

Aspen/ERS CFO Meeting
Building an Effective Budget Development Process

November 2015

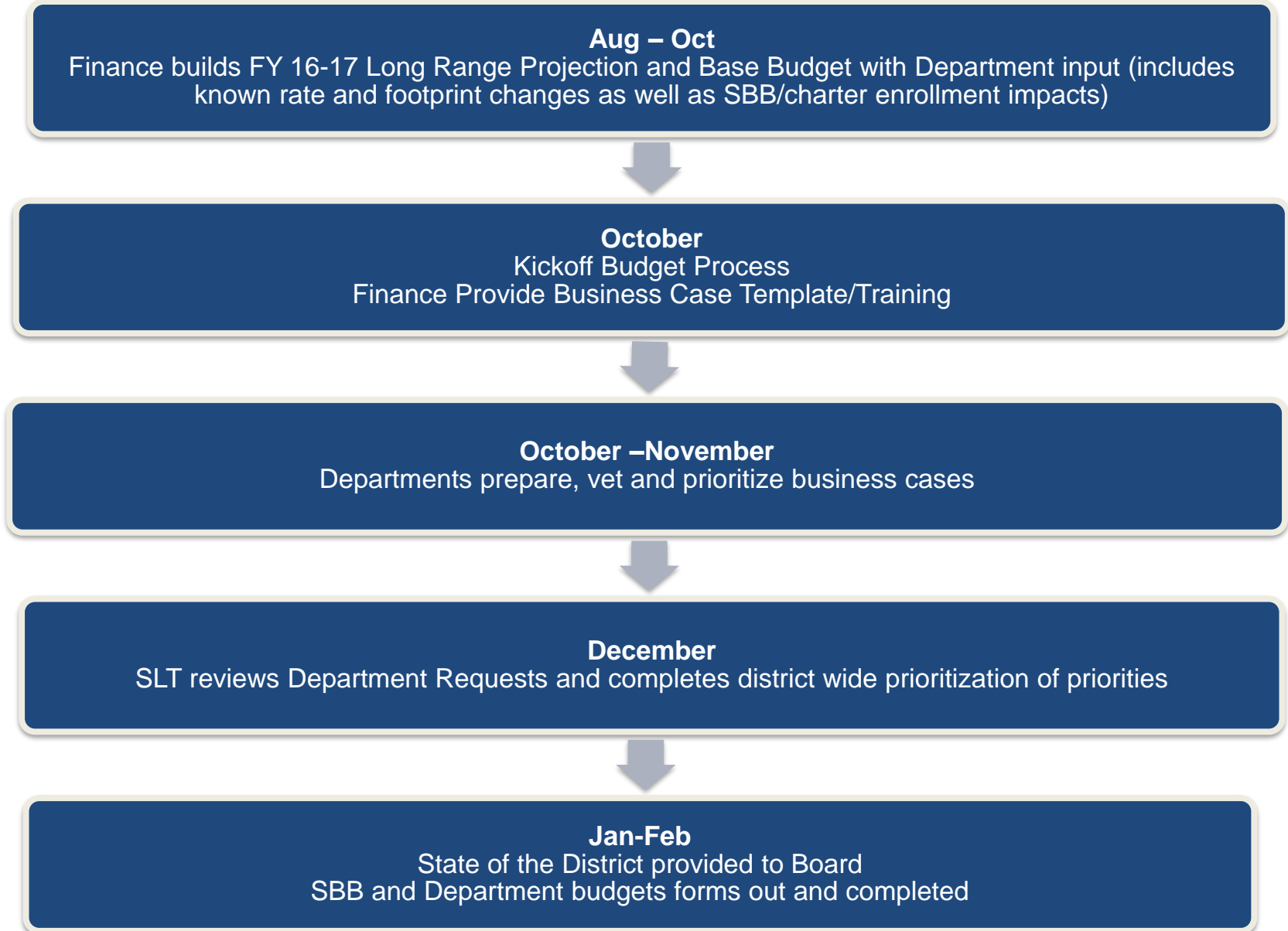


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- **Goal:** An organized and structured process that facilitates timely and effective resource allocation decisions
- Summary of FY 15-16 Process

What Worked:	What Didn't Work:
Improved understanding by SLT of full budget picture	Process to make final budget decisions
Alignment of budget with Denver Plan goals	Lack of full build out of business cases for new spending requests
SBB released 2 weeks earlier to move up hiring cycle	Not an organized way to deal with built in increase such as ramp ups, contract increases, etc
Engagement with BoE and District Advisory Committee	Communication around phases and prioritization within phase 1
	Phasing release of dollars, and total Net increase picture

Proposed Budget Timeline/Process



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	November	December	January	February	March	April
BoE			1/18 – State of District / Budget recommendations to BoE			4/21 – Proposed Budget to BoE
Targets / Budget Planning	11/3 – Department Targets Issued					
	11/4 – 12/3 – Departments determine initiatives / reduction plans (Collaboration across organizations)					
		12/4 – Departments submit plans to meet targets to Finance				
SLT Meetings		Week of 12/14 – SLT working session		SLT Meeting once State Supplemental Passed		
Detailed Budget Development			1/21 – School budget forms distributed	2/12 – Department budget forms distributed	3/1 – All budget forms submitted to Finance	
Other	Governor’s FY 15-16 Budget Request			State FY 15-16 Supplemental Final	Legislative Council Economic Forecast	FY 16-17 School Finance Act

Budget Request Process

- Summary information gathered to describe the request – this is used to prioritize through cabinet chiefs first
- Budget owners are also required to summarize current (base) funding for the initiative, as well as future year funding by month.
- Format attempts to facilitate an ROI mindset in budget requests

PERSONALIZED LEARNING



Program Name	Personalized Learning
Program Sponsor	Cheri Wrench
Organization	Chief Academic and Innovation Officer
Denver Plan 2020 Alignment	Flexibility

Description

Personalized Learning is a new part of the organization and requires these basic positions to move work forward and maintain our business functions.
 Business Manager (0.5)
 Project Manager (1.0)
 Research Analyst (0.5)

The Personalized Learning team made several reductions last year.

Research Basis

Research:
 Personalized Professional Learning based practices on three fundamental bodies of work:
 - The research of Jim Knight's book on video for reflective practice called "Focus on Teaching" (<http://www.corwin.com/books/Book242318>), which speaks to the huge gains found within self-reflection and co-reflection using short video clips of classroom practice

Interdependencies

Currently, our DELCS KC program pays for all business functions (payroll, Pcards, accounting, tuition billing, etc.) and HR services for the Personalized Learning team. If KC program (which is a revenue program) has deficits we will need to make additional cuts. Last year, we made 5-6 cuts already for this team. The KC program can not continue to fund all of these business functions for Personalized Learning (Business Manager and HR).

Program Type	Expansion of Existing Program
Phased Program?	No
FY 2016-17 Rough Order of Magnitude (ROM)	\$100K-\$250K
FY 2016-17 Cost Reduction	(\$250)-(\$100K)

Expected Results

Efficiency of scale for business functions (Business Manager and Research Analyst) as well as cost savings with maintaining combined business functions.

Project Manager - efficiency in project completion and documentation of work

Risks

Business Manager - loss of financial strategy and support for 6 departments.
 Project Manager - no support for management of district-wide initiatives.
 Research Analyst - lack of research to move CBL and PL forward.

FY 2016-17 Activity Overview

Business Manager (0.5) - ongoing support for financial analysis and management of 6 departments business functions.
 Project Manager (1.0) - manage ongoing initiatives in Academic Portals, Ed Tech, Personalized Professional Learning, and Competency Based Learning.
 Research Analyst (0.5) - support research of new Competency Based Learning models and Personalized Professional Learning practices

Budget Process

Budget Principle:	Desired Alignment:	Areas for Continued Improvement
<p>Principle 1: It adds up. Budgeted expenses balance with revenue.</p>	<ul style="list-style-type: none"> • 5 year forecast model developed inclusive of grant funding sources • Consolidation of funding into the general fund wherever possible to streamline/simplify 	<ul style="list-style-type: none"> • Making changes to the process during a reduction year has been difficult as leadership has not had to make large reductions in the past • Build the culture of frugality
<p>Principle 2: All funds are included for consideration.</p>	<ul style="list-style-type: none"> • Detailed view of grant cliffs • Maximize non-general fund sources to the extent possible. Consolidate when able. 	<ul style="list-style-type: none"> • Budget owns continue to be protective of restricted funding – believe it's off limits from cuts • Continue to push thinking in a consolidated mindset
<p>Principle 3: Decisions are focused on strategy, not departments.</p>	<ul style="list-style-type: none"> • Alignment to the Denver plan – primary focus point for prioritization (go/no-go) • Adds/reductions are not uniform across departments (some see greater/lower % change) 	<ul style="list-style-type: none"> • Communication can still be improved • Final decisions sometimes made at the Superintendent level and not communicated appropriately
<p>Principle 4: The process and tools enable ROI comparison.</p>	<ul style="list-style-type: none"> • Gather research basis at the time of funding requests • Identify interdependencies and expected results 	<ul style="list-style-type: none"> • Systems are not in place to ensure the appropriate follow up / testing • GL account structures limit our ability to track spending to program/initiative

Budget Process

Budget Principle:	Desired Alignment:	Areas for Continued Improvement
<p>Principle 5: Together, all initiatives are actually implementable.</p>	<ul style="list-style-type: none"> • Cross-functional prioritization of cuts/adds • Partner team able to facilitate communication across groups 	<ul style="list-style-type: none"> • Break down the mine vs. yours mentality.
<p>Principle 6: Investments/cuts are prioritized and mapped to range of revenue levels.</p>	<ul style="list-style-type: none"> • Attempt to create a rank-ordered list of cuts/adds to facilitate agility in decision making – move the bar up/down the list 	<ul style="list-style-type: none"> • Hesitation around a rank-ordered list as there are often scenarios/options rather than cut and dry recommendations • Timing of final revenue makes it difficult to react quickly
<p>Principle 7: Actively monitor results to ensure sustainability.</p>	<ul style="list-style-type: none"> • Rely on annual process to evaluate programs for effectiveness. • Monitor grant cliffs to ensure funding can be backfilled as programs are deemed successful 	<ul style="list-style-type: none"> • Manual processes to track funding cliff and short term funding approvals • Development of the base budget is manual and relies on historical knowledge