District Management Group

AN EXCERPT FROM

A Better Way to Budget

Building Support for Bold, Student-Centered Change in Public Schools

by Nathan Levenson

Originally published in *District Management Journal,* v.18, Fall 2015

> *Tight resources needn't stymie efforts to help more kids achieve in more ways.*

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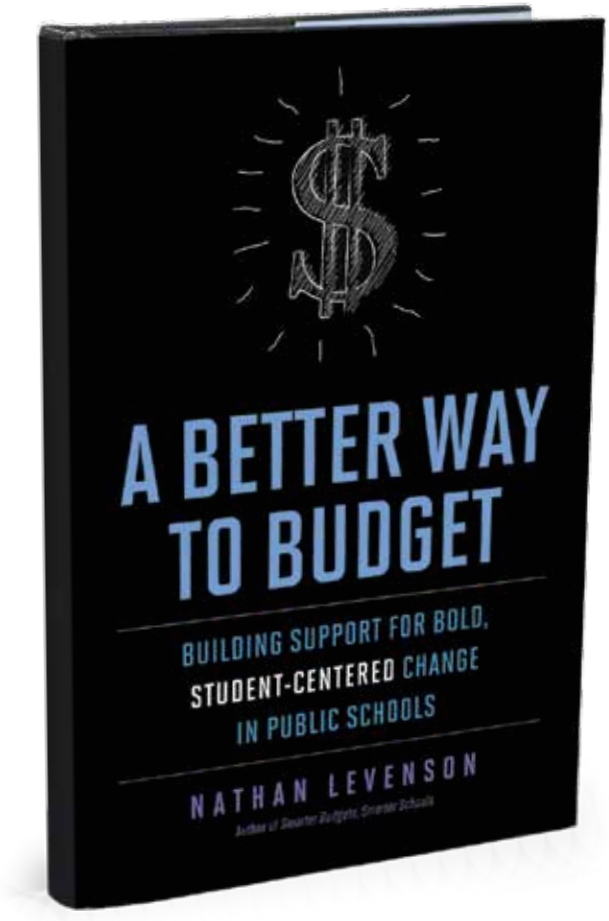


Nathan Levenson, president of the District Management Council, has just authored *A Better Way to Budget,* full of practical advice and tactical strategies for overcoming the political obstacles that can keep funds from being allocated to best support students. While Levenson's prior book *Smarter Budgets, Smarter Schools* identifies powerful ideas for resource allocation, *A Better Way to Budget* focuses on gaining the support to put these ideas into action. Levenson explores ways to improve the budgeting process to normalize change, minimize pushback, and build public buy-in for needed reforms. Drawing upon his work at the District Management Council, his experiences as a superintendent and school board leader, and the collected wisdom of many successful district leaders, Levenson shares eight lessons that are sure to help build support for student-centered district budgets. The following excerpt provides a glimpse of the tactics explored in the book.

Introduction

Why Do We Fight over Budgets?

I have never met a superintendent, school board member, administrator, teacher, or taxpayer who didn't want to help children be successful in life. In a highly polarized country, we all actually agree that a solid education is critical to our children and our collective future. Why, then, do school budgets become a bruising battleground? So fierce are these battles that it is common for district leaders to propose budgets that don't reflect what they think is best for their students. Why do school boards pass these less-than-best budgets and, worse, why do so many leaders who push hard for ensuring every precious dollar is doing the most good for students lose their job or their political capital?

I remember the advice I received just before starting as superintendent in Arlington, Massachusetts. Like so many other new district leaders, I made the trek to visit a revered sage, a former uber-successful superintendent who seemed to have all the answers. As I eagerly outlined my goals and plans, he held up his hand to stop me and said, "Nate, no superintendent ever got fired because the kids can't read. They get fired for how they tried to help kids to read." I dismissed this advice as the cynicism that comes with age, politely cut the meeting short, and wondered how he ever got to be so respected.

With the arrogance and energy that come from the dangerous mix of naïveté and passion, supercharged by a near-twenty- year career in the private sector, I set out to make sure every student in my district could read and master higher-order thinking skills, and so much more. The facts that the district had only a moderate level of spending, near the state average, and that revenue was shrinking even as enrollment and costs were growing didn't dent my determination. I knew how to manage finances, and with expert guidance from a very wise cabinet and team of principals, quickly mapped a plan to accomplish our ambitious goals for our students.

Then everything hit the fan. My cabinet had assumed I would be asking (begging and pleading, actually) the town for more money to implement our improvement agenda. I had no expectations that more money was coming, so I had always intended to spend the dollars we did have differently—to fund our priorities and cut elsewhere. A few days after presenting my budget, just after dozens of administrators, many board members, and a multitude of staff voiced wild opposition to the budget, I again made the trek to visit the sage former superintendent. I listened more closely this time.

This book is the product of many years of collecting such advice from many wise and successful district leaders, coupled with the experience I've gained as a partner at the District Management Council—a firm that works with school districts across the country, helping them raise achievement despite tight resources—and my personal experience as a superintendent and school board leader. It is also the product of →

WHAT PEOPLE ARE SAYING

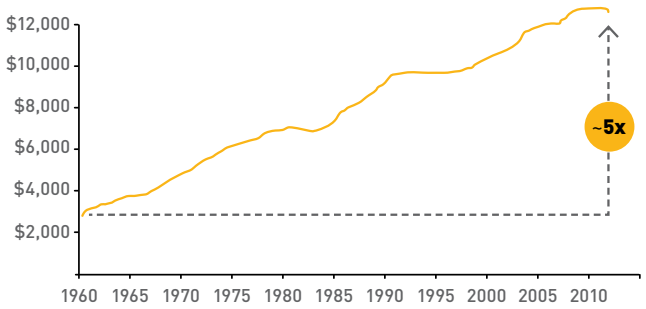
"*A Better Way to Budget* is filled with insightful and practical guidance gleaned from decades of real-world experience. Nathan Levenson has crafted a go-to guide for building support for school system leadership priorities, providing guidance on every step in the process, from building relationships with stakeholders to changing the culture from within."

—**Renee A. Foose**
Superintendent, Howard County Public School System (MD)

"Levenson provides school leaders with a resource they can begin using immediately to create a school district culture that is change-adept and built on principles and processes that strategically align fiscal resources—and the work of staff—around improving student learning."

—**Jeff Ronneberg**
Superintendent, Spring Lake Park Schools (MN)

Figure I.1 **INFLATION-ADJUSTED PER-PUPIL SPENDING**



Source: Adapted from U.S. Department of Education, National Center for Education Statistics, "Mobile Digest of Education Statistics 2013," http://nces.ed.gov/programs/digest/mobile/. (Shows current dollars (not including capital outlays and interest on debt.)

my experience working across the country with K–12 district leaders to implement a set of ideas for doing more with less, which I collected in a 2012 book called *Smarter Budgets, Smarter Schools* (Harvard Education Press). While there has been strong acceptance by leaders to many of the ideas in that book (even those I called "crazy"), I have realized that sharing these ideas for resource reallocation was not enough. One of the most common questions I receive now as a consultant is: How do I get the school board, principals, central office, town/city, and other stakeholders to support rather than fight these changes? This new book is written to provide strategies and guidance to school superintendents, central office leaders, building principals, and school board members interested in learning how to improve the budgeting process so that bold, student-centered ideas can be passed. It will focus on improving the process of budgeting in order to avoid or overcome political pushback and technical barriers that typically stymie attempts to boldly shift resources. While building off the previous book, this book is written so that no prior knowledge is needed and is intended as a stand-alone resource to help educators implement any bold decisions, including but not limited to the ideas in *Smarter Budgets, Smarter Schools*.

It has been my mission to learn how to peacefully build great budgets and shift funds to help students. I have learned much and discerned eight lessons worth sharing in the following chapters about how to build and maintain support for bold, student-centered budgets—what I refer to as "smarter budgets" in this book—especially when tough choices and some pain are part of the plan. In the process I have become optimistic that the needs of students, staff, and taxpayers can be balanced in a way that will prepare all students for a productive and fulfilling future.

While many districts struggle to build a balanced budget given the growing needs of students and limited resources, passing a balanced budget is an absolute must, and more than 99 percent of school districts do it every year. They make tough decisions, add programs, cut staff or pay, and balance their budget. It's seldom fun, but always done, and usually on time and accurately—that is to say, when the year ends, expenses do typically match revenue.

So why does anyone need a book on passing smarter budgets, if nearly every district already can build, pass, and deliver a balanced budget no matter how deep the cuts? Because far too many districts aren't passing the *best* budgets, just balanced ones. They are making the wrong cuts, postponing needed investments, and, paradoxically, sometimes not cutting enough in order to improve outcomes! The vast majority of district leaders I meet have good ideas for how to raise achievement or expand the arts or support the social and emotional needs of children with the dollars they have, but they can't garner the support for all of these changes. They can't pass a budget that does the most good for the most children.

Historically, many school districts have equated improvement efforts with new funding. If lots of kids struggle to read, then hiring reading teachers or buying READ 180 software seems a logical step to remedy the situation. Of course, this requires extra dollars for salary, technology, and training. If too many students are dropping out, then hiring more counselors might be the answer. Too often, these thoughtful and reasonable responses are predicated on a big grant, a local tax increase, or more state aid. They all start with new dollars.

The modern history of K–12 education has been a steady, significant increase in real, inflation-adjusted, per-pupil spending. It has increased steadily for over fifty years. The recent financial crisis and competing demands for municipal, state, and federal dollars have changed all this. Spending is down and likely to be very tight for years to come (see figure I.1).

This constant growth in spending has created in many districts a Pavlovian response in which they solve challenges with new programs that require new funds. In a world with-

out growing budgets, will new programs be started? Will challenges go unaddressed?

The optimistic view is that even as budgets tighten, new challenges will be forcefully addressed because old programs will be cut so new ones can be started. Often called "addition by subtraction," it's a commonsense response to growing needs and shrinking revenue—but it's a difficult one. Its cousin strategy, "pruning the garden," which calls for ending less effective, strategically less important efforts to preserve more important ones, is another thoughtful response to tight budgets. In the best of worlds, district budgets will fund strategic priorities, shift resources as student needs shift, and abandon programs that aren't effective or cost-effective.

Unfortunately, the most common response to tight budgets is a nasty, difficult battle over what stays and what is trimmed. What would help the most children is just one of many considerations, and often not the deciding factor.

Every superintendent, school board member, central office administrator, principal, education reformer, and all their friends and loved ones know that passing a district budget that includes big changes, even if the changes are just great for kids, is hard—very hard, in fact. Packed school board meetings, tears, anger, mean letters to the editor, and fierce pushback often leave thoughtful, good-for-kids budgets stripped of much of what was wanted, and the status quo or across-the-board reductions are passed in its place.

Nearly all school and district leaders can share a story or two about how hard it was to make bold, sweeping changes to school budgets. These stories often include imagery of intense conflict, such as "budget battles," "brutal fights," or "a grinding assault." The conflict is framed as a battle—between reform and status quo, or kids and adults, or two other such "opponents."

A more nuanced and more helpful way to understand (and thus effectively manage) the seemingly ever-present conflicts during budget season is to see the struggle as a tug-of-war between two equally noble and reasonable sets of values: valuing organizational health and valuing higher student achievement. Both are important, but sometimes they are at odds (see figure I.2).

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Organizational health means having pride in the school or district, wanting people to feel valued, caring about the feelings of others, and ensuring financial stability for hardworking, dedicated staff. These values seem like a moral compass pointing toward true north. Don't we all want to feel pride in our schools or care about caring people? Would we want to work with others who didn't have these values? Would we want to lead an organization that didn't care about these goals, or want a leader who didn't embrace these values?

All the district leaders I know value a caring organization, and all the educators I have met want students to achieve at high levels. We all care about the health of our organization (its people) and raising student achievement. Unfortunately, declining budgets cause a tug-of-war between these sometimes competing values that reside in us all. →

Figure I.2 **VALUES TUG-OF-WAR**

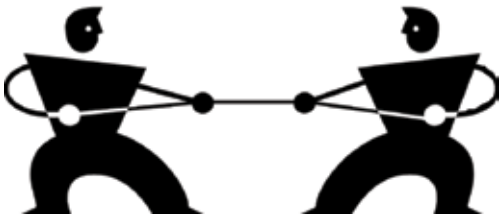

Image courtesy of Microsoft clip art/Creative Commons

> Far too many districts aren't passing the *best* budgets, just balanced ones.

Organizations also have collective experiences that shape their belief systems. Often, and with good cause, these past experiences can lead to limited support for new reforms embodied in student-centric budgets. It's not that people don't want to help more kids learn more, it's that they don't really believe a given reform will likely help many students.

Atticus Finch, the wise country lawyer from *To Kill a Mockingbird,* would have made a great superintendent and likely been able to pass bold, smart budgets because he knew "you never really understand a person until you consider things from his point of view . . . until you climb into his skin and walk around in it."

In the next eight chapters we are going to climb into the skin of those who most often come to school board meetings to fight next year's budget, who write letters, send e-mails, call hundreds to fight against the proposed budget, and generally make passing smarter budgets so damn hard. The goal is not to demean them, but to understand their legitimate concerns and craft specific, concrete strategies for winning them over, minimizing any pain, and diminishing the number who follow their lead.

Fully understanding why good people, who place a high premium on organizational health, fight changes to how limited dollars might be spent will provide a road map for shaping and managing future budgets in a way that is more likely to produce a result that's good for kids and better for the organization, without draining all the political capital of school and district leaders.

These are eight lessons that can help ensure every district budget is doing the most good for the most children while respecting the real needs of teachers, administrators, and other stakeholders.

Make change feel normal

It's just human nature: most people don't like change. We grow comfortable with what we know, have figured out how to manage and navigate the current system, often grow to like the status quo, and often worry that the new will be worse. Companies that made desktop computers didn't want to make laptops, and many laptop makers had no use for tablets. Even without the pressure of new technology, Sears didn't want to act like Target or Walmart, even as its customers left in droves to those other retailers.

While we can't rewire the human psyche, some districts have created systems, procedures, and eventually cultures that are more open to change and thus more easily embrace big shifts in spending more easily.

Build a vision before building a budget

Outwardly, most budget battles center on what's funded and what's not. Just below the surface, however, the battle is really about differing visions of what's needed, what's good for kids, even what's possible. By first surfacing these differing visions, and by investing time to forge a shared vision for the future, we can eliminate one major contributor to budget-induced conflict.

Engage and enlist principals

It is easy to rustle up people who will oppose a tough budget decision, but fortunately—with

some planning and time—district leaders can also proactively increase the number of people who will strongly support important but hard changes in spending. A linchpin to building broad, active support for these types of changes is meaningful engagement and leadership of school principals, who have a unique and influential role with parents and staff alike.

Take steps to minimize the pain

With tight or declining resources, most new initiatives will require some people losing their jobs, being transferred to roles or schools not of their choosing, or adopting practices not of their choice. This hurts, and good people rightfully resist hurting their colleagues, friends, or teachers of their children. It would be overpromising to suggest that bold, student-centered budgets can be achieved without any pain, but a number of strategies can reduce the sting, minimize the negative impact, and thus build sufficient support to allocate resources in ways that are best for students and fair to staff.

Win over supporters through joint fact finding

A surprisingly large amount of the disagreement on spending decisions stems from a surprisingly large disagreement on the facts of the current situation. There is almost no end to the degree to which smart people bring different facts to the discussion—from the financial health of the district to the number of struggling students, the effectiveness of a given program, or even what is legal in the state. If people can't agree on the facts, they are very unlikely to agree on what constitutes a smart use of funds. Extensive research has shown that a formal process of joint fact finding can bring common understanding and widespread support for change.

Make bold and comprehensive plans

Perhaps the best news of all is that the better the plan, the easier it is to build support for hard budget decisions. Conversely, if compromise means undermining a new effort's effectiveness, it will also undermine support. Some simple rules can offer guidance on when to compromise and when to hold firm.

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Craft messages that resonate with stakeholders

District budgets are complex, efforts to raise achievement are nuanced, and trade-offs are not easily understood by staff and the public. It's hard to talk about school spending in a way that is clear and compelling, but it's critically important. Some district leaders have developed much finesse and can craft persuasive messages that are easily understood and compelling, which expands the number of supporters and reduces pushback.

Get the message out to all supporters and potential supporters

Getting the word out is hard and misinformation can spread like wildfire. Traditional methods of communicating, like budget forums and school committee presentations, aren't doing the job in many districts. New technologies, influence mapping, and lessons from Madison Avenue can be adapted to K–12 to make communications more impactful and counterbalance the roar of opponents.

Taken together, these eight lessons can help districts build budgets that increase student learning, balance the needs of others, and, most importantly, get passed with less angst and anger. Collectively, they are reason to be optimistic that tight resources needn't stymie efforts to help more kids achieve in more ways. ◆