

Effective School Boards

and their fiscal duties



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Governance in Idaho code 33-512

- Calendar
- Fiscal responsibilities
- Morals and health
- Flagpole
- Prohibit disruption
- Govern in compliance with SBOE rules and laws
ETC

Your budget

Your most important policy document



What is it? What is your role?

- Any local government – including school districts – uses a budget to describe its program plans for the coming year.
- Approved by the board
- Monitored by the board
- Idaho Code 33-512 gives you fiscal responsibility

Budget Process

- Bridges the gap between stated goals and resource allocation.
- Process forces discussion and informs choices...various programs competing for scarce resources.

School Board's Role

- Adopt board policies that govern fiscal management
- Set district goals and budget priorities
- Require budget officials to explain estimates of projected revenues, expenses & balances; AND alignment with district priorities and goals.
- Conduct monthly oversight of income and expenses
- Review data used to plan budgets



It is the Board's responsibility to ensure:

- Effective financial oversight
- Realistic budgeting and monitoring of the budget
- Appropriate internal controls and procedures
- Timely and accurate financial reporting; and
- Adequate financial resources



Administration's Role

- Provide information
- Provide explanation
- Provide guidance



Administer the budget and related fiscal policies as directed by board action.

Internal Controls

- ⊕ Built in organizational checks on revenues and expenditures
- ⊕ Audits done and thoroughly reviewed
- ⊕ Allocations spent appropriately
- ⊕ Provisions made for special areas



Does your Budget support your System Vision?



What to do.....

- Examine Vision/Goals/Priorities/Data
- Examine your budget and it's current state
- Determine if your resources are aligned to your budget.
Are there conditions for success?



- Early Literacy
- Mandatory board training
- Technology
- Advanced Opportunities



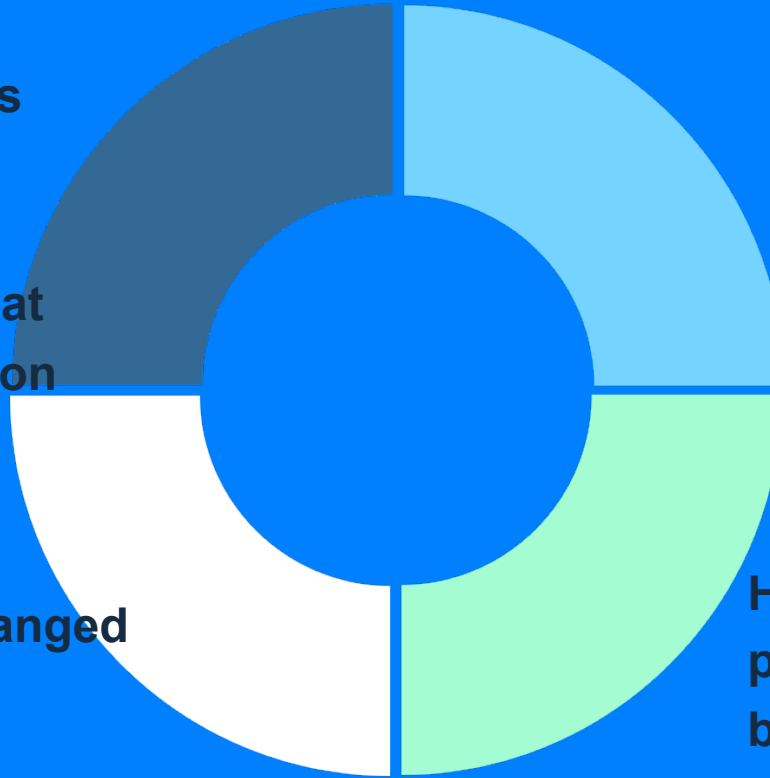
Budget Conversations

Have we created conditions for success within our priorities?

Where are the gaps that exist between our vision and our budget?

How has the budget changed from last year?

Are our priorities reflected in the newly approved budget?



What is the vision of our school district?

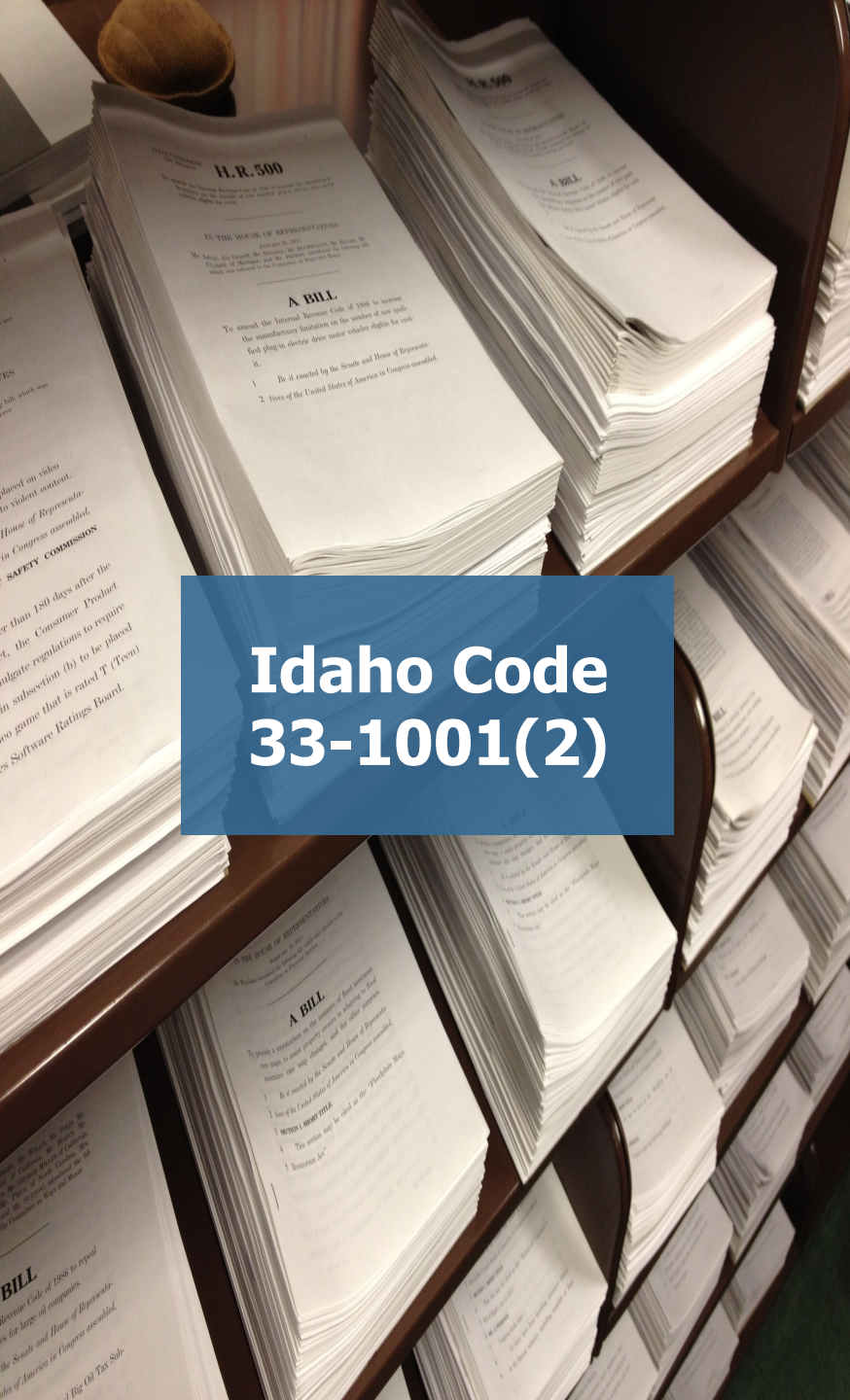
What priorities do we have for the upcoming year?

How does the budgeting process work from staff to board?

How are priorities communicated up and down the decision making process?

The Basics of Funding in Idaho

- Approximately 90% of your funding is based on student attendance.
- Nearly 80-85% of your expenditures will be salaries and benefits.



Idaho Code 33-1001(2)

Foundation Program - State Aid – Apportionment Definitions.

“Average daily attendance” or “pupils in average daily attendance” means the aggregate number of days enrolled students are present, divided by the number of days of school in the reporting period; provided, however, that students for whom no Idaho school district is a home district shall be considered in such computation.

- Enrollment drives attendance
- ADA (Average Daily Attendance) = Support Units

- Units drive funding:
 - The majority of your State funding is based on Midterm reporting period information:
 - First day of school to/including first Friday in November (salary based apportionment)
- Discretionary aka Operational Funding

- Best 28 week – July payment

Funding Formula



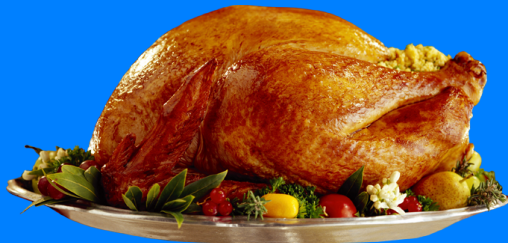
- Φ The state funding formula is based upon attendance, not enrollment.

Three Reporting Periods

1st

**Reporting
Period**

**Ends the
first Friday
in November**



2nd

**Reporting
Period**

**Ends the
first Friday
in March**



3rd

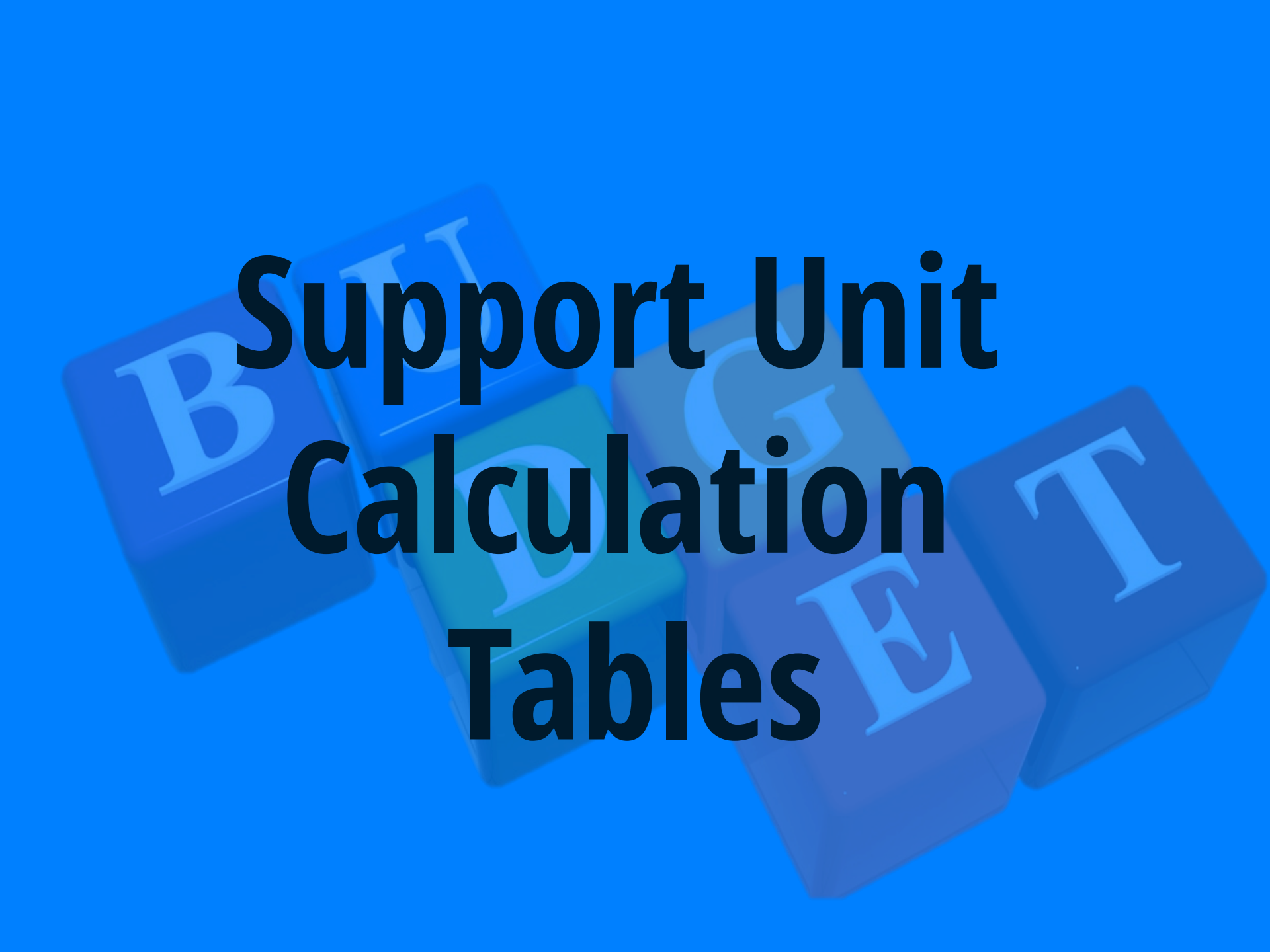
**Reporting
Period**

**Ends the last
Day of the regular
school year**



Support Units

- The ADA divided by a Divisor = Support Unit
- Unit Calculation Table (IC 33-1002)
 - A divisor takes the size of the District/Charter based on ADA per Grade grouping into consideration:
 - Kindergarten
 - Elementary
 - Secondary
 - Exceptional Child
 - Alternative
- Minimum Units are used for equalization

The background features several colorful alphabet blocks arranged to spell out the word 'BETTER'. The blocks are in shades of blue, green, and purple. The text 'Support Unit Calculation Tables' is overlaid in a large, bold, black font.

Support Unit Calculation Tables

Support Unit Calculation Tables

Kindergarten

Average Daily Attendance (ADA)	Divisor	Units Allowed
41 or more	40	As computed
31 - 40.99	x	1
26 - 30.99	x	0.85
21 - 25.99	x	0.75
16 - 20.99	x	0.6
8 - 15.99	x	0.5
1 - 7.99	x	<i>count as elementary</i>



Support Unit Calculation Tables

Elementary

Average Daily Attendance (ADA)	Divisor	Minimum Units Allowed
300 +	23 - grades 4/5/6	15 total
	20 - grades 1/2/3	
160 - 299.99	20	8.4
110 - 159.99	19	6.8
71.1 - 109.99	16	4.7
51.7 - 71	15	4
33.6 - 51.6	13	2.8
16.6 - 33.5	12	1.4
1 - 16.5	n/a	1



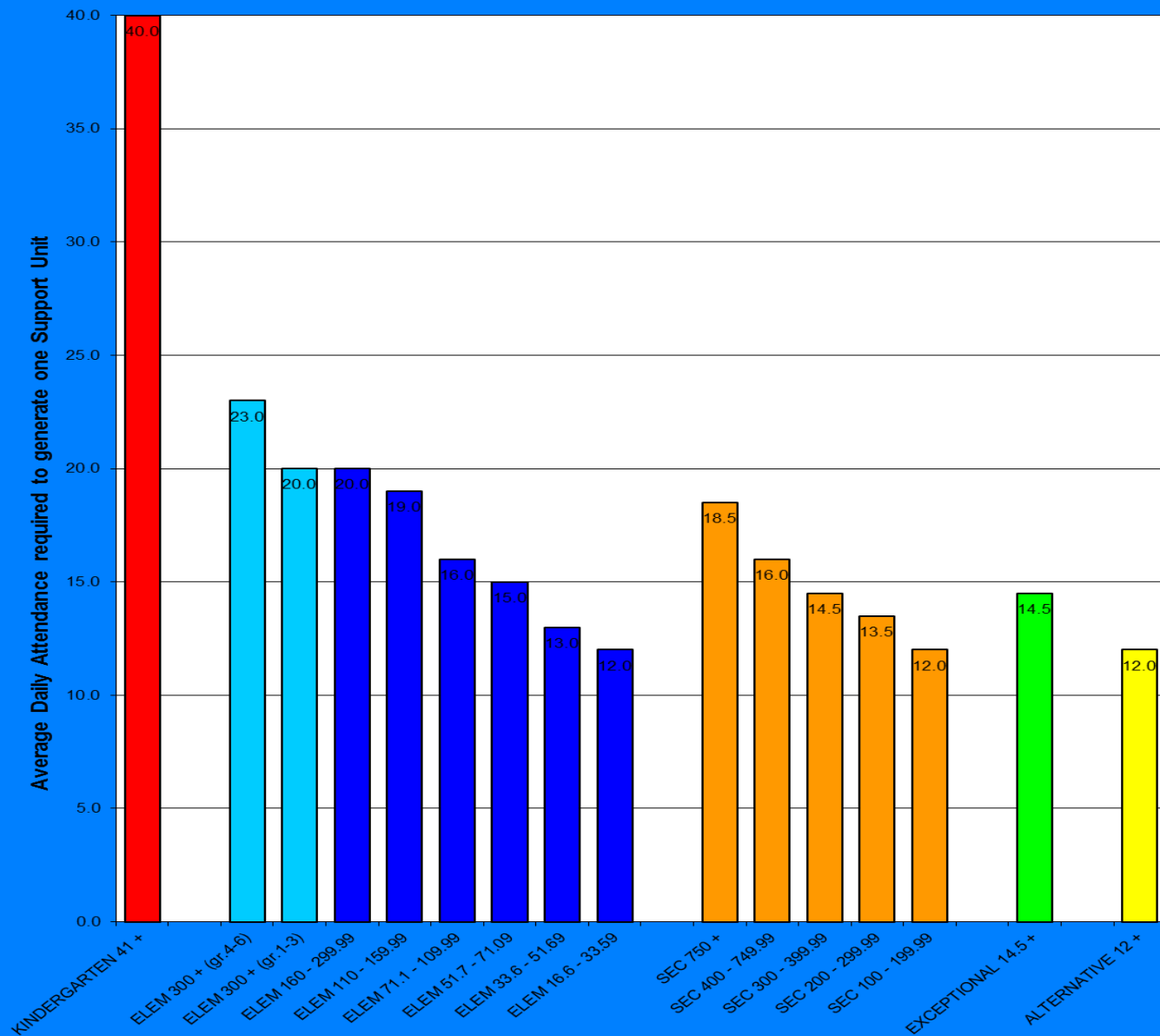
Support Unit Calculation Tables

Secondary

Average Daily Attendance (ADA)	Divisor	Minimum Units Allowed
750 +	18.5	47
400 - 749.99	16	28
300 - 399.99	14.5	22
200 - 299.99	13.5	17
100 - 199.99	12	9
<i>99.99 or fewer:</i>		
<i>Grades 7-12</i>	<i>x</i>	<i>8</i>
<i>Grades 9-12</i>	<i>x</i>	<i>6</i>
<i>Grades 7-9</i>	<i>x</i>	<i>1 per 14 ADA</i>
<i>Grades 7-8</i>	<i>x</i>	<i>1 per 16 ADA</i>

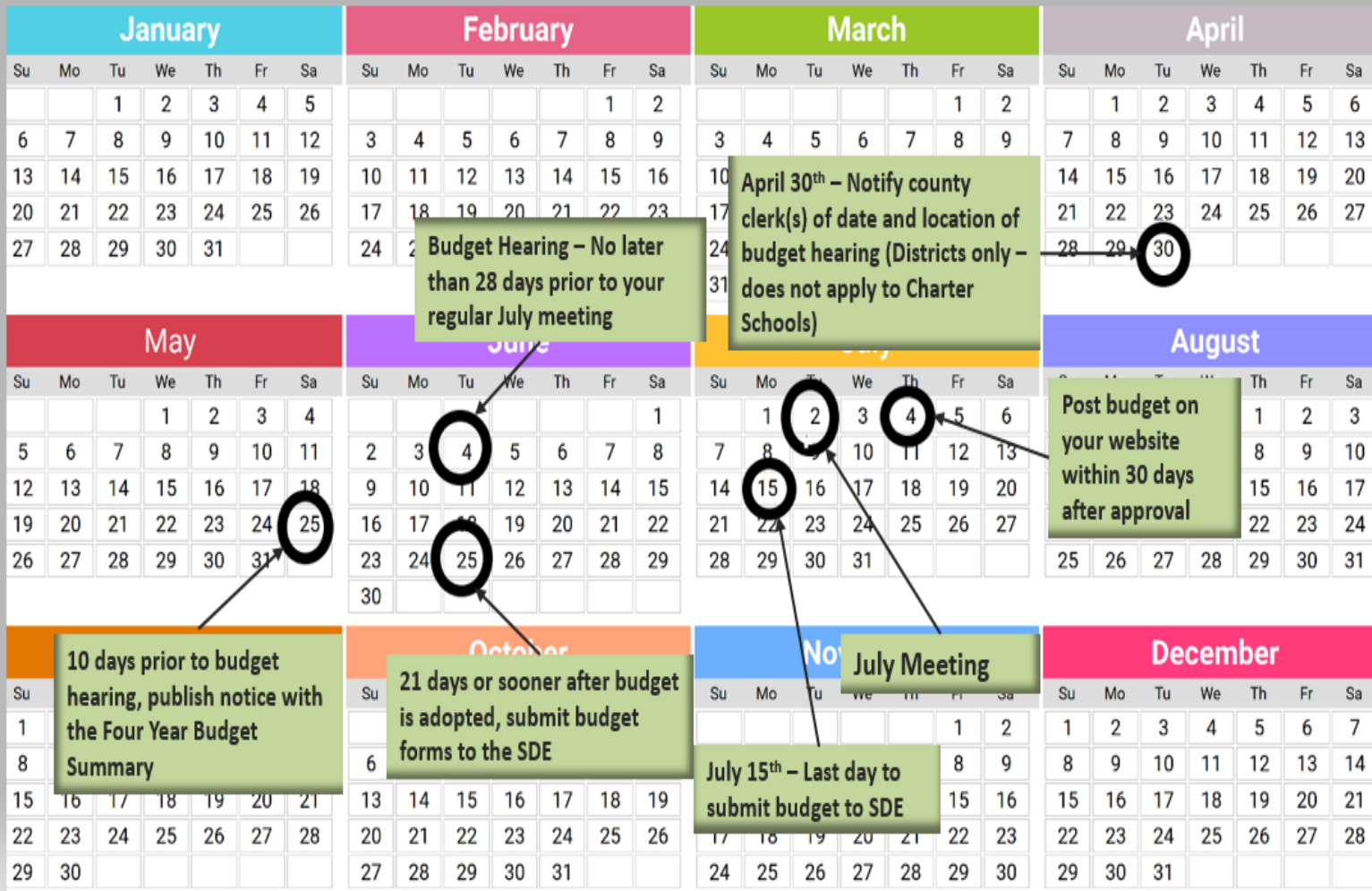


Support Units





**Start your Budget Process early
and remember it is a process not
a one time event**



Big Ideas about the Budget

No “money” exists in the budget – it is a plan

Cash on hand or cash flow is also important

The budget may need amended as conditions change

The Budget is FLEXIBLE

- ⊕ Because the budget is a revenue and expenditure guide, Boards should be willing to use new information to consider budget revision recommendations from the superintendent.



No one can expect a “perfect” budget. Careful planning and evaluation may reduce, but never completely eliminate, the need for making changes in the current budget.


The Budget is a PUBLIC DOCUMENT

- ⊕ All aspects of the budget are open to public inspection
- ⊕ No expenditure is “confidential”
- ⊕ The public can inspect all budget documents
- ⊕ Include a budget message




Loudoun County Public Schools General Operating Budget

The general operating budget provides funding for all the day-to-day operations of the school division, such as staff salaries and benefits, textbooks, supplies and utilities. Outlined below are the steps in the annual general operating budget process.



Season	Time Period	Key Events	Details
FALL	AUGUST-JANUARY	Superintendent's Proposed Budget	Throughout the fall, the Superintendent meets with Cabinet members and school division leadership to collect information about student enrollment growth, department needs and opportunities for program expansion or reallocations. This information is compiled into the Superintendent's Proposed Budget, which starts the budget deliberation process.
WINTER	JANUARY-FEBRUARY	*School Board Work Sessions and Public Hearings	School Board members hear presentations from Cabinet members regarding their needs for the upcoming year and have an opportunity to ask questions about various line items. During this first stage in the process, community members may speak to the School Board about specific programs or needs impacting them or their family members.
Early SPRING	FEBRUARY-MARCH	*Board of Supervisors Public Hearings	The Board of Supervisors simultaneously considers the financial needs of various County departments and the school system. While the Board of Supervisors conducts public hearings on the budget, it does not make decisions regarding specific items in the school division's budget.
Late SPRING	APRIL	*School Board Budget Reconciliation and Adoption	Once the School Board has received a funding amount for the upcoming fiscal year, it must compare the amount received against the amount requested. If the amount received is less than requested, a process called reconciliation begins. It is during this time that the School Board makes decisions about specific programs and positions.
	FEBRUARY	School Board's Proposed Budget	At the conclusion of the work sessions and public hearings, the School Board makes revisions to the Superintendent's Proposed Budget, then votes to adopt the School Board's Proposed Budget. This document is then forwarded to the Board of Supervisors for its consideration.
	APRIL	Board of Supervisors Sets Tax Rate and Appropriation to Schools	The Board of Supervisors sets a tax rate for the upcoming fiscal year and establishes the amount of funding for the school division.
	APRIL	School Board Budget Finalized	Once reconciliation is complete, the School Board votes on a final budget to be used for operating the school system in the upcoming fiscal year, beginning July 1.



Keep an Eye on the Budget

- Φ Review financial reports monthly
- Φ Understand ongoing financial status
- Φ Review school activities, athletic, and cafeteria accounts
- Φ Know year-end condition



What Should You Be Monitoring?

1. A summary of income and expense
2. Balance sheet
3. Cash flow and bills paid on time
4. Accounts with negative numbers warrant a question
5. Ensure revenues exceed expenditures
6. "Sufficient" reserve
7. Trends in student enrollment
8. Internal financial controls



Reports Boards Should Expect

- Budget – how the district plans to receive and spend funds. Board approved
- Financial reports – regular, periodic statements showing actual to budget for revenue and expenses.

It's so complicated!



Not really. Approach it just like your own bank statement

How much money is there?






How much was added?

How much was spent?

How much is already earmarked to be spent?

How much is left?

Things to Know BIG PICTURE OVERVIEW OF OUR DISTRICT

# of Schools	# of Students	# of Staff	# of Students by Race/Ethnicity	# of Students by Subgroup
<p>Elementary:</p> <p>Middle:</p> <p>High School:</p> <p>Alternative:</p> <p>Charters:</p>	<p>PK-5:</p> <p>6-8:</p> <p>9-12:</p>	<p>Support Staff:</p> <p>Teachers:</p> <p>Administrators:</p>	<p>White:</p> <p>Latino/ Hispanic:</p> <p>African American/</p> <p>Black:</p> <p>Asian:</p> <p>Other:</p>	<p>Low-Income:</p> <p>English Learners:</p> <p>Foster Youth:</p> <p>Homeless Youth:</p> <p>At risk :</p>
				

Φ Assessed value of property

Φ Total State Funds

Φ Total Federal Funds

Φ Revenue projections

Φ Projected economic changes

Φ Staff and Facilities

Φ Administration and supervisory skills

Φ School buildings

Φ Inventory of equipment

Φ Bonds

Φ Levies (emergency/plant facility)

What Does This Mean for Us?

- ⊕ Articulate the financial state of your district
 - How much \$ you have
 - How much \$ you spend
- ⊕ Be able to explain where funding comes from and what expenses are (in the general sense)
- ⊕ Establish and review internal controls
 - Everyday expenses, credit cards, check signing
- ⊕ Prioritize spending, connect to strategic plan
- ⊕ Understand what a reserve is and what role it plays in your district

In summary

- Φ The Board adopts the budget
- Φ The superintendent administers the budget
- Φ The principal is the CFO at the school level
- Φ Once the budget is formally adopted, it becomes a daily guide for the expenditure of school funds
- Φ The purpose of a budget is NOT to save money

