

Systems Thinking in School Administration Budgeting Dynamics

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Over the past several years, I have seen how systems thinking can be a great tool for the classroom teacher. As a teacher, I often marvel as students start to see the interdependency of systems, pose high level questions, and question assumptions. While sitting in meetings and listening to others, though, I also started to realize that some of our district's best administrators were thoughtful systems thinkers (with the opposite being true as well . . . some of our least effective administrators are not systems thinkers).

In a previous article for the C.L.E., I reported on an interview with Rick Miller, principal of Sunset High School in the Beaverton School District, a suburban district west of Portland, Oregon. In that article, we discussed attendance, class size, and staffing issues. This article is a continuation of our discussion, and will focus on some of the dynamics of school budgeting.

Matt Hiefield (interviewer): From a teacher's standpoint, I have seen some strange budget dynamics over the years. For example, many academic departments feel that they have to "spend down" their budget, as the money will go away after a certain date. As a result, some purchases (like several hundred boxes of chalk) are made not because that much is needed, but because department heads often feel that their budgets will be cut next year if they don't prove that they need the money.

Rick Miller (principal): Unfortunately, money can't be rolled over to the next year to encourage saving by department as this is public finance law. One of the reasons for this is that it would be unseemly to keep taxpayer money for the next year.

Matt Hiefield: Well, is there any way to break this spending paradigm?

Rick Miller: One aspect of budgeting that I've found important is to (at an appropriate point) let all of the different interests see the overall budget and how people are spending money. Breaking down the budgetary "fiefdoms" is critical. If you can get people to see the big picture and evaluate spending priorities on "what is good for the school," then people are more likely to make wise spending decisions. The department chairs get to the reasoning behind the overall budget and to grapple with equity issues. This forces people to articulate spending decisions to a higher degree.

Matt Hiefield: What other systems issues are there in school budgeting dynamics?

Rick Miller: Well, one budgeting strategy that we are working on is the concept of "committed futures". This means that we try to plan ahead for a three year spending plan, and we separate classroom from building expenditures.

Matt Hiefield: Yes, but didn't you state earlier that public finance law doesn't allow funds to be rolled over to the next year? If this is the case, then how can you plan a budget for three years?

Rick Miller: Just because money isn't being rolled over and saved in an account somewhere doesn't mean that we can't anticipate future needs. Instead of dividing up money on an equal basis every year, it is important to view the school and specific needs from a more global perspective. This year it might mean taking care of technology in the counseling office, while next year it might mean something else.

What we do as department chairs, then, is to articulate future needs and designate when building money will be spent on them. This gives a more global picture to departments and let's people know how money is being spent.

Matt Hiefield: What are some future budgeting challenges?

Rick Miller: Anticipating technology purchases and doing so in a thoughtful manner is a very tricky thing and is a significant challenge. Our district purchases some technology for each school, and schools can purchase more if they want to use their own resources. Factors in these decisions include obsolescence, server resources, curriculum planning and course offerings, and software. What we offer as a school with regard to technology education is totally different from what we were offering 5 years ago, and I imagine that classes, software, and hardware will continue to change in the coming years. So, will the software site license that we purchase today be obsolete tomorrow? Is the class being taught to rely on a certain piece of software? As more teachers integrate technology and special programs into their teaching, will we have the resources to support this? Will we have the personnel to teach specific classes if one of our teachers leaves? (For example, if the school commits to C++ programming materials and the C++ teacher leaves, will we be able to find a replacement that can also teach the other required courses? At first glance, budgeting seems simple, but to do it right it is important to ask the systemic questions.

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In considering budgeting dynamics in a school, it became clear that many forces are at work. The most important aspect, though, is that the major budget players should have access to the big picture, and have the ability to question and explore the spending assumptions of others. Other important aspects include projecting budgetary needs into the future (despite state spending laws) and looking at obsolescence and delay issues.

In sum, effective administrators are systems thinkers and budgeters by nature. They have to be to foster success in such a complex organization. In grappling with these issues, spending assumptions and values become increasingly important, and being able to articulate and test assumptions is essential in the effective allocation of precious resources.

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