluation criteria for student outcomes
- Funding of instructional priorities
- Long-term forecasts
- Analysis of scalability to impact
- Review trigger
- [Strategic Financial Plan template](#)

Lake County's Strategic Plan



In order to balance the 2016-2017 budget and fund the instructional priorities, the district will take action to realign approximately \$7.6 million

Realignment Opportunities		Investment Opportunities	
	2016-17	Area	2016-17
Shift of expenses out of general fund (\$M)		Baseline (\$M)	
Capital expenditures	2.5	Surplus (gap)	(1.3)
Realignments within general fund (\$M)		IP Costs (\$M)	
High school schedule	4.7	Roll forward from previous year	2.5
Consolidated purchasing	0.6	ELL and Struggling Students & Schools	(1.9)
IDEA funding (non-recurring)	0	Investment in People	(1.8)
Maintenance: lawn care	0	Teacher Induction & Coaching	(0.4)
Management discretion	0.5	Leadership Advancement	(0.2)
Transportation	0.3	Program Evaluation & Innovation	(0.2)
Administrative salaries	0.4	Pers. Learning (Teachers/Leaders)	(1.0)
Athletics transportation	0.1	Pers. Learning (Students)	(1.8)
Clerical	TBD		
Guidance Counselors	TBD	Total: Priorities only	(7.3)
Additional Savings		Addition: HS Testing/Super	
Self-funding Prof. Development	1.3		(0.5)
		Addition: Academic Tutors	(0.8)
		Addition: IB Planning	(0.2)
Total Savings	10.4	Total including baseline gap	(7.6)

With the 2016-17 balanced budget as described, \$4.0 M in 2017-2018 and \$6.6M in 2018-19 remain as budget gaps to be filled

Options currently being evaluated to fill the future budget deficits:

- School models: Examine magnet school models, Collegiate H.S., School Choice, CTE Academies, etc.
- IDEA efficiencies: Pursue additional reimbursements and evaluate efficiencies of staffing placement; ongoing study needed for any changes, data available supports current status
- District staffing: Examine roles and responsibilities of district-level positions
- Central Office for district staff: Explore costs and efficiencies gained from a centralized location for district departments



Beaverton's Multiyear Finance Plan

Investments

Analysis and additional stakeholder feedback pointed to specific investments and goals



Finance: Maintain 5% fund balance and 5% rainy day fund



Questions?