The Board and the Budget
Oversight & Process

Presented for the Alaska Association of School Boards by Melody Douglas, Associate Executive Director
Alaska Association of School Business Officials (ALASBO)
February 25, 2021

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?

Let’s set the stage
Stakeholders
Accountability/Transparency
Support and align
Student achievement
Who are your Stakeholders?

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

What is a budget?

An estimate of Revenue & Expenses

A fiscal plan for you and your stakeholders
What is a budget?

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

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

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

• Mission & Vision
• Strategic plan for the district
• Annual board goals
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.
Let’s look at what is required of your Board

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

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 1st
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

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

Budget Cycle

- **November**
  - Winter Budget Revision
  - Late
  - May/June
  - Final Adjustments

- **December**
  - Budget Development
  - January
  - State Certified October Number
  - Begin Hearing Process

- **October**
  - 20-day count
  - February
  - Submit to State

- **January**
  - Late
  - May/June
  - Final Adjustments

- **March**
  - Late
  - May/June
  - Final Adjustments

- **April**
  - Late
  - May/June
  - Final Adjustments

- **May**
  - Late
  - May/June
  - Final Adjustments

- **June**
  - Late
  - May/June
  - Final Adjustments

- **July**
  - Late
  - May/June
  - Final Adjustments

- **August**
  - Late
  - May/June
  - Final Adjustments

- **September**
  - Late
  - May/June
  - Final Adjustments

- **October**
  - Late
  - May/June
  - Final Adjustments

- **November**
  - Late
  - May/June
  - Final Adjustments

- **December**
  - Late
  - May/June
  - Final Adjustments

- **January**
  - Late
  - May/June
  - Final Adjustments

- **February**
  - Late
  - May/June
  - Final Adjustments

- **March**
  - Late
  - May/June
  - Final Adjustments

- **April**
  - Late
  - May/June
  - Final Adjustments

- **May**
  - Late
  - May/June
  - Final Adjustments

- **June**
  - Late
  - May/June
  - Final Adjustments

- **July**
  - Late
  - May/June
  - Final Adjustments

- **August**
  - Late
  - May/June
  - Final Adjustments

- **September**
  - Late
  - May/June
  - Final Adjustments

- **October**
  - Late
  - May/June
  - Final Adjustments

- **November**
  - Late
  - May/June
  - Final Adjustments

- **December**
  - Late
  - May/June
  - Final Adjustments

- **January**
  - Late
  - May/June
  - Final Adjustments
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**

Budget Adjustment
Initiated by the superintendent and required the **approval of the board**

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

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
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

Expense Report
Budget Report Narrative

- Due through Appropriations - see attached budget
- Will be presented at a later date
- Narrative and Fiscal Data - see attached narrative and financial data
- Budget to Actual - see attached narrative and financial data
- Management Letter - see attached management letter
- Findings - see attached management letter
- General Fund
- Special Revenue Fund(s)
- Capital Project Fund

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
- Findings - material vs. significant
- Fund Balance

Questions