

Assignment #2: Budget Analysis of a Downsizing Model for Capitol Land Trust

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April 10th, 2025

Introduction

Capitol Land Trust (CLT), a 501(c)(3) nonprofit conservation organization based in Olympia, Washington, was established in 1987 by concerned citizens of the South Puget Sound region. Its mission is to strategically conserve vital natural areas and working lands in the South Puget Sound and Chehalis Basin watersheds to preserve their ecological and community value. Like many nonprofits, CLT must manage its resources effectively to sustain operations and fulfill its mission, particularly when facing potential budget cuts (*Financials - capitol land trust*).

Financial Context

In 2023, CLT reported total expenses of \$1,312,305. A proposed budget reduction of 10–15% for the following fiscal year translates to a cut of approximately \$131,230 to \$196,845. For a nonprofit with conservation as its core mission, such a reduction could be daunting. However, it also presents an opportunity to implement strategic financial planning to preserve both operations and organizational integrity without sacrificing personnel and stakeholder relationships. See Table 1 regarding information on the organization's overall budget for the current year and upcoming year.

Strategic Budgeting as a Solution

A strategic budgeting approach offers a comprehensive framework for evaluating how current resources are being utilized while also projecting the long-term implications of financial decisions. This method moves beyond traditional budgeting, which often focuses solely on annual costs and revenues, by incorporating a broader, future-oriented perspective. As Nice and Fisher (2021) explain, “A strategic approach to budgeting analyzes the base of current resources

and alternatives using information on expected costs and returns to the society over the long-haul” (p. 16). In other words, it encourages decision-makers to consider not only immediate needs but also the broader societal impact and sustainability of their financial choices. This approach is particularly well-suited to mission-driven organizations like the CLT, whose work often unfolds over decades or even generations. Given the long-term nature of conservation efforts, such as habitat restoration, land preservation, and climate resilience, CLT benefits from a budgeting strategy that aligns financial planning with enduring outcomes. By applying strategic analysis, the organization can explore a range of spending models, evaluate the return on investment for various programs, and make evidence-based decisions about where to focus limited resources. This process supports greater accountability and transparency, ensuring that funding is directed toward initiatives that are both high-impact and mission-critical.

Organizational Redesign and Efficiency

Beyond budgeting alone, CLT can benefit from internal organizational redesign. Cameron (1994) argues for redesign strategies over workforce reductions, stating:

Unlike workforce reduction strategies, these redesign strategies help avoid the problem of eliminating workers while maintaining the same amount of work for the organization to perform. Instead of piling more work on fewer employees, and thereby risking overload and burnout, a work redesign strategy helps assure that changes are targeted at work processes and organizational arrangements (p. 198).

Such redesign could include restructuring workflows, redistributing tasks across teams, and streamlining internal processes. These changes can promote greater operational efficiency without compromising employee wellbeing or organizational output.

Stakeholder Engagement and Community Involvement

Transparency and trust are also critical when making budgetary adjustments, especially in nonprofit environments. As Stone (1997) discusses in *Policy Paradox*, public perception and stakeholder confidence are shaped by how decisions are framed and communicated. CLT should proactively engage with its supporters, clearly articulating the necessity of changes while emphasizing its commitment to mission-driven outcomes. One practical measure could be to expand volunteer and internship opportunities, which would alleviate payroll pressure while deepening community engagement.

Conclusion

Although a 10–15% budget reduction may initially appear challenging for Capitol Land Trust, it also offers a unique opportunity for internal growth and strategic transformation. By adopting a long-term budgeting approach, investing in organizational redesign, and strengthening stakeholder trust, CLT can navigate financial constraints without compromising its mission or values. In doing so, it can remain a resilient and impactful force in regional conservation for years to come.

Table 1. Capitol Land Trust's overall budget for the current year and upcoming year with budget cuts.

Description	Amount
Total Expenses 2023	\$1,312,305
Proposed Budget Reductions	-----
- 10% Reduction	\$131,230
- 15% Reduction	\$196,845
2025 Adjusted Budget	-----
- Post 10% Reduction	\$1,181,075
- Post 15% Reduction	\$1,115,460

References

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