
Best Practices in School Budgeting

2A – Develop Goals

Set Instructional Priorities Phase

SUMMARY

Prerequisite Best Practices:

- Best Practice in School Budgeting, 1C – Analyze Current Levels of Student Learning

Key Points

- Goals for student achievement are the starting point for a district’s budgeting process. Therefore it is important that goals be formatted appropriately and distributed to all individuals and schools.
- A district should develop its goals using the SMARTER framework goals, which allow a district to test its goals against seven characteristics of effective goals: Specific, Measurable, Achievable, Relevant, Time-bound, Exciting, and Resourced. A district should establish goals at the regional (if applicable), district, and school-site level. The goal-setting process should be collaborative and include a range of stakeholders.
- When setting goals, a district should assess its strategic environment to understand what can reasonably be achieved over the short- and long-term. A district should also identify interim milestones to assess whether progress is being made.
- Understanding current levels of district-wide performance and its desired performance helps to set school-site goals. First, a district needs to identify the current performance level at individual schools, which provides insight into different needs or existing gaps across individual schools. Information on individual schools can then be compared against district-wide goals and performance in order to set individual school goals.

Related Award Program Criteria

- Criterion 2.A.1: District-wide SMARTER goals (Mandatory). The Applicant has articulated a set of district-wide goals that are consistent with the SMARTER framework as demonstrated by the presentation of the goals in the Budget Document and Supplementary Materials. The Applicant can explain the goal setting process in the Award Application.
- Criterion 2.A.2: School site SMARTER goals (Mandatory). The goals have been distributed to individual school sites, as demonstrated in the Supplementary Materials and Budget Document.
- Criterion 2.A.3: Goal content. The goals address student performance as well as factors that influence student performance (e.g., learning climate, professional capacity, etc.) as demonstrated in the Supplementary Materials.

Introduction

Ambitious goals for student achievement are the starting point and a lynchpin for the school district budget process.¹ Reasons that a strong set of goals are essential include:

- **Goals articulate the board and executive leadership’s vision for the district.** A set of ambitious goals is the basis for demonstrating the district leadership’s high expectations for their students.²
- **District-wide goals are the basis for distributing performance objectives to individual school sites.** The district’s goals should require progress for every student. District-wide goals should

then be translated into goals for individual school sites. While not strictly part of the budget process, individual school site goals should become the basis for the goals pursued by principals, teachers, parents, and students.

- **Goals are the basis for evaluating potential investments of funds.** The difference or gap between the goal and current performance can be used to begin a dialog questioning existing methods of serving students and to discuss what potential changes in resources are needed at the district and school level to achieve the goals. With goals in place, it becomes easier to ask if a proposed use of resources furthers the district’s mission and contributes towards the district’s plan to improve student achievement.
- **Goals are the basis for evaluating whether resources have been used effectively.** After resources have been used, the effectiveness of that investment can be evaluated more easily, for example has the district moved closer to achieving its goals or not?

This Best Practice document describes:

- I. The preferred format for goals (“SMARTER” goals)
- II. The process for distributing district-wide goals to individual schools and classrooms
- III. Appendices with supporting detail, including: an example of the SMARTER goals framework (Appendix 1); the essential supports for student achievement that goals should address (Appendix 2); and an example of how to distribute goals from the district to individual school sites (Appendix 3).

I. The Format for Goals: The SMARTER Framework

Background. The SMARTER goal framework allows the district to test its goals against seven characteristics of effective goals,³ where each letter of the SMARTER acronym signifies one of the characteristics. These characteristics are:

- **Specific.** The goal is precise about the outcome or result that the district wishes to achieve. For instance, a hypothetical goal would be to increase the percentage of students scoring at or above “proficient” in reading from 55 to 90 percent and to increase the percentage scoring at or above “advanced” in reading from 25 to 50 percent. Another example would be to increase the percentage of students passing Algebra 1 within three semesters from 50 to 75 percent.⁴
- **Measurable.** The goal can be measured. Not only should the goal be verifiable, but should, ideally, be quantifiable. However, the data to accurately measure the current level of performance and changes in performance should be obtainable (a) for a reasonable cost and (b) quickly enough to support management decision making. The Best Practice in School Budgeting, 1C – Analyze Current Levels of Student Learning, describes different types of measurements a district might use.
- **Achievable.** The goal is rooted in an understanding of the district’s current strategic environment, including factors such as current levels of student achievement, professional capacity of the district’s staff, the learning climate in schools, and the instructional guidance system. This understanding is used to develop goals that the organization can reasonably expect to accomplish, including smaller short-term goals to build momentum towards bigger longer-term goals.⁵
- **Relevant.** Foremost, goals should focus on results or outcomes that matter most to students’ academic success. This means that goals should address student performance in the core subjects

such as reading/English language arts/writing, mathematics, and science.⁶ Secondly, goals should also cover student performance in other key subject areas within the district’s curriculum. Goals also may need to address improving elements of the strategic environment that are found to be deficient, such as student under-performance by sub-group, student behavior, lack of professional capacity in schools, a poor learning climate in schools, etc.⁷ Finally, goals should be relevant to all students, which means the goals should encompass measuring progress for individual students, not just average progress for an entire school⁸ or progress of the entire student body against a threshold.⁹

- **Time-bound.** The goal should identify a time period for achieving the goal as well as interim milestones where incremental progress will occur. Often, a multi-year time period is necessary to achieve a goal. Ambitious goals will usually need to consistently be pursued over a three- to five-year period.
- **Exciting.** The goal reaches for significant, ambitious improvement in student achievement and organizational performance. By setting exciting, ambitious goals, districts signal a belief that their students can achieve these high standards as well as a belief that positive changes by the district will help lead to these gains in student achievement.¹⁰
- **Resourced.** The district has the capacity to achieve its goals and has aligned and coordinated those resources accordingly. The budget is the process by which goals are resourced.

Achievable and Exciting: Contradictory or Complementary?

At first glance, the characteristics of “achievable” and “exciting” might appear to be contradictory – a goal that asks for ambitious improvement might not be a realistic goal. However, they are, actually, critical complements. To illustrate, U.S. President John Kennedy’s goal to put a man on the moon before the Soviet Union is often cited as the archetype for the audacious, exciting goal. However, this goal was not underpinned by naïve enthusiasm, but was, in fact, a carefully selected goal, based on research from government scientists that suggested that such a goal was achievable.¹¹ Hence, this goal served to stir the imagination of the American public, but still was grounded in clear-eyed analysis of what was really possible.

Recommendation. The GFOA recommends that districts follow the SMARTER goal framework to develop goals that guide the budget process. These goals should address the results the district (and school sites) wishes to achieve in two key areas:

- Student performance.¹²
- Essential supports for student achievement, such as school learning climate, professional capacity, and instructional guidance.¹³ See Appendix 2 for a summary of the supports that research has shown to be most important to student success.

An example of SMARTER goals for a district appears in Appendix 1.

II. Defining Goals and Distributing Goals to Schools

Background. The district’s SMARTER goals establish the expected overall performance that the district will achieve at the regional (if applicable), district, and school-site level. Goals established at the district level should be used to guide the development of goals for individual school sites.

Recommendation. The GFOA recommends that districts follow the steps below to define goals and distribute them to school sites:

- 1) **Assess the district’s strategic environment.** The district must understand where it is today in order to best develop a goal for where it wants to be. The most important aspect of a district’s strategic environment is current levels of student achievement. The Best Practice in School Budgeting, 1C – Analyze Current Levels of Student Learning, describes the considerations in assessing student achievement in more detail. In addition to student achievement, a district should also examine issues that are critical supports of student learning. Leading school researchers have identified five essential supports of student learning that districts should consider analyzing, including: the professional capacity of the district’s staff, the learning climate in schools, and instructional delivery practices (See Appendix 2 for full list and further detail).¹⁴ Assessing strengths, weaknesses, opportunities, and threats to performance in these supports may suggest goals the district should pursue in order to ultimately improve student achievement.
- 2) **Set SMARTER goals for multi-year district-wide improvement.** Based on a review of the strategic environment, a district should have a better understanding of what it can reasonably expect to achieve over the next one, two, three, four, and five years, where the most improvement may be needed and where status quo conditions are acceptable. Following this understanding, SMARTER goals can then be set for district-wide performance. There are a number of methods for setting goals, and the best method depends on the particular circumstances of the organization. At a minimum, however, the goal setting process should include the following features:¹⁵
 - Incorporates a review of the strategic environment.
 - Is collaborative and includes a range of stakeholders.
 - Takes a long-term perspective, but also identifies shorter-term “small win” opportunities in order to build momentum.¹⁶
- 3) **Understand baseline performance at the school level.** Understanding the current level of performance at individual school sites (including historical trends and future projections, where available) provides insight into the degree of improvement required across schools and at classrooms and individual student level (if possible) within schools. For each school, the gap between the level of desired performance expressed by the district-wide goals and the current level of performance within individual school sites should be assessed. This informs the district which schools need the most improvement and those that may not.
- 4) **Set school site goals.** Informed by the gap between desired district-wide performance and current district-wide performance, as well as the relative performance of individual school sites, goals can be set for each school, including goals for improvement by classroom and categories of students. Again, there is not one best goal-setting process, but the process chosen should incorporate the same basic features described in point #2 above, although collaboration with stakeholders of the individual school sites assumes additional importance at this stage. School principals should take the lead in distributing these goals to teachers, parents, and students outside of the budget development process.

Appendix 3 illustrates how goals can be distributed from the district-wide level to individual school sites.

Endnotes

¹ Allan R. Odden describes ambitious goals as one of 12 elements of comprehensive strategy to improve student learning and close the achievement gap and cites other researchers and sources with similar findings. See Allan R. Odden, *Improving Student Learning When Budgets are Tight* (Thousand Oaks, CA: Corwin-Sage, 2012).

² Public education researcher Karen Chenoweth has found that the district leadership’s high expectations of students are a common characteristic of high performing schools (regardless of demographic or economic characteristics of the student body). See Karin Chenoweth, *It’s Being Done: Academic Success in Unexpected Schools* (Cambridge, MA: Harvard Education Press, 2007).

³ Researcher on school effectiveness, Allan Blankstein, recommends the SMART goal framework for districts. The GFOA added to this the additional criteria of “exciting” and “resourced” to emphasize the need for ambitious goals and connection to the budget process, respectively. See Alan M. Blankstein, *Failure is Not an Option: 6 Principles that Advance Student Achievement in Highly Effective Schools*, 3rd ed. (Thousand Oaks, CA: Corwin-Sage, 2013).

⁴ Odden, *Improving Student Learning When Budgets are Tight*.

⁵ Informed by the concept of “proximate objectives” by Richard P. Rumelt, a noted strategic planning researcher and practitioner from UCLA. See Richard P. Rumelt, *Good Strategy, Bad Strategy: The Difference and Why it Matters* (New York: Crown Business, 2011).

⁶ Odden, *Improving Student Learning When Budgets are Tight*.

⁷ These areas of underperformance would have been revealed by the district’s assessment of its environment. Please consult Best Practice in School Budgeting, 1C – Analyze Current Levels of Student Learning, for a review of the issues a school district might consider analyzing as part of its environmental assessment.

⁸ Measures of average progress obscure variation within the student population. For example, a small number of high performing students could pull up the average, obscuring a larger number of underperforming students.

⁹ A measure of performance such as “percent of students at or above national norms” is highly sensitive to the test score results for the subset of students whose academic achievement is near the cut-off or threshold. Under this kind of measure, it is really only the achievement of students near the threshold that counts. See Anthony S. Bryk, et al., *Organizing Schools for Improvement* (Chicago: University of Chicago Press, 2010).

¹⁰ Odden, *Improving Student Learning When Budgets are Tight*.

¹¹ Example of moon landing from: Richard P. Rumelt, *Good Strategy, Bad Strategy: The Difference and Why it Matters* (New York: Crown Business, 2011).

¹² See Best Practice in School Budgeting, 1C – Analyze Current Levels of Student Learning, for more guidance on how student achievement may be best analyzed.

¹³ The essential supports for student performance were originally identified by Bryk, et al. in *Organizing Schools for Improvement*.

¹⁴ The essential supports were taken from Bryk, et al. in *Organizing Schools for Improvement*.

¹⁵ The features are suggested by the work of Blankstein, *Failure is Not an Option*.

¹⁶ Achieving gains in the short term is thought to build momentum and encourage stakeholders. See Mark E. Van Buren and Todd Safferstone, “The Quick Wins Paradox,” *Harvard Business Review* (January 2009).

Appendix 1

Example of SMARTER Goals

This appendix provides an example of how the concepts described in this Best Practice could be applied, using the experience of Lake County School District (LCS), Florida. The example is only intended to enhance the reader’s understanding of the Best Practice concepts and is not intended to dictate a particular format or method. Rather, a district’s management should use their judgment and experience to decide how to most effectively apply these concepts in their district.

GFOA has modified LCS’ presentation. Most notably, parentheticals have been added to note how each component of LCS’ presentation complies with the SMARTER goal framework. The presentation also combines the concept of goals with the concept of Instructional Priorities (see “Best Practice in School Budgeting, 2C – Research & Develop Potential Instructional Priorities”). This illustrates, that in practical application, multiple concepts from the Best Practices can be combined into one presentation.

Lake County School District Florida Instructional Priorities

Major Goal: Immediate Investment in Struggling Students

Sub-Goal: ELL Students. Fund programs aimed at closing the achievement gap of English Language Learner (ELL) students. (*Specific: The sub-goal adds precision to the broader major goal.*)

What is the need? LCS spends less in additional funding on ELL students than the median of comparison districts. Additionally the LCS ELL population is growing steadily as the student achievement rates continue to be low (*Relevant: This describes why this goal matters*)

What will the district do? (*Specific and Achievable: More precise actions better define the goal and demonstrate that there is a clear path to follow to achieve it*)

- Determine programming for this Instructional Priority through the program evaluation and innovation process.
- Compare and contrast various programming options, evaluating these on the basis of cost and projected academic return on investment in terms of student achievement.
- With this comparison in hand, select the specific investment or combination of investments that will support the largest achievement gains for our students.

What will it Cost? (*Resourced: Cost is estimated and the planning and budgeting process is used to develop more precise budgets and determine how these costs will be funded*)

Year 1	Year 2	Year 3
\$1 million	\$1 million	\$1 million

What gains does the district expect? (*Measureable, Time-bound, and Exciting: Targets are identified for future years along with historical data for three prior years. The targeted level of improvement is substantial*)

Measure	Actual 2012	Actual 2013	Actual 2014	Target 2015	Target 2016	Target 2017
Graduation Rate for ELL Students	61%	57%	62%	70%	80%	90%

Appendix 2

Essential Supports for Student Achievement

The five essential supports for student achievement are as follows:

Instructional guidance. This addresses the curriculum content that students are exposed to, the organization of that content, and the tools teachers have access to (e.g., instructional materials, pedagogies, assessment methods). In short, this is the “what” and “how” of instruction. In particular, districts might consider:

- **The organization of the curriculum.** This includes the subject matter information students are exposed to and how it builds over time. Districts might consider issues such as standards or a common curriculum, especially in core subject areas (reading, math, and science), cost-effective intervention strategies for struggling students, or the pedagogies or assessment systems used.
- **How instruction is delivered.** Districts might examine, for example, how a teacher’s work is organized and the amount of collaboration and the level of student engagement in lessons.

Professional capacity. This category addresses the district’s ability to recruit and retain quality staff, the quality of performance feedback and professional development systems, a constructive organizational culture, and teamwork standards. In particular, districts might consider:

- **Quality of human resources.** This covers how new teachers are recruited, where they are recruited from, and how they are oriented. It also includes how to provide feedback to teachers and how to address instances of underperformance.
- **Quality of professional development.** Teachers’ ongoing professional development should relate directly to the district’s or school’s strategies to improve student achievement. Lack of instructional coaches may also impede effective professional development.
- **Constructive organizational culture.** A high-performance school is characterized by a culture that emphasizes continuous improvement, that exhibits willingness to identify and stop ineffective practices and change practices where necessary, and that sets high expectations for students regardless of their socioeconomic background.
- **Professional community.** Three features of a high-performing professional community include a willingness by teachers to make their work available for examination by colleagues; collaborative, critical examination of learning methods, processes, and outcomes; and regular collaborative teaming between teachers to strengthen the curriculum.

School learning climate. This category addresses the beliefs, values, and behaviors among staff, students, and parents. In particular, districts might examine:

- **Order and safety.** As a prerequisite to effective learning, schools must be orderly and students must have a high perception of their personal safety.

- **Teachers’ academic expectations of students and support.** The district’s faculty should hold all students to high standards. However, these standards must be accompanied by support mechanisms to help struggling or disadvantaged students meet these standards.
- **Peer academic norms.** When students comply with accepted behavioral and academic norms, it reduces disruption to instruction and promotes learning.

School’s parent-community ties. Schools will be more effective in reaching their student achievement goals if: the schools engage parents directly in the process to strengthen student learning; teachers make an effort to become knowledgeable about the local community and student culture and draw on this awareness in their lessons; and the schools form an effective support network with community organizations (e.g., as might be necessary to support the learning of children with chronic illness, nutritional deficiencies, mental health needs, etc..)

School leadership and management. District and school-level leadership is a critical lever for making positive change. Effective leadership includes the following dimensions: managerial, such as scheduling, logistics, equipment, facilities, and finances; instructional, such as providing feedback to teachers and directing the implementation of effective instructional techniques; and, finally, leading change.

Appendix 3

Example of Distributing Goals from the District to Individual School Sites

A short example of this process shows how goals can be distributed from the district-wide level to individual school sites and also how schools can customize goals to local conditions, while still aligning themselves with the district-wide goal. Note that this example uses measures that compare student performance against a standard as the means to specify the goal. This approach has been taken here for the sake of simplicity. In reality, a district will likely want to use additional measurement perspectives to add descriptive power to the definition of its goals.

- A school district has set a target of getting at least 75 percent of students to grade-level proficiency in math and reading. The percent at grade-level proficiency is different for each school site. The district would like each school to improve by at least 20 percent per year on its way to the ultimate goal of 75 percent grade-level proficiency.
- If School A now has 40 percent of students at proficiency, then that school would be 35 percentage points away from the district's goal. A 20 percent improvement would increase the percent proficient by 8 percentage points in the first year, or from 40 to 48 percent.
- This school might also review the percentage of students who are rated "below basic" as well as at the "basic" categories used to report student achievement results under the district's standardized tests. It could then set goals to reduce to zero the percent at "below basic." The school could also set the goal for reducing those at "basic" so it could meet the 20 percent improvement for those students at proficiency. For future years, the school then would need to analyze the numbers at basic and determine how many students would need to advance into proficiency each year.
- If School B now has 60 percent at proficient, the gap would be just 15 percentage points, and the school would need to improve by only 3 percentage points each year for five years to reach the 75 percent target. For such a school, the district might also have a goal of improving the percentage of students at the advanced level, by, for example, 5 percentage points a year (this assumes that most districts and schools will start with only a small percentage of students performing at the advanced levels).