The Board and the Budget
Oversight & Process

Mary Wegner – Superintendent, Sitka SD
Lon Garrison – AASB

What are your questions?

- Do you understand the budget?
- How does the budget get constructed?
- What is the process for approving the budget?
- Do your stakeholders (public) accuse the board of not being transparent?
- Can you see a link between the budget and your strategic plan and board goals?
Let’s set the stage.

- Stakeholders
- Transparency
- Support and alignment
- Student achievement

Who are your Stakeholders?

- Parents and Students
- Staff
- Taxpayers
- Community members
- School Board
- Local govt. and tribes
Sitka School District

Discovering potential, nurturing growth, and inspiring lifelong curiosity

School Board Goals Guide Process

Close the achievement gap for each demographic.

Improve the positive response rates on the School Climate and Connectedness Survey in the areas of respectful climate, school safety, student involvement, and parent involvement.
Sitka’s Journey

- 2008-09: Board is public face of the Budget
- 2014-15: Board goal to revise Budget process
- 2017-18: New Budget process implemented
Sitka School District

The budget supports the mission
The budget is crafted to implement the strategic plan.
The strategic plan and board goals create a rubric to facilitate budget decisions and justifications
Both become transparent

What is a budget?

An estimate of Revenue & Expense
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 time of development
- Variance from 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
What is required of your Board?

- Approve an annual budget
- Regular *oversight* of the budget
- Approval of budget *adjustments*
- Approval of *purchases* and *transfers*
- *Accountability* to the public and the district

Budget Process?

- Check your Policy & bylaws
  - When must you submit to your district?

- City and Borough districts must submit budget to assembly by May 1st.
Budget Process? A 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 service
  - Transportation

Budget Process? A example:

- Budget committee work
  - Admin teams work
  - Stakeholder work sessions
  - Local govt. & 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 Process?**

- 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)
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  - Food service
  - Transportation

**Budget Cycle**

- **November**
  - Winter Budget Revision
- **December**
  - Budget Development
- **October**
  - 20 Day Count
- **January**
  - State Certifies October number
  - Begin Hearing Process
- **May / June**
  - Final Adjustments
- **July**
  - Submit to State
Budget Adjustment?

Best estimate at the time

An adjustment is a change to a previously approved budgeted amount

• Initiated by the superintendent and require the approval of the board.

• Usually occurs about twice per year (mid year, end of year)
Regular Financial Reports

*Your oversight responsibility*

- Monthly 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?
August 2017 Board Report

Monthly Revenue Report

<table>
<thead>
<tr>
<th>Account No</th>
<th>Account Description</th>
<th>Current Budget</th>
<th>YTD Encum</th>
<th>YTD Revenues</th>
<th>Remaining Balance</th>
<th>Percent Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>8-100-000-000-000-011</td>
<td>CITY/BORE APPROPRIATION</td>
<td>6,183,762.00</td>
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<td>1,024,588.84</td>
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<td>30,000.00</td>
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<td>E-RATE REVENUE</td>
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<td>8-100-000-000-000-050</td>
<td>QUALITY SCHOOLS</td>
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<td>8-100-000-000-000-051</td>
<td>FOUNDATION</td>
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<td>8-100-000-000-000-090</td>
<td>MISCELLANEOUS STATE REVENUE</td>
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<td>4,408.00</td>
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<td>IMPACT AD</td>
<td>60,000.00</td>
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<td>7,165.82</td>
<td>52,834.18</td>
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<td>TRS ON-BEHALF</td>
<td>1,476,168.00</td>
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Report Total | 22,094,719.00 | 0.00 | 3,273,380.22 | 18,821,338.78 |

Monthly Expense Report

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<tr>
<th>Account No</th>
<th>Account Description</th>
<th>Current Budget</th>
<th>YTD Encum</th>
<th>YTD Expenses</th>
<th>Remaining Balance</th>
<th>Percent Encum</th>
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<tbody>
<tr>
<td>120</td>
<td>BILINGUAL/ACULTURAL</td>
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<td>130</td>
<td>ENVELOPMENT</td>
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<td>CORRESPONDENCE STUDY</td>
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<td>VOCATIONAL EDUCATION</td>
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<td>SPECIAL ED INSTRUCTION</td>
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<td>SPECIAL ED SUPPORT</td>
<td>731,471.79</td>
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<td>PUPILS SUPPORT</td>
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<td>GUARDIAN</td>
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<td>HEALTH SERVICES</td>
<td>96,929.29</td>
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<td>350</td>
<td>SUPPORT SERVICES</td>
<td>269,700.00</td>
<td>217,354.85</td>
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<td>IMPROVEMENT INSTRUCTION</td>
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<td>352</td>
<td>LIBRARY SERVICE</td>
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<td>SCHOOL ADMINISTRATION</td>
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<td>51,173.45</td>
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<td>431,606.20</td>
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<td>SAFETY AND SECURITY</td>
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<td>DATA PROCESSING SERVICES</td>
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<td>5,170.51</td>
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<td>TECHNOLOGY SERVICE</td>
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<td>MAINTENANCE/OPERATIONS</td>
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<td>5,468.00</td>
<td>100.00%</td>
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</table>

Report Total | 22,094,719.00 | 1,402,038.11 | 1,927,483.70 | 18,864,238.19 |

Revenue - Expenses | Totals | 1,405,881.52 |

*The financial information is subject to audit by the State of Alaska. The financial statements are prepared for the fiscal year ending June 30, 2017, and include all required reports.
Annual Audit

- Snap shot - data & practices
- Budget to Actual
  - General Fund
  - Special Revenue Fund(s)
  - Capital Project Fund
- Management letter
  - Findings – material vs. significant
- Fund Balance

Questions