


Financial Planning I

Budget Process

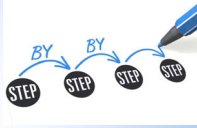
Florence City Schools



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2 Financial Planning I: Budget Process

- Key Components:
 - Calendar Development
 - Planning
 - Internal Budget Hearings
 - District Level Development
 - School Board Communications
 - Public Budget Document Development
 - Public Hearing
 - Approval & SDE Submission



3 Budget Process: Overview


- Role of financial manager should be viewed as one of stewardship:
"an ethic that embodies the responsible planning and management of resources"
- Good planning and hard work lead to prosperity, but hasty shortcuts lead to poverty. (Pr. 21:5)



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Budget Process: Overview

- The comprehensive annual budget process:
 - 6-8 month process
 - Involves all stakeholders
 - Enhances public and Board of Education trust in school district and financial operations
 - Likely most critical component of the financial manager role
 - If done well, sets standard for entire fiscal operation



FINANCIAL PLANNING

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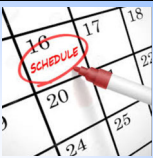
Budget Process: Calendar Development

- Superintendent and CSFO set calendar in February
 - District Level Calendar
 - Internal Budget Hearing Calendar
- Methodical, thorough approach with specific targets
 - Set calendar reminders with targets based upon PY completion date
 - Final budget works file uploaded to budgetary on this date in PY



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FLORENCE CITY SCHOOLS FY 2019 Budget Calendar




| DATE | DESCRIPTION |
|--------------------|---|
| February 2019 | Superintendent and CSFO – Set Budget Calendar |
| March 2019 | Budget allocations and worksheets issued to schools and departments |
| April 2019 | Internal Budget Hearings with Superintendent and Administration |
| June 2019 | State Superintendent's Meeting (Receive State Allocations) |
| July 9, 2019 | Board Work Session |
| August 13, 2019 | Budget Public Hearing #1 – 4:00 – 5:00 p.m. |
| September 10, 2019 | Budget Public Hearing #2 – 4:30 – 5:00 p.m. |
| September 10, 2019 | School Board approval of Budget |
| September 15, 2019 | Budget due to State Department of Education |

**Florence City Board of Education
Internal Budget Meeting Calendar
Fiscal Year 2019**

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| April 8 - Monday | Budget | Budget Administrator |
|------------------|--------------------------|----------------------|
| 8:00 - 8:45 | Florence High School | Rod Sheppard |
| 9:00 - 9:45 | Florence Freshman Center | Darrin Lett |
| 10:00 - 10:45 | Florence Middle School | Kevin Wiseman |
| 11:00 - 11:45 | Hibbett Middle School | Cindy Jackson |

| April 10 - Wednesday | Budget | Budget Administrator |
|----------------------|--------------------------------|----------------------|
| 8:00 - 8:45 | Forest Hills Elementary | Michael South |
| 9:00 - 9:45 | Harlan Elementary | Thomas Casteel |
| 10:00 - 10:45 | Weeden Elementary | Daphne Hogan |
| 11:00 - 11:45 | Tech & Prof Development Center | Connie Wallace |




8 **Budget Process: Planning**

- Who is involved in the budget process?
 - Much more than finance and budget office
 - School district executives
 - School administrators
 - Faculty/staff
 - Local school bookkeepers
 - Department supervisors
 - Board of Education
 - Community




9 **Budget Process: Planning**

- Financial manager should understand:
 - System strategic plan
 - Superintendent priorities
 - School improvement plans/strategic plans




10 Budget Process: Planning

- Priorities specific to school district:
 - Enrollment growth
 - Classroom ratios
 - Facilities adequacy
 - State mandated salary increases or benefit cost increases
 - Determine the local cost of mandates
 - FY19 – local cost of 1% to 5% raise; local cost of \$9,600 PEEHIP
 - New instructional initiatives
 - Expenditure reductions




11 Budget Process: Planning

- Objectives communicated for internal budget hearings
 - Examples:
 - Central office allocations will be flat/10% reduction
 - No new budget requests
 - Prioritized budget requests
 - For FY19, superintendent requested information on State assessment data



12 Budget Process: Planning

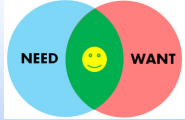
- Prepare internal budget hearing deliverables
 - Calculate departmental allocations
 - Generate budget reports by school/department
 - Develop enrollment projections
 - Provide matching benefits information



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Budget Process: Internal Budget Meetings


- Internal Budget Hearings
 - Each school administrator/department supervisor meets with CO administration
 - Summarize accomplishments from current scholastic year and establish objectives for the next
 - Budgetary requests linked to objectives outlined
 - Enrollment projections guide tentative staffing requests
 - Often requests originate from needs expressed by faculty/staff



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Budget Process: District Level Development


- Use of high-level GF analysis to guide decisions
 - Apply cost to each request
 - Consider impacts on reserve balance
 - Update throughout
- Superintendent/CO Administration grant budget requests
- Budget requests added to Nextgen



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Budget Process: District Level Development


- Revenue Analysis:
 - State & Federal
 - Estimate based upon PY and enrollment changes
 - Apply a value to current units from PY
 - Increase salaries/benefits accordingly
 - Final allocations received by June
 - Local
 - Estimate based upon local economic data/trends
 - Countywide revenues shared by proportionate enrollment
 - Consult revenue commissioner, City officials



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Budget Process: District Level Development


- Expenditure Analysis
 - Personnel Costs
 - Generated in budget works
 - Perform analysis of matching benefits
 - PEEHIP allocations / Obj. 220 as % of total salaries
 - Employee rosters distributed/verified by school administrators/department supervisors
 - Very critical to success of overall budget
 - Purchased Services/Materials & Supplies
 - Generate Nextgen reports for analysis
 - Summarized by object code
 - Review by department and cost center



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Budget Process: District Level Development

- State and Federal Requirements
 - Foundation program
 - CNP Pass Thru
 - Title I
 - IDEA
 - SDE Desk Review




STATE AND FEDERAL PROGRAMS

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Budget Process: School Board Communications


- Develop budget work session document for school board presentation
 - Consolidates budget development in single document



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Budget Process: School Board Communications

- Budget work session
 - Finance presents budget to CO Administration and Board of Education
 - Begin with summary PPT
 - Scheduled for 3 – 4 hours
 - Interactive with Q&A's
 - Scheduled one month prior to public hearings
 - Allowing for analysis, input and adjustment
 - With superintendent approval, field questions from school board members following work session



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Budget Process: School Board Communications


- Budget work session goals:
 - Provide as much information as practical
 - Allow Board to review and formulate questions/gain thorough understanding of the school district
 - Present from the perspective of novice board member
 - Gain trust and confidence of the school board
- Review:
 - State funding
 - Enrollment and personnel data
 - Combined Budget
 - Fund Budgets
 - Internal budget hearing deliverables
 - School/departmental budgets



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Budget Process: Public Budget Document


- Prepare district level budget document
 - Includes all state mandated reporting requirements
 - Enrollment/personnel data
 - Combined and fund level budgets
 - Proposed Budget (P) Exhibits & Supplemental Reports
- Combined with the Public Hearings provides:
 - Public Accountability and Transparency
- Posted to FCS website



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Budget Process: Public Hearings

- Prepare public hearing presentation
 - Include all required communications
 - Concise summary of comprehensive budget
- Hold two public hearings
 - One during August board meeting
 - One during September board meeting
- Provide opportunity for feedback
 - Forms made available



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Budget Process: Approval & SDE Submission

- Board of Education approves budget at September meeting
- SDE submission!!
- Celebrate!

