

# School Budgeting 101

Presented to Regional School District #18 Board of Education

Wednesday January 8, 2020

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# What is a budget?

- ▶ **Sec. 10-222. Appropriations and budget.** Each local board of education shall prepare **an itemized estimate** of the cost of maintenance of public schools for the ensuing year and shall submit such **estimate** to the board of finance in each town or city having a board of finance, to the board of selectmen in each town having no board of finance or otherwise to the authority making appropriations for the school district, not later than two months preceding the annual meeting at which appropriations are to be made.

# SETTING BUDGET GUIDELINES AND GOALS



Goals for student achievement should drive the budget process.

- Budget decisions should be made in alignment with the district's strategic plan and yearly goals.
- Decisions should be a collaborative effort between the Board of Education, the Superintendent, and school staff.
- Input should be collected from all stakeholders: staff, parents, town leaders and taxpayers.



# 3 Sources of Public School Funding

1. Local Money - Local Revenues, Property Tax
2. Federal Money - Grants
3. State Money - State Aid & Grants

## Current Environment:

### Local Money - Local Revenues, Property Tax

- Every community is different however, most communities have group(s) that do not want to raise taxes.

### Federal Money - Grants

- The continued reduction in federal money has forced programs & salaries to the general fund.

### State Money - State Aid & Grants

- ECS Funding has been at the forefront of state budget discussions for many years

## Connecticut is 4<sup>th</sup> most reliant on Local Property Taxes to Fund Education

| Revenues for Education (2017) |       |         |       |  |                 |       |         |       |
|-------------------------------|-------|---------|-------|--|-----------------|-------|---------|-------|
|                               | Local | Federal | State |  |                 | Local | Federal | State |
| District of Columbia          | 89.0  | 11.0    | 0.0   |  | Montana.....    | 41.1  | 12.0    | 46.9  |
| New Hampshire.....            | 62.5  | 5.4     | 32.1  |  | Oregon.....     | 40.2  | 7.3     | 52.5  |
| Nebraska.....                 | 59.6  | 7.7     | 32.7  |  | Wisconsin.....  | 40.1  | 6.9     | 53.0  |
| Connecticut.....              | 57.7  | 4.3     | 38.0  |  | Utah.....       | 40.0  | 8.2     | 51.8  |
| Massachusetts.....            | 57.0  | 4.3     | 38.7  |  | Iowa.....       | 39.0  | 6.9     | 54.1  |
| Maine.....                    | 55.0  | 6.7     | 38.3  |  | Mississippi.... | 35.1  | 14.1    | 50.8  |
| New Jersey.....               | 54.9  | 4.1     | 41.0  |  | Wyoming.....    | 34.7  | 6.1     | 59.1  |
| Pennsylvania.....             | 54.9  | 6.4     | 38.7  |  | Alabama.....    | 34.7  | 10.3    | 55.0  |
| Texas.....                    | 54.2  | 10.1    | 35.6  |  | Delaware.....   | 34.5  | 6.3     | 59.2  |
| New York.....                 | 53.9  | 5.3     | 40.8  |  | West Virginia.. | 34.5  | 11.6    | 53.9  |
| Virginia.....                 | 53.4  | 6.8     | 39.7  |  | California..... | 33.9  | 8.9     | 57.3  |
| South Dakota.....             | 53.2  | 12.8    | 34.1  |  | Kentucky.....   | 33.8  | 11.5    | 54.7  |
| Ohio.....                     | 52.6  | 7.1     | 40.3  |  | Michigan.....   | 33.3  | 8.1     | 58.6  |
| Illinois.....                 | 52.4  | 6.5     | 41.0  |  | North Dakota..  | 32.8  | 9.2     | 58.0  |
| Rhode Island.....             | 52.2  | 7.2     | 40.5  |  | Washington...   | 30.4  | 6.8     | 62.8  |
| Maryland.....                 | 50.7  | 5.7     | 43.6  |  | Indiana.....    | 30.1  | 7.4     | 62.6  |
| Colorado.....                 | 50.1  | 6.7     | 43.1  |  | Minnesota.....  | 29.8  | 5.2     | 64.9  |
| Florida.....                  | 49.8  | 11.0    | 39.1  |  | Nevada.....     | 27.6  | 9.1     | 63.2  |
| Missouri.....                 | 49.5  | 8.4     | 42.2  |  | Kansas.....     | 27.5  | 8.6     | 64.0  |
| Arizona.....                  | 46.2  | 13.7    | 40.1  |  | North Carolina  | 27.3  | 11.2    | 61.5  |
| Louisiana.....                | 46.1  | 12.4    | 41.4  |  | Idaho.....      | 25.1  | 9.8     | 65.0  |
| Georgia.....                  | 45.7  | 9.1     | 45.2  |  | Alaska.....     | 22.1  | 14.0    | 63.9  |
| United States.....            | 44.9  | 8.0     | 47.1  |  | New Mexico...   | 19.2  | 14.4    | 66.4  |
| South Carolina.....           | 43.7  | 8.8     | 47.5  |  | Arkansas.....   | 13.3  | 10.9    | 75.8  |
| Tennessee.....                | 42.5  | 11.5    | 45.9  |  | Vermont.....    | 3.6   | 6.1     | 90.3  |
| Oklahoma.....                 | 42.3  | 11.1    | 46.6  |  | Hawaii.....     | 2.0   | 8.9     | 89.1  |

## 5 States with Lowest % of Federal Funding for Education

|                    | <b>Local</b> | <b>Federal</b> | <b>State</b> |
|--------------------|--------------|----------------|--------------|
| New Jersey.....    | 54.9         | 4.1            | 41.0         |
| Massachusetts..... | 57.0         | 4.3            | 38.7         |
| Connecticut.....   | 57.7         | 4.3            | 38.0         |
| Minnesota.....     | 29.8         | 5.2            | 64.9         |
| New York.....      | 53.9         | 5.3            | 40.8         |

Source: National Center for Education Statistics (2017)

# Grant Programs

## ▶ State Education Grant Programs

- ▶ Education Cost Sharing (ECS)-in FY '16 RSD 18 received \$734,314. In FY '19, RSD 18 received \$303,109.
- ▶ Excess Cost-It's complicated, more on this later

## ▶ Federal Grant Programs

- ▶ Title I-in FY '19 grant is \$53,284 (serves the under privileged)
- ▶ Title II-in FY '19 grant is \$18,930 (teacher training and development)
- ▶ Title IV- in FY '20 grant is \$10,000 to support ESSA initiatives (Every Student Succeeds Act- new in the last two years)
- ▶ Individuals with Disabilities Education Act (IDEA) 619- in FY '20 grant is \$15,098 (serves Pre-K students with special needs)
- ▶ IDEA 611- in FY '20 grant is \$274,675 (serves special education students)

# Excess Cost Grant

- ▶ The Department of Education administers the Excess Costs-Student Based grant pursuant to CGS §10-76d, §10-76g and §10-253. Costs in excess of **four and one-half times a town's average cost per pupil** for the prior year are paid for students placed in a special education program by a school district, pursuant to CGS §10-76g(b).



# Excess Cost Grant Example

|   |           |
|---|-----------|
| Towns Net Current Expenditure per Pupil (NCEP)*<br>(RSD #18's actual from 18-19, source CT SDE) | \$22,711  |
| Threshold for Grant to District (4.5 X NCEP)  | \$102,200 |
| Cost for Hypothetical Outplaced Student<br>(includes tuition and transportation costs)          | \$155,000 |
| Excess Cost Grant Eligibility   | \$52,800  |
| Recent state average of reimbursement 70%   | \$36,960  |

# Understanding the Line Item Details

**Certified Salaries:** Encompasses all teaching and administrative staff

**Non-Certified Salaries:** All other positions, IA's, secretarial, facilities, tech. staff, et al.

**Employee Benefits:** Medical, dental, life, WC, tuition reimbursement etc.

**Instructional Programs:** All costs associated with educating regular education students

**Special Education:** Costs for SpEd including transportation and tuition

**Support Services:** Guidance, Health Services, Library Media

**Administrative Services:** Board of Education, superintendent's office, business office, school office expenditures, district wide tech purchasing, graduation costs

**Pupil Transportation:** Delivering regular education students to and from school

**Plant Operation & Maintenance:** Cleaning and upkeep of all facilities and grounds, including capital expenditures and contingency spending

**Debt Service:** Long term debt obligation expenditures

# UNDERSTANDING OUR BUDGET STRUCTURE

## Annual Budget

Which includes:

- **Capital Projects budget** (250K-450K) This funds all smaller capital projects throughout the district such as new oil tanks, paving projects, lighting installations, security cameras, etc.
- **Contingency Maintenance budget** (200K) This is used to support emergency or unexpected maintenance issues such as boiler leaks, water damage, broken pipes, etc.



Remaining fund balance as of June 30th



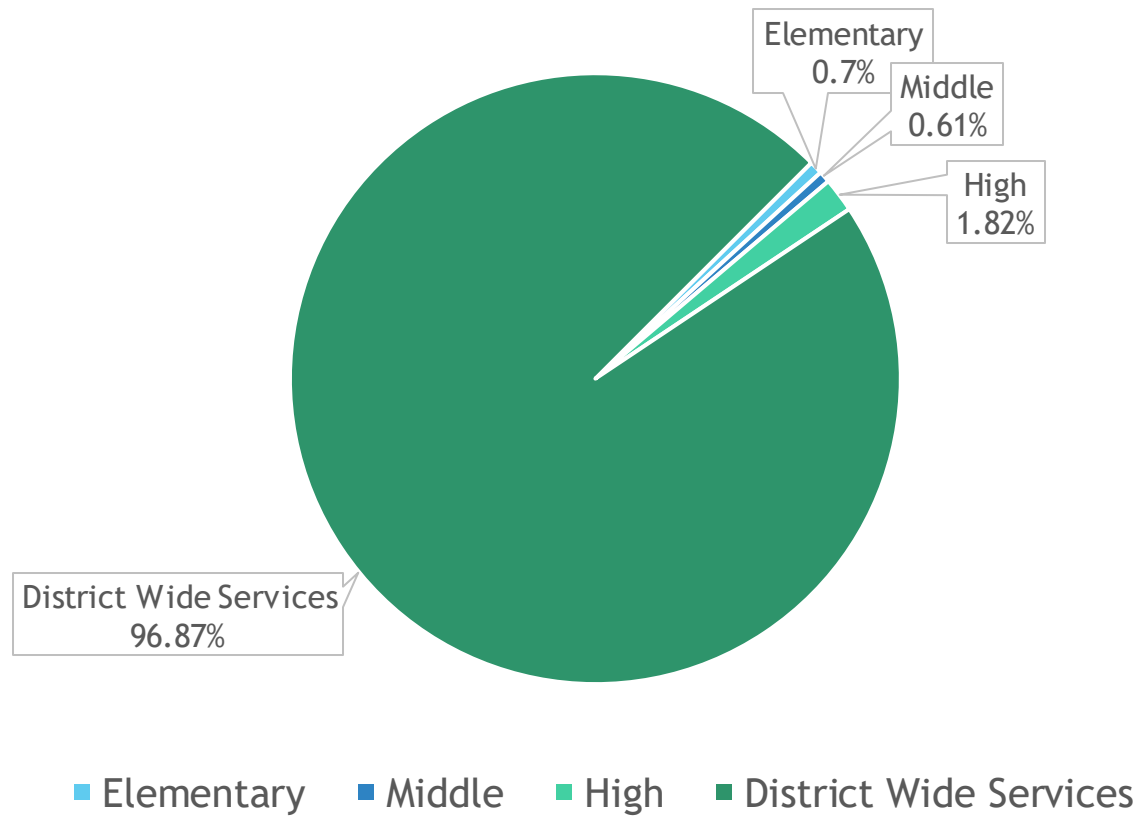
### Reserve fund for specific capital improvements or equipment purchases

Limited by statute to an annual contribution no greater than 1% of total annual budget (~350K)  
Used for major capital projects to avoid having to borrow money. Recent uses include roofs and windows. Turf field would come from this fund.



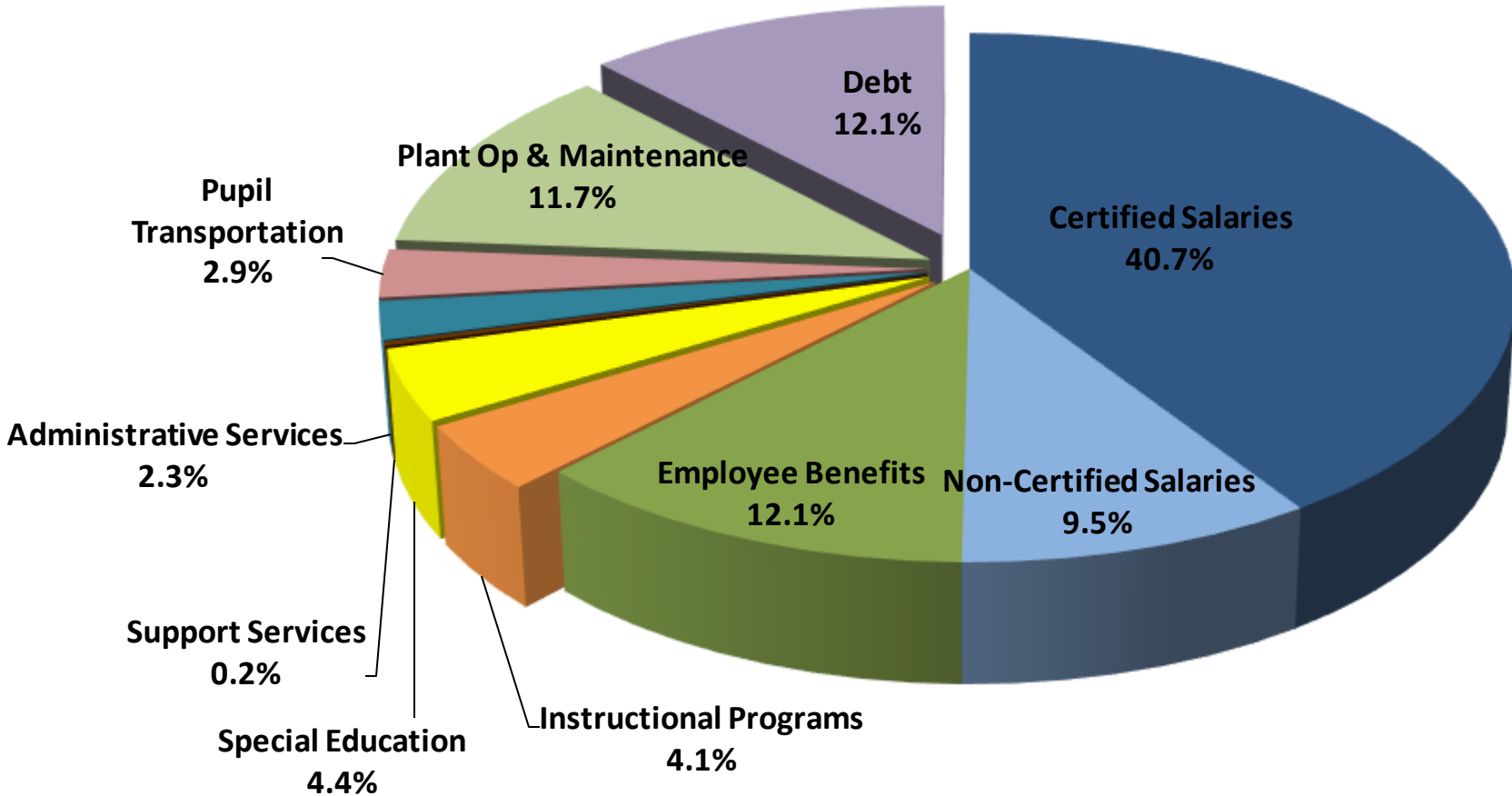
Towns are given a credit on their bill accounting for the fund balance from the previous year as the current year's audit has not yet taken place. This credit represents the amount of money being returned to them as a part of the fund balance.

# Schools vs. Districtwide

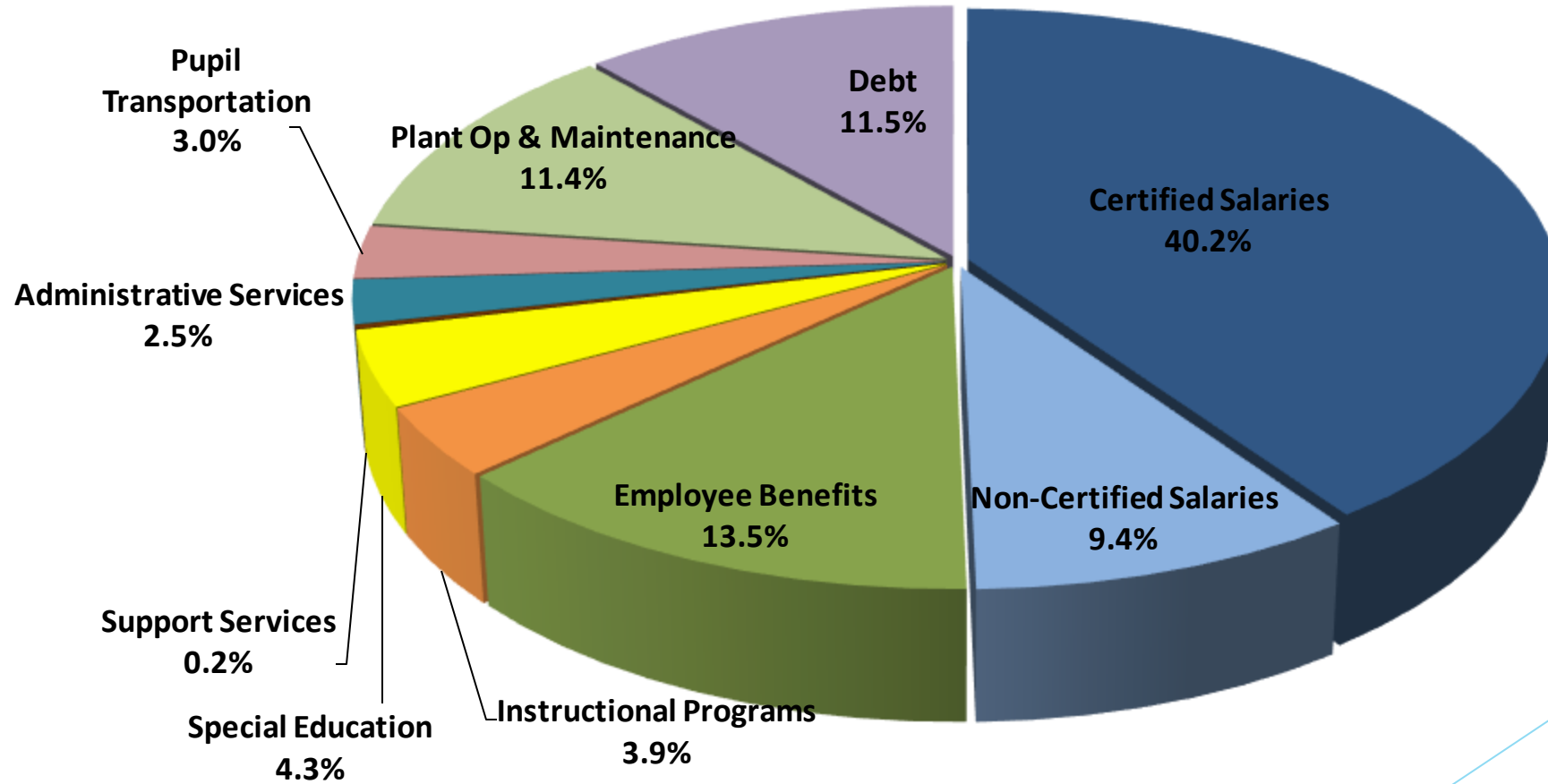


2017-2018 Budget

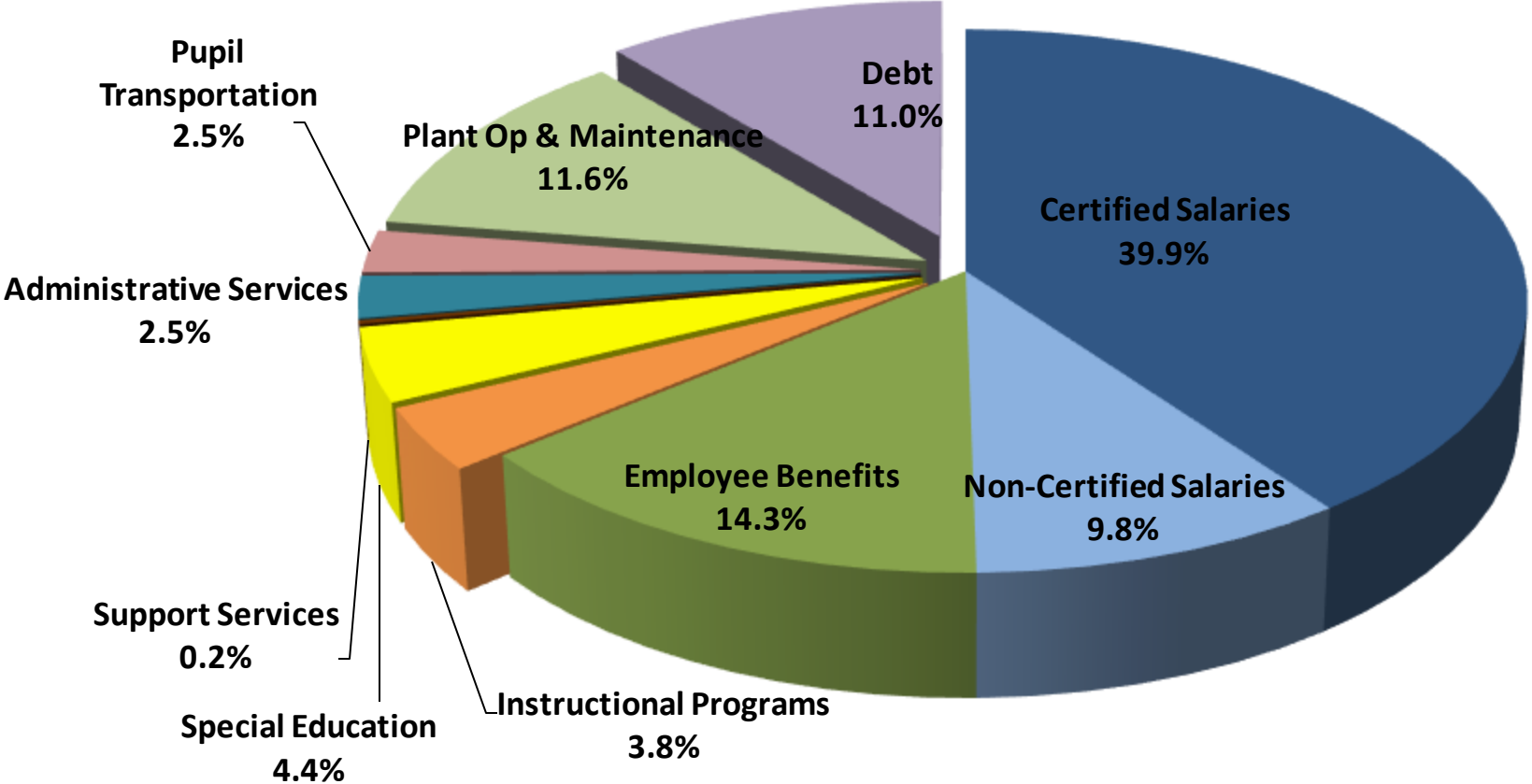
**\$33,634,271**



# 2018-2019 Budget **\$34,298,528**



2019- 2020 Budget  
**\$35,084,758**



# Presenting the Budget to Stakeholders

- ▶ Know the message
  - ▶ What are we asking for and why?
- ▶ Know your audience
  - ▶ Demographics
  - ▶ What's important to them?
- ▶ Tailor your message to the audience
  - ▶ Would you give the same presentation to the Senior Center that you gave to Youth Basketball?



# When Do You Communicate?

- ▶ Year Round! Budget season should yield no surprises for all the great things the schools accomplish.
  - ▶ Technology/Social media for instant communication
    - ▶ Tell of improvements in student scores
    - ▶ Athletic achievements and wins
    - ▶ Special recognition

# Timeline of Budget Events Moving Forward

## January

- District and school based budget presentations

## February

- Public budget forum and Board of Education adoption

## March

- Preparation of budget book and special edition of *Focus on Education*

## April

- Meet with respective Boards of Finance and various community groups
- District budget hearing
- Budget voting cards are mailed

## May:

- District budget meeting
- Budget referendum

# Reminders about the process...

- ▶ A model of continuous improvement
- ▶ Budgets are based on the best available information at a given point in time.
- ▶ Focus on needs not numbers...You will not see a final percentage increase until the very end of our series of presentations.
- ▶ We use actual expenditures from previous budget years as actuals are not available for the current year as it is not yet complete.
- ▶ Budgeting at different levels is not always exactly the same. General concepts run throughout but small variations exist within each level's presentation.
- ▶ Ask questions!
- ▶ **A BUDGET IS NOT ONLY A PLAN, IT IS A STATEMENT OF VALUES AND PRIORITIES**

Questions?