



OE-4 Financial Planning and Budgeting
Policy Type: Operational Expectation

Annual Monitoring Report for School Year 2024-2025 – August 21, 2025

The Board believes that the District’s planning and budgeting should be comprehensive, transparent, and part of a long-term plan to achieve the Board’s Results for Students. The District should be fiscally responsible and expenditures should be kept within projected revenues.

The Superintendent certifies that the District is in compliance with OE-4 with no exceptions.

The Superintendent shall develop and present to the Board a multi-year financial plan that is related directly to the Board’s Results priorities and Operational Expectations goals, and that avoids long-term fiscal jeopardy to the District.

Interpretation:

I interpret adequate financial planning to mean a Board-adopted budget that incorporates the following major elements:

- Board’s Budget Development Guidelines ([adopted on January 16, 2025](#))
- Multi-year financial planning - including [four-year levies](#) and [capital bonds](#), three-to-four-year collective bargaining agreements, and review of two-year biennial legislative budgets as available
- Five-year enrollment projections and the [2025-26 Annual Budget Guide](#)
- Compensation and benefits built on [negotiated agreements](#) and enacted legislative budgets

Evidence of Compliance:

The above-named documents are enacted by the Board, provided to the Board/community, and are fully incorporated into the current (2024-25) and the Draft [2025-26 Budget](#), which includes a Four-Year Outlook.

The Superintendent will develop a budget that:

4.1 Includes credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

Interpretation:

I interpret this to mean that the budget must be based on reliable planning assumptions that are made transparent to the Board and general public; cash flow must be appropriately managed to timely response to District needs, and the integrity of capital and operational budgets must be maintained.

Evidence of Compliance:

The budget development process contains numerous systems to guarantee reliable revenue/expenditure projections and communicates these to the public. The following documents and processes fulfill this requirement in annual cycles. Projected/actual dates are noted:

- Five-Year enrollment projection ([Annual Budget Guide, 2025-26](#))
- Revenue projections based on enrollment ([Annual Budget Guide, 2025-26](#))
- Compensation and benefit budgets built on [current negotiated agreements](#)
- Distribution of building budgets based on enrollment projections (will be adjusted to actual enrollment on October 1, 2025)
- Public hearings conducted to confirm community values and priorities (ongoing)
- Adoption and implementation of Board Budget Guidelines ([January 2025](#))
- Historical fund balance analysis with monthly reporting ([ongoing reports](#))
- Separation of operational funds from debt service, capital projects, and ASB funds (ongoing reports)
- Maintenance of reserves to cover start-up operating costs associated with opening new schools (as needed) ([certified in year-end financial report – August 31, 2024 and ongoing reports](#))
- Continuous monitoring of enrollment, revenue and expenditure budgets in order to manage any fluctuations from projections ([ongoing reports](#))
- Work with legislators, administrators, staff, and community to create an understanding of the District processes outlined above ([ongoing reports](#))
- Continued online presence regarding the [budget, finances, and opportunities for community involvement](#).

4.2 Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for each category for the current fiscal year and the amount budgeted for the next fiscal year.

Interpretation:

I interpret this to mean that the budget ([Proposed 2025-26 F-195 Budget](#)) submitted to the Board must show this information in the following categories:

- Summary of Budget (All Funds)
- Summary of Revenues (All Funds)
- Summary of Expenditures by Program (General Fund)
- Summary of Expenditures by Activity (General Fund)
- Summary of Expenditures by Object (General Fund)

Evidence of Compliance:

These comparisons are provided in the [2025-26 Budget](#) submitted for adoption.

4.3 Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.

Interpretation:

I interpret this to mean that the budget submitted to the Board must include all anticipated employee compensation costs including any changes resulting from:

- Legislative Action for 2025-26
- Local bargaining
- Step increases for education and/or experience
- Performance/Market increases, if applicable
- Health insurance contributions
- Pension contribution costs

Evidence of Compliance:

The budget submitted to the Board for adoption on August 21, 2025 includes all anticipated costs associated with employee compensation. The administration followed the Board’s Budget Development parameters and incorporated the guidelines into the 2025-26 budget. The administration held board retreats, board meeting budget presentations, Cabinet budget reflection meetings, Financial Advisory Core Team meetings, and a [public hearing](#).

4.4 Is in a summary format understandable to the Board and presented in a manner that allows the Board to understand the relationship between the budget and the Results priorities for the year.

Interpretation:

I interpret this to mean that the budget document for any fiscal year will be summarized for ease of understanding and will specifically support the Board’s Results priorities.

Evidence of Compliance:

Along with the [2025-26 Budget](#) (submitted for approval on August 21, 2025), the Administration provided a [2025-26 Annual Budget Guide](#). This is an updated version of the previous annual Guide to Understanding the Budget. It maintains a summary of the budget in a straightforward narrative and includes simplified charts and tables. These documents directly tie the budget to the Board's Results priorities for the District.

4.5 Ensures fiscal soundness in future years, including provisions for reasonable contingencies.

Interpretation:

I interpret this to mean that fiscal soundness is demonstrated by maintaining an unrestricted General Fund reserve between 3–7% of the general fund budget, as required in the Board's Budget Development Guidelines, while also budgeting sufficient expenditure capacity for grants, carryover, and unforeseen needs. While an adopted budget may reflect a reserve outside this range due to expenditure capacity for these items, the District will manage resources throughout the year to ensure that actual year-end results fall within policy.

Evidence of Compliance:

The 2023–24 year-end unrestricted General Fund reserve was 6.08%, within the 3–7% range. The [2025–26 Budget](#) includes expenditure capacity that results in a projected reserve of 3.01%, which is within the Board's policy range. This percentage reflects budgeted expenditure capacity for grants, carryover, and one-time expenses. Monthly financial monitoring ensures actual reserves remain within policy by year-end, as reflected in the [audited financial statements](#).

4.6 Provides necessary information to the Board on matters with significant budgetary impact, allowing the Board adequate time to consider the information presented.

Interpretation:

I interpret this to mean that the Superintendent will provide the Board with timely and comprehensive financial information for any matter with significant budgetary impact such as levy or bond proposals, collective bargaining agreements, capital projects, or major program changes in a manner that allows adequate time for review, questions, and informed decision-making.

Evidence of Compliance:

During the 2024–25 school year, the Board received briefings, supporting analyses, and presentation materials in advance of action items with significant fiscal implications. Examples include bond planning updates, labor contract settlements, and capital project funding proposals. These materials are provided ahead of regular Board meetings, retreats, and work-study sessions ensuring sufficient

opportunity for review and discussion prior to decisions.

4.7 Is based on reasonable consultation with appropriate constituent groups.

Interpretation:

I interpret this to mean that the budget development process will include reasonable opportunities for input from appropriate constituent groups, such as district administrators, labor associations, community members, Financial Analysis Core Team (FACT), and students, to ensure that budget priorities reflect District needs and community values.

Evidence of Compliance:

The [2025–26 Budget](#) process included multiple consultation opportunities with constituent groups. This included Cabinet budget reflection meetings, Financial Advisory Core Team meetings with staff and community members, labor–management representatives, and public meetings/hearings. The District also shared budget information through the District website to support transparency and community engagement.

The Superintendent will not develop a budget that:

4.8 Risks incurring those situations or conditions described as unacceptable in the Board policy OE-5, Financial Administration.

Interpretation:

I interpret this to mean that the adopted budget must provide adequate resources to:

- Settle known District obligations (payroll and operating)
- Collect funds owed the District
- Maintain reserves as set forth by the Board
- Ensure sufficient funding to complete building projects in progress

Evidence of Compliance:

The inspection of all relevant documents from July 1, 2024—June 30, 2025 continues to show compliance with these requirements. Additionally, compliance is [demonstrated by monthly financial reports](#) provided to the Board, as provided in the Draft 2025-26 Budget and the [most recent year-end financial statements](#).

4.9 Provides less for Board prerogatives during the year than is set forth in the Board developed budget for GC-9, Cost of Governance.

Interpretation:

I interpret this to mean that the budget established by the Board must be incorporated into the adopted budget.

Evidence of Compliance:

The Board via discussion and governance policy has provided guidance to the administration regarding a Board Operating Budget for 2025-26. I certify that these identified requirements have been incorporated into the District budget. There may also be physical inspection by the Board of its budget, upon request.

4.10 Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be available during the year.

Interpretation:

I interpret this to mean that the budget submitted to the Board must balance revenues and expenditures in a way that meets the Board’s targeted goals for reserves.

Evidence of Compliance:

The [2025–26 General Fund Budget](#) is balanced and does not plan for expenditures in excess of conservatively projected revenues. The budget includes a total ending fund balance of \$28.2 million, of which the unassigned portion is \$12.6 million (3.01% of budgeted expenditures). This percentage reflects budgeted expenditure capacity for grants, carryover, and potential one-time needs; actual year-end results are expected to remain within the Board’s 3–7% policy range, with a total estimated fund balance of \$40 million. In addition to the unassigned fund balance, the 2025-26 budget includes the following designated reserves: \$6,000,000 for future school facilities, \$1,500,000 reserved for unexpended and obligated building funds, \$500,000 restricted for food service carryover, committed amount of \$108,170 for petty cash accounts, \$5,500,000 designated for uninsured risk/inventory prepaid items (required in accounting standards), \$1,500,000 for board reserve, and \$500,000 for other contingencies. These reserves ensure the District can meet obligations, maintain fiscal stability, and respond to unforeseen events without exceeding available resources.

Board acceptance: August 21, 2025