
Preface

BUDGETING: BALANCING COST EFFICIENCY AND EDUCATIONAL EFFECTIVENESS

A plethora of fiscal crises is clearly negatively impacting schools across the nation. Economic stress has proliferated globally in recent months, with financial reductions trickling down to cause stress and strain in individual school system budgets. Moreover, with political efforts to reduce the scope of government, including school systems, commentators and critics of public schools continue unabated in their assaults on tax revenues. Shortfalls, cutbacks, and retrenchment have emerged of late to threaten not only education itself but also the essential quality of schooling and human development for youth. The end does not appear to be in sight at the time of this writing. Coping with financial rollbacks and justifying educational programs and services in times of financial recession is no easy task. Although the work is challenging and time is fleeting, education can demonstrate quality to skeptics, exhibit fiscal prudence to taxpayers, and enhance productivity given suitable tools, processes, and confidence in the mutually beneficial relationship between schools and society.

This book seeks to provide the tools, procedures, and some insights into how productivity is enhanced within the prevailing context of limited resources and problematical decision making in resource allocations. Budgeting is the result of a number of actions taken in school systems, including the following:

- The determination of the resources the system may need and where it might use them
- The identification of where and how the system may derive revenues and funding
- The choices the system may make for using those revenues on programs, services, or matériel (i.e. equipment, apparatus, and supplies of an organization)
- The selection and execution of a decision-making process for allocating resources
- The demonstration of quality within the educational institutions despite limited resources and public gloom common in hard economic times

However, the challenge of budgeting doesn't end there. School leaders need to choose from several types of budgeting processes, to follow principles of quality enhancement with cost-benefit analysis, and to capitalize on the benefits of performance-based budgeting processes to get optimal productivity or "bang for the buck" and to assure their constituencies that confidence in the school system is not misplaced.

It is time for a change in school budgeting practices for a number of reasons. Most school administrators are aware of contemporary pressures caused by social-political forces that want schools to get better at what they do while at the same time expecting those improved results with the same or even less financial support. This anomaly persistently challenges educational leaders to meet often conflicting expectations.

Of course, school transformation and improvement activities have significant budget and management implications. In improving the effectiveness and quality of instruction, it is often necessary to make changes in operations without any corresponding increase in resources. The challenge is to improve the productivity of schools within existing, or even diminishing, resources. As one discerning teacher once said, "We need to do more with less." Educators have had to make do with little in the way of resources for generations, and have done remarkably well under the circumstances.

Moreover, budgeting for both quality and economy is not quite that simple, and school improvement calls for careful planning, particularly in the use of scarce resources. As educators work to budget financial, human, and technical resources for school quality enhancement, the focus of activity must be on *what needs to be achieved*, not what the organization plans to buy.

Performance-based budgeting is remarkably straightforward, but it is not commonly found in public schools across the country. It is a different paradigm, but it provides school systems with improved understandings of system needs, program and service initiatives, and ways and means of evaluating for system advancement in their core mission—teaching and learning. Performance-based budgeting is based upon some clear-cut—some might say common sense—principles, including the following:

- Budget making is not a plan—it is a financial mechanism to carry out an organizational plan.
- Closely held budget processes and closed governance are potentially corruptible. Transparency in budgeting is necessary for credibility and productivity.
- Participatory decision making is not the same as shared decision making, where decisions are "made and shared." It is decision making where participants are equals in formulating determinations.
- Participatory decision making leads to better information, decisions, understanding, and support.
- Tangible connections between costs and objectives are essential—what is gained or lost needs to be clearly evident with or without funding.

- Budget decision accountability demands evidence of results and performance, lucid validity of assertions and intentions, and demonstrated improvement in organizational outputs per unit of input.

The recent proliferation of fiscal crises is clearly negatively impacting schools across North America. This book offers practical strategies to overcome obstacles and constraints. It's a guide to doing more with less. It hopefully provides tools for school system leaders in confronting financial constraints, in surmounting organizational limitations, and in improving the quality of the educational enterprise.

On a final note, no book of any type is the exclusive product of one individual, and this book is no exception. First and foremost, I am eternally grateful for the blessings and encouragement I have received from my wife of nearly five decades, Marcia, and my supportive family—especially my daughters, Heather Boeschen and Holly Kaptain, who unselfishly contributed to the quality of this book.

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Gratitude is also due to many, many others, too numerous to list here. And that sentiment underscores one of the philosophical underpinnings of the precept that “all of us are smarter than any of us.” To my many friends and colleagues who have shared in and contributed to my professional growth and knowledge, I humbly offer my sincere thanks.