

Setting Board Budget Parameters

To Guide Financial and Budget Discussions

(a list of potential topics to discuss – not inclusive)

FINANCIAL TOPIC	Examples of Financial Policy/Parameter Statements	
FINANCIAL HEALTH	<ul style="list-style-type: none"> • District year-end <i>unspent maximum budget ratio</i> will be X%. • District year-end <i>solvency ratio</i> will be X%. • Changes in any of the key financial measures (<i>Seven General Fund Key Financial Indicators</i>) will be explained and corrective action, if needed, initiated. 	<p>IASB Recommends: 5% - 15%, no more than 25%.</p>
FUNDING EDUCATIONAL PRIORITIES	<ul style="list-style-type: none"> • The District budget will be developed to maintain focus on district educational priorities. • District resources will be aligned to achieve district education goals and priorities. 	
TAXES	<ul style="list-style-type: none"> • The budget will be built to maintain a consistent overall tax rate from year to year, unless circumstances dictate otherwise. • Any change in overall tax rate will be discussed by the board, including public input, in advance of adoption. 	
SOUND BUDGETARY PRINCIPLES	<ul style="list-style-type: none"> • The District will present a balanced budget, aligning authority/revenues with expenses in the same fiscal year, unless circumstances dictate otherwise. • One-time funding will be used for one-time purchases and not for ongoing expenses. Unobligated fund balance will be “used” thoughtfully. 	
TRANSPARENCY AND COMMUNICATION	Discussions on the district’s financial health, budget, and related matters will be open and as frequent as needed.	
BUDGET REDUCTIONS	<p>In determining budget reductions or budget realignment, district will:</p> <ul style="list-style-type: none"> • Use a systemic approach. • Minimize negative impact on students. • Be transparent in approach and decision-making, and allow adequate time for public input. • Will only consider reductions that are sustainable. 	