

GFOA BEST PRACTICES

## The Alliance for Excellence in School Budgeting

Helping schools align resources with their areas of greatest need

BY MATT BUBNESS





Governments of all kinds have worked hard over the last year handling the ramifications of the COVID-19 pandemic. School districts have faced particular challenges in keeping students and staff safe while providing instruction and other needed supports to their students. No one knows how long it will take for things to get back to normal, and the issues schools will have to overcome between now and then are numerous—particularly the looming shortfalls in revenue from local and state sources. As a result, being strategic and targeted in balancing school budgets will be more important than ever.

Another pervasive challenge for schools, like all governments, is addressing systemic racism and the need for services to be provided equitably. This will require an in-depth examination of the way services are funded to ensure that the budget and budget process adequately and fairly address the needs of all constituents, and to ensure not only an equitable distribution of resources, but also that those services create equitable outcomes for all. The pandemic has further compounded inequities in the services the public sector provides, and school districts are struggling to provide continuity of services to the students who are most in need because of food insecurities, lack of access to high-speed Internet for virtual learning, or additional supports for learning and physical needs. Addressing these issues—in addition to the challenges related to loss of learning from pivoting between in-person, virtual, and hybrid instruction—will be a key area of focus for a number of years, as school districts try to mitigate the impacts of the pandemic and better address inequities related to systemic racism.



## What is the Alliance?

The Alliance for Excellence in School Budgeting is an early adopter group of nearly 100 school districts working to implement GFOA's Best Practices in School Budgeting. A part of the Smarter School Spending initiative, the Alliance first met in 2015 and includes a diverse group of districts from across the United States. Member districts range in size from several hundred to several hundred thousand students, representing a broad range of student performance and other key demographics as well.

Participants in the Alliance for Excellence in School Budgeting enjoy benefits such as access to resource materials and hands-on training to help them throughout the implementation process. More importantly, Alliance members are able to network with their peer organizations to share their experiences and knowledge.

GFOA's Best Practices in School Budgeting form the foundation of the Alliance's work. The framework is centered on these five major steps:

1. Plan and prepare.
2. Set instructional priorities.
3. Pay for priorities.
4. Implement plan.
5. Ensure sustainability.

To learn more about the Alliance and to join, go to [gfoa.org/school-budgeting](https://gfoa.org/school-budgeting).

The pandemic has further compounded inequities in the services the public sector provides, and school districts are struggling to provide continuity of services to the students who are most in need.

Pictured on opposite page: Kindergarten students sit socially distanced at Stark Elementary School on October 21, 2020 in Stamford, Connecticut. School districts across the country have struggled to meet students' educational and social needs while providing equitable support during the COVID-19 pandemic.

### How the Alliance can help

GFOA's Alliance for Excellence in School Budgeting is especially important now, as the COVID-19 pandemic creates a whole host of new needs and challenges, and funding levels are threatened. The Alliance was created in 2015 with a small group of school districts from across the country whose mission was working to improve their budget processes by making better resource allocation decisions to support improved student outcomes. The Alliance, which now includes more than 100 members, provides best practices in school budgeting; GFOA's [SmarterSchoolSpending.org](https://www.gfoa.org/smarter-school-spending) website that includes a wide range of tools, examples from school districts, and other free resources; and, in recent months, webinars on topics including fiscal first aid for school districts, communicating in uncertain times, and COVID-19 financial and related impacts.

Collaboration is central to making meaningful and longstanding improvements to the budget and planning processes. This is why GFOA requires that each Alliance district attends meetings as a leadership team made up of the superintendent and/or lead academic person, collaborating hand-in-hand with the chief financial officer (or other lead budget person) in making budget and planning improvements. (See the sidebar to learn about the Alliance's November 2020 virtual meeting.) Budget process improvement requires the cooperation of the senior-level academic and finance staff and the support of the superintendent. This agreement helps ensure that improvements are collectively owned and shared by both academic and finance staff. A good budget process needs to be a collective exercise to ensure alignment of funding with desired outcomes.

Preparing for the budget process also requires participants to analyze current levels of student achievement and to engage internal and external stakeholders. Examining and broadly communicating the current environment provides stakeholders—whether academic, finance, or members of the community—with a realistic view of what is or isn't possible. This is even more pertinent for many districts at the moment, given the funding and logistical challenges created by the pandemic. These steps build better understanding and cooperation to develop robust goals with measurable outcomes. From there, districts can conduct root cause analysis to make sure the true underlying problem is being addressed and, finally, develop and prioritize strategies and programs to achieve the district's goals within its available means.

It cannot be emphasized enough that this work should not be done in silos, but as a leadership team with a broad range of perspectives involved to make sure key issues are not overlooked, to build broad support for what the district is working to accomplish, and to determine how spending patterns may need to be adjusted.

After the strategies are developed and prioritized, the framework focuses on paying for them. This includes:

- Carefully examining what programs the district is currently funding, their effectiveness and overall alignment with district goals, and how funding may be reassigned to higher priority uses.
- Ensuring that the strategies and programs funded are implemented with fidelity. For example, districts need to monitor results to ensure that schedules are met and that the anticipated improvements in academic and related performance outcomes are achieving the expected outcomes.
- Developing a strategic financial plan, clearly articulating funding formulas for school sites, and developing a budget presentation—keeping the district's goals and strategies at the forefront.

Other themes of the framework are continuous improvement in terms of examining the results and the processes themselves for maximum efficiency and effectiveness, and procedural justice, a concept from the criminal justice system that emphasizes promoting understanding and acceptance by broadly communicating how and why decisions are made.

### The framework in practice

Collaboration is crucial to providing quality services and meeting community needs, including funding services through the budget process. Working collaboratively allows decision-makers to develop a shared understanding of an organization's needs so they can develop a list of priorities that can be used to inform funding decisions. An organization's needs should be identified by close examination of data and balancing constituents' requests with the expertise and knowledge of organizational leadership. Identifying the areas of greatest need ensures that resources are focused on providing equitable outcomes for all students within the district. While not every request or idea can be funded, this collective approach to identifying areas of need creates a shared understanding of why and where resources should be focused to ensure that every student receives the supports they need to achieve at their best potential.

So how does this work in practice? The School District of Fort Atkinson in south-central Wisconsin has been working with the Alliance for Excellence in School Budgeting since its inception six years ago. The district has remained committed to improving its planning and budgeting processes, even as it welcomes its third superintendent since joining the Alliance. Jason Demerath, the district's director of business services, has helped drive implementation of budget and planning improvements, as recommended in the GFOA framework, after finding the information through a Google search.

The Fort Atkinson leadership team's collaborative budget process has been an evolution. It starts with the way budget-related conversations are initiated and led by the CFO. "Smarter Schools Spending and the Alliance, this is the way that I support the district as a CFO on the academic side," Jason said. "My core belief is that we're here for one reason and one reason only: to educate the kids. And my job as a CFO is to support that, and those strategic goals." Previously, Fort Atkinson's practice was similar to that of a number of other organizations, be they school district, cities, counties or otherwise—budgeting was an exercise carried out by the CFO and organization's chief executive officer (the superintendent, city manager, mayor, or equivalent), and it centered on available resources and what was done in the prior year.

PUTTING BEST PRACTICES  
INTO ACTION



Broward County Public Schools in Florida joined the Alliance three years ago, after hiring a new CFO from a district that had been part of the group. The district faces declining enrollment and increasing costs, especially in the areas of employee benefits and pension funding. Since joining the Alliance, the district has developed and adopted a board-approved Strategic Plan that uses the recommended SMARTER goal framework to drive the budget. Each year, data are used to examine areas that can best realign resources with goals. So far, these have included special education resources and school flexible spending dollars. In developing its latest budget, the district will use student data to evaluate instructional software and to examine consulting contracts for professional development, training, and program development to determine which should continue and which should be ended.

Now, Fort Atkinson's budget process includes discussions among the entire district leadership of 17 people, from the superintendent, CFO, and other central office staff to building principals and assistant principals. "The finance department's role now is to provide resources to the academic side, not to direct what they can do academically just based on the money we have, or what we've done before," Jason said. He helps facilitate these conversations by providing data so the leadership team can understand what's happening throughout the district, and then letting them discuss that. He waits to share his viewpoints on what the data is showing until the end of the discussion because he's found that letting the leadership team drive the conversation and have professional disagreements helps everyone learn more about what is happening in the district, which helps break down silos between school sites and departments. The leadership team then shares ideas for making better use of resources they might not have thought about without these discussions. This collaboration ensures that the recommendations they provide to the district's board for reductions, additions, reallocations, and so on, are supported by the entire leadership team.

As a part of these collaborative conversations, the district started to focus more intensely on academic return on investment (AROI) in early 2020, before the pandemic hit. AROI has been a focus for a number of Alliance members. It's an analytical technique that helps decision-makers work together to more closely examine the effectiveness and costs of programs, to ensure the greatest value in achieving improved outcomes or optimal service delivery. As part of their ongoing leadership team discussions, the district hosts sessions at school sites where principals lead conversations on ways to reallocate funds within their buildings. Collective discussions also center on school improvement plans, with the team discussing and offering suggestions about what could be done differently.

The overall mindset about the budget process has shifted. "The conversations about what we're doing have been intentional. I was really pleased, and I think others were as well, that their mind shifted to 'let's look at the data, let's look at results. Let's talk about abandonment,' which can be a very difficult conversation, but they understand that you have to strategically abandon something that's not working so you can reallocate those funds to things that you want to do or things where you see the need," Jason said. "Bringing the whole admin team together once a month and having those conversations has changed the way the whole team thinks about the budget."

Attending the Alliance's November annual meeting with Jason were a number of other leadership team members, including the district's superintendent, Robert Abbott. Discussing the district's work to improve its budget process as part of the Alliance and using GFOA's best practices, he said: "I would say 'journey' is definitely the right word, and this is an area of our organization that has evolved very rapidly within the last two to three years. We're on the cusp of it being an organizational cultural shift in how we go about a pretty significant piece of the organization."

Abbott also talked about the way in which this work will be used to address challenges related to the pandemic. During this difficult time, the district has been able to look at the way things are done through a new lens, including shifts in instructional models, how staff is deployed, and how funds are used. All this starts with these improved conversations the leadership team is having.

## TOOLS TO HELP WITH ALIGNMENT AND FINDING EFFICIENCIES

### Smarter School Spending

GFOA's Smarter School Spending website provides readily available tools, case studies, and other information to guide and support districts making budget process improvements. From the start, the framework and Alliance have supported district networking, sharing and supporting one another as all districts face common challenges in providing good outcomes for students despite ever-increasing financial pressures. These challenges have only been magnified by the impacts of the pandemic on district finances, and the need to ensure that all students are being treated equitably becomes ever more important.

GFOA's Smarter School Spending site ([smarterschoolspending.org](https://smarterschoolspending.org)) includes a range of free tools and other resources. Here's a sample:

#### Strategic Abandonment Tool

This simple tool can be used to help districts consider when to discontinue a program. [smarterschoolspending.org/resources/strategic-abandonment-tool](https://smarterschoolspending.org/resources/strategic-abandonment-tool)

#### Cost Savings Options

These can help you examine potential areas for cost savings opportunities to fund new instructional priorities. [smarterschoolspending.org/resources/cost-savings-options-screening-sizing-tools](https://smarterschoolspending.org/resources/cost-savings-options-screening-sizing-tools)

#### Instructional Priority Planner

This guide walks you through development of priorities, including developing linkages to district goals and stakeholder engagement suggestions, and how to map out next steps to implement the instructional priorities. [smarterschoolspending.org/resources/instructional-priority-planner](https://smarterschoolspending.org/resources/instructional-priority-planner)



The team from Fort Atkinson also included middle school principal Matt Wolf, who said he has appreciated the ability to examine and then discuss the budget and data, particularly from the other school sites in the district. This ability has helped the leadership team address specific needs at particular school sites, and one school might allocate some of its money to another school with greater need. "I thought it was really great to be able to look at the district as a whole, not just thinking, 'it's my budget, it's my money, and my building.' The group really thinks about how we can improve the district as a whole and what adjustments are needed to make that happen."

Fort Atkinson's communications and community engagement specialist, Marissa Weidenfeller, summarized the district's work by saying, "I think having everybody in the same room to understand where we can work together as a district has a lot of impact. It allows us to improve and to understand the 'why' behind decisions. Now, when somebody in your building asks you if something can be done, it doesn't have to be a direct no. Instead, you can say, 'Okay, we'll look into it further.' I really think that puts us all on the same page, working toward the same goals."

This shared understanding of the district's goals and clarity about why certain items are funded or not will be crucial as districts work toward moving back to normal and start addressing ongoing lost learning and fiscal impacts of the pandemic.

## Conclusion

The Alliance for Excellence in School Budgeting's work can be used to help school districts address the challenges we are facing now, including providing instruction while the pandemic is still ravaging the country; addressing systemic learning inequities, whether caused by the pandemic or longer standing; and anticipating the pandemic's significant effects on district finances. School districts, municipalities, and other special districts will need all of the tools available to them to address the financial challenges ahead, and some of the most useful tools may be those of the "soft skill" variety. While more traditional finance-driven cost savings efforts will certainly be of help, the biggest opportunity to find savings and refocus on areas of need will be discovered through the types of collaborative discussions and conversations that GFOA encourages through the Alliance—and more broadly through GFOA's other work, such as the Financial Foundations Framework.

Responsibility for the budget and budgeting has traditionally been viewed as solely a finance function, but this oversimplifies the budget's importance. An organization's budget enables it to achieve and realize its goals, and the decisions related to developing such an important element of an organization cannot fall to the finance staff alone. The finance officer will likely have to make a case for broadening the budget conversation to include a wider segment of an organization's leadership team, but the benefits will be worth the effort. Collaboration promotes not only a better understanding of the organization's budget but also of the broader organization's needs. Broader, more collaborative discussions support a better decision-making process, leading to a better alignment of resources with areas of greatest need—and, hopefully, better outcomes for its constituents and community. ■

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## PUTTING BEST PRACTICES INTO ACTION



Upper Moreland School District, located in the suburbs of Philadelphia, Pennsylvania, has been working with the Alliance for five years. The district used the Best Practices in School Budgeting framework to help support better processes and decision-making, both in the evaluation of academic programs and the budget process itself. The district employs data-driven decision-making in its efforts to create better goals and better use of its curriculum framework cycle. The partnership between academic and finance staff has led to better conversations about overall district needs and has helped lead financial conversations away from only spending limitations and toward collaborative problem-solving.



# Alliance for Excellence in School Budgeting Tackles Equity in Student Outcomes and Resources

An overarching theme of the Alliance for Excellence in School Budgeting group has been equity in both outcomes and resources for students. Equity has become even more important for districts that have a renewed focus on addressing systemic racism. But what does equity mean, and why does it matter, particularly in terms of the budget and related decisions?

This was one of the significant challenges addressed when GFOA hosted its sixth annual Alliance for Excellence in School Budgeting meeting in November 2020. At this year's meeting (held online), panelists from a number of organizations and school districts shared valuable information on a range of topics.

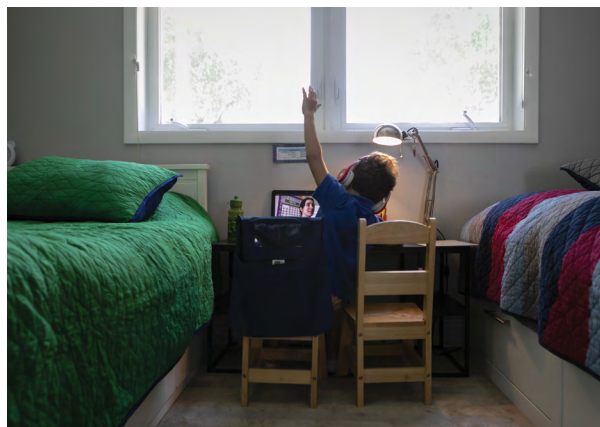
At one of those presentations—"Re-envisioning Instruction through Equitable Systems"—a nonprofit education consulting firm called Pivot Learning highlighted the importance of ensuring equitable student outcomes. When asked about the issues that were most on their minds, attendees shared the following:

- Access to food for food-insecure students.
- Access to technology and Internet for students.
- Support for priority student populations (those with disabilities, English language learners, housing-insecure students, etc.).
- Professional learning to help teachers with best practices for virtual or blended instruction.

Pivot also discussed "unfinished instruction" from last school year—in terms of grade-level standards where students did not demonstrate proficiency and grade-level standards that may not have been taught or assessed. To address unfinished instruction, Pivot recommended avoiding common detours such as providing direction without support and focusing only on access to instruction, with no regard for quality or effectiveness. As part of this process, districts need to establish a shared definition of equitable instruction, which will guide direction and focus.

Pivot has developed an Equity Reset Toolkit that can help guide districts' improved focus on equity (available at [pivotlearning.org/resources/equity-reset-toolkit](https://pivotlearning.org/resources/equity-reset-toolkit)).

Another session, "Budgeting for Equity in the Time of COVID-19 and Beyond," addressed pre-pandemic pressures faced by school districts. Nonprofit firm Education Resource Strategies (ERS) talked about the "triple squeeze": a higher bar for student learning and



greater needs, flat or declining revenue, and unsustainable cost structures. And of course the pandemic has exacerbated these pressures, leading to further inequities in student learning and needs; further financial pressures from falling tax revenues; and additional cost pressures related to social distancing and other impacts of providing instruction in the pandemic. These are compounded by the unknowns: when the pandemic may end, if there will be more federal stimulus money, the impact on enrollment, and the impact on student learning.

ERS talked about ways in which budgeting for equity is more important now that the pandemic has widened inequities. The firm further stressed that districts need to ensure that resources are being maximized to support the students with the greatest needs. In terms of addressing inequity, ERS offered the following:

- Create a shared vision of equity and a set of equity priorities.
- Consider ways in which your school can better differentiate funding by student need.
- Recognize that inequities are embedded in underlying structures—for example, across-the-board hiring freezes and cuts.
- Limit changes made after the budget is adopted that can erode equity.
- Focus on resource equity, both the costs and the effectiveness of how resources are used.

ERS's Strategic CFO can also help support leading and guiding these conversations ([erstrategies.org/tap/the\\_strategic\\_cfo](https://erstrategies.org/tap/the_strategic_cfo)).