PRIORITIES BASED BUDGETING

Do you really need money for that?
Learning Objectives

- Redeveloping the budget process
- Community and School Board engagement in the budget process
- Resources for implementation
Budgeting “The Old Way”

1. Always start with last year’s budget – no sunset process
2. Determine how much money can be added
3. Each group lists their needs – starting with the groups closest to the classroom
4. All the money is gone by the time C&I is finished
Time for a Change

20/20 Hindsight:

- Lack of clearly articulated budget process, goals, and vision
- Significant misunderstanding of school finance and a certain amount of mistrust of the budget process throughout the community

Frisco ISD explores cuts after voters reject tax hike

The superintendent at Frisco ISD said Monday the district will not see cuts this school year after voters rejected a 13-cent tax increase over the weekend.

Author: David Goins
Published: 9:47 PM CDT August 29, 2016

FISD Outlines Budget Development Process Following TRE

Sep 08, 2016

The Frisco ISD Board of Trustees met in special session on September 6 to canvass votes of the August 27 Tax Ratification Election and discuss 2017-18 budget development and proposed budget savings for 2016-17. The election failed with 56 percent of the vote, effectively rolling back the combined tax rate to $1.46 per $100 valuation. The 13-cent increase would have increased revenue for day-to-day operations and helped offset cuts in state funding.

"It’s an opportunity to bring out the best in us — to review our processes and our practices, to listen to our community, to respect the outcome of this TRE very much," said Superintendent of Schools Dr. Jeremy Lyon.

"That's why we put it before the community and we got that feedback and our commitment is to move forward with it that we have and absolutely stick to our core purpose and mission of providing great education for our members, our families and our students and conserve the great programs we have."
PRIORITIES BASED BUDGETING: YEAR 1
What is Priorities Based Budgeting?

**What are the district’s priorities?**

- Fund high priority areas that will have the greatest impact on students

**How can the district pay for those priorities?**

- **Savings Options**
  - Reduce or eliminate spending in areas that don’t align with priorities

Within both investments and savings options, there are opportunities to make current spending more efficient.
Process Leadership

Steering Committee
Oversee overall direction and decisions of the priorities-based budget process

Working Group
Manage day to day aspects of the work; oversee analysis of the action teams; synthesize findings into concrete recommendations for final approval from the Steering Committee

Board of Trustees
Contribute guidance to the process from a governance perspective

Community & District Stakeholder Committee
Contribute guidance to the process from perspectives of key community and district stakeholders

Action Team
Conduct the analysis and investigation into each of the instructional priorities and cost savings options
(one Action Team per area)

Project Manager
Manage overall process and coordinate efforts between each team involved

Outside Support
Provide technical assistance support to district for one or multiple efforts within process

(If needed)

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Contribute guidance to the process from a governance perspective

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(If needed)
Work Plan

Steering Committee Meeting

Plan and Prepare
1. Organize Process
2. Assess Landscape
3. Engage Stakeholders

Set Priorities
4. Develop Priorities
5. Estimate Cost of Priorities
6. Identify Top Savings Options
7. Analyze Top Savings Options

Pay for Priorities
8. Balance Budget Tradeoffs
9. Adopt Strategic Finance Plan
10. Adopt Annual Budget

Implement Plan
11. Build Internal Capacity
12. Plan for Continuous Improvement

Ensure Sustainability

Month

1. Organize Process
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Stakeholder Committee Meeting

Introduce process
Announce Priorities
Feedback on Savings Options

Submit Budget

Month

1 2 3 4 5 6 7 8 9

Ongoing

Month
BUDGET
GOALS & VISION

Throughout this process, our focus will be on student learning and we will be cautious not to be short-sighted in the long-term impact of our decisions.

As part of the budget development process, we will work to reduce or eliminate spending in areas that do not align with our identified priorities.

A successful priorities-based budget process will result in a balanced and sustainable budget that is aligned with the District’s mission to know every student by name and need.

FISD will build support for this initiative with staff and the community by listening, encouraging input and maintaining transparency.
BUDGET PRIORITIES

Recruit, retain and support an effective teacher in every classroom and an effective principal in every school.

Commit to the whole child by providing social, emotional, physical and academic support.

Provide a safe, secure and well-maintained learning environment.

Protect the classroom by guiding and supporting high levels of learning for all students.

Continue to maximize student opportunities through the small schools model.
Community Involvement

Committee:
- 28 community members appointed by the Board
- 25 staff members + 9 administrative leaders
- 20 meetings ~ 800+ hours of work

Communication:
- All committee information was posted online
- Every meeting was recorded and minutes were taken
- Priorities-Based Budget Committee Website
- Comprehensive Budget Book
School Board Involvement

- Each Board member was a member of one of 7 stakeholder sub-committees and attended every meeting
- Process update at every regular Board meeting from February to June
- Comprehensive budget recommendation presentation in April... *that lasted 3 hours and 42 minutes!*
Prioritization Process

- Each budget owner listed all the things they pay for ("objectives") and prioritized them using a complex scorecard.
- The community also prioritized all objectives as "high", "medium", "low".
- Recommendations for spending cuts/changes were made based on those priorities.
Year 1 Outcomes

Successes:
- Community education and engagement
- Comprehensive list of priorities across 7 focus areas
- A process that involved everyone
- 59 budget recommendations that resulted in a net $2 million (0.5%) increase in the overall budget

Opportunities for Improvement:
- Process took too much time
- Level of community involvement was unsustainable
- 7 focus areas kept needs in silos
- Budget cut mentality left need to create future buy-in with internal stakeholders
PRIORITIES BASED BUDGETING: YEAR 2
Year 2 Goals

- Continue priorities based budgeting
- Maintain some level of community engagement
- Develop internal buy-in by:
  - Creating a more sustainable annual workplan
  - Developing standard, data driven budget request tools
  - Focusing on collaborative decision making at the cabinet level
- Maintain transparency with the School Board without requiring them to attend every meeting
New Internal Workplan

01 Budget Request
Budget owners complete and submit a budget or personnel request form

02 Cabinet Member Initial Review
Cabinet member is notified of the requests and reviews supporting documentation. The request is moved forward or suspended.

03 Cabinet Scores Each Request
Each cabinet member scores each request that has been moved forward using an electronic scorecard.

05 Budget Development Meeting
Cabinet meets to discuss and review prioritized request as a team. The outcome of the meeting is a list of recommended changes to next year’s budget.

04 Requests Ranked/Prioritized
CFO compiles all scorecards and provides a priority score and rank for each request.

06 Board Reviews Recommendations
Board reviews recommendations submitted by IST and requests changes, omissions, and/or additions.
Request Forms & Scorecards

Budget/Personnel Allocation Requests 2018-2019
Choose the tile that best fits your request!

Criteria | Weight
--- | ---
Immediacy | 30%
Population Served | 20%
Sustainability | 20%
Alignment with Priorities | 30%
Total Weighted Score | 100%

NEW FTE REQUEST FORM

Requestor Name: Stephanie Cook
IST Member: Cory McLeod
Identified need: Student Assistance Counselor 7
Total dollar amount requested: $7,000 x 7 = $59,000
Budget year: 2018-2019

Rationale:
Due to growth, current SACS are not at a campus for a full day. We are opening two additional secondary campuses (Leuker and Memorial). This will mean that campuses go more than a week without a crisis counselor. Most districts have one full-time person everyday.

Backup documentation:
Non-Counseling Related Tasks - STEPHANIE COOK.docx
Job Description (if applicable):

Student Assistance Coordinator - STEPHANIE COOK.docx

Risks of not fulfilling this need:
Students in mental health areas may not be met if academic counselors are in classrooms or at other campuses supporting.

"Plan B" including estimated costs:
Campuses will go longer without a counselor (example: once every two weeks).

REVIEW / SUSPEND: Review
IST MEMBER INITIAL: CM
COMMENTS:
High Priority - This will allow us to have one crisis counselor per feed pattern allowing this counselor to work with campuses on a more consistent basis. Right now, our SACS go to a campus one day per weak and are not getting to the majority of the students they need to see.
Concerns in this area have been raised from the LEPC, whole child subcommittees, and faculty council.
Community Involvement

Committee:
- 50 external stakeholders (half from PBB Committee and half via application)
- 25 staff members + 9 administrative leaders
- 5 meetings ~ 350+ hours of work

Communication:
- Summaries of committee meetings were discussed at regular Board meetings
- Comprehensive budget book
- Social media budget summary
School Board Involvement

- School Board members were invited to attend committee meetings (posted Board meetings)
- Summarized updates of committee work at regular Board meetings
- First annual School Board Budget workshop:
  - School Finance 101
  - Key budget assumptions
  - Peer district benchmarking information
  - Budget process overview and detailed expenditure recommendations
Year 2 Successes

- Built trust and momentum with community, leading to a successful bond and TRE package in November 2018
- Sustainable, objective process was in place that could be used every year
- Process was much more manageable than year 1
- Trade-offs happened because no one knew how much money was available up front
- All the documentation made it easy to develop materials for budget communication
Year 2 Opportunities for Improvement

- Request process somewhat complicated
  - 4 different forms depending on the type of request
  - Dissertations for supporting documentation
- Scorecard process was cumbersome for cabinet members
- Volume of requests made it difficult to see the big picture, resulting in:
  - Requests being reviewed and awarded in silos
  - After-the-fact, non-collaborative decision making
- The need to identify savings areas was gone because the TRE failure was in the past
# FISD Priorities Based Budgeting

<table>
<thead>
<tr>
<th>What’s Changed:</th>
<th>What’s Stayed the Same:</th>
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<tbody>
<tr>
<td>● One straightforward budget request form</td>
<td>● Community involvement (on a smaller scale)</td>
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<tr>
<td>● Easy, objective scorecard for cabinet members</td>
<td>● Cabinet members aren’t told how much money is available up-front</td>
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<tr>
<td>● 2 levels of review and scoring</td>
<td>● Comprehensive Board workshops</td>
</tr>
<tr>
<td>● Requests are reviewed and discussed in priority order</td>
<td>● Communication of process via annual budget book</td>
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<tr>
<td>● 2 rounds of budget requests/recommendations</td>
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RESOURCES FROM FRISCO ISD
# Frisco ISD Budget Request Process
- **FISD 2020 Budget Request Process**
- **Budget Request "How To" for Budget Owners**

# Request & Scoring Tools
- **Budget Request Form**
- **Budget Request Cost Spreadsheet**
- **Scorecard**

# Budget Communication Examples
- **Sample School Board Budget Workshop Agenda**
- **Sample Budget Committee Meeting Agendas**
- **Budget Books**
- **Social Media Budget Summary**
- **Websites**

# Other Resources
- [https://smarterschoolspending.org/](https://smarterschoolspending.org/)
Thank You!

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