

Spring Hill ISD
Administrative Procedures
Budget Process

September thru August

- *Monitor ADA
- *Review Financial Reports including Capital Projects Report & Debt Report
- *Approve Budget Amendments

October

- *Conduct Public Hearing on School FIRST Rating

February

- *Discuss Preliminary Comptroller Taxable Values
- *Assess State Funding based on first semester ADA for Current School Year
- *Estimate State Funding for Subsequent School Year

March

- *Conduct District Wide Needs Assessment
- *Request Prioritized List of Needs with Estimated Costs

April

- *Evaluate Prioritized District Wide Needs Assessment
- *Complete Purchasing for Current School Year
- *Conduct First Budget Workshop based on Needs Assessments
- *Receive Preliminary Taxable Values from Gregg Appraisal District
- *Budget Calendar completed and disseminated

May

- *Attend new Board Member Orientation
- *Develop Calendar for Budget Workshops
- *Conduct Second Budget Workshop based on Preliminary Taxable Values

June

- *Estimate State Funding based on ADA for Current School Year
- *Conduct Budget Workshops as requested by Board of Trustees

July

- *Receive Certified Taxable Values from Gregg Appraisal District
- *Conduct Budget Workshops
- *Board of Trustees approved Notices for website and newspaper

August

- *Conduct Budget Workshops
- *Publish Notice for Newspaper regarding Budget & Tax Rate
- *Conduct Public Hearing
- *Approve the Budget
- *Set the Tax Rate

Executive Summary

The budget process ensures that district goals and priorities for the development and delivery of curriculum are considered as central to the core work. A major premise of curriculum management is that results can be assessed and that there is a relationship among goals and objectives, priorities, and costs. Budgeting processes are designed and used to establish linkage of goals, costs, priorities, and evaluation/results.

Key Points

- Funding priorities are formulated in a manner that is congruent with the district Curriculum Management Plan.
- Decisions related to reduction or increases in funding levels are addressed through administrative decision making processes involving the Superintendent and administrative team.
- Budgeting decisions reflect curriculum design and delivery, student performance and accountability, program cost, legal and state requirements, district-established priorities, and growth.

Financial Support of Curriculum Development, Delivery, Assessment, and Management

The budget serves as a link and provides tangible connections between cost and benefits of educational opportunities. The budget, therefore, is developed in a manner that ensures that the system is capable of attaining its goals and priorities for the development, delivery, assessment, and management of curriculum. Funding priorities for the curriculum, instruction, assessment, and accountability division are formulated in a manner that is congruent with the district curriculum management plan. Identified technological support, assessments, resources to support the curriculum, and professional learning opportunities are integral parts of formulating the curriculum, instruction, assessment, and accountability budget. Decisions related to reduction or requested increases in funding levels are addressed through departmental decision-making processes before submission to the Superintendent where final priorities are made. Budget decisions reflect the following considerations:

- Curriculum design and delivery
- Curriculum management system
- Student performance and accountability
- Legal and state requirements
- District growth and demographic changes , and
- District-established priorities.

The divisional budget process requires the development of budget packets commonly referred to as budget requests. The budget requests are only prepared by the divisional director after holding meetings with department heads, grade level leaders and site based decision making committee to complete a total division wide needs assessment.

The budget requests include the following components:

- 1) Description of the funding request for both increased or decreased funding including the relationship of the request to campus improvement plan.
- 2) Estimated total aggregate cost including materials, personnel, benefits, training, equipment, etc.
- 3) Description of the expected results/benefits.
- 4) Description of the methods to be used to evaluate the effectiveness of the increased funding or description of why the current funding is no longer necessary and to be reduced.
- 5) Description of the consequences of disapproval of the budget request.
- 6) Divisional directors prioritize each budget request item and place in rank order with legal requirements ranked highest and so noted.

The timeline for further evaluation of the budget requests proceeds as follows:

*Business manager evaluates the budget request estimate of total cost and meets with the divisional director, if necessary, to refine the total estimated costs.

*Budget requests are further prioritized by the superintendent based on meetings with curriculum director and business manager and after considering input from divisional directors.

*Business manager prepares first draft of budget request for presentation to board of trustees as determined by the superintendent.

*Board of trustees determines best use of funds with input from superintendent, curriculum director, business manager, and divisional directors, as necessary, based on legal requirements and availability of funding. This process often requires several meetings to work through the list approved by the superintendent.

*Upon approval by the board of trustees, the business manager converts the approved budget requests into the state required functional budget for use in the public hearing on the budget.

*Divisional directors are informed on a preliminary basis of the items approved by the board of trustees for inclusion in the final budget.

*The proposed budget is posted to the district website and the notice of the public hearing is published in the local newspaper.

*After the public hearing is held and the board officially approves the budget, then the business manager assures that each divisional director is formally notified of the budget requests that were approved for the respective divisions.

Legal Requirements

Sections 44.002 through 44.006 of the *Texas Education Code* established the legal basis for budget development in school districts. The following six items summarize the legal requirement from the code:

- The Superintendent is the budget officer for the district and prepares or causes the budget to be prepared. Note: TEA recommends that an interactive approach between the board of trustees and the Superintendent be taken to establish the budget process and define related roles and responsibilities.
- The District budget must be prepared by a date set by the state board of education, currently August 20 of each year.
- The President of the School Board must call a public meeting of the board of trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.
- No funds may be expended in any manner other than as provided for in the adopted budget. The board does not have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.
- The budget must be prepared in accordance with GAAP (Generally Accepted Accounting Principles) and state guidelines.
- The budget must be legally adopted before the adoption of the tax rate.

The Texas Education Agency has developed additional requirements for the school district budget preparation as follows:

- The budget must be adopted by the board of trustees, inclusive of amendments, no later than August 31.
- Minutes from district board meetings will be used by TEA to record adoption of and amendments to the budget.
- Budgets for the General Fund, the Food Service Fund and the Debt Service Fund must be included in the official district budget. These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.
- The officially adopted district budget as amended, must be filed with TEA through the Public Education Information Management System (PEIMS) by the date prescribed in the annual system guidelines.

- A school district must amend the official budget before exceeding a functional expenditure category, i.e. instruction, administration, etc., in the total district budget.

Department Budgeting Methodology

The District allocates budget amounts to the following departments: Athletics, band, vocational, librarians, counselors, technology, in-service. Those budgets have been adjusted based on previous year's allocations, taking into account known changes in funding requirements and previous years spending patterns.

Special Requests

Any sub group within the budget may submit a special request during the budget process. These special requests should be submitted to the Business Manager within a timely manner of the prepared budget. These items should be detailed as to the need, coding and desired amounts. Those special requests will be considered by the Superintendent and determined whether or not they will be taken to the School Board for approval. If approved, those special requests will then be added to the prepared budget by the Business Manager.

Revenue Estimates

The Business Manager is responsible for estimating the upcoming state revenues based upon templates provided to the District from Region XII. Those templates take into account the District average daily attendance (ADA) and weighted full time equivalents (FTE's) in specific program areas. Those estimates from that template are then used to construct revenues inside the budget. In the past the District has not experienced growth and the estimates of ADA are usually projected at the same level that the preceding year finished. Federal revenues are usually determined at the state level and a preliminary estimate of those federal grants will be used. Tax revenue estimates are based upon projections given to the District from the Gregg Appraisal District and historically the District has budgeted 97% tax collections. Other miscellaneous areas of revenue within the budget are either based upon the amounts received the previous year or based upon current projections for the current year.

Budgeting for Funds Other than the General Fund

The District has many different fund accounts. The General Fund 199 accounts for the vast majority of salaries, benefits and other day-to-day operational costs of the District. However, there are many other funds that account for various special purpose activities within the District. There are numerous federal grant programs, debt service and capital project funds, activity funds and fund groups that exist for accounting purposes. The only funds that require a legally adopted budget are the General, Debt Service and Food Service Funds. Other funds may utilize a managerial budget, or one which does not necessarily require legal approval by the Board of Trustees. Currently, SHISD seeks approval from the Board of Trustees for the General Fund, Debt Service Fund, and Food Service Fund. Grant project funds are budgeted by the Business Manager as soon as a Notice of Grant Award (NOGA) is received.

Budget Amendments

There are two types of budget amendments. Amendments that move budgeted funds between accounts but within the same function do not require Board of Trustee approval and can be processed at any time during the fiscal year. Amendments that move funds from one account to another and which also change function codes must by law be presented to the Board of Trustees for approval. Budget amendments that require Trustee approval are presented to the Board periodically during the fiscal year, typically as they occur.