

# BEST PRACTICES IN COMMUNITY COLLEGE BUDGETING

## DEVELOP STRATEGIES TO CLOSE THE GAPS

### *3B – Develop Strategies*

#### SUMMARY

##### **Key Points:**

- After attaining a solid understanding of proven community college practices for improving student achievement, a college should develop and adopt a set of strategies to reach its goals in this area. A Guiding Policy is an overall approach for overcoming the gaps between the college's current and desired performance. To complement the Guiding Policy, a college should develop an Action Plan to describe action steps and explain how resources will be used to implement the adopted strategies.
- The Best Practice recommends that a college's Action Plan contain goals for the college as well as its subunits, performance measures to determine if goals are being achieved, specific action steps to implement the Action Plan, guidance on personnel and other resources, and long-term financial sustainability (e.g., three-year estimates on revenue and expenditures).
- A college should formalize its set of strategies by obtaining approval of them from the highest levels of the organization. The set of strategies becomes an agreement among stakeholders that defines success in the college and how to achieve it.
- An Action Plan must be presented in a concise and understandable manner in order to be an effective communications tool.

##### **Related Award Program Criteria:**

- Criterion 3.B.1: Action Plan (Mandatory). The Applicant has developed an Action Plan that provides a coherent presentation of how the college will implement it. An Action Plan should be developed at the college-wide level, but individual subunits may also have their own Action Plans that are aligned with the college-wide Action Plan. Applicants can submit the college-wide Action Plan as part of the Supplementary Materials. Applicants with an Action Plan for each individual subunit can submit a few of the subunit Action Plans that are representative of the Applicant's college as part of the Supplementary Materials and certify that all other subunits have Action Plans that are substantively similar in format.
- Criterion 3.B.2: Accepted by Administration. The Action Plan is formally adopted or accepted by college administration and/or the governing board, as described in the Application.

## INTRODUCTION

A college should develop and adopt a set of strategies to achieve its goals for improving student performance. These strategies should be based on a solid grounding of policies and practices that have been shown to be effective for improving student achievement in community colleges.

A strategy consists of three essential elements.<sup>1</sup> The first is a diagnosis that explains the nature of the challenge that the college faces in achieving its goals. A diagnosis of the root causes of the gap between the college's goal state and current level of performance (see Best Practice in Community College Budgeting, 2B – Determine the Gaps between the Goals and Current State, and Identify the Root Causes of the Gaps) serves to identify critical aspects of the situation. The second is a Guiding Policy, which is an overall approach for overcoming the problems highlighted by a college's diagnosis of root causes. Third is an Action Plan to implement the policy. A strategy without the implementation steps is no strategy at all.

The GFOA Best Practice 2B has covered diagnosing root causes, so this Best Practice addresses:

- I. Developing Guiding Policies.
- II. Developing an Action Plan.
- III. Formally adopting a set of strategies. With the Guiding Policies in place and an Action Plan set, a college will have a set of strategies. The strategies should be formally adopted.
- IV. In Appendix 1, examples of hypothetical Guiding Policies.

#### Strategic Planning and the Budget

If a college has a strategic planning process, the strategies developed as part of that process should, ideally, drive the budgeting process. In this case, priorities should not have to be redefined as part of the budget process.

## I. DEVELOPING GUIDING POLICIES

**Background.** Based on its research into proven policies and practices, a college needs to articulate its own Guiding Policies that will direct action planning and budget allocations. A Guiding Policy is an overall approach for overcoming the problems identified by a college's diagnosis of root causes. A Guiding Policy provides direction without specifying exactly the action steps to be taken. The reader should note that the term Guiding Policy is used in this document to describe a general concept. There are various specific methods of developing a Guiding Policy, each of which has its own names for the product produced. Colleges should use the method and name that suits their circumstances.

**Recommendation.** Colleges can use a variety of formats and approaches to developing Guiding Policies, but the GFOA recommends that Guiding Policies have the following characteristics:

- **Clarity of intent.** Each Guiding Policy that the college develops should be clear about how it will improve student achievement. To illustrate, a policy "to support professional development" is too vague to provide meaningful guidance, but a policy "to support professional development for the contextualization of remedial/developmental courses" clearly articulates how professional development is intended to help the college improve student performance.
- **Implementation details are not overly specific.** Absent implementation details, decision makers are able to more easily consider the bigger picture about how multiple Guiding Policies might fit together or conflict. Further, the process is not likely to become bogged down over minor disagreements about implementation details. Also, maintaining a level of abstraction in the policy invites others to more readily take some piece of ownership in it (compared to a policy where all of the details appear to have been decided).
- **Articulates presumed cause-and-effect relationships.** The Guiding Policy should describe the assumed mechanism by which it will alter the performance of the college. A shared, explicit understanding of the assumed cause-and-effect relationship at work forms a powerful foundation for budgeting because it becomes the basis for deciding which uses of the college's limited funds have the most potential.<sup>2</sup> To illustrate, a college might develop a Guiding Policy to create a strong first-year experience program for students, under the assumption that the program will lead students to have better relations with faculty, better time management skills, and greater awareness of support resources. All of these effects can be verified and should reasonably lead to better learning and achievement outcomes for the students.
- **Limited in number.** A college needs focus in how it will improve student achievement. Too many Guiding Policies will dilute the effort.

Appendix 1 presents examples of hypothetical Guiding Policies.

## II. DEVELOPING AN ACTION PLAN

**Background.** An Action Plan describes the actions and resources needed to put the college's Guiding Policies into practice. An Action Plan is essential to the budget process because it describes more precisely where resources are needed to successfully implement the college's strategies.

**Recommendation.** The GFOA recommends that an Action Plan contain at least the following elements:

- **Goals for the college as a whole and for its subunits.** The Best Practice in Community College Budgeting, 2A – Set Goals to Guide the Budget and Planning Process, describes the goal-setting process. The goals should be documented in the Action Plan.
- **Sources of evidence that will be used to determine if the goals are being achieved.** A college should be able to articulate the performance implications of the Action Plan, such as student outcome goals and other measures and indicators of success (e.g., student retention, student achievement of interim milestones, etc.).
- **Actions that are intended to achieve the goals.** The Action Plan describes the specific actions the college will take to implement the Guiding Policies. The actions should form a coherent, coordinated approach to implementing the Action Plan.
- **Guidance on personnel counts and other critical resourcing assumptions.** The Action Plan should describe resourcing assumptions that are thought to be critical to the college's strategies because these assumptions will have an important impact on the budget process. Examples of such assumptions that should be described in the Action Plan include:
  - *Number of staff, including full-time and part-time.* There are different budgetary cost implications for full-time staff than for part-time staff, especially at the faculty level. In addition, management implications (such as capacity for workload) will vary.
  - *Availability of advisors.* Will students be advised by dedicated advisors? Or will faculty be expected to include advising in their duties?
  - *Workload expectations.* To what extent are faculty expected to assume non-teaching duties, such as administration?
- **Analysis of financial sustainability.** The Action Plan should present an analysis of its financial sustainability beyond a single year. For example, it might present three-year cost estimates as well as the revenues that are intended to fund the Plan.

An Action Plan should include all of the college's resources. For example, the Action Plan should cover the role of each college subunit in carrying out the Guiding Policies. The Action Plan should also include 100 percent of the college's financial resources (e.g., general, discretionary funds as well as special funds).

### III. FORMALLY ADOPTING A SET OF STRATEGIES

**Background.** With the Guiding Policies and Action Plan in place, a college has defined a set of strategies. These strategies should be formally adopted. Colleges can use any number of formats to articulate their strategies, including adopting them as a formal "strategic plan."

**Recommendation.** The GFOA recommends that formalization of the strategies should observe the following guidelines:

- **Garner formal support from highest authorities at the college.** The strategies should be formally approved by the highest levels of the organization, including the college's governing board and president.
- **Provide value as a communication device.** A well-crafted set of strategies becomes an agreement among stakeholders about what defines success in the college and what it takes to be successful. The formal documentation of the strategies should therefore be concise and understandable.
- **Give sufficient advance notice of relevant changes.** The strategies might call for changes to existing policies and practices that would have an important impact on stakeholders. For example, a policy change on differential tuition would need to be finalized in time to be communicated to students, prior to registration.

#### Endnotes

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<sup>1</sup> The definition of a strategy is taken from Richard P. Rumelt, *Good Strategy, Bad Strategy: The Difference and Why it Matters* (New York: Crown Business, 2011).

<sup>2</sup> This idea is a more recent entry into public-sector budgeting, but has been supported by the success of budgeting methods such as "budgeting for outcomes."

# APPENDIX 1

While there are many ways that a college could develop its Guiding Policies, they generally should touch on the success of all the students of the institution, as well as the support services that enable the students to succeed. Each Guiding Policy in the examples below is clear about its intent, is not overly specific about implementation details, and provides insight into the presumed cause-and-effect relationships at work.

Policies may be oriented around different topical areas or practices:

- I. Planning for student success.
- II. Initiating student success.
- III. Sustaining success.
- IV. Human capital.

## **I. PLANNING FOR STUDENT SUCCESS**

There are many strategies that relate to assisting community college students to be successful in their college experiences. Several policies that a college may employ are listed below.

- All students should be adequately prepared to succeed in college-level work. To ensure this, the college will develop and implement early placement exams to determine if students need developmental courses.
- The college will require orientation for all first-time college students. Students who undergo orientation are more likely to know where to find college resources (e.g., libraries, advisors, career services).
- All new students will meet with advisors to plan their college program, enabling them to have a structured program of study and clear goals.

## **II. INITIATING STUDENT SUCCESS**

Policies to focus resources to assist students to start college successfully include the following:

- The college will contextualize developmental material into a student's major courses. Students with contextualized materials are less likely to need additional remediation.
- The college will place students into "communities of interest" that relate to their major field of study. Students in communities of interest form greater attachment to the college and create useful social networks.
- The college will scale first-year experience classes so that all incoming students have the opportunity to take the course. First-year experience classes lead to increased retention and graduation.

## **III. SUSTAINING SUCCESS**

Research on methods to improve student success rates suggests that several policies may be effective.

- The college requires class attendance, and students will be contacted after excessive class misses. Class attendance leads to successful class completion.
- The college will develop apprenticeships, internships, and clinical assignments where possible. Practical work experience makes students more attractive to employers and increases the students' perceived value of the college experience.
- The college will provide proactive advising to ensure that students are making progress. Proactive advising will help make sure students take the right courses in the right sequence to graduate on time.

#### **IV. HUMAN CAPITAL**

Several policies in the area of human capital follow.

- The college will ensure that it has sufficient, well-trained staff consistent with the demand for courses and support services. Optimizing staff capabilities with demand for service will allow the college to offer the appropriate level of service to students.
- The college will support professional development for remedial/developmental courses. If advisors and faculty are better trained to support developmental students, the students are more likely to take the right classes and faculty will be better able to teach materials to developmental students.
- The college will support professional development to contextualize remedial/ developmental material into the regular curriculum. If the college can contextualize remedial materials, it will be able to more rapidly move students into their program of study.
- The college will support professional development for advisors to enable them to provide students the most relevant and helpful advice, leading to well-structured programs of study and clear goals for students.