



The School District of Clayton's 2015 Budget Planning Guide

Zero-Based Budgeting – An Overview

- Transition to Zero-Based Budgeting (ZBB) is a major outcome within the Resource Management theme of the District's strategic plan. It is not a budget reduction process.
- ZBB is about building a budget from the ground up that aligns it with District priorities for instructional practices and organizational needs.
- It is an opportunity to reevaluate how we organize and prioritize our funding as opposed to basing it solely on historical spending trends.
- It is an opportunity to be open and transparent about our finances by creating accountability for what we spend and transparency around the decisions we make about where we spend our money.

Helpful Definitions

Incremental Budgeting – A budgeting process that uses historical (last year's) expenditures as a baseline that is automatically approved with adjustments made based upon requests.

Zero-Based Budgeting – A budgeting process that assumes that spending levels are driven by current needs (District goals) as opposed to historical trends.

Needs - Resources required to provide only the most fundamental services essential to execute the written curriculum, ensure adequate support services and operate the buildings.

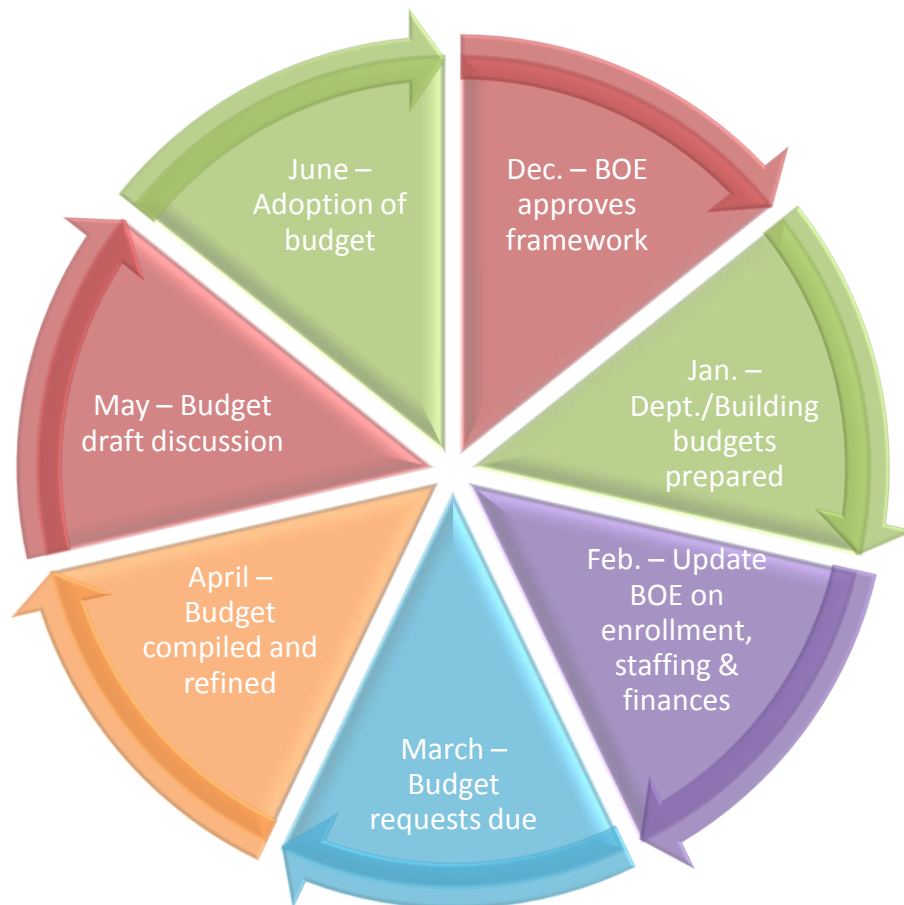
Wants - Resources essential to provide educational services, which expand the written curriculum and achieves the level of excellence provided by the District.

Enhancements - Resources that will expand educational services and opportunities for students in alignment with Superintendent goals and District Strategic Plan.

Decision Unit – A decision making group of staff that can be made up of representatives from grade levels, subject areas, programs and departments that develop and prioritize budget requests.

Introduction to the Zero-Based Budgeting Process

The budget is an indicator of the Resource Management component of the District's strategic plan. It is the mechanism for allocating funds to pay for the personnel, goods, and services needed to achieve the goals of the District. The annual budget cycle is summarized below.



Each year, the Superintendent and the Chief Financial Officer present a proposed budget to the Board of Education that includes estimates of the total expenditures required to operate the District. Before that can happen, staff across the District must work through a number of components to develop these cost estimates. This process requires active involvement from teachers, building leaders, coordinators and all support staff in setting the stage. District Administrators are committed to fostering inclusive budget discussions centered on student achievement and the six goals that are leading the Superintendent's work:

1. **Academic Excellence:** Implement instructional practices and supports that will result in achieving one year's academic growth for all students, along with the intervention plans to monitor and promote growth for students who may fall short of meeting one year's growth during this time.
2. **Academic Excellence:** Examine instructional models and practices related to how we organize for at the middle school to ensure rigorous educational opportunities for all students. Focus on: academic rigor, core classes (Literacy, Social Studies, Math and Science)
3. **Teacher and Administrator Excellence:** Refine and implement teacher evaluation and supervision system to ensure that high quality teachers are in place in all classrooms for all students.

4. **Growth and Development of the Whole Child:** Reduce bullying behaviors by students and providing education to both students and parents on how to identify bullying behaviors and problem solve on how best to respond to a bullying situation.
5. **Resource Management:** Establish and implement a “standing” long-term financial planning committee to support the District’s resource management efforts including the rollout of the zero-based budgeting process.
6. **Resource Management:** Develop a two-year salary agreement with teachers.

Building the Budget to Align to Budget Priorities

Since there is no wrong way to prepare a budget or a standard budget process for ZBB, each administrator must build the process around the building’s/department’s culture to ensure what they do, who they do it for, why they do it and how well they do it are all maintained. By developing their own approach to this process, the building/department owns each decision provides input to each decision and is accountable for its results and how the results are defined.

Each administrative leader will be tasked to identify the Needs of the building or department by using decision units. Needs are defined as resources required to provide only the most fundamental services essential to execute the written curriculum, ensure adequate support services and operate the building. A decision unit is a decision making group of staff that can be comprised of representatives from grade levels, subject areas, programs and departments that develop and prioritize budget requests. The Needs recommendations will be reviewed during the January District Leadership Committee meeting.

Next, each administrative leader will be tasked to identify Wants and Enhancements of the building or department again by using decisions units. Wants are defined as resources essential to provide educational services, which expand the written curriculum and achieve the level of excellence provided by District. Enhancements are defined as resources that will expand educational services and opportunities for students in alignment with the Strategic Plan. Each administrative leader is asked to work with their decision unit(s) to prioritize the list of Wants and Enhancements in order from most important to least important. The decision unit level prioritized Wants and Enhancements lists will be discussed at the March District Leadership Committee meeting and prioritized at a District-wide level.

What is the difference between a Need, Want and Enhancement?

The first step of identifying the needs of a classroom, program or building is to identify the objective of the curriculum and then ascertain what is controllable and control those factors. In other words, have a clear picture and understanding of the expected objective and what is necessary to attain the objective.

For example, “Night of Bands” is a cumulating performance of all the District bands in a single, year-end, event. The written curriculum requires a final band concert. However it is not specified that it will occur in the exact fashion as “Night of Bands” dictates. There are specific expenses associated with the event that would not be incurred if the final concert was held instead in each individual school gymnasium or theatre. The “Needs Package” for the band program would only list what was required by the written curriculum and as a result, no expenses would be listed. The current level of service, “Night of Bands,” would represent a “Wants Package” and expenses for this event (chair rental, program printing costs, etc.) would be listed as a want with a narrative provided that describes how it continues the current level of services expected by our students/parents, expands the written curriculum, and aligns with District goals. Perhaps teachers and/or the coordinator have an even better suggestion to present as an “Enhanced Package” to expand the services beyond the current levels.

When preparing requests, decision units are encouraged to review spending in prior years to evaluate what level of funding is required to support the needs and wants of building and department programs, services, and operations. Following is a list that includes a few of the things that should be considered:

1. Do I have to have this item to execute the written curriculum for my class?
2. What would I do differently if I did not have this item for my class?
3. How have my supply needs changed over the last two years?
4. Are there any unusual items required for this program?
5. Are there any pieces of equipment or technology in my classroom that need replacing?
6. How can I change my work to better support the District's Strategic Plan and annual Superintendent Goals?

As always, the District's goal is to promote involvement and make focused, transparent and evidence-based decisions. The framework for these discussions continues to be the District's Strategic Plan and annual Superintendent Goals.

Collaborating to Balance

A zero-based budget starts from a "zero base" and every function within an organization is analyzed for its needs and wants – All expenses must be justified. Budgets are then built for the upcoming year based upon these District-wide prioritized requests. The final ZBB budget is then balanced given funding constraints approved by the Board.

All members of the District Leadership Council will share in the experience of analyzing budget trade-offs and making tough decisions between building and department requested wants and enhancements.

Participating in the Budget Process

The budget cycle offers many opportunities for interested parties to participate in building the budget. The major roles filled by staff and the stages of this process are as follows:

1. **Teacher:** Develops a plan of action to achieve curricular objectives. Resource needs are identified and presented to the respective Decision Unit leader or building administrator.
2. **Department/Grade-level Chairperson:** Decision Unit leader who coordinates the educational program for the entire department or grade level, and determines the appropriate resources. Compiles and reviews resource requests from teachers and forwards them to the building or department administrator.
3. **Building or Department Administrator:** Manages the educational priorities for the entire building or department. Approves total resources to fit building-wide priorities and prepares justification for building wants and enhancements to be submitted to the District Leadership Committee for review.
4. **Central Office Staff:** Coordinates the District-wide educational programs. Reviews and consolidates resource requests to ensure enhanced student achievement.
5. **Chief Financial Officer:** Establishes guidelines and timelines for budget development; calculates formula-based allocations; and, prepares enrollment and staffing projections. Reviews and consolidates requests to ensure proper costing within budget constraints. Prepares materials for the District Leadership Committee, Superintendent, and Board of Education as well as the final budget document.

6. **District Leadership Committee:** Reviews and prioritizes all building and department submissions; reviews school staffing; and, makes recommendations to the Board of Education for program enhancement, allocation funding, and school staffing.
7. **Board of Education:** Reviews and approves the final budget document.

Budget Process Timeline

Key dates for the 2015-2016 budget process include:

1. November 18, 2014 – DLC review of process, forms, and Strategic Plan.
2. December/January – CFO attends each building and department's primary Decision Unit's initial meeting.
3. February – CFO attends each building and department's primary Decision Unit's final meeting.
4. February 20, 2015 – Building and departments submit needs to CFO.
5. February 24, 2015 – DLC review of needs and approve as a Decision Unit.
6. February 27, 2015 – Building and departments submit wants and enhancements to CFO.
7. March 5, 2015 – DLC review of staffing needs and prioritize building and department Decision Unit wants and enhancements at a District-wide level.
8. May 20, 2015 – Budget draft presented to Board of Education.
9. June 10, 2015 – Final budget approved by Board of Education.