



School Budgeting 101 December 6, 2022

Pembroke Public Schools

Educational Options

The Town's Education Obligation

- All school-age children who live in Massachusetts are entitled to attend a public school free of charge and all children between the ages of 6 and 16 must attend school.

Parent/Guardian Obligation/Choices

Attending Home School District

- Pembroke Public Schools

Attending School Outside Home District

- The Inter-District School Choice Program
- Charter Schools
- Vocational Technical Education Programs (SSVT, Silver Lake, Agricultural Schools (Norfolk/Bristol))
- Commonwealth Virtual Schools (CMVS)

Private Education

Home Schooling

Education Funding Sources

1. Attending Home School District
 - a) Pembroke Public Schools
2. Attending School Outside Home District
 - a) The Inter-District School Choice Program
 - b) Charter Schools
 - c) Vocational Technical Education Programs(SSVT, Silver Lake, Agricultural Schools (Norfolk/Bristol)
 - d) Commonwealth Virtual Schools (CMVS)
3. Private Education
4. Home Schooling

1. Tax Levy/Chapter 70 Local Receipts
2.
 - a) Cherry Sheet Offset
 - b) Cherry Sheet Offset
 - c) Tax Levy/Chapter 70/Local Receipts
 - d) Cherry Sheet Offset
3. Parent Funding
4. Parent Funding

Budget 101: Financial Literacy

- To maximize financial and human capital resources to positively impact every student in a financial, legal, and ethically responsible manner.
- Use the expertise of your educational leaders in developing student focused instructional environment supporting the district mission

“To ensure student achievement through excellence in teaching and learning.”

Financial Literacy Includes

- Understanding the basics of municipal finance law;
- Learning best practices in budget development and management;
- Understanding the basics of fund accounting; and
- Understanding the relationship between and among
 - School Committee policies,
 - Municipal Finance Law,
 - Personnel Laws,
 - Enrollment and Community Demographic Data/Trends, and
 - District based procedures.

Municipal Finance Law

Budget 101: Municipal Finance Laws

Develop a common understanding of the legal aspects:

- [Ch. 30B: Uniform Procurement](#)
- [Ch. 39: Municipal Government](#)
- [Ch. 44: Municipal Finance](#)
 - [School Revolving Accounts](#)
- [Ch. 66: Public Records](#)
- [Ch. 70 School Funds and State Aid for Public Schools](#)
- [Ch. 71 Public Schools](#)
 - [MGL Ch. 71 sec 34: Support of Schools, appropriations; recommendations](#)
- [Ch. 71 sec 47: Athletic programs, school organizations, school activity](#)
- [Ch. 70B: School Building Assistance Program](#)
- [Ch. 150E: Labor Relations: Public Employees](#)
- [Ch. 268A: Conduct of Public Officials and Employees](#)
- [Ch. 149 sec 148B: Independent Contractor Rules](#)

Financial Literacy: Regulators

- Develop a common understanding of who they are, what is their purpose and how frequently you interact with them:
 - School Committee
 - Superintendent
 - School Business Administrator
 - Director of Special Education
 - Town Accountant
 - Advisory Committee
 - Town Manager
 - Department of Revenue
 - Department of Elementary and Secondary Education
 - Department of Early Education and Care
 - Department of Public Health
 - Attorney General
 - Inspector General
 - Independent Auditors

Funding Source

Town School Partnerships (Tax Levy & Local Receipts)

[Chapter 70 Legislation & Regulations](#) / [Cherry Sheet](#)

[Grants](#) – Federal, State and Local

[Revolving Funds](#)

[Circuit Breaker](#)

[Gifts & Donations](#)

[Student Activities](#) (fiduciary agent for Student Clubs and Organizations)

Scholarships (fiduciary agents for donors and trust funds supporting students attending post-secondary learning institutions)

Best Practices for Budget Development & Management

Budgeting Best Practice

- GFOA Alliance for Excellence in School Budgeting

- Plan & Prepare
- Set Instructional Priorities
- Pay for Priorities
- Implement Plan
- Ensure Stability

- Student Achievement and Financial Stability



Budget Structure & Reporting

- [Uniform Massachusetts Accounting System](#)
- [DESE Chart of Accounts](#)
- [Compliance Supplement for Massachusetts School Districts](#)
- [Pembroke Public Schools Budget](#)
- [Town of Pembroke Budget](#)

Municipal Fund Accounting

Financial Literacy:
Fund Accounting:
Develop a
common
understanding of
the various funds
and their purpose
and regulations
that govern them:

- General Fund
 - Taxes
 - Local Aid
 - Town in Support of Schools
- Grant Funds
 - Federal
 - State
 - Private/Gifts/Donations
- Revolving Funds
 - Fee based programs
- Capital Funds
 - Bond Authorizations
 - Cash
- Trust Funds
 - Scholarships

Division of Local Services: A Resource

- [Accounting Guidance, Oversight and Financial Management Publications](#)
- [Accounting Policy and Procedures](#)
- [Guidelines, Opinions and Advisories](#)
 - Division of Local Services and Dept. of Revenue issues guidelines and other legal guidance and information periodically.

Departmental Manuals & Special Accounting Reference Documents

- [Uniform Massachusetts Accounting System \(UMAS\)](#)
- [Treasurer's Manual](#)
- [GASB 34 Guide for Massachusetts Local Governments](#)
- [Revolving Funds for School Departments](#)
- [Statutory Treatment of Municipal Revenue Overview](#)
- [Departmental Revolving Funds Model bylaw-ordinance and Annual Spending Cap Vote](#)
- [Capital Planning Manual: Forms and Instructions](#)
- [Capital Improvement Planning Guide – Developing a Comprehensive Community Program](#)
- [Costing Municipal Services: Workbook and Case Study](#)
- [A Guide to Financial Management for Town Officials](#)
- [Municipal Finance Glossary](#)
- [Collection Fees, Charges, and Penalties](#)

School Committee Budget as a Policy Statement

The Budget is a Policy Instrument

- It sets priorities by funding them (or not).
 - Starting or Expanding New Programs
 - Cutting or Curtailing Programs
- It supports personnel policy including:
 - Collective Bargaining
 - Equal Opportunity and Anti Discrimination
 - Employment Process
- Supports Student Related Policies/Services
 - Transportation
 - Fees
- Affirms Policies in Grants
 - Federal Programs
 - Special Grants Awards

Source: MASC Roles and Responsibilities of
School Committees in their Communities:

https://www.masc.org/images/events/2015/jtc-15/handouts/11-6_230_School-Finance_SC-Budget-Development.pdf

Financial Literacy: Budget Questions

- Understanding the sources used to fund the operational aspects of the district is important to fully understand the vulnerabilities.
- Is the budget based on solid assumptions?
- Is the district over reliant on vulnerable sources of funds? Is the district prepared to cover a mid-year unanticipated 9C cut or a budget freeze?
- Do you have a multi-year budget projection (capital and operating) to prepare for potential challenges in future years?
- How reliable are your enrollment projections? What assumptions are you making about sections and class sizes?
- What are the budget guidelines for budget managers to develop their annual requests for teaching and learning supports in the classrooms?

Personnel Law

Personnel Role of School Committee in Hiring and Contracting:

- Hiring and contracting with the superintendent for up to six year (Ch. 71, Sec 37)
- Confirming and contracting for up to six years with the School Business Official (Ch 71 sec 41)
- Confirm the appointment of a Special Education Administrator (Ch. 71 Sec 53)
- Negotiating collective bargaining agreements with unionized staff (Ch. 150E Sec 1)
- Establishing compensation parameters for administrators and other employees not subject to collective bargaining, including principals and non-aligned employees (Ch. 71 Sec. 59B)

Personnel: School Committee

- Setting Compensation:

Compensation refers to anything of value and is not limited to salary. For example, compensation may include vacation, paid and unpaid leave, fringe benefits, etc.

- Establishing District Policy:

Many district policies impact personnel contracting and employment and range from recruitment and retention policies, collective bargaining, fringe benefit applications, due process and other areas

- Executing Contracts:

The school committee retains the executive authority to hire, contract with, evaluate and terminate a superintendent.

The school committee confirms and approves contracts with the School Business Official.

Contracts for other administrators would be developed by the Superintendent based on the policy and budget parameters set by the school committee. However, the authority to evaluate and terminate a contract remains with the Superintendent for all employees except the school business officer. The school committee through its policy or budget deliberations eliminate position.

Enrollment and Community Demographic Data/Trends

Financial Literacy: Data Integrity

- Is your data aligned:
 - EPIMS: Education Personnel Info Management System
 - SIMS: Student Information Management System
 - EOYR: End or Year Report
 - Enrollment
- When data systems are not aligned ,the data extracted through DESE can be misleading to the public and create a public relations issue for the district i.e. average teacher salaries, high absenteeism, incorrect number of students.

Comparable Districts -DART

FREETOWN-LAKEVILLE	MENDON-UPTON
Groton-Dunstable	Nashoba
Hampden-Wilbraham	Seekonk
Holliston	Wakefield
Mansfield	Wilmington

Comparable Districts - Population

Comparable Districts - 2022

*Districts most similar to your district in terms of grades span, total enrollment, and special populations.
Orange-Shaded row: Your district

District Name	2022 Enrollment				2022 Next Gen MCAS								
	Total Enrollment #	Low Income %	SWD %	ELL %	% Meeting or Exceeding Expectations					Growth average SGP			
					Grades 3-8		Grade 10		Grades 5 and 8	Grades 3-8		Grade 10	
					ELA	Math	ELA	Math	Science	ELA	Math	ELA	Math
Freetown-Lakeville*	2,756	25.9	17.0	1.2	45%	49%	66%	54%	56%	49	48	56	57
Groton-Dunstable*	2,315	11.5	15.8	1.2	60%	60%	77%	84%	67%	51	49	55	66
Hampden-Wilbraham*	2,890	23.4	16.7	1.3	50%	42%	66%	60%	51%	53	45	50	62
Holliston*	2,809	11.5	16.5	2.2	55%	58%	70%	78%	62%	56	59	47	52
Mansfield*	3,437	21.9	16.4	2.0	50%	55%	76%	71%	51%	49	50	61	60
Mendon-Upton*	2,141	14.2	16.9	2.6	43%	40%	66%	54%	52%	45	48	62	62
Nashoba*	3,088	13.4	17.5	2.6	62%	59%	79%	76%	65%	51	49	48	45
Pembroke*	2,563	18.7	16.8	1.8	48%	54%	68%	64%	48%	47	51	53	50
Seekonk*	2,075	19.7	18.1	2.1	53%	54%	71%	58%	56%	50	52	48	47
Wakefield*	3,318	18.3	17.6	2.6	53%	48%	66%	64%	50%	59	51	52	58
Wilmington*	2,801	16.3	17.0	1.4	45%	52%	71%	65%	54%	46	52	55	42

Comparable Districts – Per Pupil

	Total In-District Expenditures	Admin	Inst. Leaders	Teachers	Other Teaching Services	PD	Inst Materials	Guidance & Psych	Pupil Services	Operations/Maint.	Benefits/Fixed Costs
Pembroke	\$15,658.30	\$488.20	\$1,374.06	\$5,941.95	\$1,100.72	\$29.24	\$282.80	\$485.18	\$1,668.62	\$1,430.92	\$2,846.32
Freetown/Lakeville	\$14,818.70	\$431.1	\$928.11	\$5,727.64	\$1,186.44	\$52.93	\$713.06	\$491.19	\$1,592.73	\$1,378.61	\$2,316.12
Groton/Dunstable	\$18,365.79	\$496.53	\$1,400.50	\$7,157.45	\$1,768.7	\$102.70	\$295.74	\$588.42	\$1,389.39	\$1,676.41	\$3,490.42
Hampden/Wilbraham	\$16,632.87	\$562.76	\$825.76	\$6,066.03	\$1,538.67	\$107.06	\$447.14	\$644.75	\$1,934.56	\$1,566.70	\$2,939.45
Holliston	\$14,603.21	\$467.34	\$1,267.33	\$6,560.37	\$1,728.74	\$82.49	\$196.24	\$602.86	\$1,158.98	\$1,027.07	\$1,511.80
Mansfield	\$18,444.04	\$464.13	\$1,035.91	\$1,102.72	\$1,496.30	\$311.95	\$384.49	\$698.48	\$1,606.05	\$1,402.77	\$3,341.22
Mendon/Upton	\$16,610.07	\$430.09	\$893.39	\$6,155.85	\$1,474.19	\$72.90	\$699.96	\$450.29	\$910.37	\$1,487.36	\$3,125.67
Nashoba	\$19,028.98	\$538.24	\$975.54	\$7,284.04	\$1,716.01	\$248.66	\$571.06	\$884.02	\$1,955.24	\$1,881.46	\$2,974.72
Seekonk	\$16,786.59	\$709.38	\$800.70	\$6,930.98	\$1,390.22	\$124.14	\$670.25	\$698.50	\$1,259.26	\$1,374.29	\$2,827.81
Wakefield	\$16,983.55	\$493.17	\$1,157.95	\$6,875.36	\$1,061.17	\$164.06	\$469.84	\$554.38	\$904.12	\$2,049.23	\$3,254.28
Wilmington	\$20,234.02	\$733.76	\$1,181.40	\$8,212.98	\$1,207.67	\$136.89	\$213.88	\$925.81	\$1,841.12	\$2,080.79	\$3,699.71

School Budgeting Methodologies

Budget	What is it?	Pros	Cons
Line Item	<ul style="list-style-type: none"> • “Historical” approach, using historical expenditure and revenue data. • Level of expenditure detail is fund, function, or object. 	<ul style="list-style-type: none"> • Simplicity and ease of preparation. • Allows for accumulation of expenditure data by organizational unit for use in trend/historical analysis 	<ul style="list-style-type: none"> • Presents little useful information to decisionmakers on functions and activities of organizational units. • Justifications for expenditures not explicit.
Zero-based	<ul style="list-style-type: none"> • Budget starts from zero each year. No reference to previous year’s budget, and each budget inclusion must be justified. • Budget prepared by dividing operations into decision units. Individual units then aggregated to decision packages on basis of program activities, goals, organizational units, etc. 	<ul style="list-style-type: none"> • Staff involved in selecting resource allocation. Fosters public confidence in budgeting process. • Elimination of outdated efforts/expenditures and concentration of resources where most effective. • Particularly useful when overall spending must be reduced. 	<ul style="list-style-type: none"> • Most districts do not have the staff/time to adequately address the level of complexity required to administer. • Requires great deal of staff time, planning, and paperwork.
Program-based	<ul style="list-style-type: none"> • Bases expenditures primarily on programs, and secondarily on objects. • Used for planning, establishing, modifying and improving goals • Transitional form between traditional line-item and performance-based budgets 	<ul style="list-style-type: none"> • Places emphasis on identifying goals of the organization and then relating expenditures to goals. • Allows for long-range planning. 	<ul style="list-style-type: none"> • Can be limited by: changes in long-term goals, lack of consensus on organizational goals; lack of adequate program/ cost data; and difficulty administering programs that involve several organizational units.
Site-based	<ul style="list-style-type: none"> • Decentralizes budget authority and process. • Resources allocated to individual sites, and budgetary authority granted to school’s principal/staff. • Allows for alignment of goals with resources. • Considered most practical for schools. 	<ul style="list-style-type: none"> • Those who best understand needs have the authority to make decisions. • Provides greater control/ reporting of school-level data and greater school level accountability. • Staff/community given a voice, generating public support. 	<ul style="list-style-type: none"> • Time/skills necessary to manage process. Few school-level officials are trained to plan and administer site-based budgets.
Student-based	<p>Formula that allows the money to follow the student: school site budgets are determined by student need.</p> <ul style="list-style-type: none"> • School-level autonomy allows schools to provide different levels of resources and services 	<ul style="list-style-type: none"> • Transparent funding, so it is known to all what resources flow to which student. 	<ul style="list-style-type: none"> • Focused on inputs and can be problematic if not linked to outcome accountability.

Budget Presentations

January 17, 2023 Maintenance of Effort Budget

