

# Smarter School Spending

## One District's Journey with The Budget Alliance

GFOA's **Carol MacLeod** interviews **Dr. Robert Abbott**, Superintendent and **Jason Demerath**, Director of Business Services for the School District of Fort Atkinson, Wisconsin.



**Dr. Robert Abbott**  
Superintendent



**Jason Demerath**  
Director of Business  
Services



The School District of Fort Atkinson, Wisconsin, serves approximately 2,700 students, with 450 regular staff and a general fund operating budget of \$40.3 million. Dr. Robert Abbott and Jason Demerath shared their district's journey of implementing GFOA's Best Practices in School Budgeting and their experiences with the Alliance for Excellence in School Budgeting.

In 2015, the School District of Fort Atkinson's five-year strategic plan included one small reference to "consider alternative budget development models" in the stated 2017 yearly goals. Jason Demerath, Director of Business Services, googled "school budget models," which led him to GFOA's Smarter School Spending Project and the Alliance for Excellence in School Budgeting. The Alliance for Excellence in School Budgeting is a group of school districts that is working to implement GFOA's Best Practices in School Budgeting. Intrigued by a model that focused on finance and academic collaboration, and an opportunity to learn from peer districts from around the country, Demerath, along with the superintendent and director of instruction, attended the annual Fall Budget Alliance Meeting in Chicago to learn more.

The School Budgeting Alliance is part of the Smarter School Spending Program, and it first met in 2015. The alliance includes a diverse group of member districts, ranging in size from several hundred students to several hundred thousand students. They represent a broad range of student performance and other key demographics as well. The School Budgeting Alliance is preparing to host its seventh gathering in December 2021. The members participate in group training meetings and network with their peers to share knowledge and resources.

## Learning about the framework

The budget process framework is based on a continuous improvement cycle. It includes a baseline budget assessment, collaboration and communication among all stakeholders, a rigorous process of goal setting, a data-driven evaluation of instructional priorities, and a budget that communicates the financial steps necessary to implement and support the district's strategic plan.

The budget process framework is organized into five parts:

- 1) Plan and Prepare
- 2) Set Instructional Priorities
- 3) Pay for Priorities
- 4) Implement Plan
- 5) Ensure Sustainability

The major steps are accompanied by 15 sub-steps to provide additional guidance on implementation, including documentation and recommendations of key highlights.

Energized by the alliance meeting in 2015, the team went back to the district and laid out a Smarter School Spending budget plan, which included a conceptual-level project overview. The concept included determining why and how the district would implement GFOA's Best Practices in School Budgeting.



They started by providing building administrators with some historical financial and budget data for the funds they manage. This led to the realization that over time, the amount of money they oversaw continued to decline because of budget reductions. It was the first time many had seen how and when they spent those funds.

## Bumpy beginning

Fort Atkinson jumped right in and tried to implement the model in the middle of an existing strategic plan cycle, not really understanding how others in the district would perceive this new approach. In addition, Demerath assumed that the model was linear rather than cyclical, so they struggled with where to start. Further, Demerath directed the administrative team to implement the model by justifying how they were spending every dollar they were allocated and to share with their staff where they were spending the money, without really preparing them with an understanding of the model or mindset needed.

Unfortunately, the model became viewed as a process, rather than a model or a way of thinking about funding, and there wasn't much buy-in or support. The team did not build a knowledge base around the philosophy and the possibilities. They realized that while the three people who attended the School Budgeting Alliance meeting were deeply involved in implementation, they were also trying to direct others to do things instead of bringing them along on a learning journey. According to Jason, "We had a spinout early on and had to reset, but how were we to do that?"

They were not ready to abandon the vision, though. Further research into school budgeting led them to a book by Nathan Levenson, *A Better Way to Budget*, in which Jason found two statements that helped him better understand how to reframe the model so he could help the rest of the administrative team see the vision they were trying to implement. No. 1: "When principals help set the priorities for the district, not just their schools, and engage in the formative research to identify the district's needs, they are much more likely to understand, embrace, and advocate for bold budgets." No. 2: "Some will feel the focus should be more on teaching and learning but funding teaching and learning priorities is focusing on teaching and learning."<sup>1</sup>

With these concepts in mind, they regrouped and began to focus on small wins to show how a different way of thinking about the use of resources could have a greater benefit than the way they were currently operating.

## Trying again

In the past, building budgets included funds to purchase toilet paper, paper towels, iPads, Chromebooks, staff conference attendance, or resources for staff personal development. The original three pulled in other district leaders, like the building and grounds director, technology director, and the special education director, and the expanded group decided to centralize some things. Funding was pulled back from the building allocations to centralize buildings and grounds, technology, and purchasing for personal development.

While the building leaders initially saw this as losing money, the process was reframed to show some important points:

- Building leaders should be academic leaders and not be worried about purchasing and managing the inventory of toilet paper, paper towels, and cleaning chemicals.
- Pooling the district's funds would allow them to seek volume discounts for technology purchases, and the tech department could become a resource for administration and staff.
- They could develop equity in technology access and professional learning by working together as a team rather than as individual buildings.

As they encountered changing student needs, the special education department was taking steps to reorient their staff to their needs rather than leaving them assigned to buildings. This opened the conversation around interventionists and the need to assign them to where the students needed them, as shown by the data.

Building administrators understood that individual site or department budgets couldn't bear the cost of any large projects because they basically only had enough to operate each year.

So, a process was developed for the entire team, asking them to consider large project requests from administrators and to discuss where funding might come from, and whether they, as a group, would recommend the project to the school board.

The principals became the customers of the central office team in supporting the work they wanted to do rather than directing what they should be doing. This signaled a true shift in the district's culture.

## Changes ahead

As Director of Business Services, Jason identified how and why he needed to reframe his role to support the Smarter School Spending model. By understanding that principals were the leverage point to make things happen, and that they needed to be involved every step of the way, he changed how decisions about the budget were being made. Change would no longer be accomplished by giving direction from the top down. Instead, it had to be grown organically from the building level up.

Conceptual and procedural changes included:

- Facilitate instead of directing.
- Get principals deeply involved in decisions and recommendations.
- Provide the data others need to learn and make decisions.
- Share your views last.
- Share information sharing and let their curiosity drive discussions.
- Encourage professional disagreement.
- The entire admin team will support all recommendations to the board of education.

## EXHIBIT 1 | USING A-ROI TO DEFINE AND MEASURE THE FACTORS THAT AFFECT YOUR RESULTS



If you meet your goal, what will you attribute it to?

What will you **EXPAND** and **ENHANCE**?

If you don't meet your goal, what will you attribute it to?

What will you **ADDRESS, CORRECT** or **MOVE AWAY FROM** to meet your goal?





As the district's culture changed, acceptance for the budgeting model grew, and the administrative team began district-wide monthly budget meetings. To continue the assessment of expenditures, the district employed the GFOA's Cost Saving Evaluation Tool to explore possible savings opportunities that could be redirected into the instructional priorities.

As these meetings continued, the conversations began around Academic Return on Investment (A-ROI). The district had begun to focus on evaluating and measuring the success of the instructional priorities and strategies they'd implemented.<sup>2</sup> As the group began to explore and understand A-ROI, they challenged themselves to move away from concepts that focused on connecting A-ROI to individual expenditures, to an understanding that focuses on multiple interdependent components. The district is no longer keeping programs or processes without evaluation; instead, it is moving to a system of evaluating all components for overall impact. The focus is now directed at building strong systems to support and achieve the overall district strategic plan (see Exhibit 1).

### Superintendent's Support

The School District of Fort Atkinson would not be on this path of implementing the Smarter School Spending model without the support and vision of its superintendent, Dr. Robert Abbott. Dr. Abbott was the middle school principal when this concept was first introduced in the district, and he was one of

the principals directed to implement the model, rather than being included in the vision of the journey.

However, as the process continued—and since becoming superintendent—he has actively and enthusiastically supported the continued implementation of the Smarter School Spending model and expanding the district's understanding of A-ROI. Through his leadership, the district continues to focus on the essential framework of the Smarter School Spending model. Leaders strive to ensure that the budget supports the instructional priorities that allow academics to remain the district focus by supporting curricular fidelity and strong core instruction.

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<sup>1</sup> Nathan Levenson, *A Better Way to Budget* (Harvard Education Press, 2015).

<sup>2</sup> A-ROI is the practice of scientifically evaluating the cost-effectiveness of academic programs and then deciding where to allocate resources accordingly. Put more simply, A-ROI is a structured approach to getting the most bang for the buck. Read more at [gfoa.org/materials/aro](http://gfoa.org/materials/aro).