Effective Budget Alignment

School Systems, School Boards, & Superintendents

Communities create school systems for one reason: **to improve student outcomes**. This is the only reason school systems exist.

Communities, however, are not monolithic. Determining what constitutes acceptable improvement, which students (if any) warrant disproportionate system focus, and which outcomes the school system should prioritize can all be sources of significant disagreement. Said differently, communities need a way to resolve differing perspectives about what students should know and be able to do, and which community values must be honored in pursuing those outcomes.

To address this, communities select a group of individuals to represent their shared vision and values. This group is called the **school board**.

The Role of the School Board

The function of the school board is to represent the vision and values of the community. Doing so generally requires the board to:

1. **Listen to the community** to gain an understanding of its shared vision and values;
2. **Reach consensus about how best to express that vision and those values in writing** (the written form of the community's vision and values is referred to as *policy*); and
3. **Monitor the work of the school system** to ensure the vision is being accomplished and the values are being honored.

The board does not do the accomplishing or adhering itself. Doing so would blur roles and accountability—too many cooks in the kitchen. Instead, the board hires an individual to carry out this work on its behalf. This individual is called the **superintendent**.

The Role of the Superintendent

The function of the superintendent is to implement the vision and values of the community as articulated by the school board. To facilitate this, the board delegates to the superintendent responsibility for managing the day-to-day operations of the school system.

For routine or minor operational expenditures—where "minor" is generally defined through board policy—the superintendent is authorized to make decisions independently, without board involvement. For major expenditures—also defined in policy—the superintendent brings forward recommendations based on professional expertise, and the school board votes to approve or disapprove them.

A key tool for clarifying this delegation of authority is the school system's **annual budget**.

Superintendents & the Budget

Each year, the school board relies on the superintendent to draft an annual budget for the school system and present it to the board for consideration. In practice, this typically involves identifying major operational areas and indicating how much of the system's projected revenue will be allocated to each.

In developing the budget—this set of operational categories and proposed expenditure amounts—the superintendent must make the case to the school board that adopting the proposed allocations will create the conditions necessary for the school system to accomplish the community's vision for what students should know and be able to do, while honoring the community's values.

School Boards & the Budget

The school board should review the superintendent's proposed budget with the initial assumption that it does not yet demonstrate how the community's vision will be accomplished while its values are honored. The board should not simply extend the benefit of the doubt; the superintendent bears responsibility for convincing the board that the proposed budget does so.

Only once the board is convinced should it vote to adopt the annual budget. If the board is not initially persuaded, it is the superintendent's responsibility either to more clearly explain how the proposed allocations will accomplish the vision and honor the values, or to revise the budget in ways that sufficiently address the board's concerns.

Because this deliberative process may involve multiple rounds of clarification or revision, it is prudent to begin the budget adoption process at least four to six months prior to any statutory deadline for adoption.

Budget Adoption Part 1: Board and Superintendent Plan For Budgeting

The school board's role in planning for the budget is straightforward: adopt goals and guardrails that will guide the superintendent's development of the budget. If goals and guardrails have not yet been adopted, the board should prioritize doing so before engaging in budget deliberations.

A major component of the superintendent's role prior to budget development is establishing a set of assumptions regarding projected revenue and projected expenditures. Revenue assumptions and timelines vary significantly across school systems due to wide differences in funding structures nationwide. Given the number of revenue-related variables outside the superintendent's control, a conservative approach to revenue projection is strongly encouraged. Creating overly optimistic projections, spending based on those projections, and later laying off staff when revenues fall short is unacceptable practice.

At a minimum, the superintendent should be prepared to share:

- Assumptions about projected revenues and expenditures;
- The basis for those assumptions, including enrollment and revenue projections—ideally extending three to five years; and
- How current projections compare with those from prior years.

It is also helpful for the superintendent to summarize any processes used to gather input from families and staff, and to explain how that input informed the development of the assumptions.

This planning work generally occurs three to five months prior to budget adoption.

Budget Adoption Part 2: Superintendent Drafts Budget

This phase may sound simple, but many school boards struggle here. Too often, board members either:

a) modify, amend, or rewrite the budget during a board meeting, or
b) arrive with an entirely different budget they propose for adoption.

Both behaviors reflect a prioritization of adult needs—such as ego or catering to adult-centered constituencies—over alignment around student outcomes. Regardless of how such actions are justified, the result is the same: adults benefit at the expense of children.

If the board does not believe the superintendent's draft budget aligns with the adopted goals and guardrails, the board should discuss why and decline to approve it. What the board should not do is write the budget itself using either of the approaches described above. Doing so eliminates the board's ability to later hold the superintendent accountable for student outcomes.

To understand alignment, board members should ask questions such as:

- Does accomplishment of the goals clearly appear to be the primary focus of the budget?
- Are the goals the organizing framework around which the budget has been developed?
- Where and how does the budget prioritize improving the quality of instruction in the areas addressed by the goals?
- Where and how does the budget prioritize improving the quantity of quality instruction in those areas?
- Is there a clear logic model flow from outcomes → outputs → inputs?
- What evidence is the superintendent relying on to demonstrate alignment between the goals and the budget?
- If alignment relies on professional judgment rather than evidence, why is evidence not yet available, and when will it be?
- Is the budget presented in a goal-aligned format, or only in traditional functional categories?
- Does the budget include return-on-investment measures (e.g., cost per student or similar metrics)?
- Is there evidence that the guardrails are being honored?

Board members should also look for strategic clarity about:

- Which strategies are newly added;
- Which strategies are continued;
- Which strategies are increased;
- Which strategies are decreased; and
- Which strategies are abandoned (a lack of strategic abandonment is a red flag).

And financial clarity about:

- Prior dollar investments tied to each goal;
- Proposed dollar investments tied to each goal; and
- The change between those investments.

Budget Adoption Part 3: Superintendent Convinces Board

Once the superintendent has drafted the budget, they are responsible for persuading the board that the first priority for resource allocation is accomplishment of the board's adopted goals, and that the budget does so while honoring the guardrails. To be clear: it is the superintendent's job to convince the board; it is not the board's job to be easily convinced.

Most often, superintendents do this through presentations that demonstrate alignment between proposed expenditures and increased likelihood of accomplishing the goals. Where trust between the board and superintendent is strong, this process is relatively straightforward. Where trust is weaker, the work of persuasion is more difficult—but it remains the superintendent's responsibility.

Because the budget must directly reflect the community's vision and values, as expressed through board-adopted goals and guardrails, it must clearly prioritize goal accomplishment in its allocation of resources.

A status quo approach to budgeting is unlikely to achieve this. When a board adopts a new set of goals and guardrails, the subsequent budget benefits from a zero-based or near–zero-based budgeting approach to ensure alignment. After the initial recalibration year, returning to a more traditional budgeting process is reasonable.

Board members should be cautious of budgeting processes that have not used a zero- or near–zero-based approach in decades; meaningful alignment under such conditions is highly unlikely.

NOTE: *At no point are students served by school boards amending budgets on the fly during board meetings. This practice reliably perpetuates district-wide inequity. If the board is not convinced that the proposed budget prioritizes accomplishment of the adopted goals, it should not approve the budget. Instead, the board should send it back to the superintendent to either:*

- *Make necessary revisions to demonstrate alignment, or*
- *More clearly explain how the existing budget aligns with the goals.*

Board-level budgeting by amendment at the end of the process harms students, regardless of the intentions of individual board members.

Budget Adoption Part 4: Board Approves Budget

Once the board is fully convinced that the superintendent's draft budget prioritizes accomplishment of the goals while remaining within the boundaries established by the guardrails, the board is ready to proceed. **Then—and only then—** should the board vote to adopt the budget.

At no point in this process should the board be evaluating whether it *likes* the budget. At no point should the board be considering whether the "right" people receive jobs or the "right" vendors receive contracts. And at no point should the board be weighing whether it agrees with the specific strategies proposed by the superintendent. If the board has done its job of listening for the community's vision and values and translating them into goals and guardrails, then those goals and guardrails should be the **only tools** the board uses to evaluate whether to approve the budget.

When the Board Is Ready to Adopt

The board chair knows it is time to move toward adoption when a majority of board members respond in the negative to the following questions:

- Are there any board members who have evidence that the budget does **not** support accomplishment of Goal #1? Goal #2? Goal #3?
- Are there any board members who have evidence that the budget violates Guardrail #1? Guardrail #2? Guardrail #3?

When a majority of board members answer "no" to each question, the board may proceed with budget adoption.

Budget adoption should hinge solely on alignment with the community's vision and values—not on whether individual board members like the budget, agree with the budget, or see items they personally prefer included.

Budget adoption should also be **all-or-nothing**; board members should not attempt to edit, amend, or veto individual line items.

After Budget Adoption

When the school board adopts the budget, it is explicitly delegating to the superintendent the authority to take managerial action consistent with the structure of the adopted budget. In practical terms, so long as the superintendent's expenditures do not exceed the amounts assigned to each adopted category, the superintendent is operating within delegated authority.

If, however, the superintendent determines that funds must be reallocated from one category to another, that decision must return to the school board for approval. Within the boundaries of the adopted budget, the superintendent has discretion to operate; beyond those boundaries, board action is required.

Sample Policy Language

The following examples illustrate how this balance of authority may be reflected in board policy:

> **Example 1**
> The superintendent shall draft the proposed annual budget based on the board's adopted goals and guardrails, and the school board shall adopt the annual budget. Once adopted, the superintendent may implement financial decisions that (1) advance accomplishment of the goals, (2) honor the guardrails, and (3) are consistent with policy, law, and the adopted budget. Financial decisions inconsistent with the goals, guardrails, and/or the budget shall be made by the school board.
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> **Example 2**
> The superintendent shall draft the proposed annual budget based on the board's adopted goals and guardrails, including proposed expenditures by functional area. The school board shall adopt the annual budget. Once adopted, the superintendent may implement financial decisions consistent with the goals, guardrails, and budget, provided those decisions do not involve the transfer of funds between functional areas.

Special Notes on School Boards and Budgets

Budgets are **not governance documents**. They are operational tools—means to an end, not the end itself. In a purely governance framework, boards would not create or adopt budgets. Instead, they would focus on values-related ends (e.g., maintaining fiscal solvency) and vision-related ends (e.g., whether organizational goals were accomplished) as evidence of fiduciary health.

However, state legislatures exist. And through statute, most states have assigned school boards formal responsibility for budget adoption. While this legal requirement is not inherently harmful, it often evolves into the mistaken belief that the board's role is to act as a layer of management above the superintendent.

This misunderstanding creates role confusion. School boards are not positioned above management; they are positioned **below the community**. When boards treat budgeting as a management exercise rather than a governance decision grounded in vision and values, clarity and accountability are lost.