

# **-Blueprints for Flight- Building a Strategic Budget**

**What is best for your district?**

# How does the word BUDGET make you feel?



# Budget: Why do we have to have one?

## Arkansas Code § 6-20-2202 (“Budget and Expenditure Report”)

- **Annual requirement:** Every school district (and open-enrollment charter school or education service cooperative) must prepare a full budget of receipts and expenditures each year, approved by its board and signed by the board president and financial secretary. This must be **filed with the Arkansas Division of Elementary and Secondary Education (DESE) by September 30** [Arkansas Legislature+8Justia Law+8Findlaw+8](#).
- **Format:** Budgets must be in an electronic format prescribed by DESE.
- **Enforcement:**
  - Any warrants or checks issued after the deadline are **invalid without a filed budget**, exposing officials to personal liability [ADE Commissioner's Memo+3Justia Law+3Arkansas Legislature+3](#).
  - DESE may **withhold state grants or aid** until the budget is filed [Arkansas Department of Education+8Justia Law+8ADE Commissioner's Memo+8](#).
- **Compliance review:** DESE reviews budgets by **February 15**. Deficiencies must be resolved within 30 days, or aid may continue to be suspended [Justia Law](#).
- **Financial reporting:** District financial secretaries must maintain detailed records (e.g., fund balances, transfers), file annual summaries by August 31, and finalize their ledgers by September 10 [Justia Law+1Findlaw+1](#).

# Budget: Why do we have to have one?

Kentucky Revised Statute 160.470 (6)

- (a) Each district board of education shall, on or before January 31 of each calendar year, formally and publicly examine detailed line item estimated revenues and proposed expenditures for the subsequent fiscal year. On or before May 30 of each calendar year, each district board of education shall adopt a tentative working budget which shall include a minimum reserve of two percent (2%) of the total budget.
- (b) Each district board of education shall submit to the Kentucky Board of Education no later than September 30, a close estimate or working budget which shall conform to the administrative regulations prescribed by the Kentucky Board of Education.

# Budget: Avoid Fiscal Distress

## Commissioner's Memo: COM-25-018

Any district that have experienced two (2) or more indicators of fiscal distress as described in §6-20-1904, MUST fill out the Early Intervention Checklist in the following link. If a district does not have two (2) or more indicators of fiscal distress, they do not need to fill out the checklist.

Ark. Code Ann. §6-20-1904(b)(2) "By November 1 of each year, the superintendent of a public school district shall report to the division if the superintendent is aware the school district has experienced two (2) or more indicators of fiscal distress, as described in subsection (a) of this section or in division rules, in one (1) school year that the superintendent deems to be at a nonmaterial level but that without intervention could place the district in fiscal distress."

The division has developed an Early Intervention Checklist to assist with the identification of indicators and compliance with the law. The checklist information will be used to determine if a district qualifies for fiscal distress or early intervention. Superintendents are encouraged to become familiar with the checklist so each one can fulfill the obligations as stated in the law.

District may use the following link to google forms for online submission. <https://forms.gle/MBkRHywTx57C8eQg8>

For more information, DESE Rules Governing the Arkansas Fiscal Assessment and Accountability Program are located [here](#).

# What is a Budget?

*A budget is a key management tool for planning, monitoring, and controlling the finances of a program or organization. It estimates the revenue and expenditures for a set period of time for your program or organization.*

A budget can serve a number of important purposes, including:

- Provides insight for allocating funds to meet requirements / priorities
- Clarity of restricted vs. unrestricted funds
- Actual vs. budget analysis
- Allows you to forecast, which allows timely adjustments, if necessary
- Cash flow analysis
- Providing a basis for accountability and transparency

# How to Start Making a Budget:

1. Teamwork—Decide up front that the Budget is a Joint Effort between the Superintendent and Business Manager (with supporting team members for both parties).
  - a. Who are the supporting team members?
    - i. Examples: Special Education, CTE, Prek, Athletics, Maintenance/Transportation/Custodial, Federal Programs/State Categorical, etc.

## How to Start Making a Budget:

Find a designated space that you can work together on a regular basis for creation, monitoring, and implementation.

Examples: 1-1 ZOOM, 1-1 in an office, in your office, in designated spot (budget room), etc.

# How to Start Making a Budget:

3. COMBINE— These two—Brainstorm priorities - short term and long term for:
  - a. Facilities, Academics, Debt, Staffing, Student/Community Needs

Prioritize your needs vs wants within your employee team and with your school board. Address in community stakeholder forums as your employee team and school board see to be the best opportunity to have conversations and/or to gain feedback that will be productive/helpful.

# How to Start Making a Budget:

4. Budget your revenue (budget revenue LOW-discuss why). Why start here?  
When to start this? Discuss.

Sources of Funding

Foundation

Millage - URT - Overage

Assessments

ADM

State Aid Notice Link — Federal Funding/Categorical Webpage

# How to Start Making a Budget:

5. Budget your salaries (discuss matrix, federal, state categorical, msc. funds and their impact). Why start here? When to start this? Discuss.

- Review your Salary Schedule and its impact.
- Do you need to increase stipends to motivate what you need??
  - SPED
  - Master Designation
  - CDLs
  - Additional work (ticket taking/sales/club sponsors)
- Do you need to add positions?
  - Dyslexia Interventionist
  - Asst. Principal
  - Coaching

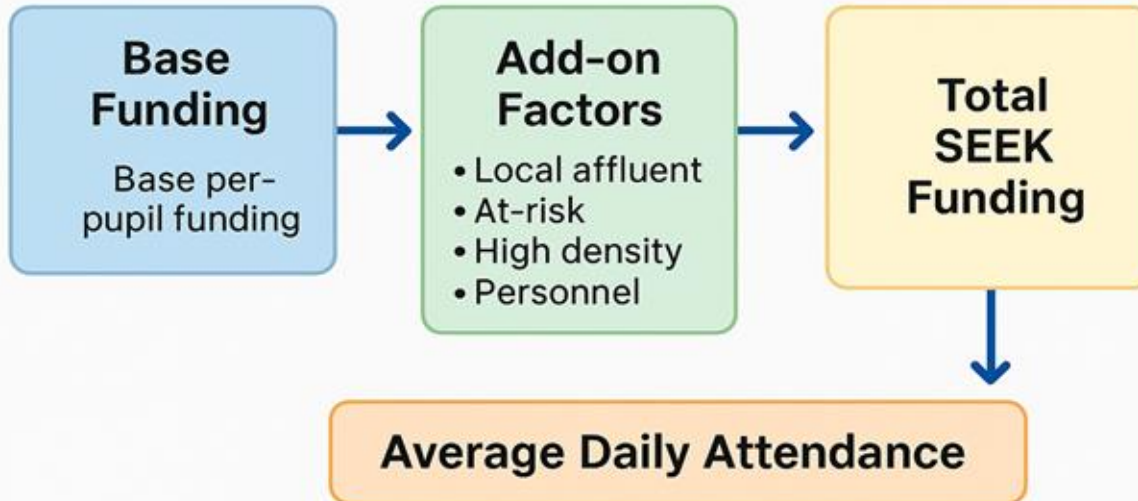
# How to Start Making a Budget:

Combined Legislative Recommendations							
School-Level Salaries and Benefits	FY25	FY26	FY27	FY26 Increase over FY25	Estimated State Portion*	FY27 Increase over FY25	Estimated State Portion*
Teacher Base Salary	\$69,519	\$69,965	\$62,508	\$63,989,957	\$52,079,655	\$143,180,609	\$79,336,101
Teacher Health Insurance	\$2,814	\$3,819	\$0	\$34,851,931	\$19,311,388	-\$89,333,817	-\$49,499,697
Teacher Other Benefits	\$13,686	\$14,029	\$14,377	\$21,617,690	\$11,978,321	\$32,931,540	\$18,247,303
Total Teacher Salary & Benefits	\$76,022	\$78,843	\$76,885	\$150,459,578	\$83,369,364	\$86,778,333	\$48,083,706
Per Student Total Teacher S&B	\$5,122	\$5,442	\$5,307	\$150,459,578	\$83,369,364	\$86,778,333	\$48,083,706
Principal Base Salary	\$83,577	\$85,650	\$87,774	\$1,963,121	\$1,082,221	\$3,954,680	\$2,191,281
Principal Health Insurance	\$2,814	\$3,819	\$0	\$946,902	\$524,677	-\$2,651,642	-\$1,469,270
Principal Other Benefits	\$19,223	\$19,699	\$20,188	\$449,218	\$248,911	\$909,576	\$503,995
Total Principal Salary & Benefits	\$105,614	\$109,168	\$107,962	\$3,349,241	\$1,855,808	\$2,212,615	\$1,226,006
Per Student Total Principal S&B	\$211	\$218	\$216	\$3,349,241	\$1,855,808	\$2,212,615	\$1,226,006
Secretary Base Salary	\$35,276	\$36,151	\$37,047	\$824,363	\$456,778	\$1,669,169	\$924,884
Secretary Health Insurance	\$2,814	\$3,819	\$0	\$946,902	\$524,677	-\$2,651,642	-\$1,469,270
Secretary Other Benefits	\$8,113	\$8,315	\$8,521	\$189,603	\$105,659	\$383,909	\$212,723
Total Secretary Salary and Benefits	\$46,203	\$48,284	\$45,568	\$1,960,868	\$1,086,513	-\$598,563	-\$331,663
Per Student Total Secretary S&B	\$92	\$97	\$91	\$1,960,868	\$1,086,513	-\$598,563	-\$331,663
Total School Level Salaries	\$5,426	\$5,757	\$5,614	\$155,769,687	\$86,311,685	\$88,392,384	\$48,978,050
School-Level Resources							
Technology Per Student	\$250	\$235	\$235	-\$7,067,276	-\$3,915,964	-\$7,067,276	-\$3,915,964
Salary Enhancement Other Employees	\$44	\$50	\$52	\$2,826,910	\$1,566,386	\$3,769,214	\$2,088,514
All Other Personnel Health Insurance	\$30	\$41	\$0	\$5,297,585	\$2,955,382	-\$14,134,552	-\$7,831,928
Instructional Materials Per Student	\$205	\$210	\$216	\$2,399,711	\$1,329,675	\$4,858,934	\$2,692,326
Extra Duty Funds Per Student	\$72	\$74	\$75	\$846,099	\$468,822	\$1,713,180	\$949,270
Supervisory Aides Per Student	\$58	\$58	\$61	\$678,216	\$375,798	\$1,373,252	\$760,916
Substitutes Per Student	\$78	\$85	\$90	\$3,087,944	\$1,711,024	\$5,443,703	\$3,016,345
School-Level Resources Increases	\$739	\$755	\$730	\$8,089,189	\$4,471,122	-\$4,043,545	-\$2,240,520
District-Level Resources (Carry-Forward)							
Operations & Maintenance	\$786	\$809	\$833	\$11,103,115	\$6,152,214	\$22,539,323	\$12,488,996
Central Office	\$483	\$495	\$507	\$5,642,481	\$3,126,488	\$11,424,895	\$6,330,513
Transportation	\$337	\$345	\$354	\$3,937,698	\$2,181,871	\$7,973,060	\$4,417,852
District-Level Resources Increases	\$1,605	\$1,649	\$1,694	\$20,683,293	\$11,460,573	\$41,937,268	\$23,237,360
Total Foundation**	\$7,771	\$8,162	\$8,037	\$184,522,169	\$102,243,380	\$126,286,109	\$69,974,890

FOUNDATION MATRIX			
Combined Legislative Recommendations	FY25	FY26	FY27
Matrix Calculations			
School Size	500	500	500
K = 8% of students	40	40	40
Grades 1-3 = 23% of students	115	115	115
Grades 4-12 = 69% of students	345	345	345
Staffing Ratios			
Kindergarten	20 :1	2	2
Grades 1-3	23 :1	5	5
Grades 4-12	25 :1	13.8	13.8
PAM = 20% of classroom	4.14	4.16	4.16
Total Classroom Teachers	24.94	24.96	24.96
Special Ed Teachers	2.9	3.2	3.2
Instructional Facilitators	2.5	2.5	2.5
Librarian / Media Specialist	0.85	0.85	0.85
Guidance Counselor & Nurse	2.5	3	3
Total Pupil Support Personnel	8.75	9.55	9.55
SUBTOTAL	33.69	34.51	34.51
Principal	1	1	1
Secretary	1	1	1
Total School-Level Personnel	35.69	36.51	36.51

# How to Start Making a Budget:

## SEEK (Support Education Excellence in Kentucky) Formula



# How to Start Making a Budget:

## 6. Budget your non-negotiables:

- a. What contracts have you signed with academic vendors, custodial companies, software, etc.
- b. Make an exhaustive list. Get details. Expiration dates of contracts. Usage of curriculum. Usage of software, etc. Determine how many items on this list are truly “negotiables” or “non-negotiables.”
- c. Required spending - GT, 9% Maintenance and Operations, MOE, Teacher Supply Money
- d. Review items that should go out for regular bidding for savings.
  - i. Copiers
  - ii. Dental/Vision (without a brokerage model)
  - iii. Custodial
  - iv. Bank (fees for stop payment, checks, wiring, etc. vs revenue potential increases)

# How to Start Making a Budget:

7. Budget your negotiables.

Examples:

- A. Athletic uniforms (rotation)
- B. Buses
- C. Striping parking lots
- D. Maintenance Trucks
- E. Classroom Furniture
- F. Office Furniture
- G. Cosmetics (Signage, etc.)
- H. Curriculum - supplemental programs

# How to Start Making a Budget:

8. See where you are.....how does your Revenue correspond with your Expenses.

A. Go back to salaries and “negotiables” to make cuts.

- a. Master’s Degrees
- b. Interventionists
- c. Paraprofessionals
- d. Maintenance employees (contracting out)
- e. Overtime
- f. New purchases of equipment vs leasing (ice machines, etc.)
- g. Cosmetics
- h. Athletic purchase rotations (adjust)
- i. Bus rotation (adjust)

B. Make notes along the way of additional changes you need to make to make the next year help you meet your goals.

# Helpful Tools

- **Efinance:**
  - **Personnel Budgeting** - module designed to be used in conjunction with the Budget Prep module of eFinance to assist users in preparing the personnel expenditures budget for the new fiscal year.
- **DESE Tools:**

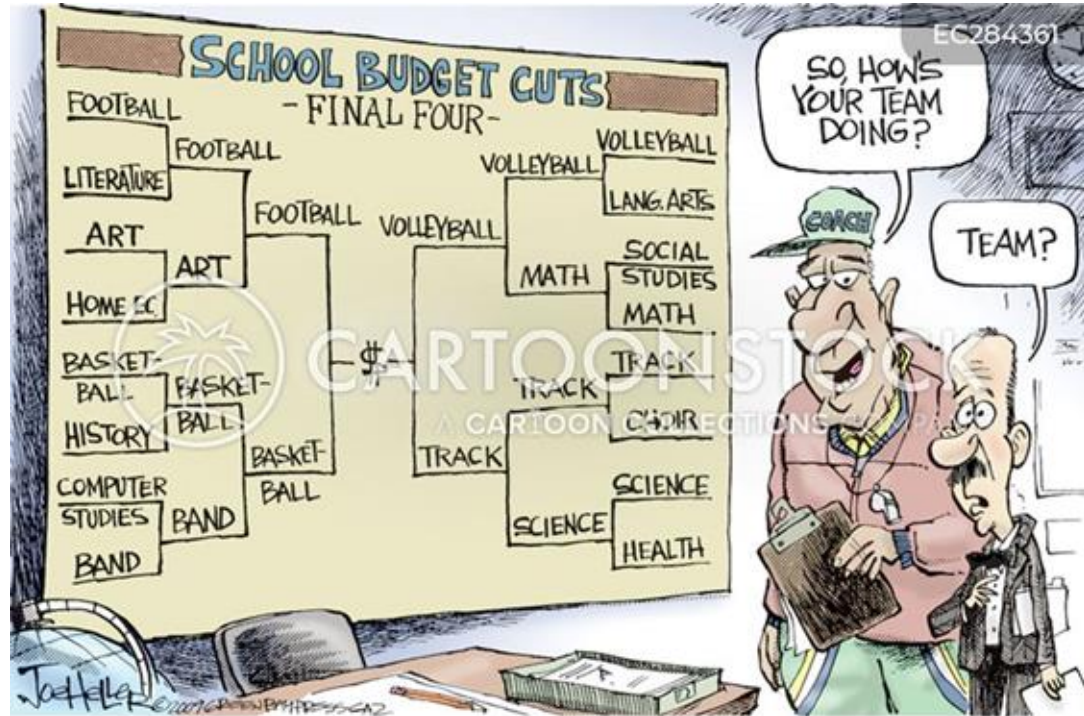
<https://dese.ade.arkansas.gov/Offices/District-Operations/fiscal-services-and-support>

- **PPS Report for FY 23-24 Actuals and FY 24-25 Budget**
- **State Funded FTEs and Average Salaries**
- **24-25 Enrollment Projections**
- **Local Tax by Mill Type Calculator**
- **Staffing Projection Template**
- **Custodial Staffing Recommendations**
- **CFAM**

# Jonesboro School District's Budget Google Sheets



# Have a dedicated work space



# Biggest Impact on Budgets.....Put the Work in Now for Future Savings

1. Salary Schedules
2. Staffing—Matrix—Make it work for you.
3. Negotiables.....ensure they are not inflated.
4. Approvals....make sure you have many layers.
5. Meet at a minimum of bi-weekly and dig deep into the budget....section by section.
6. Never stop communicating regularly with your Business Manager. **Never stop informing your staff.** Never stop informing your School Board. Make sure everyone understands the goals—Ultimately to be Good Stewards of Taxpayer Dollars—Ensuring Quality School Experience for Your Community's Students

# Question/Answer/Share-Outs- Presenters

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