Community Engagement with Budget Processes

District Leadership Forum

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Table of Contents

1) Executive Overview

Key
Observations

Profiled districts use small meetings, public forums, student-centered events, and online surveys to engage stakeholders with budget processes. Administrators at **District C**, **District D** and **District F** offer between one and four community engagement opportunities. Administrators at **District B** and **District A** offer five or more opportunities for the community to participate in the budget process.

Analyze feedback to determine budget priorities and learn how the community perceives the budget. Contacts report that administrators use feedback to understand themes in stakeholders' opinions. Many profiled districts use these themes to prioritize their list of potential budget cuts.

Increase engagement with the community during difficult financial years. During a difficult financial year at **District A**, finance administrators guided community members through a budget simulation to demonstrate the difficulty in deciding potential cuts. At **District C**, finance administrators met with teachers at each school in the district to explain the necessary budget cuts during a difficult financial year. During a difficult financial year at **District F**, the superintendent formed a Budget Priority Committee to provide strategic oversight and budget leaders requested feedback from community members via an online form.

Engaging the community with the budget process may bolster goodwill toward the final budget. Contacts at **District B** and **District D** report that finance administrators have not seen a correlation between community engagement and broad support for the district's final budget. However, contacts at **District A** and **District C** report that administrators have found it worthwhile to engage respected and well-known community members, because these individuals can bolster public support for the budget. Additionally, contacts at District B, District C, and **District E** report that it is useful and important to give all stakeholders an opportunity to share their opinions. These opportunities increase transparency and fulfill district leaders' obligation to hear community members' requests.

Consider the community when developing engagement opportunities to meet the needs of all community members. Profiled districts' engagement opportunities reflect the characteristics of their district. At larger profiled districts, (i.e., **District A** and **District E** the feedback portion of the budget process is longer than at smaller profiled districts. Specifically, administrators at District E align outreach for opportunities to meet requirements of their employees' unions. At District A and **District B**, administrators offer budget meetings in multiple languages to ensure community members can participate.

2) Structure

Timeline of Engagement Opportunities

Budget Engagement Occurs in the Fall at Most Profiled Districts

There are multiple stages in the budget process. All profiled districts except for **District E** invite community members to participate and provide feedback during one stage (i.e., feedback stage). At District E, selected union representatives meet to negotiate the budget once a week throughout the entire school year. The district superintendent, CFO, and head of human resources work with these stakeholders during the yearlong process to negotiate the budget.

Nearly all in-person meetings across profiled districts occur on weekday evenings. Additionally, administrators at **District C** and **District D** engage internal stakeholders on-site during the budget process. Specifically, administrators meet with stakeholders at schools in the district or in the central administrative office. When finance leaders at District C met with teachers to explain their efforts to reduce the deficit, they traveled to schools at the end of the school day. Administrators at **District A**, **District B**, District D**,** and **District F** provide open access channels (e.g., online webforms, surveys) for community members to submit feedback. They consider the input from these channels during the feedback stage of the budget process.

Example Budget Process Timeline

The feedback stage is longer at larger profiled districts. For example, **District A** collects feedback throughout the winter.

Fall	Fall/Winter	Winter/Early Spring	Spring/Summer
• Superintendent and/or finance leaders collect input for next school year's budget. • Finance staff review final adjustments to current school year's budget based on actual enrollment numbers.	• Finance staff and upper-level district administrators create a draft of the budget.	• The school board reviews the budget. • The school board receives additional input from the community.	• Districts adopt and implement the budget for the upcoming school year.

Offer Multiple Engagement Opportunities to Gather Feedback from Employees

All profiled districts engage internal stakeholders in budget processes. At most profiled districts, finance administrators ask for district employees' opinions on budget priorities.

Example Engagement Opportunities for Internal Stakeholders at Profiled Districts

Working Groups

The superintendent invites administrators and teachers to separate working groups. These groups compile lists of budget priorities and consider opportunities for budget cuts.

Meetings

Finance administrators attend bi-weekly administrator meetings to gather feedback on the budget.

Open Channels

Finance administrators speak with principals to learn budget suggestions from educators at schools in the district.

Information Sessions

Finance administrators invite front office staff to a mid-day meeting at the central office. Finance administrators provide lunch and teach staff about the budget.

To Engage the Maximum Number of Teachers, Consider a Multi-Step Process

District A's finance office staff members visit three to five schools in the district during the fall to hear feedback on budget line items from employees who work at those schools. Administrators also engage staff through employee groups such as teachers' councils. The CFO, budget director, and between one and two members of the finance office staff attend employee group meetings. Because this multi-step process requires finance staff to attend multiple in-person meetings at different locations, contacts report that requires a significant amount of the finance office staff time during the fall.

However, at **District B**, school administrators design and host engagement opportunities to collect feedback from employees at their campuses, and submit that feedback to district finance administrators.

Staff Input Process at *District B*

Step One: Develop Engagement Opportunities

Six to eight weeks before administrators start to draft the budget, they task heads of staff, principals, and department heads with offering an opportunity for staff in their school to provide feedback on the budget.

Step Two: Collect Feedback

Administrators do not define which method(s) individual schools must use to collect feedback. However, they specify that school-level administrators must document their process to develop an opportunity and the feedback they receive.

Step Three: Meet to Synthesize Feedback

Principals meet to define their priorities, which they base on feedback they received from staff at their schools. District administrators encourage principals to refer to the strategic plan to create their final list of priorities.

Step Four: Submit Feedback

Approximately three to four weeks after the staff input process begins, principals and heads of staff submit feedback to district administrators.

Respond Directly to Critical Staff Members

The staff input process is the most in-depth budget engagement opportunity at **District B**. Yet contacts report that teachers and staff occasionally feel frustrated that their input is distilled into themes and broad priorities, rather than presented as individual opinions and raw data. Administrators communicate directly to critical staff members that they receive all feedback; however, due to the high volume of feedback they must consider only the most important priorities.

Two Profiled Districts Encourage Student Participation in the Budget Process

District E engages students in the budget process through a program in which students decide how to spend part of the budget. For this program, administrators at District E decided that schools receive $4,000 (for small schools) or $7,000 (for large schools) from central capital funds. With these budgets in mind, students brainstorm ideas for projects, propose projects, and vote to select which project to fund. Contacts report that administrators know to expect that the implementation and yearly maintenance of these projects may exceed the budget. For example, students at one school in the district voted to install a water bottle refill system. Each year,

administrators must designate additional funds to maintain the system. Because of these maintenance costs, the project did not remain within the designated budget.

At **District B**, two, non-voting high school students serve on the school board. During the public input phase of the district's budget process (approximately one month before budget drafting begins), these students lead efforts to solicit feedback from their peers. The student representatives collect the feedback, analyze it, and present it to the school board.

Opportunities for External Stakeholders

Consider Modifying Traditional Public Forums to Provide an Effective Engagement Opportunity for the Community

Public forums provide an opportunity for community members to learn about the budget and provide their feedback to administrators. Administrators at **District A**, **District**, and **District D** invite community members to budget-focused public forums on weekday evenings. These typically occur about two months before the finance office finalizes the budget.

At District D, this forum is the main opportunity for the community to offer feedback and learn about the budget. The district holds the forum in the central administrative office and televises it on a local channel. During the forum, communications staff receive questions from Twitter and Facebook and share these questions with the administrators and community members in attendance. The superintendent answers questions pertaining to the strategic plan, and the budget officer answers more budget-specific or technical questions. After the event, administrators write responses to any questions they were not able to answer during the forum. They post them on the finance department's website.

Both District A and District B host public forums in multiple languages. District A offers one public forum in Spanish and one in English. Recognizing their very multi-cultural community (which contains numerous immigrant groups), District B offers one public forum in Vietnamese and one public forum in Somali and Maay Maay. In addition, administrators host a forum specifically for families who use the district's special education services. The final public forum is a budget Q&A. Administrators collect public input at each event.

Mediums to Invite Community Members to Public Forums

Parent, teacher, and alumni listservs

Social media accounts

District websites and school webpages

Principals' newsletters (online and print)

District text alert system

Superintendent letters to key stakeholders

To Mitigate Low Attendance at Engagement Opportunities, Consider Inviting Key Stakeholders

Contacts at **District D** report that they use multiple mediums to invite community members to public forums. However, contacts note that few community members attend the forums.

Yet contacts at **District A**, **District E**, and **District F** report that key community stakeholders often attend small meetings when administrators invite them. Specifically, District A, District E, and District F organize meetings between administrators and community members who represent district committees, civic councils, and other local organizations. At District F, some key community members also serve on a budget oversight committee. This committee provides general strategic alignment, rather than line-item suggestions.

Create Online Webforms to Provide the Community with Open-Ended Feedback Opportunities

Administrators at **District B** and **District F** ask community members to answer survey questions about the budget. Last year, District F administrators emailed one survey to each community member within their database (i.e., staff, teachers, parents, and alumni) to ask for feedback. Community members could access the survey for 30 days before the formal budget preparation process began.

At District B, finance administrators provide the survey questions to a communications staff member, who creates the survey using Survey Monkey. Finance administrators post the link to the survey on their website approximately one month before they begin to develop the budget. Community members may complete the survey during that month. Administrators ask the following questions on the survey:

1. What ideas do you have for decreasing spending?

2. What ideas do you have for new investments that would support student learning?

3. What other budget questions do you have?

Administrators at **District A, District C** and **District D** maintain an open-ended feedback form on budget websites. Contacts at these districts report that the number of submitted forms varies based on the stage of the budget process and the financial situation of the district.

> **Identify Themes to Synthesize Feedback from Multiple Engagement Opportunities**
>
> Administrators at **District A**, **District B**, **District D**, and **District F** offer multiple opportunities for community members to participate in the budget process. Contacts at these districts report that themes in feedback emerge during the process. Administrators identify these themes to help synthesize feedback from the multiple engagement opportunities.

3) Communication Strategies

Framing the Budget

Distill Complicated Topics to Educate Stakeholders

Community members and other constituent groups may not understand the financial realities and budget technicalities that district administrators work with every day. For example, contacts at **District C** report that finance administrators must teach community members that projected revenues and standard operating expenditures comprise approximately 90 percent of the budget. Administrators at profiled districts present foundational concepts across multiple engagement opportunities to internal and external stakeholders.

Finance administrators at **District A**, **District B**, District C, **District D** and **District F** play the role of "educator" at engagement opportunities. They begin each meeting with a presentation that explains district revenues, expenditures, and the budget process. Administrators repeat the same presentation during opportunities for internal and external stakeholders throughout the year. To maximize accessibility for community members, contacts at profiled districts recommend defining all acronyms in presentations.

Finance administrators at District F devote a significant amount of time to explain to the community the effects of budget cuts. During these conversations, administrators provide context for the cuts and provide information on the impact of cuts. For example, administrators explain that changes to operational expenses (e.g., staff salaries) can impact teaching and learning at the district. This explanation helps community members understand the necessity of high operational expenses in the budget.

Upload Digital Budget Resources to District Website to Provide Community Members with Comprehensive and Accessible Information

All profiled districts' websites provide budget reports for each fiscal year. Further, **District D**'s budget webpage includes videos that describe their expenditures and budget process timeline. The webpage also provides documents that explain revenues and expenditures in the capital budget and operating budget. **District F**'s budget report uses graphics and charts to explain expenditures. Administrators at **District C** uploaded the presentation they used to explain budget reduction efforts to teachers. District C's budget website also provides a snapshot of revenue sources and total expenditures.

Actively Guide Budget Conversations to Promote Constructive, Positive, and Useful Feedback

At profiled districts, administrators facilitate conversations with stakeholders. Administrators at four of the profiled districts use open-ended methods to gather feedback. At these districts, finance administrators request that community members submit feedback in separate categories, but do not otherwise specify a form for the feedback. The two remaining profiled districts encourage participants in the budget process to adhere to clearly defined decision-making principles. At these districts, administrators may encourage or require participants to work within the context of the actual financial parameters of the budget.

Methods to Guide Budget Feedback Conversations

Categories

Administrators at **District A**, **District B**, **District C**, and **District F** solicit open-ended feedback in categories. At most profiled districts, administrators ask some variation of the following questions to establish the categories:

- What programs/services should they cut?
- What programs/services should they add?

Simple Ranking

In addition to placing discussion items into categories, administrators at **District F** encourage participants to rank their priorities within each category. During working groups with administrators, participants also follow a pre-prepared template that shows total revenue projections, total expense projections, and thus, the projected deficit. Participants rank their priorities with an awareness of financial parameters.

Interest-Based Negotiation

At **District E** budget discussions primarily involve union representatives and administrators. Budget discussion participants use interest-based negotiation, wherein all parties work to understand each viewpoint and come to a "win-win" solution. The district had used a third-party facilitator until participants internalized the guidelines. Contacts at District E report that all participants are aware of the financial parameters of the budget and must align their feedback accordingly.

Use District Accomplishments to Create a Narrative for the Budget

During presentations to community members, finance administrators at **District A** describe the services and programs that the district provides, and state how these measures help the district exceeds state standards. Administrators discuss how these services and programs depend on funding and expenditures, which may change year-to-year. This narrative helps community members understand how finance administrators work to provide district stakeholders with the best value possible within the parameters of the budget. Communications administrators at **District F** post on Facebook to highlight the districts' programming and accomplishments. Contacts report that these posts frame the community members' tax dollars as positive investments.

Balance Efforts to De-Emphasize Budget Constraints with Attempts to Set Realistic Budget Expectations

Contacts at **District B** report that administrators encourage engagement opportunity participants to avoid focusing on the numbers behind their feedback. Contacts explain that administrators prefer participants speak from their experiences and provide "out-of-the box" feedback. Contacts at **District E** report that administrators use a similar approach to engage students in their budget program. Contacts report that administrators expect that students' ideas will exceed the budget, so administrators

typically do not dismiss creative suggestions for projects. Contacts at **District A** also report that administrators do not limit what participants can say during engagement opportunities. This approach guides participants to share creative solutions, which may address issues in ways that administrators had not considered.

However, some contacts report that participants' tendency to disregard constraining factors on the budget to collecting useful feedback. These contacts explain that administrators often find it difficult to incorporate high-level suggestions that may ignore considerations such as operating costs or funding limits.

Responding to Difficult Financial Situations

Offer Additional Engagement Opportunities to Respond to Difficult Financial Situations

At **District A**, **District C,** and **District F**, administrators change engagement opportunities each year. During more difficult financial years, administrators at these districts offer additional meetings or programs (e.g., budget simulations) to engage community members. For example, administrators at **District F** organized a Budget Priority Committee comprised of educators, community stakeholders, and parents to solicit feedback about an anticipated multi-million dollar budget gap. This committee created a list of top priorities (e.g., maintain elementary school class size, performing arts programs), which guided finance administrators' decisions about potential budget cuts.

Consider Engaging Key Stakeholders to Cultivate Supportive Allies in the Community

District A's superintendent sends emails and letters to invite members to join committees and civic associations.

At **District A, District C**, and **District F**, finance teams meet with influential stakeholder groups to bolster support for the budget. At District F, the superintendent meets with a financial oversight group of community members who can impact public opinion. During difficult financial years, District C finance office staff lead a budget presentation for teachers to explain budget choices they made to reduce spending (e.g., reducing utility costs). This approach equipped teachers with knowledge to speak about the cuts with credibility during conversations about the budget. Contacts at District F report that finance leaders found teachers to be valuable allies. Finance administrators at District A meet with representatives from school board committees, the superintendent's committees, and civic associations. After meetings, the representatives report back to the committees and associations, which amplifies support of the budget throughout the community.

4) Feedback and Engagement Benefits

Incorporating Feedback into the Final Budget

Review Feedback Submitted Online to Learn Community Budget Priorities

Finance administrators at profiled districts analyze online submissions and survey data. Through their analyses, administrators discern community priorities. Specifically, finance administrators at profiled districts that collect feedback through digital forms review submissions either on a rolling basis or during meetings about the budget.

Online Feedback Review at Profiled Districts

Hold Meetings to Consider if Feedback Aligns with Strategic Plan

At **District D**, the superintendent's cabinet holds a meeting to begin the budget process. During this meeting, the cabinet considers budgetary requests that community members submitted through a digital form. However, contacts report that cabinet members prioritize input from community stakeholders and the overarching guidance from strategic priorities above general trends in community feedback.

Create a Summary Document

Administrators at **District F** create a summary document using the responses from their survey, which asked community members their opinions on what budget items should be reviewed, modified, or reduced. The document highlights themes in community members' responses to the survey questions. The administrators who create the document share it with the budget committee.

Review and Respond to Feedback Form Submissions Regularly

Contacts report that **District A**'s finance administrators monitor feedback community members submit through the digital form on an ongoing basis. Further, administrators respond to community members as necessary. In addition to finance administrators, school board members can access the collection of webform responses.
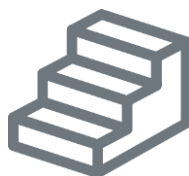
Triage Feedback Before It Reaches Senior Finance Administrators

During a difficult financial year, members of the **District C** community submitted 150-200 feedback forms through the district's website. Junior finance staff read through the submissions and considered the effect of each suggestion. After this initial consideration, the superintendent, CFO, head of HR, and other senior leaders reviewed the suggestions. Finally, the Board made a final decision regarding how to respond to the feedback.

Synthesize Feedback into Themes to Identify Community Priorities

At **District A**, **District B**, **District C**, and **District D**, administrators synthesize feedback into themes to inform budget decisions. Administrators at District A, District B, and **District F** do not prioritize budget cuts until working groups create lists of potential cuts and additions. Administrators use these lists of cuts and additions to

guide budget decisions. Themes allows administrators to identify clearly which items community members strongly support.

Further, contacts at District B explain that individual community members' ideas are often not feasible to implement. However, when finance administrators synthesize feedback falls thematic patterns, they may be able to address the root cause of a problem in the budget. For example, contacts report that several years ago administrators noticed recurring feedback focused on increasing communication between the district and the community. As a result, the district hired a communications staff member.

Most Feedback Does Not Affect the Final Budget

Economic realities and strategic priorities constrain profiled districts' ability to incorporate feedback. Contacts at **District E** report that administrators approach engagement opportunities with the understanding that the district's strategic plan is prioritized over feedback. Contacts at **District A** and **District B** add that administrators often cannot implement feedback because engagement opportunity participants do not understand the broader context of the budget. None of the profiled districts devote significant time to communicate to community members whether finance administrators implement their suggestions and priorities into the budget.

However, contacts at several districts offered anecdotal evidence of feedback directly impacting the final budget. For example, teachers at **District F** suggested administrators combine several teacher support programs under one umbrella program to use less funding. The district's final budget reflected this suggestion. At **District C**, contacts report that suggested additions are often small (i.e., approximately $200). Administrators can easily incorporate such additions into the final budget.

Benefits of Community Engagement

Engaging the Community in Budget Processes May Increase Support for the Final Budget

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Support for the Final Budget is Difficult to Measure
Most profiled districts report that a connection between engagement opportunities and overall support toward the final budget is not evident. Contacts at **District A** report that finance administrators believe efforts to gather feedback improve the reception of the final budget in the community. However, contacts report that District A's community engagement opportunities are not well attended. Similarly, contacts at **District B** note that it is difficult to assess whether the multiple community engagement opportunities translate to support for the final budget.

Often, profiled districts assess the qualitative impact of community engagement opportunities quantitative on the final budget. Contacts at **District A**, **District B**, and **District D** report that finance leaders perceive various benefits of community engagement with budget processes. Specifically, contacts at **District C** report that organizing opportunities for community members to provide feedback on the budget bolsters support for the final budget within the community.

Positive Effects of Engaging the Community in Budget Processes

	Increase Respect	At **District A**, many constituents attend community budget simulations. These simulations increase community members' understanding of the difficult decisions made in budget cuts. This positively affects the respect for the budget office staff and the district more broadly within the community.
	Learn Community Perceptions	Feedback collected through the digital form at **District C** shows administrators how community members perceive expenditures. For example, administrators learned that community members perceive necessary operational costs, such as watering fields, as too high. Knowledge of perceptions allows administrators to target messaging accordingly.
	Fulfill Obligation to Give Voice to Constituents	Contacts at **District E** report that administrators are obligated to give a voice to all stakeholders, which drives their efforts to engage students in the budget process. Contacts at **District F** similarly report that administrators consider it important to elevate stakeholders in the decision-making process.

5) Research Methodology

Project Challenge

Leadership at a member district approached the Forum with the following questions:

- Which stakeholder groups do contact districts involve during the budgeting process?
- At what points during the budgeting process do contact districts organize opportunities for stakeholder involvement?
  - Who leads these initiatives?
  - How do districts work to ensure that these meetings are productive and positive?
- Which stakeholder involvement and feedback-gathering mechanisms are most helpful at contact districts? Which are least helpful?
- How do contact districts distill complicated budget topics into formats that the public can better understand and evaluate?
- How do contact districts present difficult budget choices, when stakeholders are unlikely to agree or with necessary changes or budget items?
- How do contact districts synthesize feedback from the budget process to present to the public and the board?
- How do districts use feedback mechanisms to bolster stakeholder support of the final budget, particularly board support?
- How do districts communicate about final budget decisions that are unpopular?
- To what extent does stakeholder feedback during the budgeting process impact the final budget at contact districts?

Project Sources

The Forum consulted the following sources for this report:

EAB's internal and online research libraries (eab.com).

National Center for Education Statistics (NCES) (http://nces.ed.gov/).

Profiled districts' websites.

Participatory Budgeting Project (https://www.participatorybudgeting.org).

Research Parameters

The Forum interviewed senior finance administrators and community outreach coordinators at districts that engage their community in budget processes.

A Guide to Districts Profiled in this Brief

District	Location	Approximate Enrollment	Approximate Operating Expenditure	Geographic Classification
District A	Southeast	27,000	$640 Million	Greater Metropolitan Area
District B	Northeast	3,900	$85 Million	Urban
District C	Mid-Atlantic	6,200	$104 Million	Suburban
District D	Mid-Atlantic	41,000	$591 Million	Greater Metropolitan Area
District E	Southwest	27,000	$380 Million	Urban
District F	Midwest	6,100	$76 Million	Urban