

School Budget Workshop

Maine Department of Education School Finance - February 2018

“

In the midst of chaos, there is also opportunity.

”

Sun Tzu - The Art of War

Objectives:

- ▶ Opportunity to discuss budget process
- ▶ Clarity on budget statutes
- ▶ Understanding of budget data needs & file upload

What we see of your district budget process.



More representative of your district budget process ...



Maine Education and School Statutes Title 20-A: Budgets

- ▶ School Administrative Districts (SAD): Chapter 103 §1302 - 1309
- ▶ Community School District (CSD): Chapter 105 §1701 - 1701C
- ▶ Regional School Units (RSU): Chapter 103A §1482 - 1488
- ▶ Municipality: Chapter 111 §2307, §2351 ➡ (§1482 - 1488)
- ▶ EPS: Chapter 606 B §15690 - 15695

Step 1:

- ▶ School Board (Region board) meet to develop a budget:
 - ▶ Operating costs;
 - ▶ Bonds falling due;
 - ▶ Interest on bonds or other obligations
 - ▶ Rentals & other charges in a contract, and
 - ▶ Temporary loans

In addition, Establish Referendum Date, Distribute and Notify, Prepare Warrant

The Warrant Format and Articles

- ▶ 11 expenditure cost centers, &
- ▶ 3 or more revenue cost centers
- ▶ Must have school (regional) board approval by majority present
- ▶ What are the 11 expenditure cost centers?
- ▶ What is required on the warrant?
- ▶ How often are your warrant articles reviewed by your legal representative?

Step 2:

- ▶ Annual Budget meeting
- ▶ Held no more than 30 days prior to referendum date
 - ▶ Elect moderator
 - ▶ Appoint clerk
 - ▶ Explain budget
 - ▶ Voters can change only items dealing with?
 - ▶ Approval of each article by a majority of registered voters/ council members

Step 3:

- ▶ Validate the Approved school budget
- ▶ Every third year consider continued use of the validation Referendum
- ▶ Voter approval by a majority of registered voters.
- ▶ What if the budget fails referendum? What is the time frame?
- ▶ Failure to Approve by July 1 allows operation using the latest budget approved at the regional budget meeting until budget receives final approval.

NEO Files

- ▶ Upon Approval, how is the budget translated to budget upload files?
- ▶ What do you upload?
- ▶ By when?

COMMON ERRORS IN BUDGET ARTICLES

- ▶ Budget Articles are to include only the K-12, fund 1000 expenditures and revenues; do NOT include Adult Education transactions from funds other than 1000.
- ▶ Costs for Special Education Administration should be included in the Special Education Budget Category Article, NOT the System Administration Article.
- ▶ The Transportation Budget Category Article should include only those costs appropriately coded to program 0000, function series 2700. Costs for co-curricular, extra-curricular and field trip transportation should be presented in the Budget Category Article for which transportation is being utilized. For example, an elementary field trip should be presented in the Regular Instruction Budget Category Article.
- ▶ Costs for Gifted and Talented programs should be included in the Regular Instruction Budget Category Article, NOT in the Special Education Article.
- ▶ The Total Budget Summary Article total should equal the total of the 11 Budget Categories and represents the total amount that your school unit is limited to spend during the budget year. Before uploading to NEO Financial, reconcile the amount in the total budget summary article to the total fund 1000 expenditures being uploaded; if the totals don't match, resolve the issue before uploading.
- ▶ If there is an Additional Local Article, the money raised in that article should be coded to revenue code 1213 (if a municipal school unit) or 1113 (if any other unit); do NOT include funds raised in an additional local article under revenue code 1211 or 1111.
- ▶ The Local Only Debt Article should seek to raise funds needed SOLELY to fund payments on new school construction projects or, the construction of a new addition to an existing building, for which there is no state approval and therefore, no state participation. Do not include amounts to be raised for minor capital projects or the payment of loans for minor capital projects, such as roof replacement, boiler replacement or window replacements.

Resources

- ▶ Budget
<http://www.maine.gov/education/forms/misteam/efm46/46menu.htm>
- ▶ Model handbook of accounts
<http://www.maine.gov/education/data/schfindata.htm>
