ESTABLISHMENT AND ADOPTION OF THE SCHOOL DISTRICT BUDGET

MODEL POLICY

PURPOSE

The purpose of this policy is to set expectations regarding the roles of the community and the Board of Education in the budgeting process, to establish clear lines of authority for the development of the district's budget, and to direct the use of priority-based budgeting so that the annual budget effectively reflects and implements the district's goals and priorities.

This policy reflects the Board's belief that a school board should function as an active, engaged governing body in budgetary matters. The Board's role in the budget process is not limited to ratifying decisions made by administration. An open and collaborative process, in which the Board sets clear direction early and administration develops a budget within that direction, allows the district to draw on the knowledge of both its elected governing body and its professional staff.

BOARD BUDGET

Prior to [INSERT DATE], the Board of Education will evaluate the current year's Board Budget and draft a Board Budget for the following fiscal year. This task may be delegated to a committee or workgroup of the Board. The Board Budget will be provided to district leadership for inclusion in the district-wide budget.

PUBLIC INPUT

The district shall host public meetings to gather feedback from community members for the purpose of informing budgetary decisions.

At least one public input session shall take place prior to [INSERT DATE/TIMEFRAME, e.g., winter break], so that community members can share their priorities before the Board establishes its budget parameters.

At least one public input session shall take place within the [INSERT NUMBER] weeks prior to the adoption of the budget, so that community members have an opportunity to respond to a developed budget before it is finalized.

WORKING SESSION AND BUDGET PARAMETERS

By [INSERT DATE], the Board will hold a public Working Session to establish budget parameters for the upcoming school year. In advance of setting parameters, the Board will review information including:

A. A forecast of projected revenues and expenditures;

B. Any anticipated legislative or policy impacts on district funding;

C. Parameters for collective bargaining agreement settlements;

D. Inflationary pressures; and

E. Feedback from principals, parents, employees, students, and other relevant community input on budget priorities.

Following this review, the Board shall adopt, by majority vote, a set of budget parameters directing administration in the development of the district's budget. These parameters shall identify specific items, programs, or expenditures that the budget must include, and/or specific items, programs, or expenditures that the budget must not include.

Administration shall retain discretion over how to meet the Board's parameters within the resources available to the district, except where a parameter specifies otherwise. Administration may raise objections to any parameter it believes to be unworkable, fiscally unsound, or contrary to the district's interests, and the Board shall consider any such objection before finalizing its parameters.

PRIORITY-BASED BUDGETING

The district shall develop its budget using a priority-based budgeting approach. Administration shall build the budget around the district's strategic priorities, the parameters established by the Board, as well as any established Board goals, evaluating existing and proposed programs and expenditures according to their alignment with those priorities and their demonstrated effectiveness.

ADMINISTRATIVE EXPENSES

The district shall allocate a smaller percentage of its total budget to administrative expenses than the average percentage allocated to administrative expenses by school districts statewide, as most recently reported by [INSERT STATE AGENCY OR DATA SOURCE].

FINAL BUDGET

The final budget will be presented to the Board as a packet composed of required fund allocations, a comparison to the prior fiscal year, and a detailed document breaking down all site allocations and administrative departmental funding, displaying dollar amounts and full-time equivalent (FTE) positions. The Board shall also be provided with a document outlining district-wide expected contracted services by dollar amount and percentage of total funds.

The final budget document shall demonstrate its alignment with the parameters established by the Board and, where applicable, with the district's strategic plan and Board goals.

When presenting the final budget, administration shall also demonstrate how community feedback gathered under the Public Input section of this policy was used to shape the budget, including a description of any specific changes made to the budget as a result of that feedback.

ADJUSTMENTS

The Board of Education may shift or waive the deadlines established in this policy by majority vote when necessary and allowable by law.

REALLOCATION

The Superintendent shall be authorized, in their sole discretion, to make changes within the various budget classifications as the Superintendent deems necessary. The Board of Education shall be informed of any reallocation of general funds between program types of more than $[INSERT AMOUNT].

ADOPTION

The Board of Education will demonstrate the following prior to final budget adoption:

A. The Board has collected and used public input to inform its budget parameters.

B. The Board has completed a Working Session and adopted budget parameters as outlined in this policy.

C. The Board has reviewed the proposed budget for its alignment with the Board's parameters and goals.

D. The Board has reviewed administration's demonstration of how community feedback shaped the final budget, including any changes made as a result of that feedback.

E. The Board has reviewed data on the district's administrative expenses relative to the statewide average, consistent with this policy.

IMPLEMENTATION

The Board places responsibility for administering the adopted budget with the Superintendent. The Superintendent may delegate duties related to this function to other district officials but retains ultimate responsibility for it.

CONSIDERATIONS FOR DISCUSSION

The items below are not part of the model policy language itself. They are issues a board may want to work through, with administration and with legal counsel, before adopting a policy along these lines.

Statutory budget deadline.

Most states set a statutory deadline by which a school board must adopt its budget. This policy's internal deadlines, particularly the Working Session and the point at which the Board receives the final budget, should be set with enough lead time before that statutory deadline to allow for meaningful Board review and, if needed, a second look before the vote. Boards should also specify, in the policy itself, a minimum number of days between the Board's receipt of the final budget document and the vote to adopt it, so that the Board is never asked to approve a budget it received only days before the vote.

Hiring cycle and staffing allocations.

Districts typically communicate staffing allocations to individual schools well before the final budget is adopted, often in February or March, so that principals can post open positions and the district can remain competitive in the hiring market. A board adopting this policy should identify when, in its own hiring cycle, staffing allocations need to go out to schools, and should set its Working Session and parameter-setting timeline early enough that any parameter affecting staffing reaches administration before allocations are finalized. Changes to staffing allocations after they have gone out to schools can be highly disruptive, up to and including the elimination of a position for which someone has just been hired.

Board Budget.

The Board Budget is the portion of the district's budget that funds the operations of the Board of Education, including the compensation and support of any staff the Board directly employs or supervises, other than the Superintendent, such as a board administrator, board counsel, or other board staff. Not every district maintains a separate Board Budget.

Working closely with administration on parameters.

Setting parameters through a working session, rather than choosing among administration-prepared options, gives the Board more up-front influence over the shape of the budget. Boards should work closely with administration throughout the parameter-setting process, before parameters are finalized, so that what the Board adopts is something administration can actually build a budget around. Boards should also talk through, in advance, how they want to handle it if administration later determines that a parameter isn't feasible within available resources, so that there's already an understanding of how the Board and administration will work together to adjust.

Reallocation.

The dollar threshold at which the Board must be informed of a reallocation between program types should be set relative to the size of the district's budget. A threshold appropriate for a large urban district may be far too high to give a small district's board meaningful visibility into its own budget. Additional language may need to be included to make certain the Superintendent can meet the financial obligations and emerging needs of the district throughout the school year.

Capacity for priority-based budgeting.

Priority-based budgeting is a meaningfully different exercise from many districts’ existing budgeting practices. It may require new tools, training, or outside support for administration to implement well. Boards should discuss, with their Superintendent and finance staff, whether the district has the capacity to make this shift in a single budget cycle or whether a phased transition over more than one year is more realistic.

Defining and measuring administrative expenses.

States differ in how they categorize administrative spending, and district-level administration is sometimes reported separately from building-level administration, such as principals' offices. Boards should decide which categories count as administrative expenses for purposes of this policy, using their state's own reporting categories where possible so that the district's figures are comparable to the statewide average. Boards should also account for the fact that statewide comparative data is often published on a delay, and should specify which year's data the district is expected to compare itself against.

Demonstrating the impact of community feedback.

Boards should think through how much detail they want from administration when it demonstrates how community feedback shaped the budget. A brief, general summary risks becoming a formality; a very granular accounting of every comment received may not be a productive use of staff time. Boards may want to discuss with administration what level of detail would be genuinely useful for evaluating whether public input made a difference.

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A Note on Using This Model Policy

This model policy is a starting point, not a finished product. It is intended to prompt discussion among board members and with district administration, not to be adopted verbatim. Every board should revise this language to reflect its own district's circumstances, governance culture, and priorities before bringing it forward for adoption.

Boards considering this policy should consult with their district's legal counsel to confirm that any policy they adopt complies with applicable state law, including statutory budget deadlines, publication requirements, and financial reporting standards, which vary by state and are not addressed in this document.