

**BUDGET PROCESS**

With appropriate direction from the School Committee, the Superintendent shall be responsible for submitting the annual school budget to the School Committee in accordance with the School Department budget philosophy and the following scheduled provisions:

1. Individual staff members and/or departments or grade levels submit budget requests to their supervisors in accordance with district and school goals and priorities.
2. Supervisors review and submit budget requests to the Business Manager with recommendations no later than the end of the second week of December.
3. Business Manager submits budget requests to the Superintendent no later than the end of the first week in January.
4. Superintendent submits requests to the School Committee for their information by the end of the second week in January and holds budget discussions with the School Committee at each Committee meeting thereafter until the budget is approved in March. Copies of the budget requests are also made available to the public at the Library, the Town Office, and the District Office.
5. Superintendent reviews and submits recommendations to the School Committee by the end of the first week of February.
6. The School Committee reviews the recommendations of the Superintendent and sets a tentative budget by the end of the last week in February.
7. Public Hearing on the budget is set for the School Committee meeting held on the first week in March.
8. Final Adoption is made by the end of the second week in March and the budget is submitted to the Town Council.

Whereas the Town Council has espoused the concept of an Expenditure Control Budget and has with the School Committee jointly developed and agreed upon a formula to determine the amount of local property tax that shall be appropriated toward the school budget, it shall be the practice of the School Committee to forward a budget to the Council that is in balance with the mutually agreed upon "target" determined by the Council and School Committee through the use of such formula.

Approved: September 9, 1992

Revised/ First Reading: October 27, 2004 (second reading waived)

Revised/Approved: \_\_\_\_\_

**Budget Philosophy – July 1992**  
**Revised – October 2004**

The process of preparing, presenting, receiving approval, and bringing about the adoption of a school system budget is an important activity for everyone concerned. At best, the budget process will help to inform the public about the school system, its goals and priorities, and contributes to building support for the schools. It can also be the catalyst for discord, misunderstanding, and the diminishing of public support.

A successful budget process is dependent on many people and is truly a community activity. Certainly the district administration plays a key role and is responsible for most of the detailed work; however, elected officials play an even more important role as they guide the process, clarify the public's expectations, require explanations, give support, and finally adopt a budget. Local citizens, employees, and the press are also influential in the process. It is important that each participant understand the process and how each contributes to the adoption of a successful budget.

This document is an attempt to describe the budget process as it has evolved in the Windham School Department and to clarify the roles of some of the participants in the process.

**General Description of the Process**

The Windham School Department budget is prepared annually under the direction of the School Committee, an elected body of 7 people, and is forwarded to the Town Council after approval by the School Committee. The Town Council, another elected body of 7 members, governs the affairs of the town and is given authority to set the amount of the school budget that shall be considered in the Town Meeting. Final approval of the School Department budget is in the hands of citizens at the Town Meeting, where they may approve the budget as approved by the Town Council, or decrease the budget as they see fit. However, the Town Charter does not allow the budget to be increased at Town Meeting.

**The Expenditure Control Concept**

This process of review and approval of one elected body's recommendations by another elected body has been the source of a lot of friction through the years. The Town Council has been concerned about the increasing growth in the local property tax and has resisted approval of school budgets that require increases that seem to be out-of-line. Realizing that contention between the groups was not healthy for the Town or the schools, the Town Council spearheaded an effort to improve relations between the two elected bodies and to find a way to fairly fund the schools in a way that will reduce the friction of the past. The Council also adopted an Expenditure Control Budget Process for the Town in order to control property tax increases on the Town side. As a result of several joint meetings and with help from outside sources, tentative agreement was reached about some modifications to the school budget process. These modifications seemed to work well during the 1992 – 1993 budget preparation and are included in this description of the budget process. There were also some general agreements as to each party's role in the adoption of the school budget.

Generally, it was agreed that the Council is legitimately concerned with the amount of local property taxes required to fund the school budget. It was also understood that since the School Committee is a body of citizens elected to set policy for the schools and is more informed as to the needs of the schools,

it should be the responsibility of the School Committee rather than the Council to determine spending priorities for the schools. The Council will retain the right to determine the total budget amount, but will not involve itself with spending priorities. The joint bodies agreed on the use of a formula that includes Consumer Price Index, increases in State subsidies, and enrollment growth, to determine the amount of local property tax that will be available to the schools. The formula is in two parts, one for the operating budget and one for debt service. The School Committee will send a budget to the Council that requires no more in local property taxes than allowed by the mutually agreed upon formula.

A policy providing for the funding of capital expense projects and the implementation of new programs outside of the formula was also approved by both governing bodies.

### **The Budget Calendar**

The budget process begins early in the school year as teachers, principals, and program directors evaluate programs and assess needs for the following school year. A calendar is developed by the administration and is reviewed by the School Committee. At the same time, the district administration reviews revenue sources and begins to project the amount of revenue that will be available. This information is shared with staff members so that they are aware of revenue limitations as they prepare their requests. Budget requests are then collected on forms prepared by the Central Office and are reviewed and/or revised by principals and program directors before being submitted to the Central Office. These requests are then entered into the computer and verification reports are sent back to be checked for accuracy.

A detailed Budget Report is prepared by the computer, sorted by Director and Program. This working document includes listings of the various expenditures proposed for each account and comparisons of expenditures and budgets for the preceding three years. Copies are given to School Committee members and administrators and are placed in the Library, the Town Office, and the School Department Central Office for use by the public. This is not the official budget, however, and is used only as a working document in the preparation of the budget. The official budget is in Line Item Format.

As soon as all the information needed for the Local Property Tax Formula is available, the amount is calculated and the Town Council works with the School Committee to set a "Target" for local property taxes available for the school budget. Generally this occurs in January when State subsidies for the following year are published. The administration begins at this time to identify areas where reductions might be made in order to balance with the "Target." Discussions are held in Board meetings regarding the budget and any reductions required. The Superintendent then submits a Budget Letter proposing a tentative budget containing adjustments required to bring the budget into balance with expected revenues. This letter also includes information about the budget that may not be readily apparent in other budget documents, including, but not limited to, expected revenues, how budget allocations affect district priorities, reasons for major increases or reductions in expenditures, and comparisons that will help to understand the need for certain expenditures. The formal budget is presented in Line Item format as an appendage to the Budget Letter.

The School Committee reviews the budget materials to determine that the budget reflects the priorities of the Committee and the community, that it is in balance with revenue projections, and that local

property taxes required are in line with the “Target.” To the extent that there has been no mutual agreement on the target, and pursuant to the Town Charter, the School Committee shall prepare budget estimates in detail of the several sums required during the ensuing budget year for the support of the public schools and shall furnish copies of such estimates to the Manager within one hundred days prior to the beginning of the new fiscal year. The School Committee may require amendments to the budget. When the School Committee has completed their deliberations, a public hearing is scheduled so that citizens may review and react to the proposed budget. Following the public hearing, the School Committee has further opportunity to amend the budget if so desired. At the next meeting of the School Committee, action is scheduled to approve the tentative budget. After the budget is formally approved by the School Committee, it is forwarded to the Town Manager for review by the Town Council. The Council reviews the projected revenues to determine that the budget balances with available revenues. When the Council is satisfied with the amount, another public hearing is scheduled for citizens to give input on the Town and School Department budgets, after which the Council formally acts on the budgets.

The budgets are then presented to the citizens in a Town Meeting where they may approve or reduce the budgets as they see fit. However, the Town Charter requires that they may not increase any budget beyond that approved by the Council. The Town Meeting is the final step in the budget approval process.

### **Budget Control and Revisions**

However, the School Committee continues its involvement with the budget through regular review and approval of bills and review of a monthly Financial Report. The budget may be altered during the course of the year to provide for revenue reductions, unforeseen conditions or emergencies, or for changes in priorities. If budget adjustments are required that change any line in the line item budget, those adjustments must be approved by the School Committee. Adjustments that do not require changes in line item amount do not require approval by the Committee. However, the Committee will always be informed about adjustments of any consequence.