

# PEAK PERFORMANCE

Practical Strategies, Resources,  
Processes, and Wisdom for  
Governing Boards and their CEOs

## The Board's Role in the Budget Process

*Is there any district not financially challenged right now? Use your policies and governance acumen, like this example from Fairfax VA, and exercise the leadership your district and community need and deserve from you!*

**Times are tough. In school districts throughout the nation, that translates to some of the most difficult budget challenges most of us have seen in our lifetimes. As in all economic cycles, we will get through this mess, but we're now in the middle of something very ugly, and that means that skilled leadership from the boardroom is needed more now than ever before.**

Most budget-reduction processes leave everyone upset. Even if the process is a good one, people never are pleased that solid programs go away, that people lose their jobs, or that other important parts of the organization contract. If the process used to produce those results isn't a good one, the disappointment is compounded.

Traditionally, as boards decide how to reduce budgets, members labor over the budget, debating even the smallest line items. Typically, the "winners" are those line items that have the greatest political following, those that are considered sacred by the greatest number of board members and organized groups. In some cases, the process takes weeks and months to play out to completion, prolonging the agony.

**What is the proper role of any governing board in the budget process? Does it change based upon whether times are bad and budgets need to be reduced, or whether the economy is good and there are opportunities to expand?**

**That role should be the exactly same in both economic environments.**

In each of your policy manuals, you have developed a policy that defines the board's budget values. Most of you have said that the budget should be:

- balanced;
- based upon conservative revenue estimates;
- directed at the board's Results/Ends and operational goals priorities;
- based upon clearly revealed assumptions;
- presented in a clearly understandable format.

These are well-defined criteria that guide the superintendent and staff as they massage the numbers and offer a spending plan that meets the criteria.

But realistically, you ask, what about more specific concerns that are prevalent during budget-cutting cycles that may not be important when cuts are unnecessary? It's a relevant question, because quite obviously, regardless of the process used or the public relations strategies deployed during cuts, pressures rise on the decision-makers, who are challenged to develop and approve a spending plan that best reflects the community's expectations of the schools.

**When budgets must be cut, it may be necessary for the board to offer additional criteria to guide the superintendent's and staff's decision-making.**

## **The Fairfax Process**

That is precisely what the Fairfax County, VA school board did this year when it was forced to cut \$157 million from its \$2.2 billion budget. Those are big numbers, to be sure, but on a percentage basis, they probably are not much different from the numbers most other, smaller districts face.

In order to guide and control the budget preparation work done by staff, the board held a number of sessions to discuss its values about the budget and to develop a set of criteria that would further guide staff work. The final product was a set of 13 criteria, stated more specifically than the board's previous Operational Expectations. That document is attached.

**At first reading, it appears that the board threw everything into the mix, and essentially said that it values everything and therefore, don't cut anything. But the board went one step further: it ranked each of the 13 priorities, and assigned a numerical ranking to each.**

Armed with a clear statement of the board's priorities for the budget, the staff proceeded to develop the budget document and offer it to the board, along with evidence of how the numbers accomplished the board's priorities.

**When the reports came to the board, the discussion was not about line items or specific programs, but about how the board's priorities had been translated into numbers. Final adoption of the budget was a smooth, relatively painless process.**

*(We should point out that Fairfax uses a customized governing system we assisted them in designing that it calls "Strategic Governance." Its Operational Expectations are not stated as policies, but as stand-alone statements of expectation that rigorously are monitored. In your district, the board's budget priorities/criteria would be inserted into the board's OE Budget policy and monitored).*

A process such as the one followed by Fairfax is not limited to the challenge to develop a reduced budget. Such a process can and should work equally well whether the budget is a "normal" one or is being done in an environment of financial retraction.

The point? The board can and should direct the operational system, including the budget, through policy. This means making decisions at a broad level, and avoiding the temptation to scrutinize each line item. That is the role of staff.

**Administrators have been trained to do that work, and they are responsible for producing defined results and accountable to the board for their success.**

The experience in Fairfax proves that such a task can be done well.

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Ed. note: *The Fairfax board and administration have agreed to share their criteria with you on page 3!!*

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## FAIRFAX SCHOOL BOARD BUDGET/PROGRAM REVIEW CRITERIA

### Values of the criteria to ensure quality academic programs:

- A. Adhere to state/federal mandates **(MUST)**  
Explore withdrawing from optional state and federal programs if expenditures exceed revenue or programs are not consistent with SB goals while adhering to legal mandates.
- B. Ensure safe and secure environment **(10)**  
Allocate sufficient resources to ensure students and staff can work and learn in a safe and secure environment including the continuous review and practice of emergency procedures.
- C. Ensure quality academic programs (Goal 1) **(10)**  
Maintain Achievement Goal 1 as the most important of the three goals with the reasonable interpretation approved by the SB. Within this goal, the core disciplines (Goal 1.1 – rated 10) are followed by fine & practical arts and technology (Goal 1.3 and 1.5 – rated 8.5); countries and cultures of the world (Goal 1.4 – rated 8); and two languages (Goal 1.2 – rated 7).
- D. Ensure program and operational efficiency and effectiveness **(9)**  
Utilize internal program evaluation reports, comparisons to APQC Best in Class school districts, student achievement results for specific programs, Monitoring Reports for Operational Expectations and SAGs, expenditure data over five year span, and professional expertise from other school districts to measure efficiency and effectiveness of programs.
- E. Maintain competitive salary/benefits **(9)**  
Promote employee morale and productivity by maintaining a quality work force through a supportive environment, competitive salary and benefits as defined in the OEs for HR. For this review, fewer employees, who are well treated and supported, are preferable than more employees with little support, less competitive compensation and other detractors.
- F. Maintain support for effective classroom teaching and learning **(9)**  
Focus on classroom teaching and student learning as the primary mission of FCPS. Teachers are most effective when:
- Instructional expectations are clear
  - Quality curriculum materials are available
  - Ongoing training and development is provided
- Provide support to teachers working with colleagues to analyze instruction, student performance and intervention strategies.
- G. Emphasize K-3 (early investment) **(8)**  
Ensure early investment in basic academic skills and essential life skills so that our students have a solid foundation to reach their full potential.
- H. Support Goal 2 **(7)**  
Goal 2 has a reasonable interpretation approved by the SB.
- I. Provide resources for students not meeting academic expectations **(7)**  
Deploy necessary resources to analyze student needs (academic, social, or emotional) and to develop and implement interventions when children are performing below expected student achievement goal levels.
- J. Support lifelong learning **(6)**  
Continue to provide a rich offering of academic and extracurricular activities and experiences that will benefit students of all ages.
- K. Support Goal 3 **(6)**  
Goal 3 has a reasonable interpretation approved by the SB.
- L. Minimize negative impact on families **(6)**  
Provide world class educational opportunities that do not place undue burdens on students or their families.
- M. Foster relationships with community **(4)**  
Provide staff-supported opportunities for Fairfax County residents to interact and connect with FCPS—partnerships, mentoring, attendance at school events, community use of facilities, etc.

## The Gauntlet: Board Development in a Devastated Economy

Why is it that the first budget cut is often that of the board's professional development? To model sacrifices that will take place in the district? Or because the on-going plan for the specific learning, skill-building and content knowledge of board members is not understood, or more importantly valued, both inside the district and in the community?

You and your colleagues have embraced the belief that *if you govern well* - district operations will be more accountable and student achievement will increase. **You have invested in yourselves with a long view - not the one-time training so prevalent for traditional boards that recedes in the rear view mirror as you leave the mountain-top experience.**

You have finely-honed policies and a plan. You have a year-round calendar of rigorous monitoring of every aspect of district operations, committed to self-assessment to stay true to your healthy board culture and processes, developed a process for evaluating your superintendent with clarity and integrity. You believe that the learning environment begins with you and how you conduct business.

Painstakingly, you have identified Results for student achievement that address the WHOLE child - far-ahead of the important work advocated by the Partnership for 21st Skills. You have struggled with the non-academic skills and learning - and how to know they are being taught, modeled, learned and achieved - long before other boards have recognized the need and responsibility. You have identified what student achievement must be and evaluate, from the board level, whether it is happening.

Your work has involved a steep learning curve. You have learned what the term "govern" means; you've learned what is it to "own" the system - not tinker with it; you've learned about assessments, benchmarks, cohorts, meaningful linkage and advocacy to engender public support. **You have believed that systemic alignment and achievement begins with you.**

This business of governing well requires sustained focus and resources. With board turnover, your work can always be an election away from being dismantled and diminishing your legacy building of leadership. Courage to overcome public skepticism, even internal doubts, about the true value of board development requires extra efforts to demonstrate the practical benefit of good governance and its undeniable link to a learning environment that envisions, supports and demands high achievement.

For the district to be high-performing and have public support, you must strive for full capacity to do your unique governing job. It must be sustainable through on-going coaching, skill-building, collaboration with like-boards, evaluation and strategic points of re-directing and re-tooling.

More now than ever before, board development is worthy and critical to sustaining your district.

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