

SDOL ANNUAL BUDGET PROCESS

Adopted November 18, 2014

Revised September 19, 2017

The School Board has expressed interest in establishing a framework to ensure consistent levels of transparency, oversight, and accountability in budget deliberations year to year, regardless of changes in the Board or Administration composition. This framework will address SDoL's philosophy, timeline, priorities, and expected practices.

ADMINISTRATION BUDGET DEVELOPMENT PROCESS AND PHILOSOPHY

The Superintendent, Administrative Team, and Board have adopted the following philosophical guidelines for the creation of a proposed preliminary budget supporting the District's vision, mission, and goals.

- Support quality learning opportunities for all students;
- Maintain a safe school learning environment for students and staff;
- Consider external related expenses before personnel reductions;
- Identify strategic savings rather than across-the-board reductions;
- Promote operational efficiencies and consolidation of services;
- Consider stakeholder input;
- Consider aligning local subsidies to state and federal categorical programs; and
- Pursue additional revenue sources as appropriate.

TIMELINE

The Budget Process must follow the legally prescribed timeline as set forth in Act 1 of 2006 and the Pennsylvania Public School Code of 1949. This timeline will be presented at the start of each budget process, and reviewed throughout the budget adoption process.

The School District of Lancaster's budget process is as follows:

September

- School Board and the Administration review and approve the annual budget process timeline

October

- Administration provides 5-year financial projection including budget deficits (immediate and 5-year), health care costs, PSERS, assessment appeals, fund balance and other major cost/revenue drivers as applicable
- Administration presents information on grants and funding streams

November

- Administration presents on changes in population and services (i.e., recurring investments on initiatives, school construction impact, or potential new programs if known at the time)
- School Board and Administration determine programs to evaluate as part of the annual budget process

December

- Administration presents projected fiscal year deficit with flat funding and no tax increase
- Administration reviews key decisions and dates as prescribed by the Commonwealth

January

- Administration presents Proposed Preliminary Budget
- + Decision - Seek exceptions from PDE to raise taxes above the Act 1 index OR adopt Accelerated Budget Opt-Out Resolution
- + If seeking exceptions, deadline for the Preliminary Budget available for public inspection

February

- Administration presents proposed recommendations following the philosophical guidelines above and to ensure a balanced budget. Proposals will be listed in order of priority (red/yellow/green) based on level of impact to instruction or district operations.
- Recommendations will include new investments, cost neutral changes and program/cost reductions where applicable.
- Board review and discussion
- PDE notification of allowable index (if applicable based on applying for exceptions)
- Deadline to adopt Preliminary Budget

March

- Administration and Board add proposed increase/decrease, if any, from Governor's budget address to budget assumptions, as appropriate.
- Board review and discussion
- Community Budget Meeting (if applicable)

April

- Board review and discussion
- Board collaborates to reach consensus on reductions, tax increase, and fund balance utilization. Fund balance discussion will be informed by historical data (at least 5 years) concerning utilization as a percentage of: 1. total budget; 2. operating budget; and 3. projected deficit.

**Note: If there is a need to make a programmatic reduction that requires "an alteration or curtailment" of a program that will result in professional furloughs, the School Board must take action at the April voting meeting in order to meet the school code requirements.*

May

- Board votes on budget for public review
- Deadline to adopt Proposed Final Budget

June

- Board votes on final budget

PRIORITIES

The top priorities of the District and the Board:

1. Our Students and our Mission
 - **Mission** – “Together, We Can” work as partners in a diverse community to ensure all students graduate prepared to meet high expectations and serve as responsible citizens in a global society.
 - **Vision** – “Together, we set the standard for excellence in urban education.”
2. Our District Goals:
 - Ensure all students have equitable opportunities
 - Identify what our graduates should know and be able to do
 - Develop a systematic approach to professional development
3. Our Strategic Priorities:
 - 1) Inspire broader and deeper local ownership of district outcomes by cultivating and leveraging relationships with parents, community leaders and leadership groups.
 - 2) Create a culture of higher expectations for all students and staff.
 - 3) Redefine and elevate the roles of all building leaders and teachers and empower them to adapt a leadership mindset.
 - 4) Redesign central office to become creators, innovators, and a model for the change we seek throughout the district.
 - 5) Meet critical performance standards (set annually).

SDOL BUDGET DECISION MAKING PRACTICES

To continue to maximize the success of our students, the following actions will be taken:

- Administration will provide a prioritized (red/yellow/green) list of proposed program reductions for the District; for each area, the administration will provide information on the impact of the proposed cuts that is central to Board decision-making, such as numbers of students served, schools impacted, recent evaluative information, and end-of-year savings.
- Board Members will maintain a 30,000 foot view of oversight that allows a “whole picture” perspective to complement the “in-the-trenches” view of the Administration.
- The Board will commit to having full, open, and dynamic discussions that challenge existing beliefs every month to fully vet the proposed changes.
- Board Members will prepare questions to request additional information on a regular basis. Board will discuss reasonableness of each request to balance the gain of the information against the cost of the research to the District. By May, all Board Members will have all information they need to make an informed decision.
- In the event of a budget surplus over \$1 million in undesignated line items after the State releases its final budget, the Board shall convene a special meeting within two weeks of that budget to allocate the funds.