



June 8, 2010

10:20 – 12:00

# Performance Budgeting for Special Districts

**Moderator:** Tanya Anthony  
Chicago Park District

**Speakers:** Lorie B. Gillis  
Jefferson County Public Schools

Kathleen Askelson  
Jefferson County Public Schools



# Performance Budgeting for Special Districts

Government Finance Officers Association 104<sup>th</sup>  
Annual Conference  
June 6 – 9, 2010  
Atlanta Georgia

**Lorie Gillis, Chief Financial Officer**

**Kathleen Askelson, Executive Director of Finance, CPF0**

**Jefferson County Public Schools,**

**Golden, Colorado**

# The Jeffco Story

*...still in training*

# Jeffco Public Schools

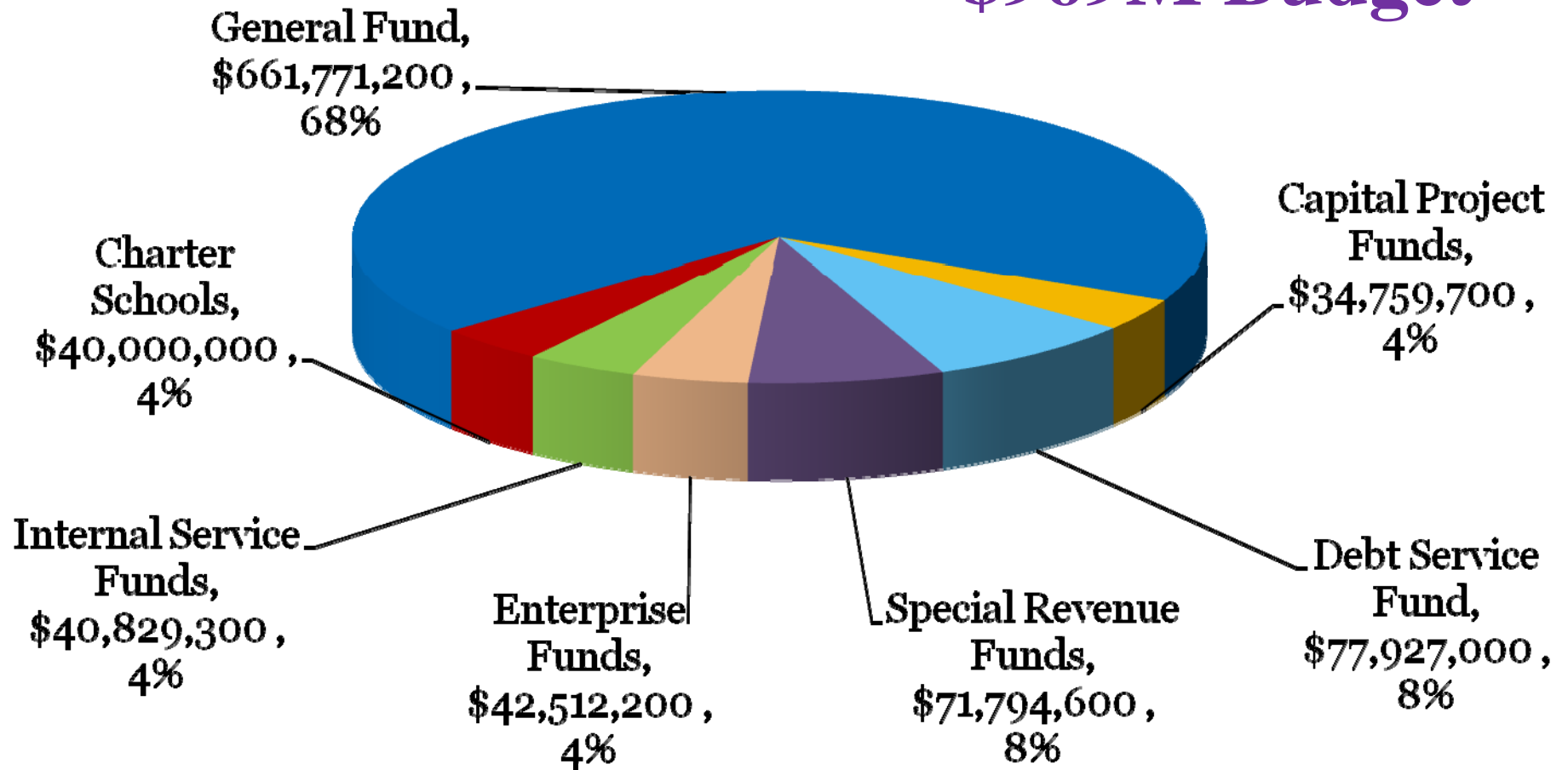
- 85,000 + students
  - Declining enrollment for 10 years
- 152 schools
  - 94 elementary
  - 20 middle
  - 17 high
  - 13 charter
  - 8 options

# A Very Educated Workforce

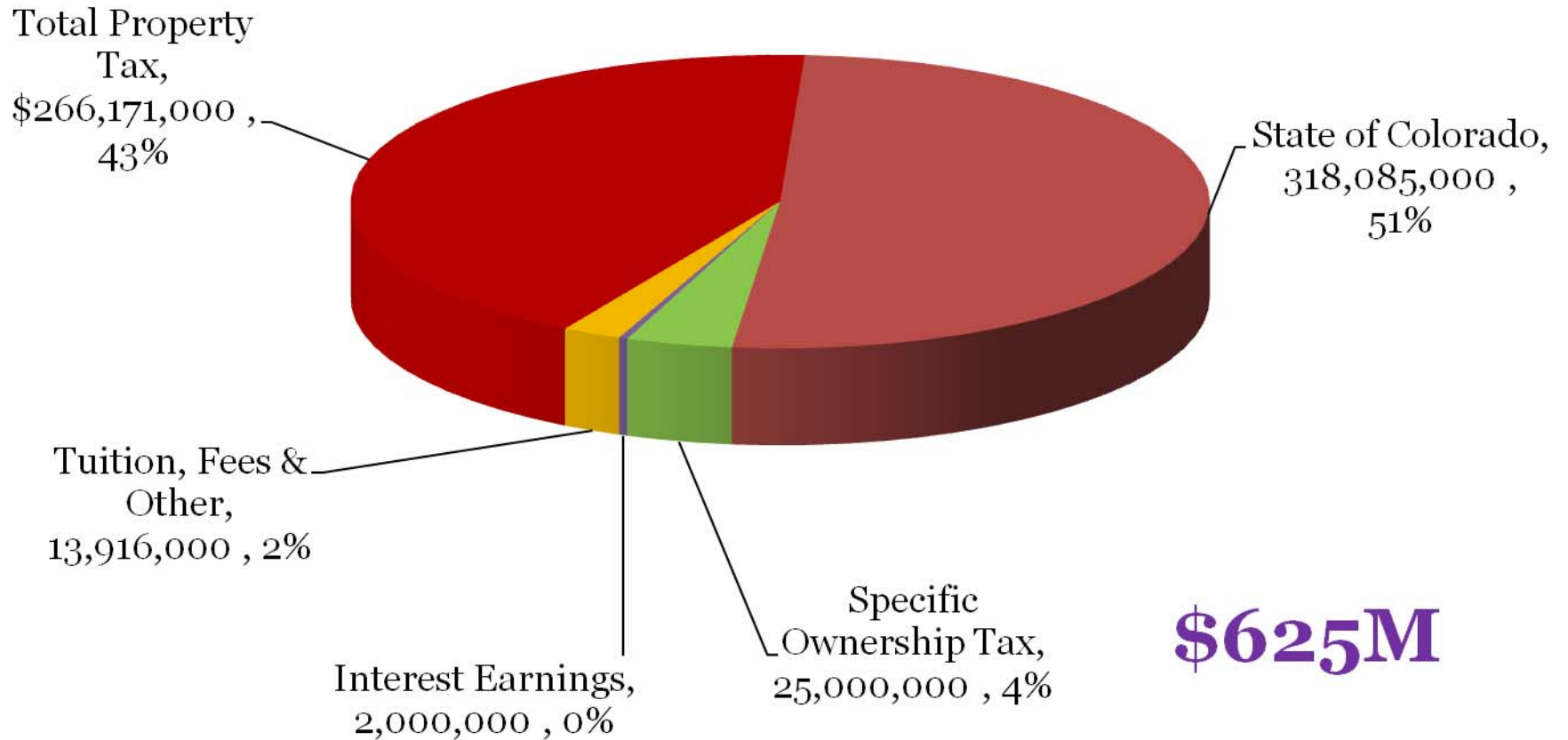
Level of Education for Teachers			
	Jefferson County	Denver Metro Area	Colorado
Less than a Bachelors Degree	0.3%	0.4%	0.5%
Bachelors Degree	30.5%	45.1%	49.3%
Masters Degree or more	69.2%	48.0%	50.2%
Average years of teaching experience	11.8	10.0	10.5

# 2010/2011 Total Appropriation by Fund Type

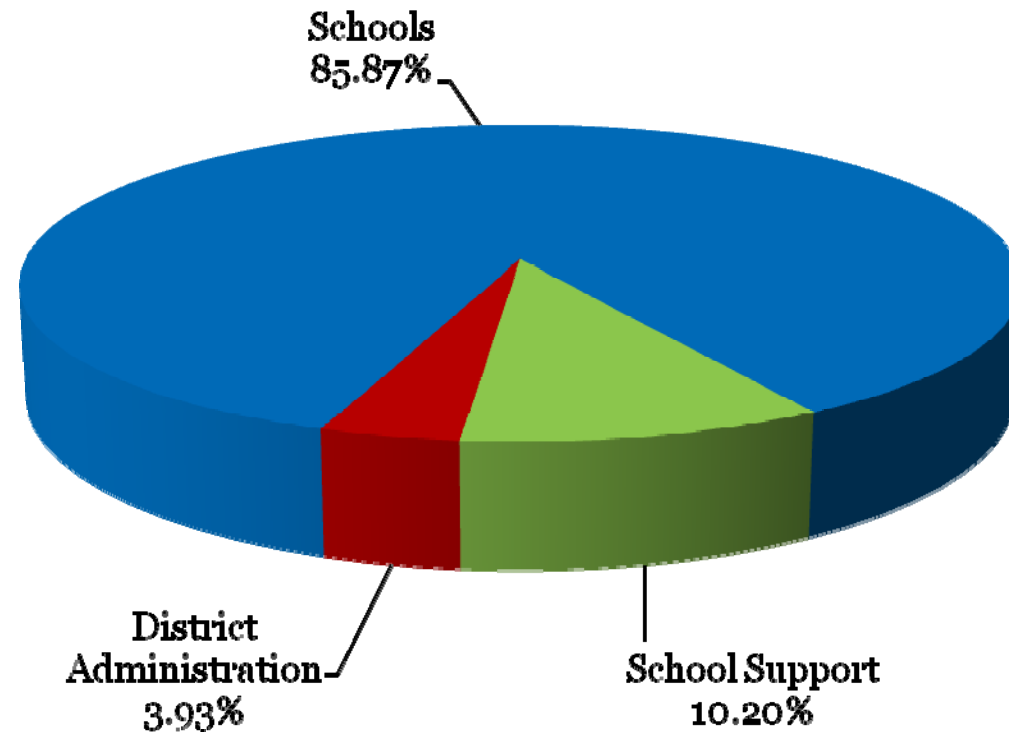
## \$969M Budget



# 2010/2011 Proposed Budget General Fund Revenue Sources and Classifications

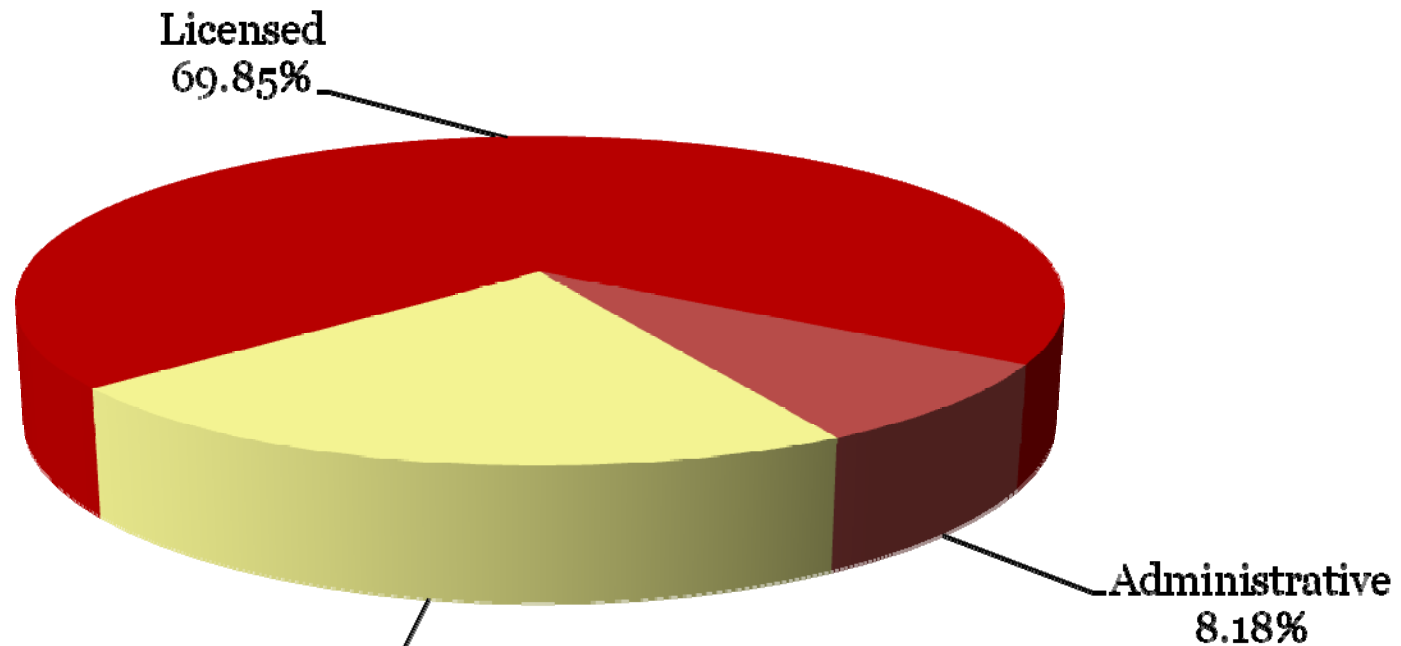


## Total General Fund Expenditure Uses 2010/2011 Proposed Budget



**\$661M – Expenditures & Transfers**

# 2009/2010 Actual General Fund Compensation by Category



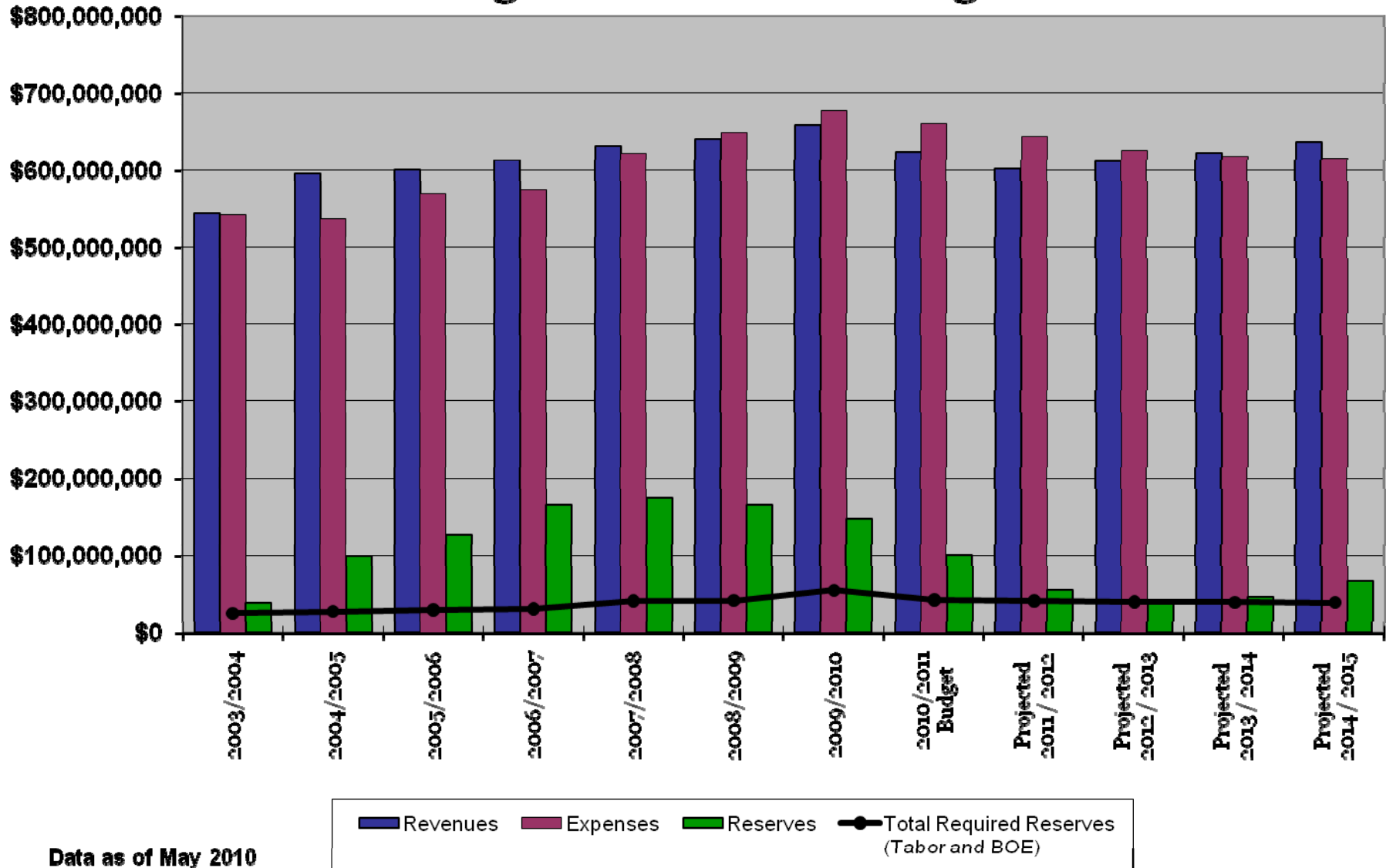
***83% of the General  
Fund Budget is  
Compensation***

# What's the Cause?

- State Budgetary Rescissions
- Projected Negative Inflation
- Interest, SOT, Tuition & Fees
- Economy.....

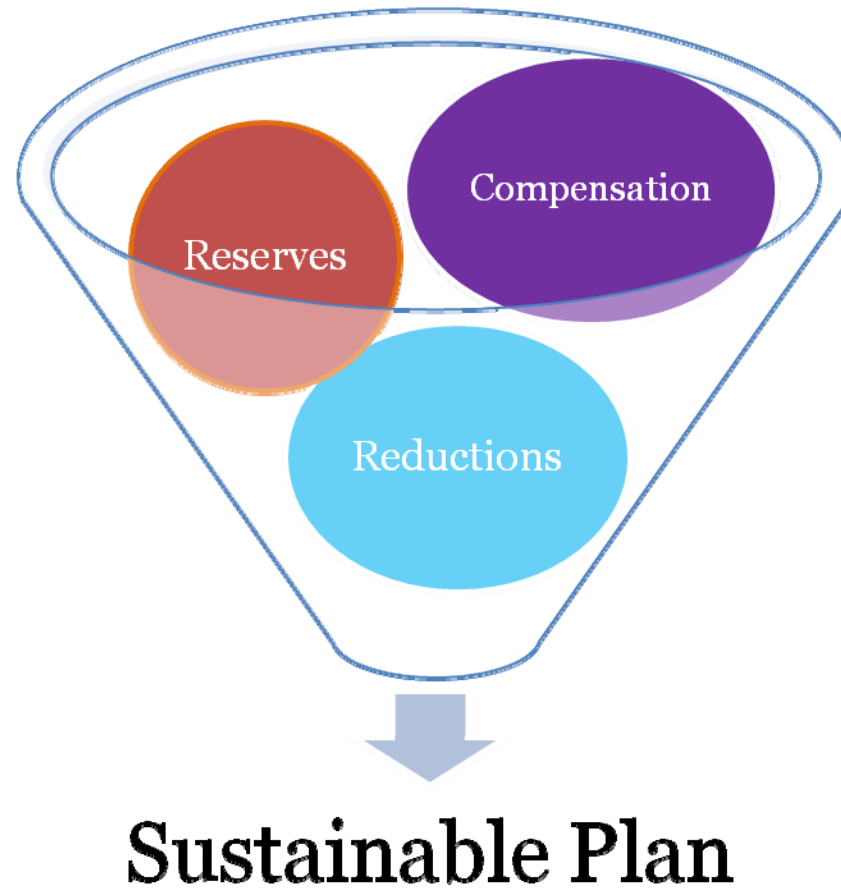
Slightly offset by more favorable enrollment  
projections

# Revenue, Expenses, and Reserves Including Future Planned Budget Reductions



Data as of May 2010

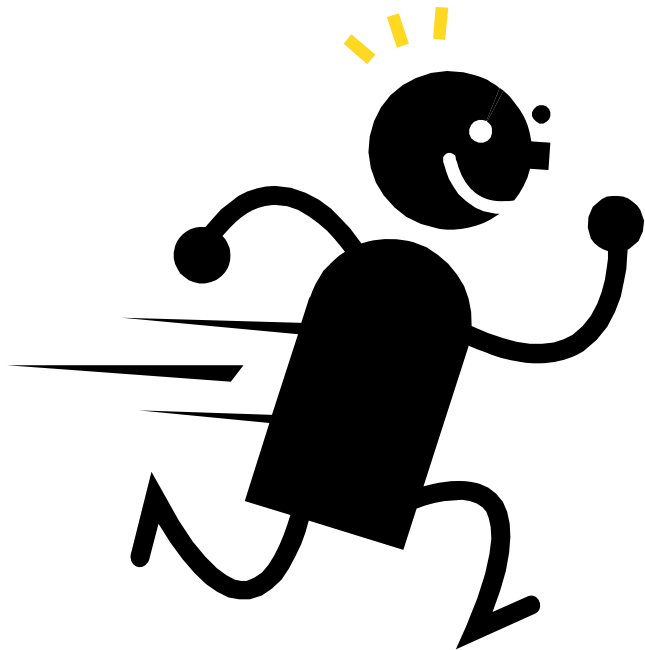
# Jeffco Key Decisions



# Performance Budgeting

- What is it?
- Why implement performance budgeting?
- Who needs to be involved?
- When is the best time to implement?

# Performance Budgeting



*You can't  
just get out  
of bed and  
run 26.2  
miles!*

## Training for a Marathon

# Performance Budgeting – The Goal

- Allocation of resources to activities, programs and services in a manner that will most likely achieve desired results
- **Jeffco – to better align district resources with desired results (with the Strategic Plan).**

# Performance Budgeting

- Focus shifts from inputs to outcomes
- Focus is looking at what constituents expect from their government
- Tie to/alignment with strategic planning process and long-term results



# Performance Budgeting – The Goal

- Focus is on outcomes
  - **Every student is on track to Graduation**
  - **Students engage in an education that includes electives, athletics and school-sponsored activities**
  - **Jeffco students graduate prepared for higher ed.**
  - **Jeffco Public Schools add value to the community**

# Performance Budgeting - Why?

- Organizational shift in thinking
  - Past budgeting practices are comfortable, but inadequate for current financial times
  - Expectations are increasing and changing
  - Accountability is not an option
  - It is the right thing to do....

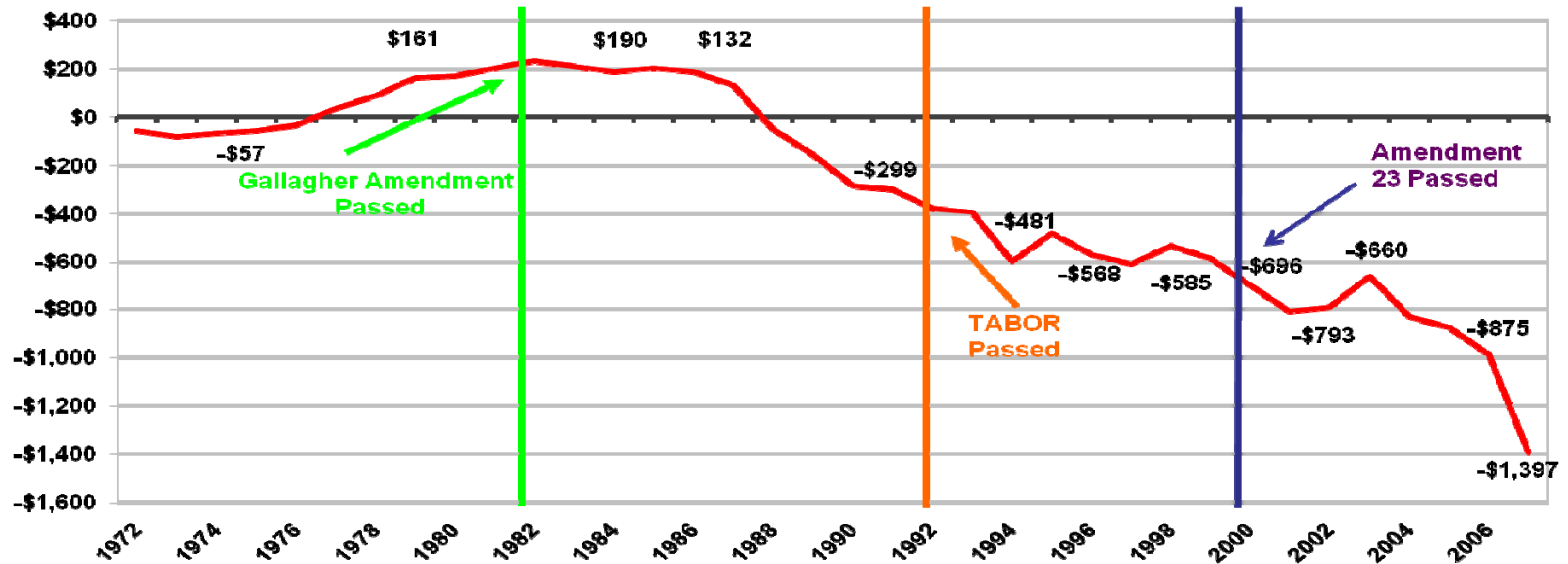


# K-12 Per Pupil Funding: Colorado vs National Average

## K-12 Per-Pupil Funding: Colorado vs. National Average

Source: National Center for Education Statistics

Difference between CO and National Average



# Who needs to be involved?

- You won't be running this marathon alone.
- Huge effort with lots of runners and even more spectators.



# Who needs to be involved?

- Organizational Leadership

- **Board**

- Council

- City Manager

- **Superintendent**

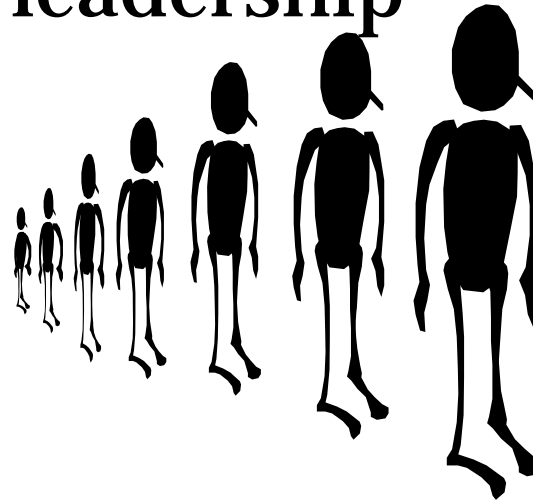


- **If you don't have support from your leadership, you will not be successful. This is not something you can do 'alone'.**

# Who needs to be involved?

- Department/Division leadership

- Managers
- Directors
- Executive Directors
- Supervisors



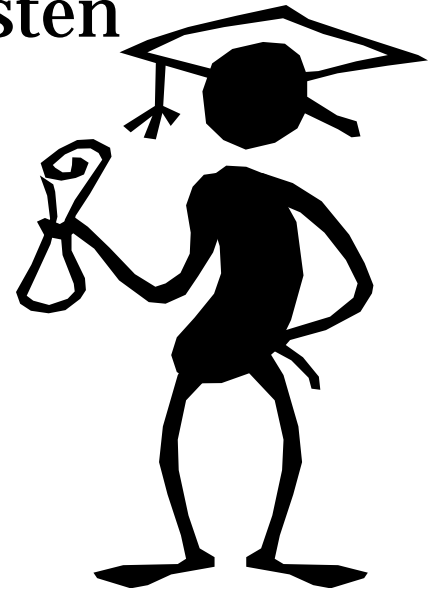
- **Anyone who has influence and provides leadership can be critical to the process. Systemic change needs system level support.**

# Who needs to be involved?

- **Stakeholders**
  - **Taxpayers**
  - **Community members**
  - **Parents**
  - **PTA's**
  - **Key Community Members/Liaisons**

# Who needs to be involved?

- Best and the brightest
- Fans and critics
- Top talent - not just by position
  - Bring in your best thinkers – and listen



# Budgeting for Results – The Players

- BFR Leadership Team
- Leadership Team Sounding Board
- Stakeholder Panel
- BFR Project Team
- The Daniels Fund
- Public Strategies Group
- The McRel Institute

# When – Only when you are ready!

- NOW – Never miss a crisis-opportunity
- Over time – not quick
  - Still not a turn-key implementation process
- A process not a project



# Budgeting for Results - The Process

## 1. Set the Price of Education

### *How much funding is available*

- Economy makes this more of a challenge
- Need to have some flexibility in projections
- Credibility of numbers is critical
  - Communicate assumptions
  - Consistency in communications
  - Own any changes

# Budgeting for Results - The Process

## 2. Define Desired Results

### *Utilizing the Strategic Plan*

- Think tank including top leadership
- Outcomes versus accounts
- Accountability and reporting structures
- On-going reporting
- Are results unrealistic or do strategies need to be reconsidered?

# Budgeting for Results - The Process

## 3. Develop Strategies for Achieving Results

### *Research and Evidence-Based*

- Defined strategies serve as filters for proposed and existing spending
- Bullet-proofing strategies will save challenges in the future
- Must have strategies that all of the organization can 'connect' with

# Jeffco Strategies

- Teacher/Principal Learning
- Early Literacy
- Rigorous, Relevant Course Work
- Guaranteed and Viable Curricula
- High Expectations for All Students and All Staff
- Relationships Underlying Rigor and Relevance
- Importance of Leadership in Schools
- Assessment Systems that Provide Usable Student Achievement Data
- Intervention/Acceleration Strategies
- Increase Parent and Community Involvement
- Safe, Efficient Schools and Departments
- Stewardship of Time, Resources and Personnel

# Budgeting for Results - The Process

## 4. Strategic Investment

### *Funds for focused spending*

- One-time funds at Jeffco
- Pilot programs
- Infusions to launch new thinking
- Competitive 'grant' process

# Budgeting for Results – The Process

## 5. Communication

### *Feedback and Input*

- On-going
- Strategic
- Transparent and open
- Multiple venues
- Informal surveys – educate, communicate and set the stage

# Budgeting for Results – The Process

## 6. Idea Generation

### *Staff and Community Thinking*

- Two way flow of information
- Engagement and understanding
- Clear expectations
- Realistic expectations considering fiscal times

# Budgeting for Results – The Process

## 7. Idea Consolidation, Refinement & Filtering

### *Evidence, research and strategies*

- Follow the strategies
- Sound prioritization process
- Don't forget the politics.... This is new...

# Budgeting for Results – The Process

## **8. Communication**

### *Feedback and Input*

- One more time!
- Ongoing, continuous, consistent....
- Provide some stats.
- Take the pulse

# Budgeting for Results – The Process

## 9. Proposal Development

### *Considering all input and ideas*

- Once you have defined outcomes and strategies you can solicit proposals
- Do not restrict who can submit – provide guidelines and a tool
- Determine how proposals will be evaluated

# Budgeting for Results – The Process

## 10. Prioritization of Proposals

### *Proposals far exceeded funding*

- Presentation and review
- Transparent and available
- Predetermined evaluation process
  - There will be a level of subjectivity
  - Not random

# Budgeting for Results – The Process

## **11. BOE Direction for Draft Budget**

*Limited funding – difficult task*

- Clear path and expectations regarding proposals

# Budgeting for Results – The Process

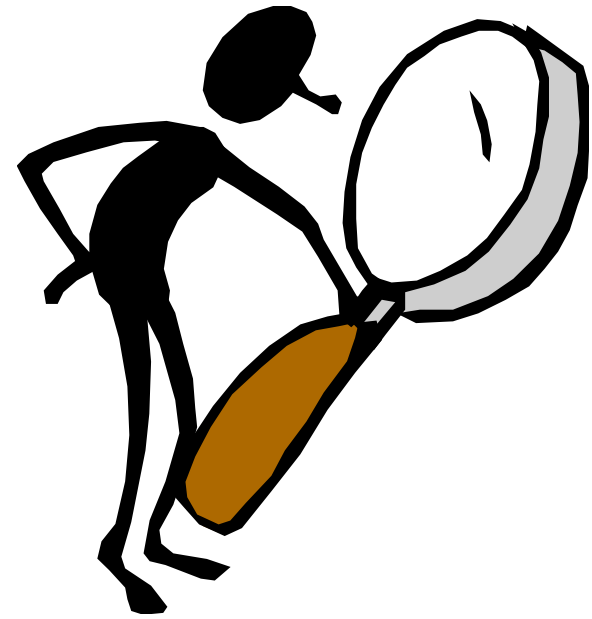
## **12. Budget Development**

- Proposals are incorporated and highlighted in proposed budget

# Budgeting for Results – The Process

## 13. Public Input Process

- Part of the Public Hearing process



# Budgeting for Results – The Process

## **14.Accountability**

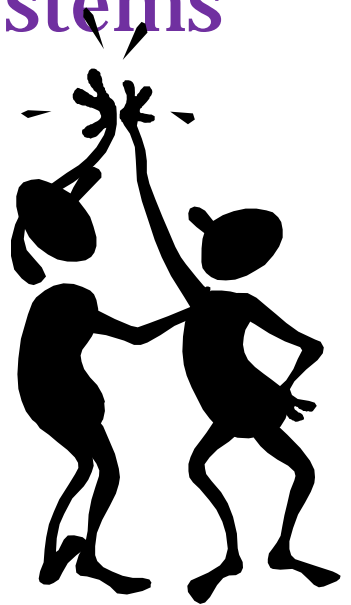
- Report at year end
  - Specific goals and actual results
  - Future recommendations for ongoing-funds

# The Jeffco Story

*...still in training*

# Budgeting for Results – The Gains

- A learning process
- Increased/enhanced commitment to the Strategic Plan
- Stakeholder input and improved systems and processes
- Research-based thinking
- Improved results



# 2009/2010 – 2010/2011 Transition

- BFR focus eroded
- Fiscal challenges
- 2008 Election
- Exhaustion



# In the Future



- **Back to training**
- Process to get leadership back on board
- More diligence & accountability in on-going reporting
- Dedicated leadership for the process
- Concrete structures
  - At least until the work is more defined

# In the Future

- Improved performance measurement
  - Part of the systemic change in thinking
  - Accountable government
- If you are going to budget for results, you need to be able to measure results
- Consolidation of existing dashboards

# Final Reminders

- Performance Budgeting is the right work
- A process
  - not a project
- Not a turn-key implementation
  - you must adapt a process for your environment
- You need leadership support
- Do not try this alone..
  - you need fans and critics

# Resources

- David Osborne and Peter Hutchinson, *The Price of Government: Getting the Results We Need in an Age of Permanent Fiscal Crisis* (Cambridge, MA: Basic Books, 2004).
- GFOA – *numerous resources available*