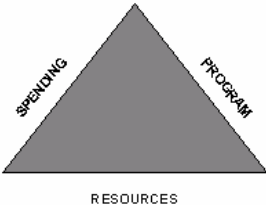


# The School Budget as a School Board Tool

The district budget is the financial plan for meeting the educational priorities set by the board of education. Budget development is an ongoing process, occurring whenever board decisions are made, and providing an important tool for school boards to use in leading the school district.

<p><b>GOAL-SETTING TOOL</b></p>	<p>Budget development requires boards to address their district mission, desired educational outcomes, and programs to achieve those outcomes.</p> <p>No goals will be met without adequate resources assigned to reaching them. The budget is a statement of board philosophy (putting money where the mouth is). Expenditures are the fiscal plan for reaching goals. The diagram below pictures a budget as an equilateral triangle with three equal components (legs), to demonstrate that no budget component can be increased or decreased without a corresponding and equal change in the other two.</p>  <p>Budget formation is on-going, never-ending. <b>EVERY</b> board decision has budgetary implications, directly or indirectly.</p>
<p><b>TEAM-BUILDING TOOL</b></p>	<p>Budget formation requires boards and their staffs to set priorities, to develop a plan to match available resources with needs. This process must involve collective action.</p> <p>The board should devise a plan for involving staff and community representation in budget development over an extended period.</p> <p>Budget development requires a plan to ensure adequate state and local resources for the education plan. This need leads to the formation of coalitions with other groups seeking similar goals.</p>
<p><b>LEARNING TOOL</b></p>	<p>Budget responsibility requires boards of education to learn about issues in education finance and the forces affecting educational decision making.</p>
<p><b>CONTROL TOOL</b></p>	<p>The budget process determines how funds will and will not be spent.</p>
<p><b>PUBLIC RELATIONS TOOL</b></p>	<p>The budget provides the board of education with the opportunity to tell the district's education story in financial terms and to emphasize its mission, priorities, and accomplishments.</p>
<p><b>LONG-RANGE PLANNING TOOL</b></p>	<p>To work toward the districts mission and goals, school boards develop long-range fiscal plans dealing with steps needed to implement new educational programs, with renovating and repairing buildings, and with replacement of equipment.</p> <p>As part of long-range fiscal planning, boards consider debt service through bonds and BANs (bond anticipation notes), as well as establishment of Reserve Funds such as Capital, Repair, Unemployment, and Insurance.</p> <p>The school board should adopt policies on transportation, deposit and investments, designated banks, purchasing, meals, use of district cellular phones, conference attendance and travel, reporting and investigating allegations of fraud.</p>

Source: "Legal Responsibilities of Boards of Education for Labor and Finance", Gary Valenti, Assistant Superintendent for Administration, Brighton Central School District; and MCSBA seminar for board members, June 2004, updated June 2005.