A Principal’s Perspective: Empowerment for Schools

Matthew Hornbeck

Student-based budgeting in Baltimore provides principals with a “bounded autonomy” that allows them to build their own budgets in support of the programming most needed by their schools.

Matthew Hornbeck is in his eighth year as the principal of Hampstead Hill Academy, a pre-K through eighth-grade public school in southeast Baltimore. Prior to his principalship in Baltimore, he spent five years as a consultant on school finance and professional development for principals in large urban districts, working very closely with Karen Hawley Miles and Education Resource Strategies. When Dr. Andres Alonso, the Baltimore superintendent, wanted to promote student-based budgeting to principals, Hornbeck was the natural choice to talk with other principals about what it would mean for them. He spoke to the Annenberg Institute about what principals need to know about student-based budgeting.

What are the advantages of student-based budgeting?

Matthew Hornbeck: Schools have a sense that they’re empowered to make decisions that make sense to classrooms, teachers, and kids. You are no longer in a position where somebody just shows up at your door and says, “I’m your new second-grade teacher.” It’s all about getting schools to the point where they are the ones in charge. There has been an infantilizing approach so that schools have not had the opportunity to make decisions on their own. That excuse has been taken away. Now, the work can be about rigor. Before, those conversations were hard to have when you were constantly unaware of how much money you had, where it was going to be located, or [when technology] systems couldn’t talk to each other. I think it has been part of an overall comprehensive effort to provide schools with the power and control and autonomy to make decisions that are good for teaching and learning.

As a principal, you’ve experienced life with student-based budgeting and without. What has changed for you in the move to student-based budgeting?

Matthew Hornbeck: This year [2010-2011] is Baltimore’s third year using student-based budgeting. It gives you a lot of freedom and control to build your own budget. [In the previous system], there were a lot of programs that were central office controlled and budgeted, whether it
was citywide chess programs or citywide urban debate programs or other kinds of initiatives that the board over the years thought were good for kids. In the previous paradigm, you would just sign up for them. In the current scenario, those programs have to come make a pitch at the school level, so we purchase participation in the debate program [or] we purchase participation in the chess program. When you unbundle all of the money and push it out to schools, it creates a lot more ownership and willingness to faithfully implement programs.

Another thing, traditionally, if you were a squeaky wheel, you would get more staff. There were haves and have-nots in the district. Now, they will look at the schools’ projections for enrollment, and if the schools are wrong, they will make at least one or maybe two mid-year corrections. When principals overestimated their enrollment last year, they lost as much as $500,000, $800,000, or $1 million in the middle of the year and had to get rid of staff and redo their programming and planning. If they underestimated, they were the beneficiaries of huge windfalls in October or November – as much as $400,000 or $500,000. Principals are becoming far more adept at recruiting kids because they know that under the weighted formula individual kids matter to schools.

Your budget is all about your enrollment. It’s not about who you can convince at central office that you might have enough kids to add another teacher. It’s not who you can convince you ought to have a coach who is a friend or a colleague. It’s about performance and making sure that your enrollment is not declining. If your enrollment declines, then your opportunity to provide supports for kids declines. I was projecting 606 kids [this year at my school], and today [just before the start of school] it looks like we are twenty over. That is $150,000 of additional funding that will come our way. In the past, if I got ten more kids, I didn’t get more staff or more money. If I go bang on doors and get ten more kids, that means I get $80,000. Then that’s a powerful financial incentive to go and make sure that your enrollment matches what you’ve got in mind for your programming and your schools.

What supports have been helpful to you in the transition to student-based budgeting?

Matthew Hornbeck: There were a lot of supports. The first year there was actually a team of people. The central office emptied out; teams of people came out to each individual school for three-to-six-hour meetings with individual principals to talk about what this meant for their schools and to get a better understanding of what kind of
programming needs were at the school. Now there is a principal’s dashboard that includes the detailed guidance, the school-specific budget allocations, and the certification information for staff. All of these things are married together in an online setup. You can see what programs you can add and how much they cost. For example, I purchased a full-time registered nurse because we have a number of kids who have epilepsy and a kid with cerebral palsy and lots of kids with asthma. That costs $30,125, and so I can just put that in my budget and see that it’s there. It’s very empowering to have that information at your fingertips where you can see it, you can change it, you can submit it, and you can defend it. I think it’s been a really good process and continually gotten better as the years have gone by.

The other piece of support they provide is through the school support networks. For every fifteen schools, there is a team lead, business manager, a student support staff, and an academic support person. They are a team who are not supervisory [of the school]. They are formative in their support. They can look at my budget online as well and see what is missing or what’s not missing, what looks good or what they might have questions about, so it’s sort of a check and balance on the principal. [They are] a group of people who can know in more detail about what [the school is] doing.

**What have been the challenges in the transition to student-based budgeting?**

**Matthew Hornbeck:** One thing that the district struggles with now is surplus staff, because with principals having control over our budget, if we don’t want somebody, we’re not willing to budget for them or pay for them. A teacher with benefits could easily cost $100,000. The district has contractual obligations and does not lay people off. I think we are getting better at evaluation, so we can identify our high-performing teachers as well as the teachers with significant challenges. We are learning how to counsel folks into different professions or make sure we are providing the support they need, and if the supports aren’t ultimately enough, then figuring out how they need to be rated in terms of evaluation. That hasn’t ever happened before, so over the last few years there are significant numbers of people – 100 to 200 people – who are surplus staff. That is hard on central to carry those people off of school budgets. If you’re carrying $10 million in surplus staff and all the money’s in the schools, then it’s far more likely that you’re going to have to freeze [school] budgets in April and make all the money come back to central that’s not spent in April or May. It will be great when we get to a point where money can actually be rolled over from year to year so that there can be more financial planning as opposed to “Oh, my gosh, it’s May. Let me order a bunch of computers or otherwise my money is going to expire.”

**Would you say there are any disadvantages to student-based budgeting?**

**Matthew Hornbeck:** I don’t see any disadvantages. I think in a district that was central office driven and central office focused, there would
be disadvantages because you would have a sense of paranoia or insecurity around, “What are principals going to do with this money? Are they going to go buy a bunch of plasma TVs for their office and then it will get in the newspaper and the district will be accused of mismanaging funds?” There’s a certain sense of trust that comes along [with student-based budgeting], and I think that’s when [Baltimore superintendent] Dr. Alonso talks about bounded autonomy. It’s not just “Do anything.” It’s, “Here’s the guidance, here’s what you should be spending funds on.” He’s very clear about principals serving at the pleasure of the superintendent.

**What do you think are the most important skills for principals in districts using student-based budgeting?**

**Matthew Hornbeck:** They need to understand how budget priorities translate into programming. I think that knowing where you’re going instructionally is key to building a good budget. If I wanted to hire a director of enrichment intervention, I should know how much that costs, what that person’s going to do, and I’ve looked for the person, and it’s me taking the risk that the investment I’m making is going to pay off for our kids. Lots of districts over the years have had models where they say, “We’re going to put a reading and math coach in every building,” and that person is in the building without the leadership at the building having thought about what exactly that means, what that person will do, and making sure they have the skill set to get it done.

You also need to have principals who are actually pushing the reform from below as well as central office setting it up from above. Having principals empowered to provide that kind of continuous feedback to central office is really important. You are not going to get it right the first time, and you need their voices in the mix.

**What advice would you give to another principal whose district was about to transition to student-based budgeting?**

**Matthew Hornbeck:** I think that this is the moment where I’m supposed to say, “Hold on to your hat. Change is coming, and it’s so startling and wonderful, but it’s so hard you’re going to have sleepless nights.” [But] it wasn’t that hard. I think people don’t need to get too worked up about it. You need to bring people along in terms of helping them understand why it’s important. I don’t think anybody should be scared about it or have any trepidation about taking it on. I think it’s actually not a big deal. I don’t know what
percent of the 15,000 districts in the nation do or don’t use [student-based budgeting], but it certainly makes sense from a teaching and learning perspective. You have to invest a little time in the planning at the beginning as a principal, but I think it is ultimately a time saver for schools, because you’re not running around trying to figure out who has your pot of money or constantly trying to figure out who has the programming that you want. In fact, it’s just the opposite. When the money is in schools and principals have control over it, all of the people with programs and all of the teachers with their resumes find you because you’re the one that makes the decisions. And that’s a really good thing from the school perspective.

Is there anything else you’d like to add that we didn’t get a chance to talk about?

MATTHEW HORNBECK: Student-based budgeting is a key element of a comprehensive approach to school reform. I think there are two approaches to turning around schools. One is to provide the kind of intense curriculum oversight that results in very little control being given to the school. I would be on the other side of that discussion. I would not only give higher-performing schools more autonomy. Even schools that are historically lower performing, maybe even especially those schools, need to be given the bounded autonomy that student-based budgeting represents to make the huge changes that are necessary.

Other districts look at Baltimore and see that you don’t need to have the kind of high, centralized control over the lowest-performing schools in order to see some positive outcomes for students and families. Lots of times people think, “Let’s do [student-based budgeting] as a pilot.” But, Baltimore is a shining example: you don’t have to wait; you can do it now; you can do it quickly; you can do it within a year. You can make a change that’s as fundamental as a funding mechanism, and you can do it districtwide across 200 schools and 80,000 kids. Then you can refine it year after year. It’s nice because we’ve hit a point where there is no going back now that schools have this control.