



# Montana School Budgets

---

## WINTER 2023



Montana Association of School Business Officials (MASBO)

[www.masbo.com](http://www.masbo.com)

AND

Gwyn Andersen

Phone: (406) 899-1667

[gwynma@gmail.com](mailto:gwynma@gmail.com)

Betty Brumwell

Phone: (406) 868-5772

[bettybrumwell@gmail.com](mailto:bettybrumwell@gmail.com)



# Montana Elementary Districts

---

- Kindergarten
- Grades 1-8

OR

- Kindergarten
- Grades 1-6
- Junior High – Grades 7-8



# 7<sup>th</sup> & 8<sup>th</sup> Grade Students

---

7<sup>th</sup> and 8<sup>th</sup> grade students are part of the Elementary School budget but may be approved for funding at the high school level if the district has a 7<sup>th</sup> and 8<sup>th</sup> grade accredited program

i.e.: offer fine arts (band, choir, art) and/or vocational education courses (family consumer science, technology, agriculture, woods, etc.) to 7<sup>th</sup> and 8<sup>th</sup> grade students



# Montana High School Districts

---

- Grades 9-12



# Montana K-12 District

---

- Kindergarten through Grade 12
- District Boundaries for Elementary and High School are Coterminous (identical)
- Taxable Value for Elementary and High School is identical
- Calculate ANB for K-6, 7-8, 9-12 and add it together
- One Budget, One Trustees Financial Summary
- All coding is 2xx



## ANB – Average Number Belonging

---

ANB or “Average number belonging” is the average number of regularly enrolled full-time pupils attending the public schools of the district  
(MCA 20-1-101)



# Two Count Days Annually

---

- Count all enrolled students
  - First Monday in October
  - First Monday in February

*If count day is on a non-school day, use the next school day*

Students absent **with or without an excuse**, for more than 10 consecutive days, are considered “dropped” and are not included in the enrollment count



# MAEFAIRS and ANB

---

**The MAEFAIR Enrollment data imported into the MAEFAIRS system is used to calculate ANB which drives school funding.** To be included in the MAEFAIRS Student Count For ANB, students must:

- \*Be enrolled on the count date
- \*Have aggregate hours marked (F,T, H, or Q)
- \*Have a service type of Primary or Secondary for grades K-12

Auditors are required to compare the reported data to supporting Documentation and note discrepancies in their audit report.

The data entered in Infinite Campus, Power School or whatever student information system is used must be complete and accurate. Care and accuracy is very important when completing the reports and maintaining adequate backup documentation.





# DATA TRANSFER

---

- Power School/Schoolmaster/Infinite Campus
  - Student Information System
  - Track Attendance
  - Several Other Demographics that are used
- AIM District to AIM State
  - Achievement in Montana
  - Student Information System used by Office of Public Instruction – District Level and State Level
- MAEFAIRS
  - Montana Automated Education Finance and Information Reporting System



# ANB SPECIFICS

---

**Early Kindergarten Students** who are not 5 years of age prior to September 10 are excluded from the ANB Calculation unless their attendance has been approved by the Board of Trustees as exceptional circumstance kindergarteners.

## **Kindergarten Pupils**

A pupil who reaches age 5 on or before September 10 of the current school year or has been enrolled by special permission of the Board of Trustees, pursuant to MCA 20-7-117, may be counted as a Kindergarten student if both of the following criteria are satisfied: the pupil is enrolled in an accredited 5 year-old schooling program AND the accredited 5 year-old schooling program is providing a minimum of 360 hours of pupil instruction per year.

Kindergarten Students count as  $\frac{1}{2}$  on the ANB Calculation unless full time.



# ANB SPECIFICS

---

Part Time Students(ARM 10.20.102 and 10.15.101)

Count as:

- 0 ANB – less than 180 hours of pupil instruction  
(basically less than an average of 1 hour per day)
- .25 ANB – from 180 to 359 hours of pupil instruction  
(between 1 and 2 hours per day)
- .50 ANB – from 360 to 539 hours of pupil instruction  
(between 2 and 3 hours per day)
- .75 ANB – from 540 to 719 hours of pupil instruction  
(between 3 and 4 hours per day)
- 1 ANB – 720 or more aggregate hours of pupil instruction(more than 4 hours per day)



# ANB SPECIFICS

---

## **Part Time Students**

- Students attending school for any portion of the school day, may include:
  - a home-schooled student that attends the district for one class per day
  - MT Digital Academy students
  - Extra-curricular participants only
    - private or homeschool students who participate in extracurricular activities and complete a duration of at least 6 weeks. Students are counted in the next year's ANB



# ANB SPECIFICS

---

## **Montana Youth Challenge/Job Corps Students (MCA 20-9-311 & 20-9-707)**

A student at MT Youth Challenge or Job Corps may be included in the district enrollment count if :

- they are enrolled at the resident district
- credits taken at the program meet graduation requirements
- they are taught by a licensed MT teacher
- and there is an interlocal agreement

MT Youth Challenge students count as half time. (.5 FTE)  
Job Corps students count as full time (1 FTE)



# ANB SPECIFICS

---

## **19 year olds**

A student who has reached the 19 years of age **by September 10** is listed in the total enrollment, but is not part of the ANB calculation

A student who is 19 but has not yet reached the age of 21 by September 10 may be included if the student has not graduated, is IEP eligible, is likely to be eligible for adult services and has transition goals.



# ANB SPECIFICS

---

## **Early Graduates**

Are mid-year graduates who meet the following criteria:

- enrolled as of the first Monday in October of the **CURRENT** school year as a senior in high school
- were not 19 on or before September 10
- must be in the seventh semester of high school
- complete graduation requirements at the end of the first semester of the **current** school year
- are no longer enrolled on the February 1 count day



# ANB SPECIFICS

---

## **Early Graduates**

Early graduates must be entered into AIM

### **Information to be included in AIM is:**

- diploma date
- diploma type
- and aggregate hours

The student's enrollment record must have an end date prior to the February count date





# ANB SPECIFICS

---

- Enrollment is aggregated for all schools of the district for ANB and Basic Entitlement purposes, except for:
  - When schools within a district are at least 20 miles apart
  - Or when conditions exist that would create an unusual hardship for transporting students to another school
  - The Superintendent of Public Instruction can approve an application not to aggregate
  - With these exceptions, students are counted separately and receive an additional basic entitlement



# ANB Calculation

---

## CURRENT YEAR ANB

(Sum of 2 Enrollment Counts  
Divided by 2) (do not round)

X

PI Days (180) + PIR Days (7)(187)

Divided by 180 = ANB (always round up)

## THREE YEAR AVERAGE ANB

Add the ANB for the budget unit for the ensuing school fiscal year to the ANB for each of the previous 2 school fiscal years and divide the sum by three.



# “Three Year Average ANB”

---

- Districts that have been in existence for 3 years or more must calculate ANB using the current year ANB and the 3 year average ANB, and use whichever one generates the greatest maximum general fund budget
- K12 Districts calculate ANB using the current year ANB and the 3 year average ANB separately for the elementary and the high school units and then combine them



# “Budgeted ANB”

---

- Both the current year ANB and the 3-year average ANB must be applied to the formulas. The ANB that generates the greatest maximum general fund budget
- The “Budgeted ANB” will be either the “Current Year ANB” or the “Three Year Average ANB”, MCA 20-9-322
- A district may find that 3-year average ANB in the Elementary is best but current year ANB may be better in the High School.



# “Budgeted ANB”

---

**Consolidated or annexed, districts** have special requirements. The ANB and the basic entitlements of the component districts must be calculated separately for a period for 3 years following the consolidation or annexation. Each district shall retain a percentage of its basic entitlement for 3 additional years as follows:

75% for the fourth year

50% for the fifth year

25% for the sixth year



# ANB Tips

---

- The accuracy of this ANB number is extremely important
- Backup Documentation consists of:
  - 2 reports, one for the count day and one for the 10 days prior and including count day
  - Report showing the birth dates of Kindergarten students
  - Report showing birth dates of all Seniors (for 19 year olds)



## ANB Tips (cont.)

---

- Re-Run the Fall report in the spring to ensure there are no changes in data
- Check the 19 year olds on the spring count day again
- ANB appears on the first page of the MAEFAIRS budget document. When calculating the three year average, do not take the information from this document. Information here does not indicate if the ANB is the current year or 3-year average number.



# ANB Calculations

---

- Manually
- OR
- Use OPI Spreadsheet





# General Fund Funding Components

(2005 Special Session) (2013 Session)

---

## **Initial discussion is about creating budget limits**

- BASIC Entitlement
- Per-ANB Entitlement
- Quality Educator Payment
- Indian Education for All Payment
- American Indian Achievement Gap Payment
- At Risk Payment
- Data for Achievement Payment
- Special Education Allowable Cost Payment



# Annual Inflation-Related Adjustments

\*subject to change by the legislature

---

- 20.9.326 MCA allows for inflation-related adjustments which will be applied to **ALL** funding components
- There is a formula for these adjustments and there is a 3% cap
- The OPI includes these in their budget requests to the legislature

FY	2024	2.70%*	estimated
FY	2025	3.00%*	estimated



# Basic Entitlement Rates

---

**One BASIC Entitlement per budget unit!**

<b>Entitlement</b>	<b>FY2023</b>	<b>*FY2024</b>	<b>*FY2025</b>
Elementary Basic	\$ 55,741	\$ 57,246	\$ 58,963
Middle School Basic	\$111,483	\$114,493	\$117,928
High School District Basic	\$334,453	\$343,483	\$353,787



# Basic Entitlement Plus

---

- There is a **PLUS** provision that provides for incremental funding for additional ANB
- Elementary Schools      over 250 ANB
- Middle Schools            over 450 ANB
- High Schools              over 1000 ANB



# Basic Entitlement Plus (cont.)

Budget Unit		FY2023	*FY2024	*FY2025
Elementary > 250 ANB	For every 25 ANB over 250	\$ 2,788	\$ 2,863	\$ 2,949
Middle School > 450 ANB	For every 45 ANB over 450	\$ 5,574	\$ 5,724	\$ 5,896
High School > 800 ANB	For every 80 ANB over 800	\$16,723	\$ 17,175	\$ 17,690



# Basic Entitlement Plus

---

## LEWISTOWN ELEMENTARY CALCULATION

Elementary Budget Unit 1 (E1) 718 ANB

Basic Entitlement for first 250 ANB **\$ 57,246\***

Additional basic entitlement

$$718 - 250 = 468$$

$$468/25 = 18.72 \text{ (round down)}$$

$$18 \times \$2,863$$

**\$ 51,534**

Total Basic Entitlement

**\$107,477**



# Basic Entitlement Plus

---

## LEWISTOWN MIDDLE SCHOOL CALCULATION

Middle School Budget Unit 1 (M1) 205 ANB

Basic Entitlement 1st 450 ANB **\$114,493**

Additional basic entitlement

$$205 - 450 = 0$$

$$0/45 = 0$$

$$0 \times \$5,724 \quad \quad \quad \underline{\$ \quad \quad 0}$$

Middle School Basic Entitlement **\$114,493**



# Basic Entitlement Plus

---

## FERGUS CO HIGH SCHOOL DISTRICT CALC.

High School Budget Unit 1 (*H1*) 705 ANB

Basic Entitlement 800 ANB **\$343,483**

Additional basic entitlement

$$705 - 800 = 0$$

$$0/80 = 0$$

$$0 \times \$16,723 \quad \underline{\$ \quad 0}$$

High School Basic Entitlement **\$343,483**





# Per-ANB Entitlement Rates

---

<b>Entitlement</b>	<b>FY2023</b>	<b>*FY2024</b>	<b>*FY2025</b>
*Elementary per-ANB	\$ 5,962	\$ 6,123	\$ 6,307
*7 & 8 and High School per-ANB	\$ 7,634	\$ 7,840	\$ 8,075



# Per- ANB Decrement Formula

---

- Each student after the first is decreased by the **Reduction Factor** per ANB
  - \$.20 Elementary
  - \$.50 High School (and accredited 7<sup>th</sup> & 8<sup>th</sup>)

## **Elementary Factor is for first 1000 ANB**

$$[\$6123 \times \text{Elem ANB}] - [.20 \times (\text{Elem ANB}/2) \times (\text{Elem ANB} - 1)]$$



# Per- ANB Decrement Formula

---

## 250 ANB Decrement Formula Example

$$[\$6123 \times 250] - [.20 \times (250/2) \times (250 - 1)]$$

$$[\$6123 \times 250] - [.20 \times 125 \times 249]$$

$$\$1,530,750 - [25 \times 249]$$

$$\$1,530,750 - 6225 = \$1,524,525$$



# Per- ANB Decrement Formula

---

## High School Factor is for first 800 ANB

$$[\$7,840 \text{ HS ANB}] - [.50 \times (\text{HS ANB}/2) \times (\text{HS ANB} - 1)]$$

For each additional student over the “Stop Loss”

- Elementary ANB over 1000  
\$6,023.10 X ANB
- High School ANB over 800 (and accredited 7th & 8th)  
\$6,153.40 X ANB



# CALCULATIONS

---

Page 15 and 16

Page 17 is homework

Circle Back to 18 and 19 next week



# Additional Funding Components

	<b>FY2023</b>	<b>*FY2024</b>	<b>*FY2025</b>
Quality Educator	\$3,472	\$3,566	\$3,673
<b>At-Risk Student</b>	*\$5,873,777	*\$6,032,369	*\$6,213,340
Indian Education for All	\$23.28 (\$100 min.)	\$23.91 (\$100 min.)	\$24.63 (\$100 min.)
<b>Achievement Gap per American Indian Student</b>	\$209	\$235	\$242
Data for Achievement	\$22.29	\$22.89	\$23.58
<b>Special Ed Allowable Cost</b> - varying allocation			



# Quality Educator Payment

---

**\$3,566** per Full Time Equivalent Licensed Educator

- Certified Teacher
- Licensed Administrators
- Registered Nurses
- Licensed Practical Nurses
- Physical Therapists
- Speech Language Pathologists
- Occupational Therapists
- Nutritionists
- Licensed Social Workers and Psychologists



# Quality Educator Payment (cont.)

---

- Source of the data is the count of FTE staff in the **TEAMS Report**
- **Add on** for the Teach Act teachers in their 1st three years of teaching qualify for an additional QEC Payment
- Revenue Code 3111





# Quality Educator Payment (cont.)

---

## TIPS

- For Staff who split their time between two or more buildings make sure their FTE totals 1.00
- Can verify this information in the spring and make corrections to it

TAKE A LOOK AT LEWISTOWN'S REPORT



# Quality Educator Payment (cont.)

---

## Add on for Teach Act

- 1st three years of teaching ever
- Listed at bottom of Quality Educator Report
- Not added into the total YET
- OPI verifies the information in TEAMS
- This years reports showed 814 and only 551 Qualified
- OPI will notify district of those that didn't count and remove them from TEAMS report
- Final number is on Preliminary Budget Data Sheet



# At Risk Payment

---

- Distribution is based on Title I allocations
- Allocation is subject to inflationary increases as well
- **\$6,032,369\* Statewide FY24**
- Use **your** last year's allocation and multiply by inflation factor



# Indian Education For All Payment

---

- For implementation of the statutory requirements for the recognition of American Indian Cultural Heritage
- And MCA 20-1-501
- Greater of **\$100** per District or **\$23.91** **FY24** per Budgeted ANB
- Revenue Code 3113



# Achievement Gap Payment for American Indian Students

---

- **\$235 FY24** for each American Indian Student
- **Requires only Self Identification by parent or student**
- Reported in the Fall Count in MAEFAIRS
- Revenue Code 3114



# Data for Achievement (D4A) Payment

---

- Paid per Budgeted ANB
- For access fees or other costs for statewide data system, including data entry and staff training
- **\$22.89\* FY24**
- Revenue Code 3116



# Calculate Components

---

Calculate Addt. Components for BASE and  
Max Budgets

Page 19    A - G    100%

Page 20    A - G    80%

High School columns are homework



# Additional Funding Components

	<b>FY2023</b>	<b>*FY2024</b>	<b>*FY2025</b>
Quality Educator	\$3,472	\$3,566	\$3,673
<b>At-Risk Student</b>	*\$5,873,777	*\$6,032,369	*\$6,213,340
Indian Education for All	\$23.28 (\$100 min.)	\$23.91 (\$100 min.)	\$24.63 (\$100 min.)
<b>Achievement Gap per American Indian Student</b>	\$209	\$235	\$242
Data for Achievement	\$22.29	\$22.89	\$23.58
<b>Special Ed Allowable Cost</b> - varying allocation			





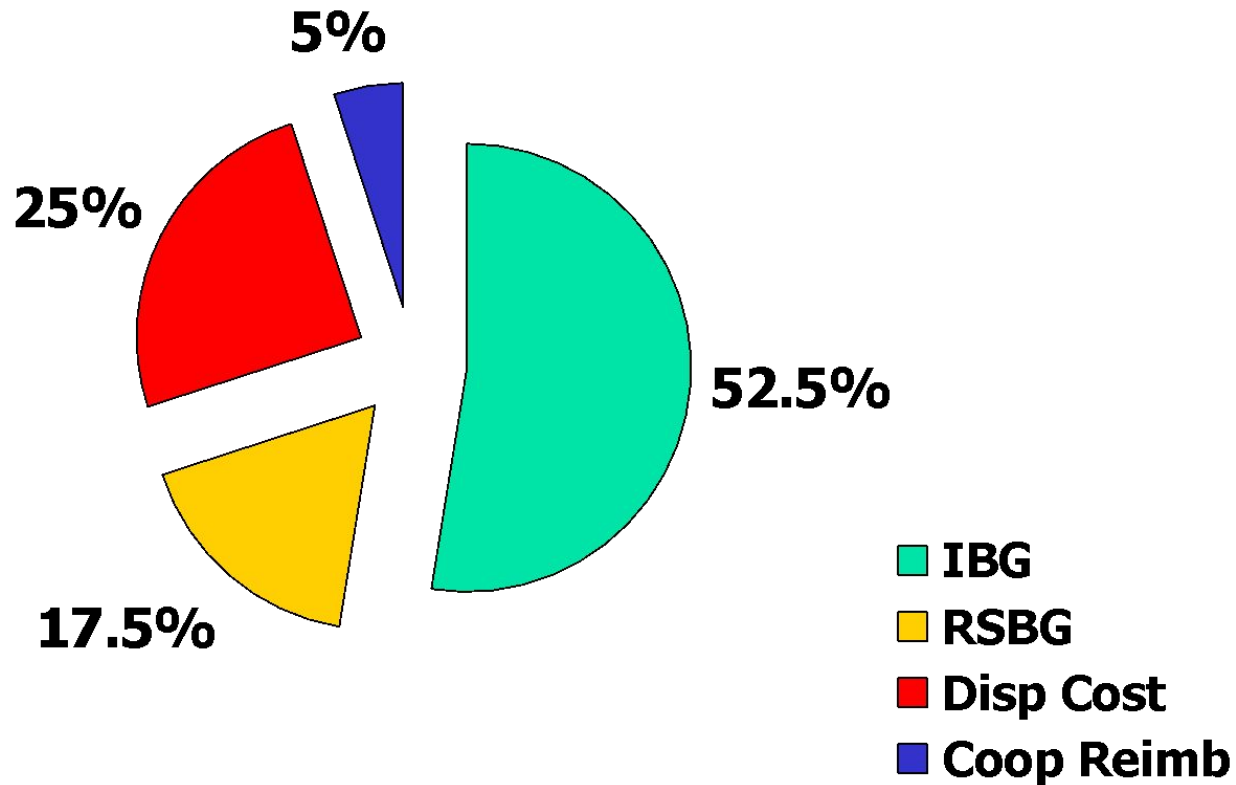
# Special Education Allowable Cost Funding

---

## **District's receive Special Ed funding if:**

- Operate a special education program (ie. have a student identified on special ed child count)
- Or belong to a special education cooperative
- Or have signed an agreement for services for special needs student
  
- Inflationary increases are applied to allocation

# Special Education Funding Distribution





# Instructional Block Grant (IBG)

---

- 52.5% of Total Allocation
- \$156.58\* FY24
- Distributed based upon “Current Year ANB” only
- Intended to provide “Instructional” Services to Students
- Funds are sent directly to eligible districts



# Related Services Block Grant (RSBG)

---

- 17.5% of Total Allocation
- \$52.19\* FY24
- Distributed based upon “Current Year ANB” only
- Intended to provide “Related” Services to Students
- Members of a Co-op – RSBG goes to Co-op on their behalf



# Local Match

---

- **IBG and RSBG only**, have a \$1 of local revenue to every \$3 received from the state, match requirement
- Co-op Members send their match to the Co-op, sometimes it comes back into Fund 15
- If required match is not provided, unmatched funds will be subtracted from next fiscal year (“special ed reversion”) last page of Trustees Financial Summary



# Disproportionate Costs Reimbursement

---

- **25% of Total Allocation**
- Required spending level is based upon state special ed payment plus the local contribution
- Prior year expenditures must exceed the districts required spending by **2.726539977%** to become eligible
- Receive reimbursement of 40% above threshold, 2 years after the fact



# Administration and Travel for Cooperatives

---

- **5% of Total Allocation**
- Based on weighted statewide and individual cooperative travel and administrative factors
- Coops receive payment directly
- No local match is required



# Allowable Special Ed Costs

---

- Allowable Costs (MCA 20-7-431)
  - Instructional Services
  - Related Services
  - ARM 10.16.3806 instructional services
  - ARM 10.16.3807 related services
  - ARM 10.16.3808 cooperatives





# Allowable Special Ed Costs

---

- Allowable costs as related to ISBG & RSBG **do not** include the entire cost of operating a special education program
- ARM 10.16.3805 **excludes**:
  - Employer contributions to TRS, PERS, FICA, and Unemployment insurance
  - Admin, Teachers or Aides Necessary to meet Accreditation
  - Transportation
  - Most Admin Support Personnel
  - Overhead Costs



# State Reimbursement

---

- Medicaid Reimbursement
  - MAC – administrative cost reimbursement
  - Direct Bill - district provided services
    - Ie: nursing care, speech

For medicaid eligible students
- CSCT Reimbursement
  - Behavioral Health pass through

These revenue sources vary from year to year



# Federal Special Ed Revenue

---

- IDEA Part B
- IDEA Pre School
  - Members of Co-op – this money goes to the Co-op on their behalf
  - Funds cannot be used to reduce the school district's expenditures
  - Supplement versus Supplant



# Maintenance of Effort

---

- Must maintain spending effort from year to year
- Allowable reductions are for:
  - Higher Cost Personnel Replaced by Lower Cost Personnel
  - Fewer Children with Disabilities
  - High Cost Student Leaves the District
  - Costly Expenditures for Long Term Purchases
- Must complete paperwork with OPI for reduction



## Maintenance of Effort (cont.)

---

- Co-op Members share MOE
- Not meeting MOE will result in reduction of next year's *IDEA* funds
- Coding is very Important  
Use Program Code 280
- Balance between MOE and Avoiding Reversion is Important



# How do the Funding Components Work Together?

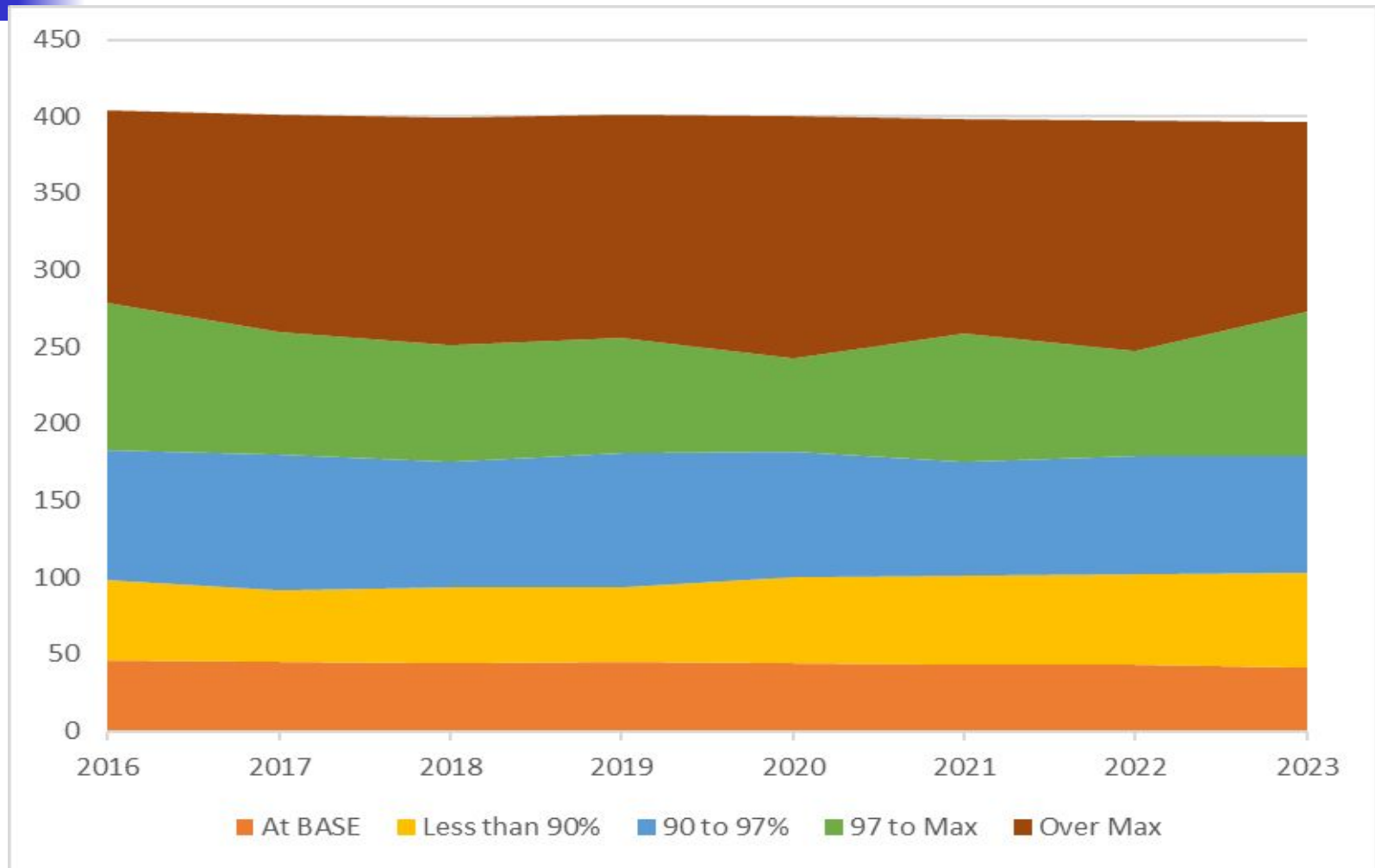
---

Looking for 4 numbers:

- BASE Budget
- Maximum Budget
- Highest Budget without a Vote
- Highest Budget with a Vote

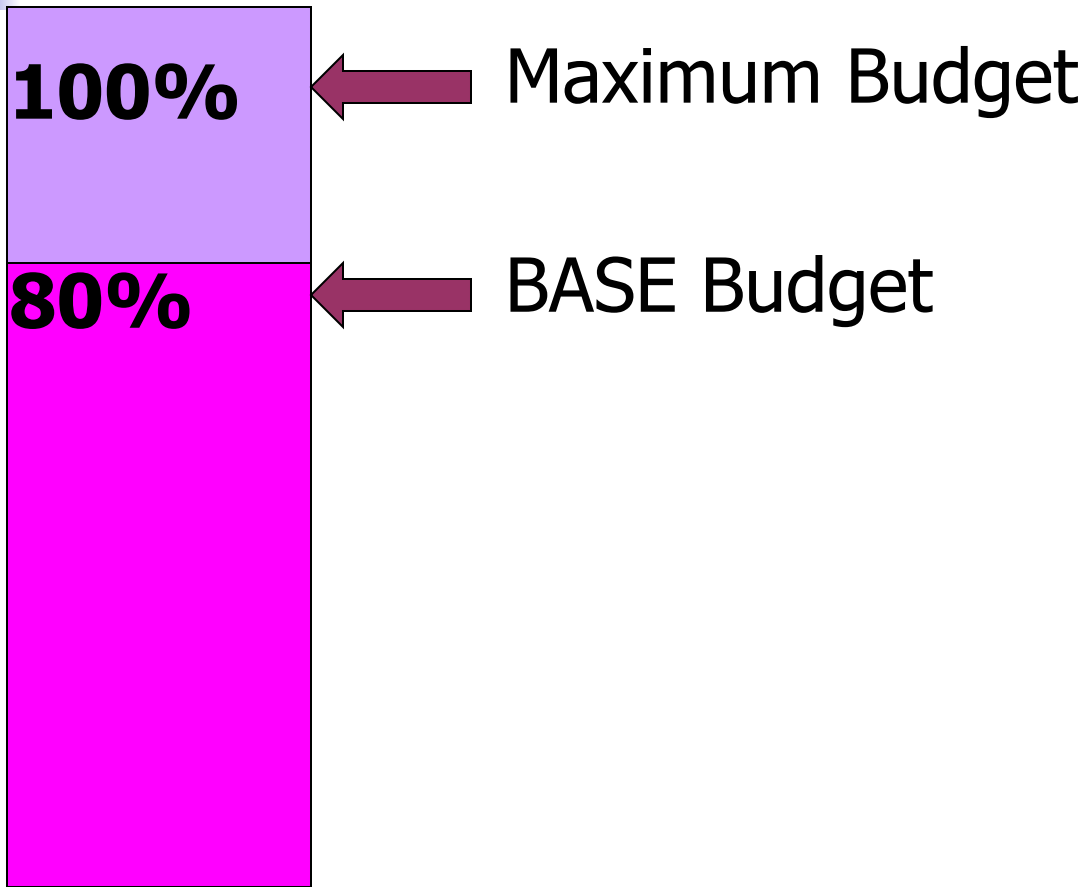
*Proposed Budget/Adopted Budget????*

# Equity Status of Montana School Districts



# Establishing BASE and Maximum General Fund Budgets

---







# BASE General Fund Budget

---

**80%  
Level**

- 80% of
  - Basic Entitlement
  - Per ANB Entitlement
- 100% of
  - Quality Educator
  - At Risk Student Payment
  - IEFA Entitlement
  - Achievement Gap for American Indian Students
  - Data for Achievement
- 140% of Special Ed Allow
- 40% of RSBG



# Maximum General Fund Budget

---

**100%  
Level**

- 100% of
  - Basic Entitlement
  - Per ANB Entitlement
  - Quality Educator
  - At Risk Student Payment
  - IEFA Entitlement
  - American Indian Ach Gap
  - Data for Achievement
- 175 *to* 200% of Special Ed
- 75 *to* 100% of RSBG



# General Fund Budget and Voting Limits

---

Highest Budget WITHOUT a Vote:

**FY 24 BASE +**

- Highest levy over-BASE (previously voted)
  - over past 5 years
- Estimated 2024 Tuition Revenue
- Non-Levy Revenue Available
- Excess Reserve held at least one year
- Fund Balance Reappropriated Available (rare)
- Flexible Non-Voted Levy Authority



# General Fund Budget and Voting Limits (cont.)

---

## Highest Budget

- Greater of:
  - FY 2024 Maximum Budget **OR**
  - FY 2023 Adopted Budget
    - + increases resulting from additional funding components
    - + full time kindergarten transition



# General Fund Budget and Voting Limits (cont.)

---

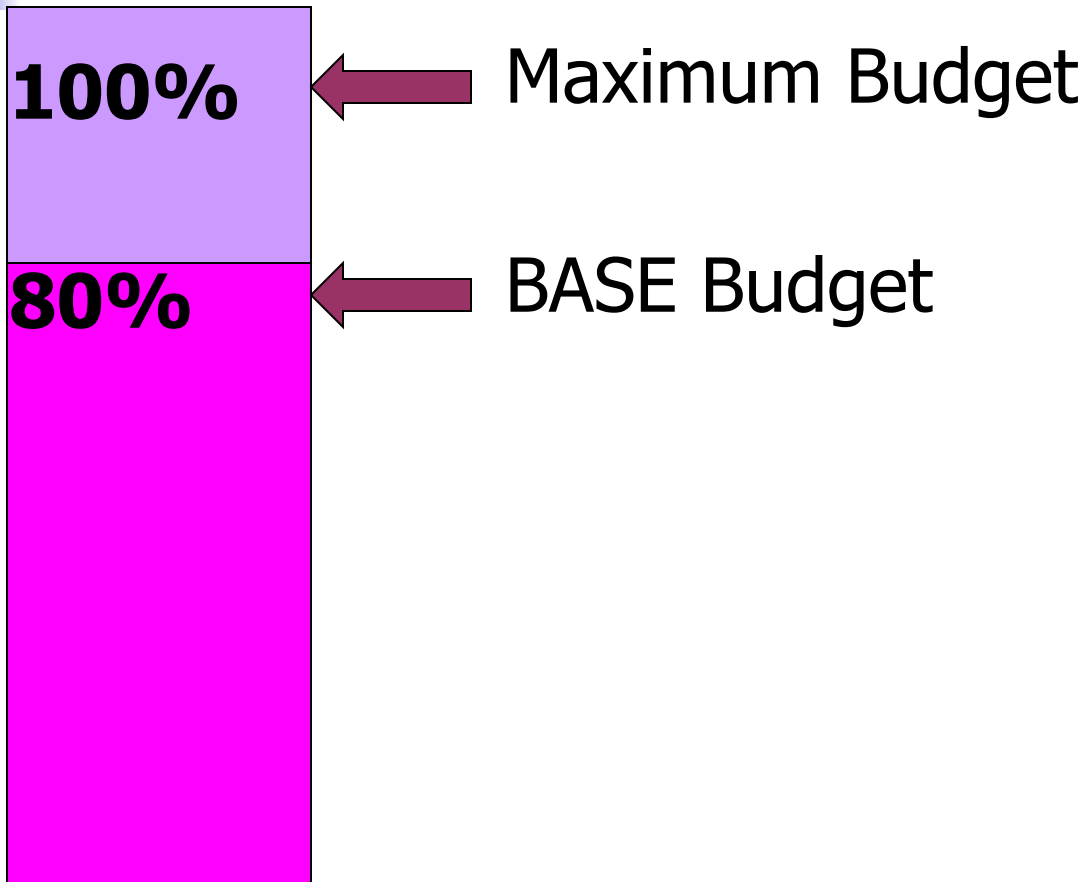
## Voting requirement

- Requires voter approval to INCREASE the over-BASE levy
- It is the difference between the permissive budget and the proposed budget



# Where does the money come from?

---





# Funding the BASE - 80%

---

**GTB BUDGET AREA**

shared responsibility

**BASE NON LEVY REVENUE**

**UNRESERVED FUND BALANCE  
REAPPROPRIATED**

**STATE FUNDING**



# State Funding

---

- 40 Statewide Mill Levy
- 33 County Mills for Elementary
- 22 County Mills for High School
- Coal Severance Tax (Coal Trust)
- Income from State School Lands
- Investment Earnings





# Funding the BASE - 80%

---

**GTB BUDGET AREA**

shared responsibility

**BASE NON LEVY REVENUE**

**UNRESERVED FUND BALANCE  
REAPPROPRIATED**

**STATE FUNDING**



# Funding the BASE - 80%

---

## **GTB BUDGET AREA**

shared responsibility

**BASE NON LEVY REVENUE**

**UNRESERVED FUND BALANCE  
REAPPROPRIATED**

**STATE FUNDING**



# BASE Non Levy Revenues

---

- “Actual” must be anticipated using actual prior year receipts
  - 1130 Tax Title/Property Sales
  - 1510 Investment Earnings
  - 1800 Community Service Activities
  - 1900 Other Revenue/Miscellaneous
  - 1910 Rentals – Building and Equipment
  - 1920 Contributions/Donations
  - 1940 Textbook Sale/Rental
  - 1945 Fees – Users Resale of Supplies & materials



# BASE Non Levy Revenues (cont.)

---

- “Actual” must be anticipated using actual prior year receipts (cont.)
  - 1950 Services Provided to Other Schools
  - 1960 Services Provided to Other Governments
  - 1970 Services Provided to Other Funds
  - 1981 Summer School Fees
  - 3302 State PILT, FWP
  - 3460 Montana Oil and Gas Tax
    - 12% of actual FY 23 tax receipts deposited to all funds



# BASE Non Levy Revenues (cont.)

---

- “Anticipated” should be estimated using best info available
  - 3123 Coal Gross Proceeds  
(Dept of Revenue sends eligible districts an estimate in May)
  - 9100 Other Revenue (Local Sources/Rare)
  - 9710 Residual Equity Transfers Out  
(use if close a fund to general fund)
  - 4800 Federal Pilt (rare)



# Base Non Levy Revenues (cont.)

---

- “Other” (May be estimated – **not recommended** due to unreliable nature of the receipts)
  - 1117 District – Distribution of Prior Year Protested & Delinquent Taxes
  - 1118 District – Dept. of Revenue Tax Audit Receipts
  - 1190 Penalties and Interest on Taxes



# Funding the BASE - 80%

---

**GTB BUDGET AREA**

**District/State**

shared responsibility

**BASE NON LEVY REVENUE**

**UNRESERVED FUND BALANCE**

**REAPPROPRIATED**

**STATE FUNDING**



# BASE General Fund Budget

---

**80%  
Level**

- 80% of
  - Basic Entitlement
  - Per ANB Entitlement
- GTB Budget Area
  - 35.3% Basic Entitlement
  - 35.3% Per ANB Entitlement
  - 40% Special Ed Allowable Cost
- Locally Funded
  - 44.7% Basic Entitlement
  - 44.7% Per ANB Entitlement





# GTB Budget Area

## Addt. State Funding and Local Levy

---

- This is a state subsidy for the BASE mills
- Used to equalize property-generated wealth across the state
- Formula has changed over the years to accommodate the funding allocation from the legislature
- If eligible, the district will receive a subsidy from the state for every BASE mill levied to fund the GTB budget area
- GTB ratios for each year are calculated using the district's prior year taxable value, entitlements, and special education formula



# State Guaranteed Tax Base Aid

(cont.)

---

- Districts receive GTB if their taxable value per ANB is less than **254%** (FY 2023) of the statewide GTB ratio

- Calculation of Ratio:

State GTB Ratio =  $\frac{\text{Statewide Taxable Valuation} \times 254\%}{\text{locally funded portion of BASE budget}}$

locally funded portion  
of BASE budget

35.3% of the Basic Entitlement  
+ 35.3% of the Per ANB Entitlement  
+ 40% of the special education allowable cost payment

- **FY23 State GTB Ratio** (using Tax Year 2021 Data)

**Elementary      33.39**

**High School     62.22**



# State Guaranteed Tax Base Aid

---

- Districts with a ratio below the statewide ratio will receive GTB to create equalization between districts
- GTB does not equalize the districts that have a GTB ratio greater than the statewide GTB ratio
- Statewide ratio is calculated by the OPI and is available March 1 on the Preliminary Data Sheets
- GTB comes into play **AFTER** Fund Balance  
Reappropriated and non-levy revenues are applied to the GTB budget area (BASE mills)



# Budgeting with GTB

---

- Applied to BASE mills after non levy revenue and cash reappropriated
- If eligible for GTB, it works hand in hand with the district property tax levy;

	<b>Mill Value</b>	<b>District</b>	<b>GTB</b>	<b>Combined</b>
Lewistown Elementary		14,249	57,197	71,446
<b>BASE Levy Requirement</b>		<b>\$ 2,244,661</b>		<b>31.42 mills</b>
Local			\$ 447,668	20%
State			\$ 1,796,993	80%



# Budgeting with GTB (cont.)

---

Applied to BASE mills after non levy revenue and cash reappropriated; If eligible for GTB, it works hand in hand with the district property tax levy;

	<b>Mill Value</b>	<b>District</b>	<b>GTB</b>	<b>Combined</b>
Fergus High School		15,518	48,853	64,371
<b>BASE Levy Requirement</b>		<b>\$ 1,066,830</b>		<b>16.57 mills</b>
Local		\$ 257,183		24%
State		\$ 809,647		76%



# Funding the Over-BASE - 100%

**PROPERTY TAX LEVY**  
(additional must be voted)

**FLEXIBLE NON-LEVY VOTED AUTHORITY**

**5 YEAR LOOK BACK**

**EXCESS RESERVE**

**NON-LEVY REVENUE**  
**TUITION - OIL & GAS TAX**  
(if available)

**PROPERTY TAX LEVY**  
(voted previously becomes permissive/non-voted)



# Property Tax Levy

---

- Levies voted in the past become permissive/non-voted after they are voter approved the first time
- Typically voted with the Trustee Elections in May, however not required



# Funding the Over-BASE - 100%

---

**PROPERTY TAX LEVY**  
(additional must be voted)

**FLEXIBLE NON-LEVY VOTED AUTHORITY**

**5 YEAR LOOK BACK**

**EXCESS RESERVE**

**NON-LEVY REVENUE**  
**TUITION - OIL & GAS TAX**  
(if available)

**PROPERTY TAX LEVY**  
(voted previously becomes permissive/non-voted)





# Tuition

---

- Tuition Receipts are used to fund the Over-BASE Budget
- MAEFAIRS automatically applies tuition revenue to Over-BASE Budget up to tuition received in prior year, remainder can be deposited in Fund 15
  - 1310 Tuition – Individual
    - For Attendance in budget year
  - 1320 Tuition – In State
    - For Attendance in prior year
  - 1330 Tuition – Out of State
    - For Attendance in prior year



# Oil and Gas Production Taxes

---

- Must use or at least factor 12.5% of oil and gas production taxes into the GTB Budget Area
- Remaining balance can be used in Over BASE area
- 20.9.310 MCA outlines Allocation and Limits



# Funding the Over-BASE - 100%

**PROPERTY TAX LEVY**  
(additional must be voted)

**FLEXIBLE NON-LEVY VOTED AUTHORITY**

**5 YEAR LOOK BACK**

**EXCESS RESERVE**

**NON-LEVY REVENUE**  
**TUITION - OIL & GAS TAX**  
(if available)

**PROPERTY TAX LEVY**  
(voted previously becomes permissive/non-voted)



# Utilization of Excess Reserves

---

- Must be held for at least one year
- May then may be used to fund the over BASE budget
- May be retained for any number of years



# Funding the Over-BASE - 100%

**PROPERTY TAX LEVY**  
(additional must be voted)

**FLEXIBLE NON-LEVY VOTED AUTHORITY**

**5 YEAR LOOK BACK**

**EXCESS RESERVE**

**NON-LEVY REVENUE**  
**TUITION - OIL & GAS TAX**  
(if available)

**PROPERTY TAX LEVY**  
(voted previously becomes permissive/non-voted)



# Five Year Look Back Provision

---

- Levies that have been passed by the voters have a five year life
- Must assess the levy sometime within five years of passage or lose the ability to levy



# Five Year Look Back Provision

---

- Little used practice
- OPI tracks them, but you can calculate it yourself if you need to know before they make the information available
- Page 21 of hand sheets



# Funding the Over-BASE - 100%

---

**PROPERTY TAX LEVY**  
(additional must be voted)

**FLEXIBLE NON-LEVY VOTED AUTHORITY**

**5 YEAR LOOK BACK**

**EXCESS RESERVE**

**NON-LEVY REVENUE**  
**TUITION - OIL & GAS TAX**  
(if available)

**PROPERTY TAX LEVY**  
(voted previously becomes permissive/non-voted)





# Flexible Non-Levy Voted Authority

---

The trustees of a district may **increase** the district's **general fund Over-BASE** budget levy without a vote if they **reduced** the non-voted property tax levy authority in the:

- (10) Transportation Fund
- (11) Bus Depreciation Fund
- (13) Tuition Fund
- (17) Adult Ed Fund

by at least as much as the increase in the general fund  
Over-BASE budget levy



# Flexible Non-Levy Voted Authority

---

## **NOTE**

A non-voted levy authority transfer to increase the Over-BASE budget levy **restricts** the ability to increase the non-voted levy authority in all funds until such transfer has been reversed.



# Funding the Over-BASE - 100%

---

**PROPERTY TAX LEVY**  
(additional must be voted)

**FLEXIBLE NON-LEVY VOTED AUTHORITY**

**5 YEAR LOOK BACK**

**EXCESS RESERVE**

**NON-LEVY REVENUE**  
**TUITION - OIL & GAS TAX**  
(if available)

**PROPERTY TAX LEVY**  
(voted previously becomes permissive/non-voted)



# Funding the Over-Max

---

**PROPERTY TAX LEVY**  
(additional must be voted)



# How do you determine how much to ask voters for?

---

- Districts have the ability to levy additional taxes if they have room for growth between the Proposed Budget and the Highest Budget without a vote
- Typically voted with the Trustee Election in May but does not have to be



# Additional Property Tax Levy

---

**CAUTION:**

Do not put the entire proposed budget amount on the ballot

Only the increase in the over-BASE levy from the previous year's over-BASE levy requires voter approval



# How do the Funding Components Work Together?

---

Looking for 4 numbers:

- BASE Budget
- Maximum Budget
- Highest Budget without a Vote
- Highest Budget with a Vote

*Proposed Budget/Adopted Budget????*



# Operating Reserves

---

- General Fund

- At the end of the fiscal year the district may reserve a portion of its fund balance as an “operating reserve” for the following school year
- May not exceed 10% of the final general fund budget for the following year
- Or \$10,000 whichever is greater
- Set aside to cover expenditures until first half taxes come in November





# Establish Excess Reserves

---

- May exceed 10% operating reserve in general fund when the sources of proceeds is an unexpected balance of:
  - Protested tax settlement (1117)
  - Tax audit (1118)
  - Delinquent Taxes (1190)  
(might need to request that County Treasurer code appropriately)



# Excess Reserves (cont.)

---

- Must fill regular reserve first
- Retain documentation supporting excess reserve revenue source for audit
- Interest earned on excess reserve is NOT an allowable addition to excess reserve
- May be used to fund budget amendments for deferred projects
- May be used in subsequent year's budget to fund the over BASE budget
- May be retained for any number of years



# Taxable Value

---

- Taxable Value of the district **is** the value assigned to the property within the district's boundaries by State Assessor's Office
- A mill = One-Thousandth (.001) of a dollar
- The value of a mill is  $.001 \times$  the taxable value of the district
- A district with a taxable value of \$1,000,000 will raise \$1,000 for every mill levied



# Taxable Value (cont.)

---

## How to determine mill value:

- Initially work with prior year's Taxable Valuation
- Taxable Valuation is "Final" in December and that is the Taxable Value on the Preliminary Budget Data Sheets
- Levies are set on Taxable Values we receive in August from County Assessor



# Taxable Value (cont.)

---

- Number of mills on ballot is “approximate”
- Actual mills will commonly differ
- Certified taxable valuations are now available online



# Ballot Propositions

---

## General Fund Levy Proposition

Shall the district be authorized to impose an increase in local taxes to support the general fund in the amount of \$\_\_\_\_\_ which is approximately \_\_\_\_\_ mills for the purpose of \_\_\_\_\_? Passage of this proposal will increase the taxes on a home with a market value of \$100,000 by approximately \$ \_\_\_\_\_ and on a home with a market value of \$200,000 by approximately \$\_\_\_\_\_. The durational limit of the levy is permanent once approved by the voters, assuming the district levies that amount at least once in the next five years.

\_\_\_\_\_ FOR the additional levy

\_\_\_\_\_ AGAINST the additional levy



# Ballots Propositions (cont.)

---

- This ballot presents one option
- Key information must be included, but may be rearranged
- Trustees have discretion formulating ballot language
- Number of mills is “approximate”
- Actual mills will commonly differ when taxable valuation is final (for schools in August)



# Cost to Taxpayer Calculation

---

- House with Market Value \$200,000
  - Times Assessment Value for homes 1.35%
  - Different property types have different assessment values
- Equals Taxable Valuation of House \$ 2700
- In this example One Mill Raises \$ 2.70
- Multiply Times Number of Mills (example) 42.50 mills
- **Annual Cost to Homeowner \$ 114.75**





# “The Silver Bullet”

---

Guest appearance:

Paul Taylor

Legislative Analyst

Office of Public Instruction

[ptaylor2@mt.gov](mailto:ptaylor2@mt.gov)

(406) 444-1257



# Preliminary Budget Data Sheets (review)

---

- Prepared by the Office of Public Instruction
- Will be available after the 1st of March
- Essential budgeting tool, can compare your numbers to the official numbers whether you use the hand sheets  
OR the OPI budget spreadsheet



# Distribution of Revenues

---

- BASE aid (MCA 20-9-344)
  - Direct State Aid, Additional Components and State Special Education Allow Cost Payments
    - 10% each month August, September, October, November, January, February, March, April
    - None in December and May
    - **Balance in June**



# Distribution of Revenues (cont.)

---

- Guaranteed Tax Base Aid (GTB)  
50% in November and May
  
- Local Revenue  
Levy  
50% in November and May  
Non – Levy Revenue  
Throughout the year on a monthly basis



# Budget Amendments

## 20-9-314 and 161b MCA

---

- Unusual Enrollment Increase
  - have been temporarily suspended in 20.9.314 MCA during FY2022 and FY2023
  - new mechanism will be put in place
- Any budget amendment adopted due to an unforeseen need of the district that cannot be postponed until the next school year without dire consequences affecting the educational functions of the district



# Budget Amendments

20-9-314 and 161b MCA

---

- Must be board approved completed and submitted to OPI by May 1
- Must identify the revenue source
  - excess reserves
  - regular reserves

[OPI Budget Amendment Packet](#)



---

# Estimating and Noticing Tax Impact of Levies Other Non-Voted Levies

MCA 20.9.116

MCA 20.9.502(3)



# Estimating and Noticing Tax Impact of Levies Other Non-Voted Levies

---

The trustees shall adopt a resolution **no later than March 31** and provide notice of an intent to increase non-voted levies for the next year in the following funds:

Transportation Fund (10)

Bus Depreciation Reserve Fund (11)

Tuition Fund (13)

Adult Education Fund (17)

Flexibility Fund (29)

Building Reserve (61)





# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Resolution and Notice must include at a minimum**

- the estimated number of increased or decreased mills to be imposed
- the estimated increased or decreased revenue to be raised compared to non-voted levies imposed in the current school fiscal year
- **AND** based on the district's taxable valuation most recently certified by the department of revenue, the estimated impacts of the increase or decrease on a home valued at \$100,000 **AND** at \$200,000



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

- Notice with a copy of the board resolution must be **published in a newspaper** that will give notice to:  
the largest number of people of the district,  
as determined by the trustees
- **AND** posted to the school district's website

**This requirement terminates on June 30, 2027**



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

- This is your best attempt at seeing into the future
- It is not binding, if you miss your guesstimation when you actually adopt your budget there is no penalty

**Just do your best!**



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Transportation Fund (10)**

- Route Changes (increases or decreases)
- Increase costs in Fuel and Salaries
- [OPI Spreadsheet](#)



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Bus Depreciation Reserve Fund (11)**

- May have it on a spreadsheet
- Add new busses
- Remove busses you have disposed of
- update for an additional year of depreciation to get new budget  
(20% per year up to 150%)



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Tuition Fund (13)**

- don't' have tuition invoices yet because year is not over, may use previous year as an estimate
- **Special Ed permissive levy**
  - individual calculation for each high need student
  - figure out reimbursement threshold
  - [OPI spreadsheet](#)



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Tuition Fund (13)**

- Have two options
- Use current year expenditures
  - if changes occur adjustments will need to be made
- Use prior year expenditures
  - know exactly what the costs were so no need for adjustments



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Special Ed Tuition - eligible costs**

- Administration, Reg or Special Ed
- Office Assistance, Reg or Special Ed
- Teachers, Reg or Special Ed
- Paraprofessionals
- Supplies
- Assistive Devices
- Nurses
- Therapists





# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Special Ed Tuition - eligible costs**

- Prorated by total number of students
- Prorated by special education case load
- Prorated by number of students assigned
- Prorated Special Ed Supply Budget



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Special Ed Tuition - eligible costs**

Specific to the individual student

- Assistive devices
- Specialized curriculum
- Interpreter services



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Special Ed Tuition Levy**

- Cannot levy for:
  - Costs paid by special ed co-op
  - Costs reimbursed by medicaid
  - Transportation to and from school
  - Retirement (TRS, PERS, SS, Medicare)

*Are already permissive levies, cannot levy twice*



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Adult Ed Fund (17)**

- Rule of thumb is one mill, but there is no legal limit
- operation of an adult ed program in your district.



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Adult Ed Fund (17)**

- “NEW” Advanced Opportunity Aid state share is deposited in Flex Fund - allows for an Adult Ed non voted levy up to a 25% match

[MCA 20-7-1506](#)



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Flexibility Fund (29)**

- “NEW” Transformational Learning Programs allow for a permissive levy
- also allows for transfers outside of budget authority

[MCA 20.7.1602](#)

- letters with specifics coming from OPI



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Flexibility Fund (29)**

- “NEW” Advanced Opportunity Programs deposited in the Flex Fund; allows for 25% match in the form of a non voted levy in the Adult Ed Fund



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Building Reserve Fund (61)**

- Sub Funds
  - 611 School and Student Safety (transfers)
  - 612 Voted levy for a variety of uses
  - **613 SMMA non voted levy**
  - 614 High School Transition funds





# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Building Reserve Fund (61)**

- Sub Fund 611-Improvements to School Safety and Security (MCA 20-9-236)
  - must have a current safety plan on file with OPI
  - set up with transfers from other budgeted or non budgeted funds
  - not including debt service or retirement
  - not applied to budget authority
  - must be spent or encumbered within 2 fiscal years of transfer or transfer back
  - may not restore transfers from nonvoted levy



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Building Reserve Fund (61)**

- . Sub Fund 611 (cont.) - (MCA 20-9-236)
  - . planning for improvements to and maintenance of school and student safety
  - . including but not limited to
    - . cost of staffing for or service provided by architects, engineers  
school resource officers, counselors  
other staff or consultants assisting the district with improvements to school and student safety and security



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Building Reserve Fund (61)**

- . Sub Fund 612-Voted Levy for Identified Projects
  - . must be voter approved the first year/nonvoted levy after passage
  - . identify dollar amount and number of years levy will be collected in order to collect dollar amount
  - . must identify how funds will be used
    - . “operation and maintenance of XXX school building”
    - . technology
      - . fewer requirements for tracking equipment



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Building Reserve Fund (61)**

- . Sub Fund 613-School Major Maintenance Aid (SMMA) (MCA 20-9-525)
  - . \$15,000 and
  - . \$110 per **Budget Limit** ANB
  - . not to exceed 10 district mills
  - . State funding and a shared responsibility with the district

*Must state the District's intended use of the funds according to facility use plan in the required notice*



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

- Sub Fund 613 (cont.)
  - for school major maintenance for school facility projects
  - including payment of principal and interest on obligations for school facility projects
  - including improvements to school and student safety and security



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Building Reserve Fund (61)**

- Sub Fund 613 - **School Major Maintenance Aid (SMMA)**
  - \$15,000 and
  - \$110 per **Budget Limit** ANB
  - not to exceed 10 district mills
- State funding and a shared responsibility with the district
- *Must state the District's intended use of the funds according to facility use plan in the notice*



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Building Reserve Fund (61)**

### Language Example:

“Regarding the Building Reserve Levy, the following are school facility maintenance projects identified are:

Elementary: “*describe the projects*”

High School: “*describe the projects*”

### Language Example:

“This year the district expects to use those proceeds to partially fund capital improvements approved by the Board on (date of meeting) as well as operational costs of school safety.



# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

## **Building Reserve Fund (61)**

### TIP

You have the ability to vote either the mills or the dollar amount.

If you vote the mills, your collection increases and decreases as taxable value does the same

If you vote the dollar amount, mills will increase or decrease as taxable value does the same

Might be something to consider.....





# Estimating and Noticing Tax Impact of Non-Voted Levies (cont.)

---

Waterman spreadsheet:

*MASBO Professional Development  
Budget Workshops - March 2022  
Budgeting Spreadsheet*

[Estimating Tax Impact of Levies](#)

Tab on OPI budget spreadsheet



# Fiscal Year End, June 30

---

- This is when **Budget authority** and **Cash** meet
- As it approaches recommend that you review Fund 15 - every expenditure and revenue should have a project reporter #
- **Monitor**
  - **Monthly Budget Report**
  - **Monthly Cash Report**



# Managing Budget Authority

---

- Generally you will want to spend your entire General Fund Budget
  - If you have over/under spent, reclassify some expenditures to/from another fund
    - Federal Programs
    - Special Ed Reversion
- Do some year end purchasing
  - Allowed to encumber funds to pay for goods and services that will arrive within 90 days



# Managing Budget Authority (cont.)

---

- General Fund Transfers must happen within the budget limits and might include:
  - School Safety and Security (Building Reserve)
  - Multi-District (Interlocal Agreement Fund)
  - Compensated Absence Fund
  - Litigation Reserve Fund

Refer to OPI **Transfer Matrix**



# Managing Budget Authority

---

- Other Budgeted Funds - may not use all of your budget authority
- Are some transfer options that you might want to explore



# Managing Cash at Year End

---

May end up with **more cash** than budget authority

- Fill the reserves (first)
- Establish an excess reserve (gen fund only)
- Fund Balance Reappropriated



# Managing Cash at Year End

---

May end up with **less cash** than budget authority

- result of unpaid taxes
- result of non levy revenue shortfalls

Cannot end the fiscal year with negative cash balance in any fund



# Managing Cash at Year End (cont.)

---

- Unreserved fund balance in excess of 15% of maximum general fund budget must be remitted to the State of Montana, mostly no one is finding themselves in this situation
  - Does not include building reserve, debt service and bus depreciation
  - Doesn't apply to districts in a non-operating status or in the first year of re-opening





# Final Budget Meeting

20-9-115 MCA

---

- Publish one notice in the newspaper between July 1 and August 10 (many counties do a joint ad)
  - State the **date, time, and place** that the trustees will meet to consider final budget
  - State that the meeting **may continue** from day to day until adopted
  - State that **any taxpayer in the district may appear and be heard**



# Final Budget Meeting (cont.)

20-9-115 MCA

---

- Meeting must be held on or before August 25
- Budget must be delivered to the county superintendent within 3 days of adoption
- Due to OPI by September 15
- OPI [Budget Time Lines](#)



# Expenditure/Line Item Budget

---

\$\$\$



# Expenditure/Line Item Budget

---

- You will want to adopt a line item budget for ALL funds, budgeted and cash
- Enter expenditure and revenue line item budgets into your accounting system
- Choose your tool(s)
  - Spreadsheet
  - Software



# Expenditure Budget (cont.)

---

- **New to a district**
  - Begin by gathering some data
  - 3 years, 5 years, 10 years
  - Run Reports using coding system



# Expenditure Budget (cont.)

---

- Data - Reports by Function
  - 1000 Instructional
  - 2100 Student Support
  - 2200 Staff Support
  - 2300 General Admin (Board, Supt.)
  - 2400 Building Admin (Principals)
  - 2500 Business Office
  - 2600 Custodial and Maintenance



# Expenditure Budget (cont.)

---

- Data - Reports by Function
  - 31XX Food Service
  - 34XX Extracurricular Activities
  - 35XX Extracurricular Athletics



# Expenditure Budget (cont.)

---

- Data - Reporting by Object
  - 100 Salaries
  - 200 Work Comp and Health Insurance
  - 300 Contracted Services
  - 400 Utilities
  - 500 Other Purchased Services
  - 600 Supplies
  - 700 Equipment





## Expenditure Budget (cont.)

---

- Depending on Coding Structure can break down reports in more detail
- The line item budget is administration's guide to spending. If you overdraw a line item, you may or may not adjust it, depending on management style. OPI only tracks that you do not overspend your total budget authority.
- This is not true for grants. Line items must be adhered to in those, unless amend



# Expenditure Budget (cont.)

---

- Salaries and Benefits are usually budgeted by the Business Office - 90 to 95% of Budget directed by Board approved increases or negotiated agreements with steps and lanes
- A spreadsheet can be developed to take the yearly contract wage and distribute it over all schools, line items or funds where their time is spent.



## Expenditure Budget (cont.)

---

- These benefits follow the same distribution as the salaries
  - Health insurance
  - Worker's Compensation premium
  - Social Security, PERS, TRS



# Expenditure Budget (cont.)

---

- Share the salary and benefits information with the Superintendent
  - discuss the overall budget
  - It is good to talk through this and good for you both to be on the same page.
  - Clerk manages the budget, but Supt. authorizes expenditures.



# Expenditure Budget (cont.)

---

Can then allocate instructional costs in object codes 300, 500 and 600 budgets by:

- Student numbers
- Per Teacher
- Building Allocations

Example: Elem - \$110 per student

Middle - \$150 per student

High - \$180 per student



# Expenditure Budget (cont.)

---

Can then allocate department specific costs in object codes 300, 500 and 600 budgets by:

- Departments
  - Technology
  - Maintenance, Custodial, Grounds
  - Food Service
    - take budget and divide it over 10 months
    - allocate a percentage to food
    - and percentage to supplies



# Expenditure Budget (cont.)

---

- For the 300, 500 and 600 object budgets, can provide the buildings and departments with the total available
  - they can divide it into categories
  - return that information to district office to be entered into the accounting system
- Might want some parameters for library books, PE equipment, music equipment, etc so that each building had some funding for these items



## Expenditure Budget (cont.)

---

- The 400 Utilities budget might be computed by the business office. Look at historical data and any new information you have on rates
- The 700 Equipment over \$5,000 might need a process for making those decisions and budget separately from every day operational costs





## Expenditure Budget (cont.)

---

- When all line item details have been summarized, check to see if you have met budget goals or are over budget
- Keep excess in one location, ie. in a maintenance line item, then you know how much was undesignated and available for use for expenditures that were not budgeted



## Expenditure Budget (cont.)

---

- If you are over budget, go back and review details, usually in the 300, 400, 600 areas
- In other funds the same methods are used, always begin with salaries
- In building reserve, budget by sub funds because voted levy is restricted by ballot language



# Expenditure Budget (cont.)

---

- Another approach is just budgeting the new money PLUS
  - salary and benefit increases
  - increases in areas in need of additional funding
- Keep this information from year to year so you can look back and see what priorities were addressed