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FEATURE

Strategic Budgeting

DMGroup's Approach to Effective Resource Allocation

by John J-H Kim, Alex Newell, and Kathleen Choi

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Student needs are soaring, greatly exacerbated by the pandemic; fortunately, there is an unprecedented infusion of federal money to help the sector address these heightened challenges. It is now the role of public school district leaders to leverage these funds not only to help our nation's students recover from the academic, social, and emotional trauma of the pandemic, but to position our nation's schools to help our students truly thrive for generations to come.

Of the nearly \$190 billion in federal funding, the last tranche of \$123 billion of ESSER III funds under the American Rescue Plan must be obligated by September 2024. There is an urgent need for district and school leaders to seize this extraordinary opportunity and develop a multi-year plan to allocate resources effectively, efficiently, and wisely to achieve their strategic objectives and have maximum impact. Developing a multi-year plan to allocate resources to achieve short- and long-term objectives is precisely what strategic budgeting is all about.

While the concept of allocating resources in alignment with strategic goals sounds straightforward and sensible, putting this into action has proven particularly challenging for most public school districts. In addition to the perennial challenge to changing “the way things have always been done,” public school districts face a complex array of impediments: public school districts have grown into large, complex organizations with long-standing systems and practices in place; there are myriad compliance issues to consider, and data and financial records are heavily compliance-driven; districts have many programs and initiatives already underway, each with its own champions; and the futures of our nation's youth are in the balance, making even the smallest change feel as if it is extremely high stakes.

So, while nearly every public school district in the country has a strategic plan which is revisited and reworked at a regular cadence, new strategic plans are rarely accompanied by a significant shift in resource allocation or an update



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to budgeting processes. But is it reasonable to expect the declaration of a new strategy to deliver different results without a concomitant shift in resource allocation? In our almost 20 years of work with public school districts across the country, District Management Group (DMGroup) has developed an approach to help districts evolve their current budgeting practices toward a strategic budgeting approach, simultaneously building capacity and shifting mindsets. We begin the process by building momentum among key stakeholders and helping them get their arms around all the programs and initiatives outside of the day-to-day operations in place across the district. Then we work with districts to take a “deep dive,” analyzing a few initiatives in detail to understand whether these are achieving their intended outcomes, which student segments are benefiting, and at what cost. Districts find that this work provides deep insights that spark meaningful action; district teams that have gone through this process come to realize that their budget is a powerful tool for driving change and achieving their overall strategic goals. Finally, as the desire to expand this type of work takes hold, we work with districts to increase capacity among district teams and stakeholders and help the district adjust and/or build systems and processes that will move the entire district to a strategic budgeting approach.

In this article, we will discuss some of the common barriers to strategic budgeting, share how DMGroup’s approach gives district leaders and their staff robust tools to overcome these barriers, and offer a roadmap for how to evolve from current practices to putting a strategic budgeting approach into action.

Common Barriers to Strategic Budgeting in Public Education

All district and school leaders want to make the best use of their funds to deliver for their students, so why is it so challenging to ensure resources are being effectively and efficiently allocated to deliver results? Entrusted with the

enormous responsibility of educating and supporting our nation’s youth, public school districts are highly complex organizations delivering a multitude of supports for students with varying needs, using various sources of public funds, and answering to a dizzying array of stakeholders. As such, districts face several unique structural obstacles:

1. Data-rich, Information-poor

School districts collect a voluminous amount of data, often required by local, state, and federal regulations; however, this compliance-driven data is often not easily translated into actionable information that can be used by districts to make better decisions. For example, districts have an abundance of data about how an initiative aligns with a funding source, but comparatively little information about how well the initiative is working, which student groups are benefiting from the initiative, and what resources are being tapped to implement it (costs such as staff time, for example, are often overlooked).

2. Constituent-driven Decision Making

Due in part to the lack of actionable data and lack of clear definitions of success for many initiatives, decisions about program funding often end up being determined by the strongest, most vocal constituents. Rather than carefully analyzing and discussing a program’s impact, cost, and role in the district’s strategic vision, politically strong, vocal stakeholders often play a dominant role in determining the fate of initiatives. Moreover, decisions about programs are very often too simplistic, focused on whether to simply **cut** or **keep** a program, rather than considering more nuanced options for taking action, such as **segmenting** or **fixing** a program.

3. Evaluations Without Cost Information

While many districts have strong research and evaluation teams, their work is often solely focused on program effectiveness without regard to the cost of the program. This does not allow decision makers to evaluate and compare programs based on effectiveness and resources required.

4. Lack of Systems and Structures

Because so much data collection is compliance-driven, most districts simply lack the systems, structures, training, and resources to continually track timely, actionable data and perform the necessary analysis on both program effectiveness and cost effectiveness.

Overcoming these structural obstacles requires investing in systems and training, as well as a shift in mindsets and approach among all stakeholders involved in the budgeting process. While this sounds like Herculean work, DMGroup has developed an approach designed to help districts address these barriers and evolve to a data-driven approach to budgeting that will support their strategic objectives.

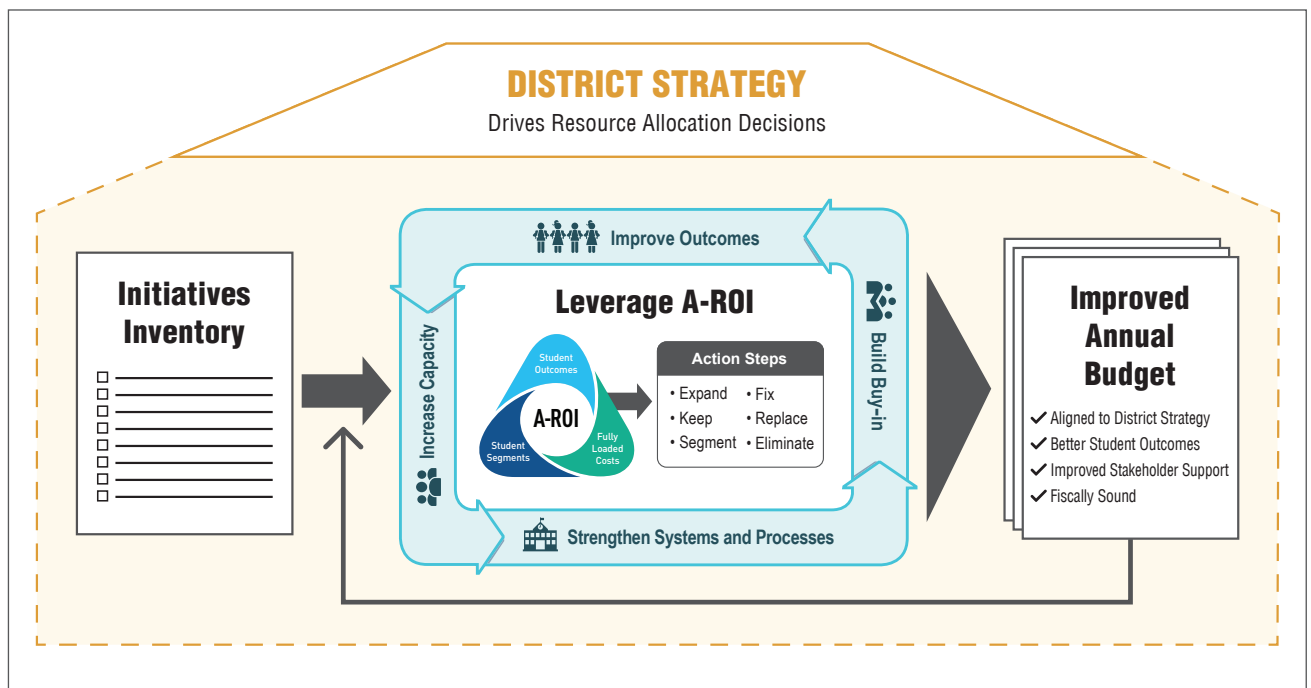
DMGroup’s Strategic Budgeting Approach

DMGroup’s Strategic Budgeting Approach is a methodical, phased approach that can help a district move toward taking a data-driven approach that ensures resources are being used effectively and efficiently to achieve the district’s strategic objectives (*Exhibit 1*). In addition to addressing the technical aspects of this approach to resource allocation, our process takes into account the importance of building capacity in the district, building buy-in from internal and external stakeholders, and adjusting and establishing processes and systems. All these components must be addressed in order to make impact at scale and ensure that this approach is sustainable.

DMGroup’s Strategic Budgeting Approach consists of the following phases:

- **Getting Ready:** It is important to prepare to embark on the work. Preparation includes reviewing district goals, ensuring alignment among key stakeholders, creating momentum among stakeholders, and reviewing the systems in place across the district that can be leveraged.

Exhibit 1 DMGROUP’S STRATEGIC BUDGETING APPROACH FRAMEWORK



Source: DMGroup

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- **Taking Stock Through Initiatives Inventory:** During this phase, a repository is created of all initiatives and programs in the district. Key information, including data on the initiatives’ design, impact, and resource investment, will be gathered and assembled.
- **Taking a Deeper Dive with A-ROI Analysis:** DMGroup’s academic return on investment (A-ROI) approach is leveraged, using the findings from the previous phase of work to analyze what’s working, for which students, and at what cost.
- **Building District-Wide Capacity for Strategic Budgeting:** This phase helps strengthen existing systems and processes to better support a strategic budgeting approach and to build capacity among staff to implement this approach across the district for the long term.

As a result of moving to this approach, district leaders will see an improved annual budget that better supports strategic priorities and produces better outcomes for students.

PHASE ONE:

GETTING READY

Because strategic budgeting is all about allocating resources to support strategic objectives, districts need to get ready for the work by ensuring that strategic priorities are clearly defined and that stakeholders understand and align on these priorities. Too often, this important step is overlooked; in DMGroup’s work with various districts across the country, we have encountered many instances where strategic priorities are not clear to the stakeholders involved. For example, in one district, district leaders had not in recent memory reviewed and discussed their strategic priorities as a group. As a result, their objectives were understood differently by different

stakeholders or were simply not clear to all involved. In another district, the strategic plan had so many strategic priorities that the priorities did not provide sufficient focus and direction to drive action and decision making. In order to budget strategically, it is essential to clearly articulate, communicate, and agree on the strategic priorities that you seek to achieve. This process ensures a shared understanding and focus among stakeholders and creates momentum for the work ahead.

Another important step in building alignment for strategic budgeting work is to take stock of the data that is currently being collected and the various information systems and processes already in place. Doing so ensures that existing data and useful systems and processes can be fully taken into account and leveraged appropriately before the district adds any new systems and undertakes additional data work.

PHASE TWO:

TAKING STOCK THROUGH INITIATIVES INVENTORY

With the introduction of the Elementary and Secondary Education Act of 1965 (and the corresponding launch of Title I, among other programs), the scope of public education expanded dramatically; since then, it has only continued to grow. Far beyond providing the three Rs, schools are now charged with meeting the needs of the whole child—addressing academic objectives as well as the social and emotional needs of all students, and ensuring that *all* children are being supported. In order to meet the expanded scope and rising complexity of student needs, schools have added an increasing number of personnel and specialists while layering in many different programs and efforts, generally called “initiatives.” The task of managing all of a district’s initiatives has ballooned into a Sisyphean nightmare. After decades of new initiatives

being added, few districts can even begin to list all the programs currently being provided at all of their schools, much less provide details on the types of students being served or assess the efficacy of the programs.

To tackle this challenge, DMGroup partners with the district to produce what we term an Initiatives Inventory—a single document that lists all the programs and initiatives in place across the district. The inventory contains important, actionable information, such as program design data, outcomes data, cost data, and much more—all captured in DMGroup’s Initiatives Inventory Data Sheet (*Exhibit 2*).

Very few districts have a list such as this, and those that do often have their initiatives mixed in with their day-to-day operations rather than limiting the inventory to their strategic programming. Once created, this Initiatives Inventory should become a “living” document, updated with accurate and actionable information by staff who are familiar with the programs contained within.

DMGroup has developed a methodical approach to gathering the information needed for the Initiatives Inventory.

Gathering Key Information About Initiatives

Involving key stakeholders is essential to this phase of the work. These key stakeholders generally include department heads or district chiefs, whose management of district programming puts them in a uniquely strong

position to provide the needed information. Engaging these stakeholders up front and building their understanding is critical not only to getting this initial work done, but to maintaining the inventory going forward.

In addition to gathering existing information from these stakeholders, DMGroup conducts a series of interviews and focus groups, and collects information through questionnaires. Some of the key questions asked are the following:

- Who manages the day-to-day operation of the initiative?
- Where does the data related to initiative performance live?
- What campuses implement this initiative?
- Whom is this initiative meant to serve?
- How many students are impacted by this initiative?
- How do you define success for this initiative?
- Why is this initiative important? Which strategic objective does it align with?
- How effective is the initiative?

Exhibit 2 A PARTIAL GLIMPSE OF DMGROUP’S INITIATIVES INVENTORY

	Program Overview Data			Program Design Data			Program Cost Data	
	Coordinator	Department	Campuses	Strategic Alignment	Target Population	Definition of Success	Direct Costs	Indirect Costs
	<i>Who is responsible for the initiative at the district level?</i>	<i>What department(s) manages the initiative?</i>	<i>Which campuses does this initiative affect?</i>	<i>Why is this initiative important?</i>	<i>Who is the initiative meant to serve?</i>	<i>How would you know if the initiative is successful?</i>	<i>What costs are exclusive to this initiative?</i>	<i>What costs are shared with other initiatives?</i>
Initiative 1								
Initiative 2								
Initiative 3								

Source: DMGroup

Some of these questions likely seem extremely basic and straightforward, but DMGroup has found that it is important to confirm agreement and alignment on these questions. When working with one district, DMGroup asked staff about the purpose of an initiative and received a wide variety of responses, including the following:

- The initiative was meant to reduce behavioral issues for all students.
- The initiative was meant to build a sense of belonging among students who were experiencing houselessness.
- The initiative was designed to improve academic outcomes for those students utilizing the service being offered.

While these goals are certainly not mutually exclusive, district leaders were stunned to find the lack of common understanding about the purpose of an initiative that represented a significant use of time and money. The exercise of entertaining these questions is thus a key step toward engaging stakeholders and ensuring all are moving forward with a common understanding and focus.

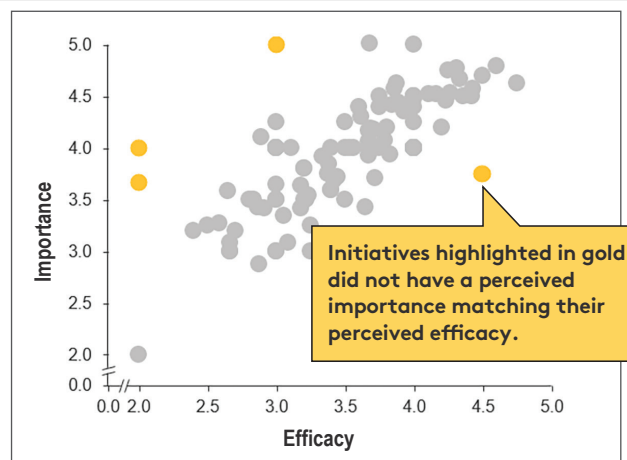
Gathering Preliminary Impact Data

Once districts have a clearer sense of all the initiatives taking place in their schools, the next step in the process is to determine whether initiatives are actually meeting their definitions of success and having the intended impact. While districts may use in-depth research studies to prove the efficacy of a program model, these studies are often time-consuming and rarely provide the actionable information district leaders need to make decisions. Instead, DMGroup recommends recording whether the initiative was successful according to the outcomes data gathered by program staff, a process that can yield powerful insights into whether the initiative is actually working for the students it was intended to support.

Sometimes, we find either that program outcomes data was not gathered (or was gathered inconsistently) or that initiative leaders feel that outcomes data cannot be used because the program was not implemented with fidelity. In these instances, DMGroup recommends gathering feedback data from the school sites themselves. A few simple questions about each initiative can cut right to the heart of the matter:

- Is this initiative implemented on your campus?
- If not, do you want it to be?

Exhibit 3 PRINCIPAL FEEDBACK ON DISTRICT INITIATIVES: PERCEIVED EFFICACY VS. PERCEIVED IMPORTANCE



Source: DMGroup Analysis of Client-District Survey Data

- If it is, how important is it to you?
- How effective do you think it is?

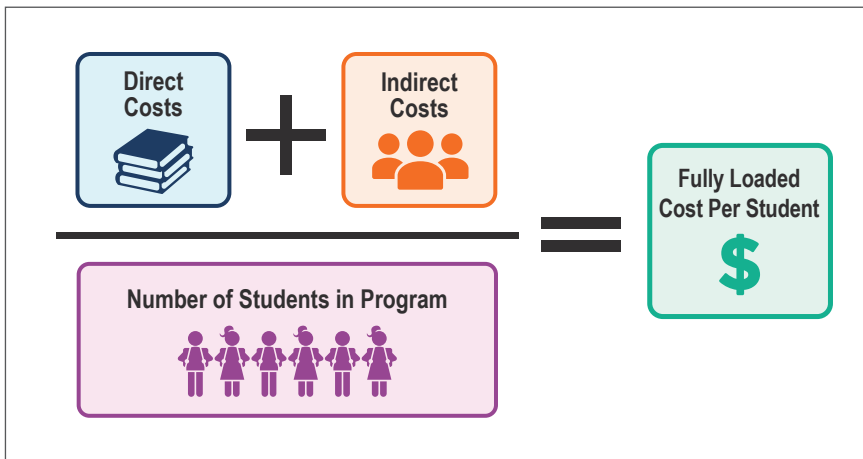
With the answers to just these four questions, district leaders suddenly have access to a wealth of actionable information about how programs are actually working out in the field, with the added benefit of making sure that principals and other site leaders have a chance to add their voice and perspective to this important conversation. For example, Exhibit 3 shows DMGroup’s analysis of a survey conducted at a district. Each dot represents a program, and programs are plotted on the chart based on level of importance and perceived effectiveness. While this analysis does not provide detailed outcomes data, this first cut at the information provides some interesting insights and can help the district to determine where deeper analysis might be desired.

Assessing Costs on a Fully Loaded Basis

The last set of data to gather is information about the fully loaded cost of each initiative, which must include both direct costs and indirect costs (*Exhibit 4*). A common mistake made in many districts is to capture only the direct costs, which often fail to recognize the significant resources being invested to implement a program.

As an example, one district leader proudly described the implementation of a new immersion program across a dozen schools as costing the district only \$100,000. When asked what this cost represented, the leader cited new textbooks and a one-time cash stipend to teachers. Needless to say, the district leader was surprised to learn that teachers were spending an extra two hours each

Exhibit 4 DMGROUP'S FULLY LOADED COST FRAMEWORK



Source: DMGroup

week preparing for the new curriculum and that managing the program had required the addition of a part-time coordinator at the central office—all told, more than \$1.2 million in staff time and materials was being spent each year to make sure this new flagship initiative succeeded.

In order to accurately assess the full cost of an initiative, both direct costs and indirect costs must be captured. While this requires information and an approach that is not regular practice in the majority of districts, districts partnering with DMGroup have built the capacity to capture this information:

- Assessing Direct Costs:** While calculating direct costs seems fairly straightforward, budget offices typically do not track how much money is being spent per initiative; budget offices generally track expenses based on funding type, since that is how they are required to report it to state and federal authorities. Capturing direct costs by initiative therefore often requires the budget office to reexamine and recut its information.
- Gathering Indirect Costs:** “Indirect costs” is a budgeting term that refers to expenses that cannot be easily allocated to a specific project—teacher and staff time fall in this category.
- Building District-Wide Capacity for Strategic Budgeting:** This phase helps strengthen existing systems and processes to better support a strategic budgeting approach and to build capacity among staff to implement this approach across the district for the long term.

In the example of the district implementing the immersion program, the increased staff time required at the various school sites and at the central office represented the bulk of the cost to the district but had initially not been considered as a cost of the program—teacher time was a cost allocated to the school building, and central office cost was part of central office’s budget.

Gathering the cost of staff time requires calculating the hourly cost of each staff member involved, determining the number of hours

each staff member dedicated to working on the program, and then adding all these costs up. This number cannot be found on the school or district budget but is necessary to calculate in order to understand the true cost of each initiative.

While capturing the above information is new to many districts, districts who have engaged in this work with DMGroup have been energized by the insights that can be gained.

Gaining Insights from the Initiatives Inventory

Analysis of the Initiatives Inventory data provides insight into how funds are distributed in any number of ways—by strategic priority, target student populations, or any of the other aspects of design data a district chose to collect.

- Alignment to Strategic Priorities:** In analyzing its Initiative Inventory, one district realized that an overwhelming majority of initiative investments (65% of all costs spent on initiatives) was being allocated to a single strategic priority, with another priority accounting for most of the remainder (*Exhibit 5*). Surprised by this large allocation to a single effort, the district’s leadership all agreed that they needed to revisit and review their strategic plan to determine the importance of those strategic priorities receiving so little investment. They agreed they might need to conduct a deeper review of their resource allocation decisions.
- Student Populations Served:** Another district had been fielding complaints that they weren’t doing enough to support their students in foster care and

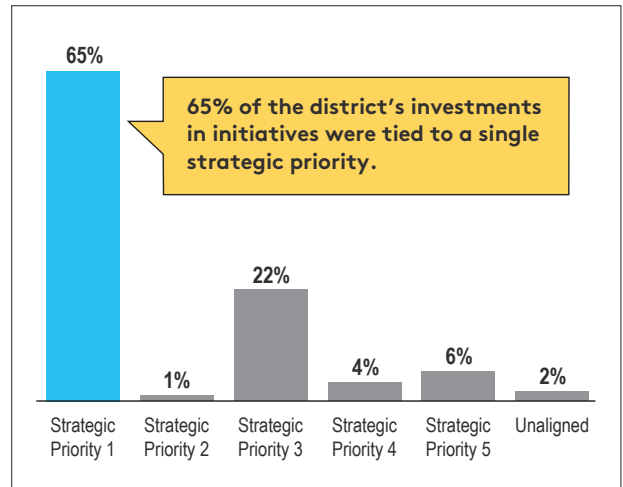
were eager to use their Initiatives Inventory to show how many resources were being directed toward these students. They were surprised and distressed to learn that while students in foster care were eligible to access services from 90% of initiatives, only two initiatives out of 170 explicitly named students in foster care as a target population of the program. (Exhibit 6 shows less than 1% of initiative funding was explicitly designated for students in foster care.)

An Initiatives Inventory allows a district to get a better handle on all the initiatives going on across the district in a structured and organized way, as well as to garner some key insights into the alignment of their resource allocation to their strategic objectives. With this information in hand, districts can then start to take a deeper dive into examining specific initiatives.

Understanding Your District's Data Needs

The Initiatives Inventory also helps a district to identify the limitations of its current data collection efforts. Based on past work with districts, DMGroup has found it to be rare for a district to have sufficient outcomes data, cost data, and student segment data for more than half of its initiatives. Far more often, districts have all this information for only a quarter or a third of initiatives.

Exhibit 5 ALLOCATION OF DISTRICT INITIATIVE INVESTMENTS ACROSS STRATEGIC PRIORITIES

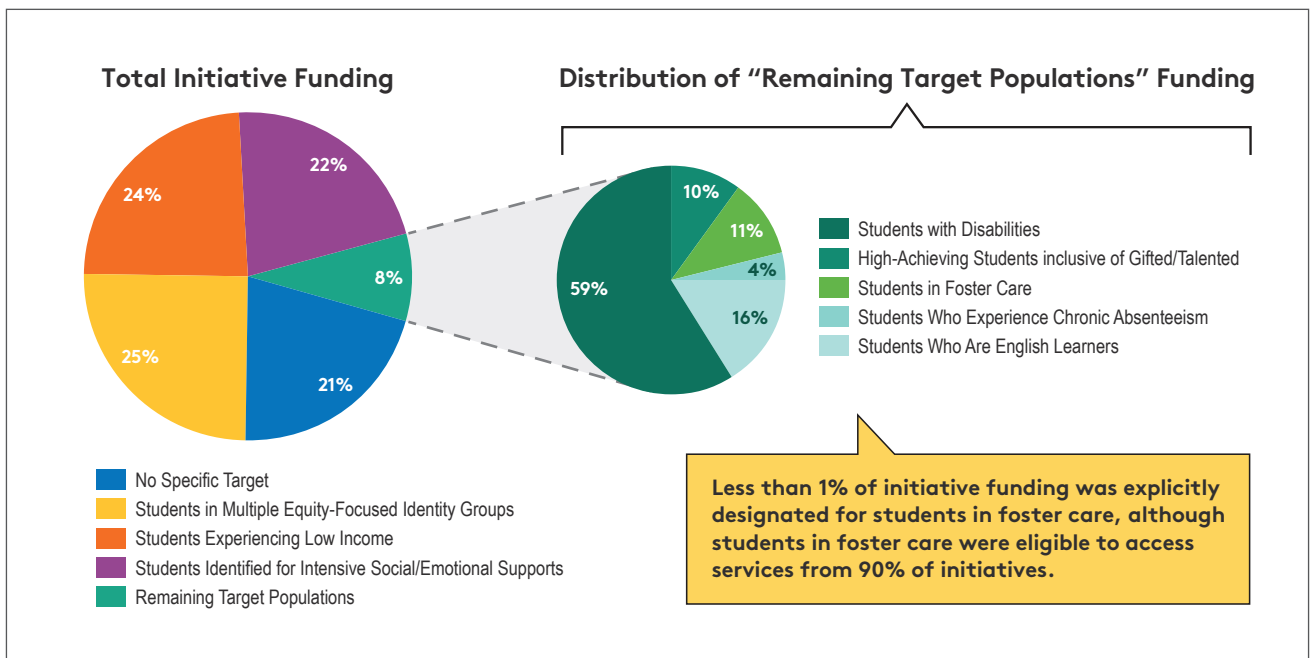


Source: DMGroup Analysis of Client-District Survey Data

One district's example can be seen in Exhibit 7, where only 26% of initiative investments met all criteria for in-depth analysis.

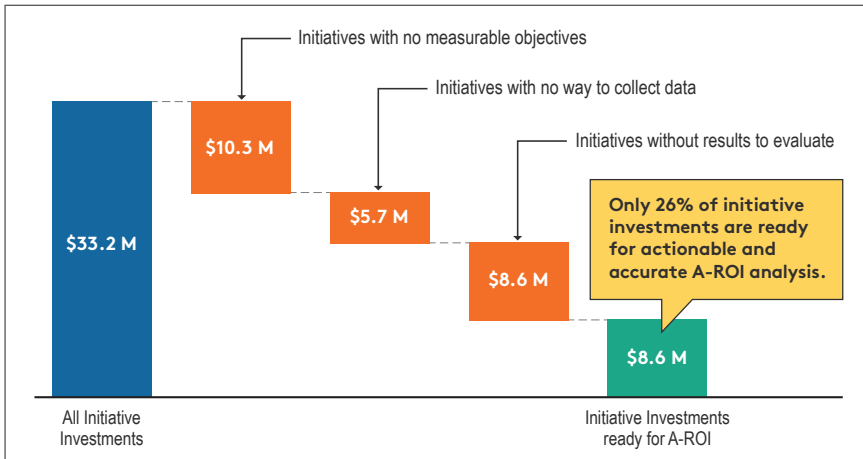
Identifying these limitations is useful in showing the district where there are opportunities to enrich their data collection abilities.

Exhibit 6 ALLOCATION OF DISTRICT INITIATIVE INVESTMENTS ACROSS STUDENT POPULATIONS



Source: DMGroup

Exhibit 7 ANALYSIS POTENTIAL OF INITIATIVE INVESTMENTS



Source: DMGroup Analysis of Client-District Initiatives Inventory Data

- Is an initiative working?
- For which students?
- At what cost?

With the data gathered during the Initiatives Inventory, A-ROI is assessed as follows:

$$A-ROI = \frac{\text{(Increase in Student Learning)} \times \text{(Number of Students Helped)}}{\$ \text{ Spent}}$$

With the results of this Academic Return on Investment analysis, district leaders are able to compare initiatives that may address similar areas of need and then

PHASE THREE:

TAKING A DEEPER DIVE WITH ACADEMIC RETURN ON INVESTMENT (A-ROI) ANALYSIS

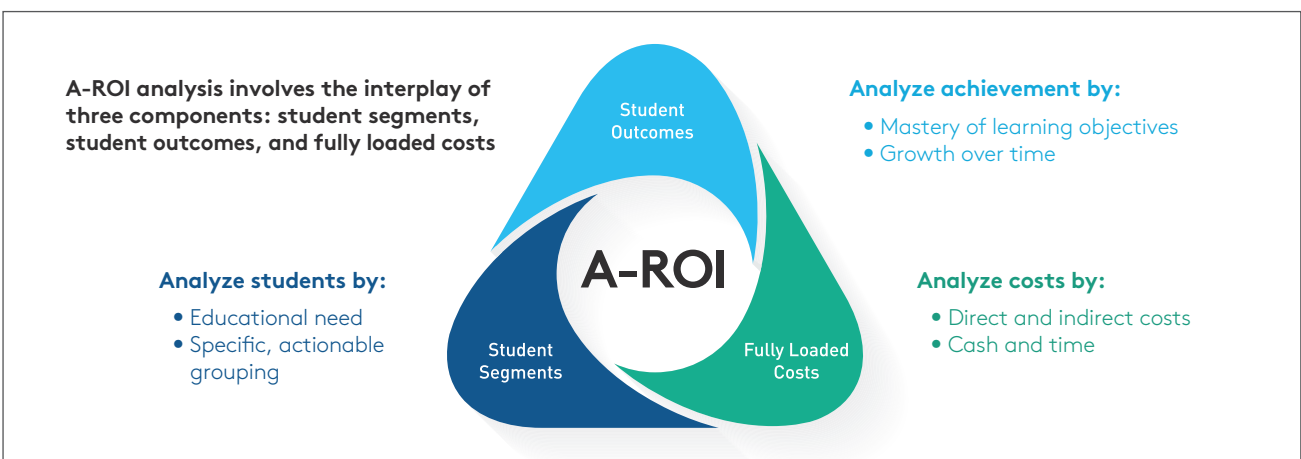
For those areas where there is sufficient data, DMGroup and the district select a couple of program areas to examine in greater depth using the Academic Return on Investment (A-ROI) approach (*Exhibit 8*).

An Academic Return on Investment analysis seeks to answer three simple questions:

understand which of the several programs might be the best use of resources.

For example, in one district with which DMGroup worked, a program for high-performing students was incredibly contentious in the community, and district leaders suspected that it was not only not very effective, but also very expensive. An A-ROI analysis revealed that the initiative was, in fact, exceptionally expensive. More importantly, while the initiative was designed to serve students in the top 5% of the achievement bracket, the program actually had far better results for students in the top 15–5% bracket. With this information, district leaders wasted no time in dismantling the program in its existing form but then made the best components of the program available to all students across the district—all at a lower cost.

Exhibit 8 DMGROUP'S ACADEMIC RETURN ON INVESTMENT (A-ROI) FRAMEWORK



Source: DMGroup

A-ROI Analyses Enable Nuanced Action

Far too often, districts are forced during budget season into the false choice of deciding whether to keep or cut initiatives. As most district leaders can attest, this often results in initiatives being kept until they've simply run their course or their supporters leave the district. Analyses using A-ROI create a deeper, more insightful understanding of the efficacy and costs of programs and thereby create the opportunity for more nuanced options than a keep or cut approach. With A-ROI information in hand, there are far more options for taking action (*Exhibit 9*)—and more often than not, these more nuanced options end up being the better choice for students:

- **Expand:** While strategic budgeting efforts are often begun in the interest of reducing spending, a more effective and efficient use of resources is to identify a low-cost initiative with exemplary impact for students as a prime candidate for scaling up.

Example: One district had a literacy intervention program that matched students with peer tutors at their high school. Analysis revealed that students who participated saw 25% more growth on state literacy assessments, and the program involved minimal staff oversight. **Expanding** this program to other high schools was determined to be an excellent option for this district.

- **Keep:** Big-ticket programs that are generally successful and can't be meaningfully reworked because of their scope or design are strong candidates to simply keep.

Example: An initiative to boost summer learning had been shown to be effective among participating students, although fairly expensive. The initiative was popular with the community, and it was not clear that a replacement initiative would have similar effects. **Keeping** this initiative in place was an easy way to keep community support while focusing on more pressing concerns.

- **Segment:** This option allows district leaders to narrow the focus of an initiative to those populations who have been shown to garner the greatest benefits from the program.

Example: An expensive math intervention initiative was found to generally result in slight academic growth for students behind grade level in math. A deeper A-ROI analysis showed that students a year or more behind in math actually saw significant growth, while students less

than a year behind saw virtually no growth. The initiative could be **segmented** to serve only those students a year or more behind in math, while a new program could be found to more effectively serve those students less than a year behind.

- **Fix:** Initiatives that attempt to meet a critical strategic need for the district but are not showing good results and cannot be readily replaced should be fixed, rather than simply cut or kept.

Example: A district added a new co-teaching program at all secondary sites. Rolling out this program was very expensive, but the community was fully behind it. Despite strong efforts, the program was not being implemented as designed and student results were lagging. The program could not reasonably be replaced. District leaders sought to invest their efforts in **fixing** the program in order to improve the academic return of this investment.

- **Replace:** When analysis reveals that a program is not working, savvy district leaders know that simply cutting the program doesn't get the district any closer to producing improved outcomes for students. Instead, they make sure that the initiative is replaced with a stronger option that has a better chance of meeting students' needs.

Example: An initiative providing technology-related professional learning from a third party had been a constant source of complaints from staff. In addition, the contract was expensive and was signed without a clear sense of what measurable progress would look like. With the contract up for renewal, district leaders decided to **replace** the program with an alternative way of providing this professional learning.

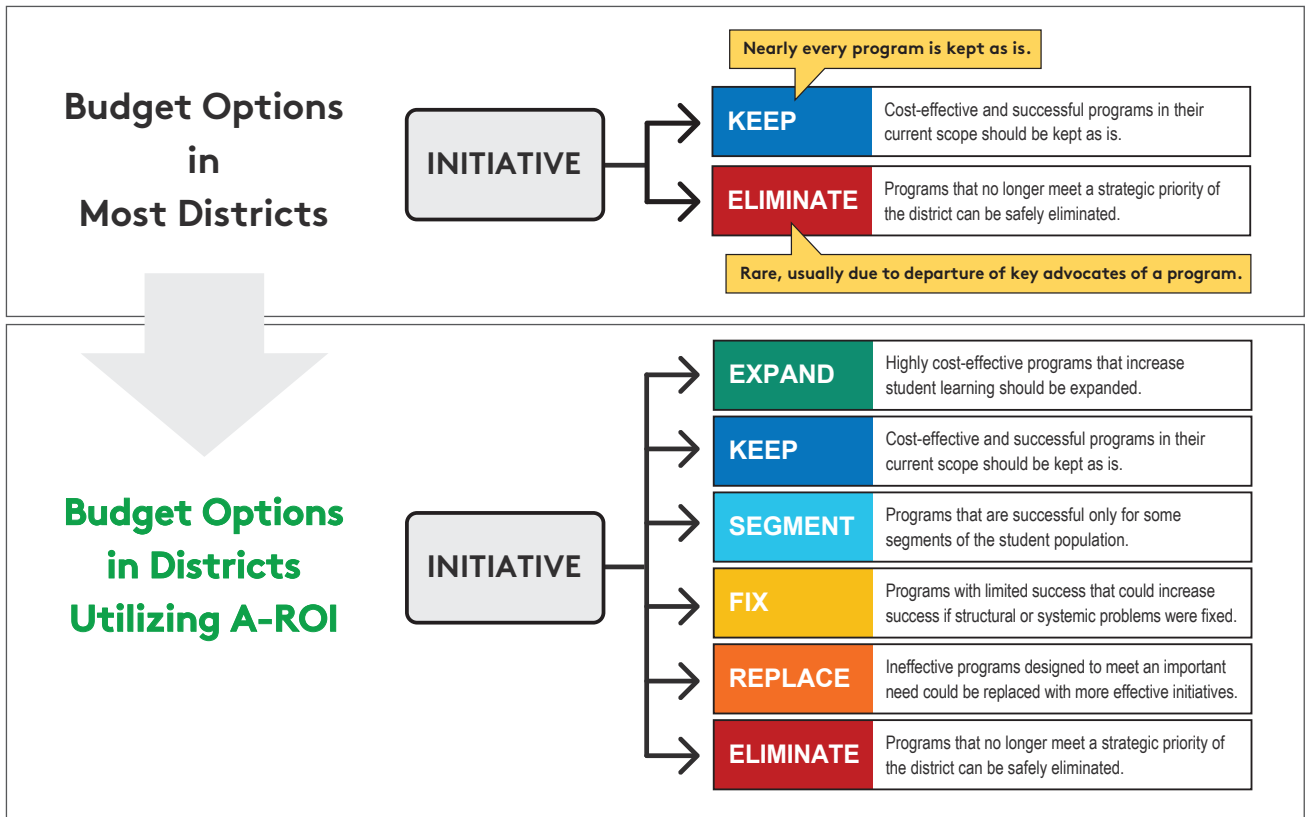
- **Sunset/Eliminate:** Despite the expanded options for taking action, there are still some programs that should be sunset if they are not delivering results.

By leveraging these expanded options for taking action, districts open new avenues for meeting their specific strategic goals with the resources at hand.

Discovering the Power of A-ROI

Once a district team conducts the A-ROI analyses, the team's excitement builds—they realize the power of A-ROI. They are able to compare different programs by both their impact and their costs. They are able to further compare these programs to see which student segments

Exhibit 9 A-ROI ENABLES NUANCED ACTION



Source: DMGroup

are benefiting the most. Then the district team can determine whether the program needs to be expanded, kept, fixed, segmented, replaced, or sunset. They realize they have the ability to determine what is working, for whom, and at what cost, and to make nuanced adjustments to programs to improve impact. They realize that they have the information and skills to ensure that district resources are used wisely and efficiently for impact.

move toward adopting a strategic budgeting approach that will work for stakeholders and programs across the district.

High-Impact, Easy-to-Implement Options

The following easy-to-implement tools can start making a difference quickly:

- **A New Initiative application form:** Once an initiative has begun to operate, trying to incorporate a definition of success and consistent data sources can feel like fixing the gate to the paddock after the horses have already run off. As a result, the most effective tool in a district leader’s toolbox is to incorporate on a go-forward basis an application form for new initiatives that captures all critical design data (see Manager’s Toolkit: New Initiative Application Form). By collecting this data up front, not only is it easier to track progress, but it is easier to make sure programs are being implemented in a consistent manner.

PHASE FOUR:

BUILDING CAPACITY FOR STRATEGIC BUDGETING DISTRICT-WIDE

After conducting the Initiatives Inventory and realizing the power of A-ROI, most district teams are eager to expand their efforts. Of course, enhancing the systems and processes to gather the appropriate data and address the decision-making process takes time. But DMGroup has developed some tools and approaches for helping districts

• **A strategic budgeting checklist for existing initiatives:** For initiatives already in place, adding a new form can prove a daunting logistical prospect. DMGroup has found it more practical to ask a few targeted questions to gather the most important information for the highest-cost initiatives:

- How will you define success for this initiative?
- What data will you need in order to measure this success?
- How will you collect and review initiative data?
- What strategic priority in the district is this initiative designed to support?
- Who is this initiative meant to support?

Gathering answers to these questions reduces the burden on initiative leaders and central office staff while ensuring that the district's big investments will be tracked going forward.

Longer-term Shifts

Fully evolving to a strategic budgeting approach district-wide takes time and effort, of course, but it can be achieved.

- **Strengthening Data-tracking Systems:** The Initiatives Inventory work begins by taking stock of the data that the district currently tracks and the systems already in place; then, the work of gathering information for the Initiatives Inventory highlights where additional data is needed. As a result, the district can move forward by leveraging the data and systems they have, and then decide what additional data and systems are required.
- **Increasing Capacity with Professional Development:** Conducting an Initiatives Inventory and an initial A-ROI analysis builds capacity and excitement among the district team that participated in the work. To further build team members' skills so they can carry on this work at scale, DMGroup has a hands-on professional development program to support district teams in building A-ROI skills while tackling real A-ROI analyses from the district. This professional development program is also very useful for school leaders and others in the district to build capacity and gain firsthand experience of the power of A-ROI analysis.

• **Shifting Mindsets and Making Change:** Seasoned leaders are all too aware that shifting mindsets and rebuilding the decision-making process is arduous work. But as more and more district stakeholders understand how this new way of thinking unlocks better options for supporting students, mindsets begin to shift, decision-making discussions begin to change, and a new decision-making process can begin to take shape. This change is accomplished most effectively by giving stakeholders opportunities to see instances where A-ROI analysis works as a tool for elevating effective initiatives and promoting exceptional results, rather than as a justification for eliminating beloved programs.

A Time for Transformation

Strategic budgeting is challenging work, but it is a powerful tool for district and school leaders to use to make progress toward achieving the district's strategic objectives and delivering for their students. Public education leaders will be receiving an unprecedented amount of federal funding, but also have enormous challenges to address. Working through DMGroup's process of building an Initiatives Inventory and conducting a limited A-ROI analysis of key initiatives can help a district realize the power of strategic budgeting and put the district on the path to meaningful, measurable improvement. This proven process helps create momentum and a shift in mindset, thereby creating an engine for change.

We invite districts to consider implementing this process and begin the work of evolving to a strategic budgeting approach. Taking stock of all the work that is happening across the district and analyzing what is working, for which students, and at what cost enables a district to elevate budgeting discussions and make nuanced decisions based on data rather than gut instinct or the loudest voice in the room. The public education sector is at an inflection point, with an unprecedented level of challenges but also an unparalleled amount of funding heading its way. It is critical that district and school leaders seize this opportunity and ensure resources are being invested in what works best for our nation's students, not only in the near term but in the years ahead. In using this funding, public education leaders need to avoid the fiscal cliff and invest the money wisely with a multi-year plan to position our districts and our schools so that our students and our nation can thrive. We look forward to supporting districts in this all-important work. ♦