

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)
melody.douglas@alasbo.org
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Questions?

- I don't understand the budget
- How does the budget get constructed? By whom?
- 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

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 STRATEGIC 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.



READY

- ♦ **Life:** KPBSD 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:** KPBSD students will demonstrate college readiness by meeting rigorous academic indicators and, or post-secondary assessment scores.
- ♦ **Career:** KPBSD 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 their social and emotional needs.
- ♦ Teachers will utilize a repertoire of high-yield instructional strategies that are research-based, high 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 online and concurrent collaboration tools.

Kenai Peninsula Borough School District

Board of Education Goals: 2021-22

Goal 1: Closing out of the current 2017 – 2022 Strategic Plan and Development of the 2022 – 2027 Strategic Plan

Goal 2: Strengthen KPBSD's relationship with the Peninsula Legislative Delegation, Borough Assembly, Borough Administration, Families, and the Community at Large

Goal 3: Development of a Comprehensive Long-term Facilities Plan (in partnership with the Borough)

Let's look at what is required of your Board



The Board and The Budget

- **Approve** an annual budget
- Regular **oversight** of the budget – financial reports
- Approve budget **adjustments/revision**
- 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.



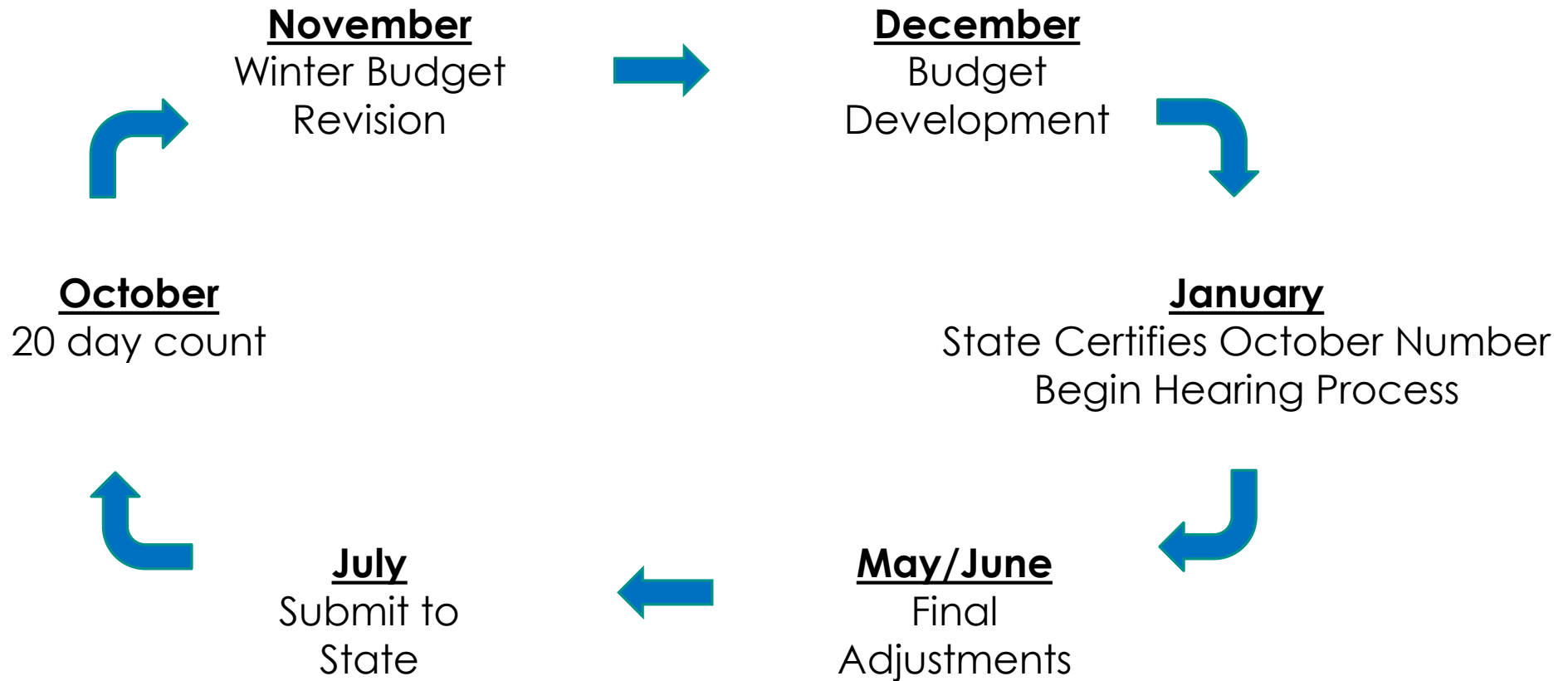
Budget Process, an example:

- Board sets initial budget development assumptions 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



Budget Adjustment

Your budget was the best estimate at the time

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

Budget Adjustment/Revision

Initiated by the superintendent and requires 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 Example

August 2017 Board Report

Monthly Revenue Report

Account No	Account Description	Current Budget	YTD Encum	YTD Revenues	Remaining Balance	Percent Outstanding
8-100-000-000-000-011	CITY/BORO APPROPRIATION	6,183,762.00	0.00	1,024,088.84	5,159,673.16	83.44%
8-100-000-000-000-040	MISC. LOCAL REVENUE	30,000.00	0.00	2,445.56	27,554.44	91.85%
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	43,506.00	0.00	0.00	43,506.00	100.00%
8-100-000-000-000-051	FOUNDATION	12,811,052.00	0.00	2,235,272.00	10,575,780.00	82.55%
8-100-000-000-000-090	MISC. STATE REVENUE	0.00	0.00	4,408.00	-4,408.00	#DIV/0
8-100-000-000-000-110	IMPACT AID	60,000.00	0.00	7,165.82	52,834.18	88.08%
8-100-000-000-000-250	FUND TRANSFER	1,247,642.00	0.00	0.00	1,247,642.00	100.00%
8-100-000-000-056-056	TRS 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%
Report Total		22,094,719.00	0.00	3,273,380.22	18,821,338.70	

Expense Report Example

Monthly Expense Report

Accounts Summarized By Function	Current Budget	YTD Encumbrance	YTD Expenditures	Remaining Balance	Percent Available
100 - REGULAR INSTRUCTION	9,447,887.99	115,743.99	674,653.71	8,657,490.29	91.63%
120 - BILINGUAL/BICULTURAL	223,098.30	0.00	8,985.39	214,112.91	95.97%
130 - ENRICHMENT	92,822.37	0.00	4,348.13	88,474.24	95.32%
140 - CORRESPONDENCE STUDY	173,029.92	80.00	7,439.69	165,510.23	95.65%
160 - VOCATIONAL EDUCATION	336,066.32	9,055.14	21,854.82	305,156.36	90.80%
200 - SPECIAL ED INSTRUCTION	4,084,381.90	4,605.04	229,485.16	3,850,291.70	94.27%
220 - SPECIAL ED SUPPORT	731,671.79	267,704.75	35,252.84	428,714.20	58.59%
300 - PUPIL SUPPORT	177,121.55	1,500.00	7,346.53	168,275.02	95.01%
320 - GUIDANCE	472,028.66	0.00	20,255.58	451,773.08	95.71%
330 - HEALTH SERVICES	96,929.29	434.40	4,756.76	91,738.13	94.64%
350 - SUPPORT SERVICES	269,793.00	217,354.85	22,653.03	29,785.12	11.04%
351 - IMPROVEMENT INSTRUCTION	3,000.00	0.00	0.00	3,000.00	100.00%
352 - LIBRARY SERVICE	409,933.99	0.00	18,577.61	391,356.38	95.47%
400 - SCHOOL ADMINISTRATION	1,254,640.97	21,009.83	90,712.13	1,142,919.01	91.10%
450 - SCHOOL ADMIN. SERVICES	665,050.22	0.00	54,050.55	610,999.67	91.87%
510 - DISTRICT ADMINISTRATION	194,203.15	19,797.99	37,474.04	136,931.12	70.51%
511 - SCHOOL BOARD	51,137.40	14,784.55	1,044.98	35,307.87	69.05%
512 - SUPERINTENDENT'S OFFICE	431,836.20	3,087.65	70,357.18	358,391.37	82.99%
518 - SAFETY AND SECURITY	2,000.00	0.00	0.00	2,000.00	100.00%
550 - DISTRICT ADMIN. SUPPORT	298,119.66	2,786.08	83,630.13	211,703.45	71.01%
555 - DATA PROCESSING SERVICES	63,370.96	0.00	5,170.51	58,200.45	91.84%
556 - TECHNOLOGY SERVICE	364,221.64	10,234.58	111,286.31	242,700.75	66.64%
600 - MAINTENANCE/OPERATIONS	1,994,887.41	609,022.26	313,183.62	1,072,681.53	53.77%
700 - STUDENT ACTIVITIES	252,018.31	105,635.00	4,980.00	141,403.31	56.11%
780 - COMMUNITY SERVICES	5,468.00	0.00	0.00	5,468.00	100.00%
Report Total	22,094,719.00	1,402,836.11	1,827,498.70	18,864,384.19	
Revenue - Expenses	Totals: 1,445,881.52				

*The State has required all Districts to recognize and report on their financial statements their portion of the TRS/PERS relief as passed by 2008 Legislature appropriation.

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 \$410 decrease in Quality Schools is due to the overall student enrollment was forecasted to be at 1,244 students, but the October count enrollment numbers ended up at 1207.17. 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 \$187,111.
- **Impact Aid** – There is currently no change in impact aid funding.
- **Fy18 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 \$258,859. 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** – \$666,205 is anticipated to balance the FY19 budget which is an increase of \$137,585.
- **Transfer from other funds** - \$49,500 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."

Annual Audit

- Snapshot as of June 30 – 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

Questions

