

## The Board and the Budget Oversight & Process

Presented for the Alaska Association of School Boards by  
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Alaska Association of School Business Officials (ALASBO)  
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## Questions?

- I don't understand the budget
- How does the budget get constructed? By who?
- What is our process for approving the budget?
- Do our stakeholders think we are transparent?
- Is there a link between the budget and the strategic plan and board goals?



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## Let's set the stage



Stakeholders

Accountability/Transparency

Support and align  
Student achievement



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## Who are your Stakeholders?

- Parents and Students
- Staff
- Taxpayers
- Community members
- Local government
- Tribes and ethnic organizations



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## What is a budget?



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## What is a budget?

An estimate of **Revenue & Expenses**

A **fiscal plan** for you and your stakeholders



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## What is a budget?



Detail of all Revenue and Expenditures expected for a future period of time



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## The Budget is Dynamic

- Living, flexible management tool
- Based on best information at the time of development
- Variance from the original document is not necessarily negative



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## Does the budget align with your strategic plan and board goals?

- Mission & Vision
- Strategic plan for the district
- Annual board goals



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# STRAATEGIC PLAN 2017 - 2022

## OUR MISSION

Empower all learners to positively shape their futures.

## OUR VISION

KPBSD will inspire all learners to pursue their dreams in a rigorous, relevant and responsive environment.

## GUIDING PRINCIPLES

Every KPBSD student will graduate prepared for their future. A strong, positive relationship with all students is the foundation of a quality education in KPBSD. A KPBSD diploma guarantees a student is ready for life, college, and career.



The seal of the Kenai Peninsula Borough School District is circular. It features a central image of a boat on water, with a mountain in the background. The text "KENAI PENINSULA BOROUGH SCHOOL DISTRICT" is written around the inner circle. The outer ring of the seal contains the words "READY", "RESPONSIVE", "RIGOR", and "RELEVANCE" at the top, bottom, left, and right respectively, separated by stars.

[illegible]

**READY**

- Life KPSD students will demonstrate life readiness skills by possessing resiliency, grit, and perseverance to achieve their goals with a growth mindset that empowers them to approach their future with confidence.
- College KPSD students will demonstrate college readiness by meeting rigorous academic, indicators and, or post-secondary assessment scores.
- Career KPSD students will demonstrate career readiness by identifying a career interest and meeting employability or experiential benchmarks.

**RIGOR** *All Students will achieve high levels of academic growth*

- Students will learn in a performance-based instructional model.
- Student growth and success will be determined through multiple measures of learning.
- Students will have “accessible anywhere” curriculum without dependencies on particular technologies.

**RELEVANCE** *Experience a personalized learning system*

- Students will learn in a flexible instructional model that is fluid and developmentally appropriate for all.
- Students will experience varied instructional strategies that target individual strengths and interests of each learner.
- Students will develop a personalized learner profile as demonstrated in their portfolio.
- Students will be given opportunities to develop healthy lifestyles and make healthy choices.
- Students will be provided instructional opportunities in partnership with parents and community that extend growth, exploration and learning beyond the classroom.

**RESPONSIVE** *Be immersed in a high quality instructional environment*

- Prioritize strong, positive relationships with all students to support social and emotional needs.
- Teachers will utilize a repertoire of high yield instructional strategies that are research-based, highly quality instructional strategies, within the instructional environment.
- Develop a culture of continuous innovation within all schools across the district.
- Professional learning is embedded and ongoing, resulting in continuous growth and innovation.
- Develop a highly reliable and efficient organization through on-site and concurrent collaboration tools.

 **association of  
ALASKA**  
SCHOOL DISTRICTS

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# Kenai Peninsula Borough School District

## Board of Education Goals: 2018-19

**Goal 1:** Advocate for a reliable education funding plan that meets the fiscal needs of the district by working with a wide variety of stakeholders, including local, state and federal decision makers.

**Goal 2:** Connect with a wide variety of stakeholders to strengthen positive relationships advocating for public education.

**Goal 3:** Support further development and implementation of the school climate and safety comprehensive plans.

The logo for the Association of Alaska School Boards is located in the bottom left corner. It features a circular emblem with a stylized mountain range and a sun or moon. To the right of the emblem, the text "association of ALASKA school boards" is written in a sans-serif font, with "ALASKA" in a larger, bold font.

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## Let's look at what is required of your Board



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## The Board and The Budget

- **Approve** an annual budget
- Regular **oversight** of the budget
- Approve budget **adjustments**
- Approval of **purchases** and **transfers** (check board policy for limits)
- Provides **accountability** to the public and the district



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## Budget Process

- Check your policy
  - Board Policy section 3000, Business & non-instruction
  - When must you submit to the state or locally? (State = July 15)
- City and Borough districts must submit budget to assembly usually by May 1<sup>st</sup>.



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## Budget Process, an example:

- Board sets initial parameters based on data and estimates
  - ADM (student count)
  - BSA (base student allocation)
  - Intensive Needs Students (number)
  - Use of fund balance (reserves)
- Initial draft budget compiled by Superintendent – surplus or deficit
  - Salary & benefits
  - Maintenance & operations
  - Activities
  - Food services
  - Transportation



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## Budget Process, an example:

- Budget committee work
  - Admin teams work
  - Stakeholder work sessions
  - Local Government & tribal work sessions
  - Committee checks for alignment with strategic plan and board goals
  - Recommendations to the board
- Public Hearing Process
  - The board holds public hearings (1 to several hearings) to take input on proposed budget
- Board adopts a budget
  - At a regular or special meeting, well noticed in advance, the board adopts the budget for the next fiscal year – roll call vote



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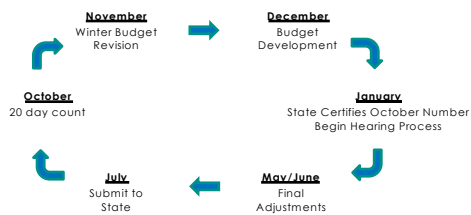
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## Budget Cycle



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## Budget Adjustment

Your budget was the best estimate at the time

An adjustment is a change to a previously approved budgeted amount, revenue or expense



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## Budget Adjustment

Initiated by the superintendent and required the approval of the board

Usually occurs about twice per year (mid year, end of year)



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## Regular Financial Reports

*Your oversight responsibility*

- Regular reports to the board
- These reports are a snapshot in time
- Show monthly revenue/expenditure
- Understandable to all



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## Financial Reports

### What to look for

- Is the **revenue** side living up to expectations?
- Revenue at or above projection?
- Attendance rates at or above projection? State funding estimate still good?
- Are the **expenditures** following the budget?
- Any significant variances between budget and actual revenues and expenditures?



## Revenue Report

August 2017 Board Report

### Monthly Revenue Report

| Account No            | Account Description     | Current Budget       | YTD Actual  | YTD Revenues        | Remaining Balance    | Percent Outstanding |
|-----------------------|-------------------------|----------------------|-------------|---------------------|----------------------|---------------------|
| 8-100-000-000-000-011 | CITY/BORO APPROPRIATION | 6,183,762.00         | 0.00        | 1,024,288.84        | 5,159,473.16         | 83.44%              |
| 8-100-000-000-000-040 | MISC. LOCAL REVENUE     | 70,000.00            | 0.00        | 2,445.06            | 27,554.94            | 61.80%              |
| 8-100-000-000-000-047 | E RATE REVENUE          | 135,000.00           | 0.00        | 0.00                | 135,000.00           | 100.00%             |
| 8-100-000-000-000-050 | QUALITY SCHOOLS         | 43,508.00            | 0.00        | 0.00                | 43,508.00            | 100.00%             |
| 8-100-000-000-000-051 | FOUNDATION              | 12,811,002.00        | 0.00        | 2,235,272.00        | 10,575,730.00        | 82.50%              |
| 8-100-000-000-000-080 | MISC. STATE REVENUE     | 0.00                 | 0.00        | 4,408.00            | -4,408.00            | ND/ND               |
| 8-100-000-000-000-110 | IMPACT AID              | 60,000.00            | 0.00        | 7,165.82            | 52,834.18            | 88.08%              |
| 8-100-000-000-000-200 | FUND TRANSFER           | 1,247,942.00         | 0.00        | 0.00                | 1,247,942.00         | 100.00%             |
| 8-100-000-000-056-056 | TRIS ON-BEHALF          | 1,476,168.00         | 0.00        | 0.00                | 1,476,168.00         | 100.00%             |
| 8-100-000-000-057-057 | PERS ON-BEHALF          | 107,589.00           | 0.00        | 0.00                | 107,589.00           | 100.00%             |
| <b>Report Total</b>   |                         | <b>22,094,719.00</b> | <b>0.00</b> | <b>3,273,380.22</b> | <b>18,821,338.78</b> |                     |



## Expense Report

### Monthly Expense Report

| Accounts                      | Current Budget       | YTD Encumbrance     | YTD Expenditures    | Remaining Balance    | Percent Available |
|-------------------------------|----------------------|---------------------|---------------------|----------------------|-------------------|
| <b>Summarized By Function</b> |                      |                     |                     |                      |                   |
| 100- REGULAR INSTRUCTION      | 4,427,857.59         | 115,745.38          | 474,653.71          | 4,057,458.29         | 91.63%            |
| 120- BILINGUAL/BICULTURAL     | 223,298.20           | 0.00                | 4,989.19            | 214,112.91           | 95.93%            |
| 120- ENRICHMENT               | 92,822.17            | 0.00                | 4,268.13            | 88,554.04            | 95.32%            |
| 140- CORRESPONDENCE STUDY     | 173,259.82           | 95.00               | 7,439.69            | 165,725.13           | 95.66%            |
| 160- VOCATIONAL EDUCATION     | 208,266.22           | 9,025.14            | 21,064.62           | 195,176.46           | 93.70%            |
| 200- SPECIAL ED INSTRUCTION   | 4,084,361.90         | 4,655.54            | 229,455.16          | 3,850,251.20         | 94.29%            |
| 220- SPECIAL ED SUPPORT       | 731,671.79           | 267,758.70          | 39,202.84           | 424,710.25           | 58.20%            |
| 280- Pupil Support            | 177,151.55           | 1,200.00            | 7,345.63            | 168,705.92           | 95.19%            |
| 300- GUIDANCE                 | 472,228.66           | 0.00                | 20,226.58           | 451,772.08           | 95.71%            |
| 320- HEALTH SERVICES          | 96,629.29            | 624.49              | 4,788.76            | 91,216.03            | 94.40%            |
| 360- SUPPORT SERVICES         | 295,793.00           | 217,384.48          | 22,683.03           | 255,725.49           | 86.81%            |
| 380- SUPERVISORY INSTRUCTION  | 3,600.00             | 0.00                | 0.00                | 3,600.00             | 100.00%           |
| 382- LIBRARY SERVICE          | 459,833.59           | 0.00                | 18,977.61           | 391,286.38           | 85.10%            |
| 400- SCHOOL ADMINISTRATION    | 2,354,835.37         | 21,089.33           | 467,712.13          | 1,166,033.91         | 50.16%            |
| 400- SCHOOL ADMIN. SERVICES   | 645,892.02           | 0.00                | 84,008.38           | 610,898.67           | 91.63%            |
| 510- DISTRICT ADMINISTRATION  | 164,233.18           | 19,797.88           | 37,474.04           | 106,761.12           | 75.11%            |
| 511- SCHOOL BOARDS            | 51,137.49            | 14,794.69           | 1,848.89            | 34,293.91            | 67.06%            |
| 512- SUPERINTENDENT'S OFFICE  | 431,836.20           | 3,087.65            | 70,307.18           | 358,441.37           | 82.99%            |
| 516- SAFETY AND SECURITY      | 2,600.00             | 0.00                | 0.00                | 2,600.00             | 100.00%           |
| 580- DISTRICT ADMIN. SUPPORT  | 295,119.68           | 2,786.08            | 63,636.10           | 211,707.49           | 71.61%            |
| 585- DATA PROCESSING SERVICES | 63,270.88            | 0.00                | 5,175.21            | 58,095.67            | 91.84%            |
| 586- TECHNOLOGY SERVICE       | 864,221.64           | 10,234.08           | 111,286.31          | 242,700.79           | 68.64%            |
| 600- MAINTENANCE/OPERATIONS   | 1,994,387.41         | 805,022.28          | 313,165.82          | 1,076,209.31         | 53.77%            |
| 700- STUDENT ACTIVITIES       | 252,218.31           | 100,000.00          | 4,900.00            | 147,318.31           | 58.19%            |
| 780- COMMUNITY SERVICES       | 6,465.00             | 0.00                | 0.00                | 6,465.00             | 100.00%           |
| <b>Report Total</b>           | <b>22,094,719.00</b> | <b>1,402,826.11</b> | <b>1,827,488.79</b> | <b>18,664,364.10</b> |                   |





## Budget Report Narrative

### Revenues:

- **City/Borough Appropriation** – Remained unchanged.
- **Misc. Local Revenue, E-Rate** – All are anticipated to remain unchanged.
- **Foundation and Quality Schools** – The \$244,276 decrease in Foundation and \$430 decrease in Quality Schools is due to the overall student enrollment was forecasted to be at 5,344 students, but the October count enrollment numbers ended up at 5,007.17. This is a decrease in enrollment of 36.83 students from projections and 48.83 students from last year's count.
- **One-Time Funding from State of Alaska** – The State of Alaska legislature issued a one-time funding to school districts at the end of the legislative session. This is an increase of \$870,533.
- **Impact Aid** – There is currently no change in impact aid funding.
- **Fryd Secure Rural Schools** – The decrease in Secure Rural Schools of \$244,000 is due to the District receiving the funds in June of 2018 in the amount of \$338,869. This funding was placed in fund balance at the end of the fiscal year.

### Transfers from Other Funds and Operating Fund Balance:

- **Transfer from Operating Fund Balance** – \$554,293 is anticipated to balance the FY19 budget which is an increase of \$135,585.
- **Transfer from other funds** – \$45,000 is anticipated to balance the FY19 budget which is no change from the adopted budget.

"Sitka Schools: Discovering potential, nurturing growth, and inspiring lifelong curiosity."



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## Annual Audit

- Snap shot – data and practices
- Copy due to DEED each fall
- Budget to Actual
  - General Fund
  - Special Revenue Fund(s)
  - Capital Project Fund
- Management letter
  - Findings – material vs. significant
- Fund Balance



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## Questions



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