



Developing Successful Structures for District Business and Operations

MASA / MSBO

February 26, 2018

School
Finance
and
Networking
Discussions

MASA / MSBO
February 26,
2018



School & Municipal
Advisory Services, PC

Resume – Donald Sovey, CPA, CFO

Michigan Certified Public Accountant

Michigan School Business Official

Chief Financial Officer Certification MSBO

MSBO Distinguished Service Award 2009

MSBO President's Award 2009

Member MASA, MSBO, MASB, MICPA, Rotary Club

GFOA Judge for Best Practices in Budgeting

Professional Musician

School and Municipal Advisory Services, Owner

donsovey@gmail.com

(517) 231-0563

Agenda

- **REVENUE**
Millage and bond campaigns
- **EXPENDITURES**
Better Budgeting
GFOA Best Practices in Budgeting
- **REPORTING**
Uniform Budgeting and Accounting Act
- **LEGISLATION AFFECTING OPERATIONS**

Agenda

- **OFFICE STRUCTURAL DESIGN FOR BUSINESS AND HUMAN RESOURCES**
 - Traditional
 - Shared Services
 - Finding scarce talent
- **SUSTAINABILITY**
 - Managing fund balance
 - Early warning

Agenda

- **NEGOTIATIONS
PREPARATIONS**

**Language review by
counsel**

Team makeup

Insurance

**Insurance
committee**

Salary schedules

**Modeling with
Excel**

REVENUES



Revenue Options Available to School Districts

- Building and Site Sinking Fund Millage - Revised
- 18 mill non-homestead millage
- Headlee rollback restoration and renewal
- Construction bond issues
- Recreation and Playground Millage
- Non-voted energy conservation bond
- Summer tax levy

Revenue Options Available to School Districts

- In cooperation with ISD:
 - Regional enhancement millage
 - County vocational millage
 - County special education millage
 - ISD Headlee restoration
- Kindergarten roundup strategies
- Ongoing school marketing
- Educational foundation
- Use of business plans
- Grants
- Shared services

Bond Issue / Sinking Fund Justification

Michigan's aging educational infrastructure is in need of updating in the majority of Michigan school districts

Student success can be tied to the educational environment

Campaign Toolkit

Feasibility

District conducts feasibility study of needs with citizen participation

Engage

Engage communication professionals to conduct public information campaign for district

Calendar

Establish communication calendar

Campaign Toolkit

Release	Release public information on district needs over 6 month time period
Public Opinion Survey	Conduct formal public opinion survey to develop messaging and assess voter understanding and support
Database	Develop voter database
Citizens	Form citizen-based campaign committee of 15 to 20 supportive advocates

Campaign Toolkit

Identify

Identify and Access Community and District Communications Network

Structure

Structure Two Informational Campaigns:

a. Absentee Voters

b. Non-Absentee Voters

Communications / Database

Practice Relentless Communication and Focus on Database of Supporters



School & Municipal
Advisory Services, PC

Construction Bond / Millage Team

- Polling Organization
- Board, School Administration, and Employees
- Construction Manager
- Bond Attorney
- Architect
- Bond Underwriter
- Financial Consultant
- YES Citizen Group



School District Role

- Administrative leadership
- Develop needs assessment
- Publish FACTUAL information
- Secure message approval from legal counsel
- Develop school communication network
- Hire professionals for team
- Database
- Provide factual information to YES Citizen Group / no public dollars

Citizen Committee Role

- Involve community leaders
- Fundraising
- Voter ID
- Persuasive communications
- Non-school email list for communication
- Fund endorsement pages
- Door to door if necessary
- Get out the vote campaign

Campaign Marketing Tools

Message development

Prepare accurate Frequently Asked Questions

Publish factual information press releases

Media meeting scheduled by district – request endorsement

Public presentations

Schedule issue-driven public meetings

Bond / millage Information Rally

Campaign Marketing Tools

Visit service clubs, Booster, PTO's, City Council, Chamber of Commerce, clergy

Identify “movers and shakers” to spread the word

School newsletters, email, of factual information

Website / social media

Invitation to join communication network

School open houses

SCHOOL BUDGETING BEST PRACTICES



Current National Research on School Budgeting Best Practices

- Process should engage and communicate with stakeholders, along with prioritizing goals, allocating resources, and tracking progress
- The process is a plan, a tool for transparency, and a structure for ensuring accountability
- A partnership between business and academics
- Develop principles and policies collaboratively by the board and staff members who develop and recommend the budget
- Create the most student learning from the money available



Current National Research on School Budgeting Best Practices

- **Select programs and service providers based on student outcomes**
- **Adhere to evidence based-decision making**
- **Prioritize strategies and programs with proven cost-effectiveness**
- **Make student-centered decisions**
- **Critically re-examine patterns of spending – develop and implement program review and sunset process**
- **Equal chance to succeed: Ensure Equality of Opportunity for students**



Current National Research on School Budgeting Best Practices

- **Take a long-term perspective**
- **Be transparent**
 - **Make performance data readily available**
 - **Consider all costs in evaluating the cost of educating students**
 - **Use a consolidated budget**
 - **Be clear on what actions are being funded and their intended outcomes**



Current National Research on School Budgeting Best Practices

- **Analyze current levels of student learning**
 - **Performance data – summative assessments, which review what a student has learned over the course of a year, are the most important for budgeting and planning**
 - **Measuring student performance – the most critical aspects of student performance with achievement testing are math and English Language Arts (ELA) assessment data conducted over multiple grade levels**



Current National Research on School Budgeting Best Practices

- Identify root cause of gap between goal and current state
- Apply cost analysis to the budget process
- Budget presentation should communicate:
 - Goals
 - Strategies and programs being pursued
 - The financial plan
 - Risks to long-range financial sustainability

Source: GFOA Best Practices in School Budgeting; Copyright 2017



Current National Research on School Budgeting Best Practices

- Include a communications strategy to inform participants, stakeholders, and the general public about how the process works and why each decision is made
- Transparency is a key tenet of any budget process
- GFOA recommendation:
 - Assess district strategic environment
 - Set SMARTER goals for multi-year district-wide improvement
 - Understand baseline performance at the school level
 - Set school site goals



SMARTER Framework

- Format for Goals – **SMARTER** Framework:
 - **Specific** - precise outcome or result
 - **Measureable** - verifiable, ideally quantifiable
 - **Achievable** - grounded in reality
 - **Relevant** - focused on student achievement
 - **Time-bound** - short and long-term objectives
 - **Engaging** - reach for ambitious improvement
 - **Resourced** - finances aligned with goals



Define and Distribute Goals

- Defining goals for academic achievement and distributing goals to schools
 - Assess the district's strategic environment
 - Set SMARTER goals for multi-year district-wide improvement
 - Understand baseline performance at the school level
 - Set school site goals



Academic Return On Investment (A-ROI)

- Basic formula:

$$\text{A-ROI} = \frac{\text{((Learning increase) x (Number of students helped))}}{\text{Dollars Spent}}$$



GFOA Best Practices in Budgeting Award

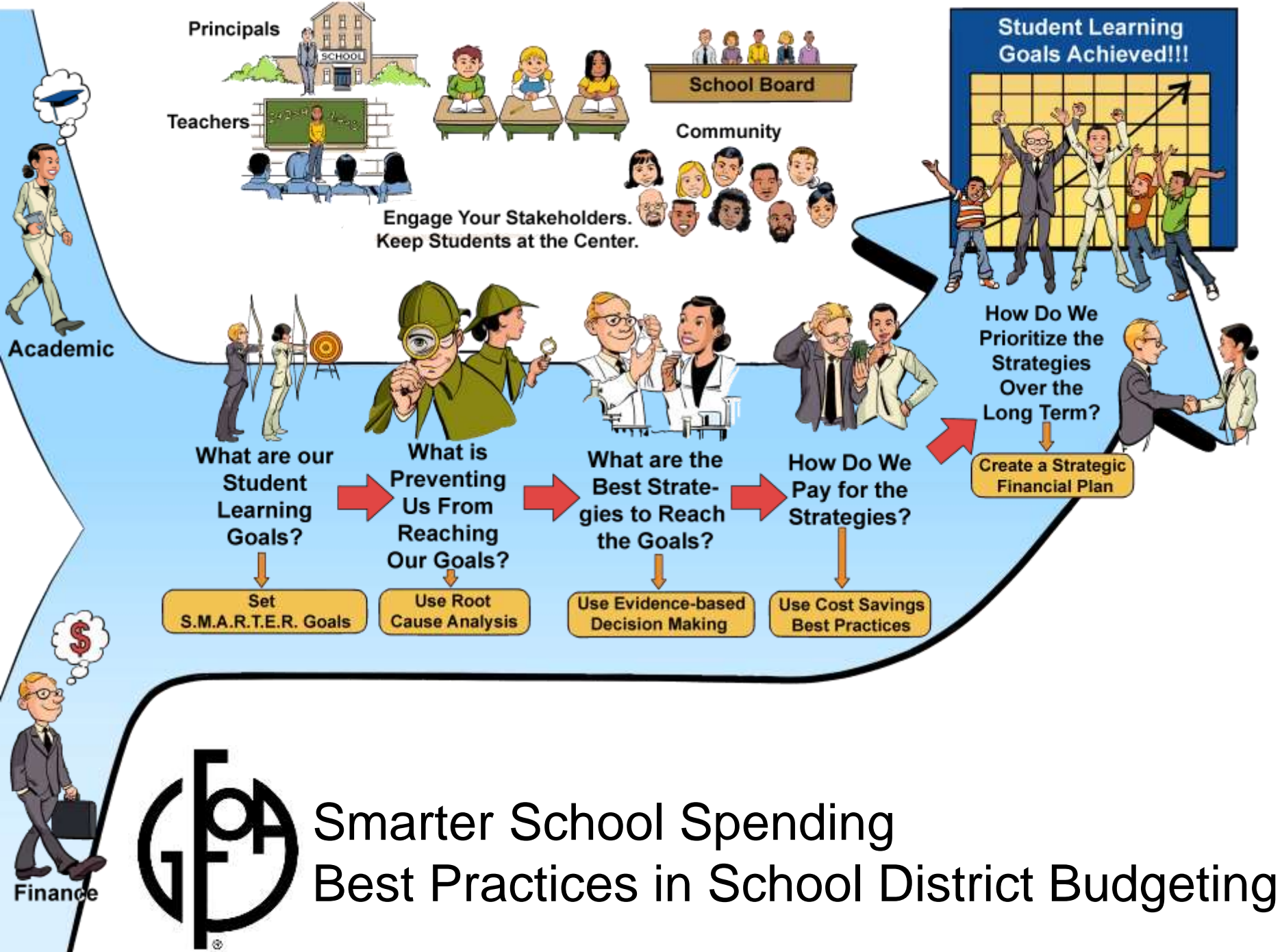
- Planning steps for budget process:
 1. Plan and prepare
 2. Set instructional priorities
 3. Pay for priorities
 4. Implement plan
 5. Ensure sustainability

GFOA
Award for
Best
Practices
in School
Budgeting

Analyze Current Levels of Student Learning

Use a well-rounded set of data that includes assessments data (summative and shorter-cycle), along with other forms of data to monitor against both performance standards and changes in performance over multiple years.

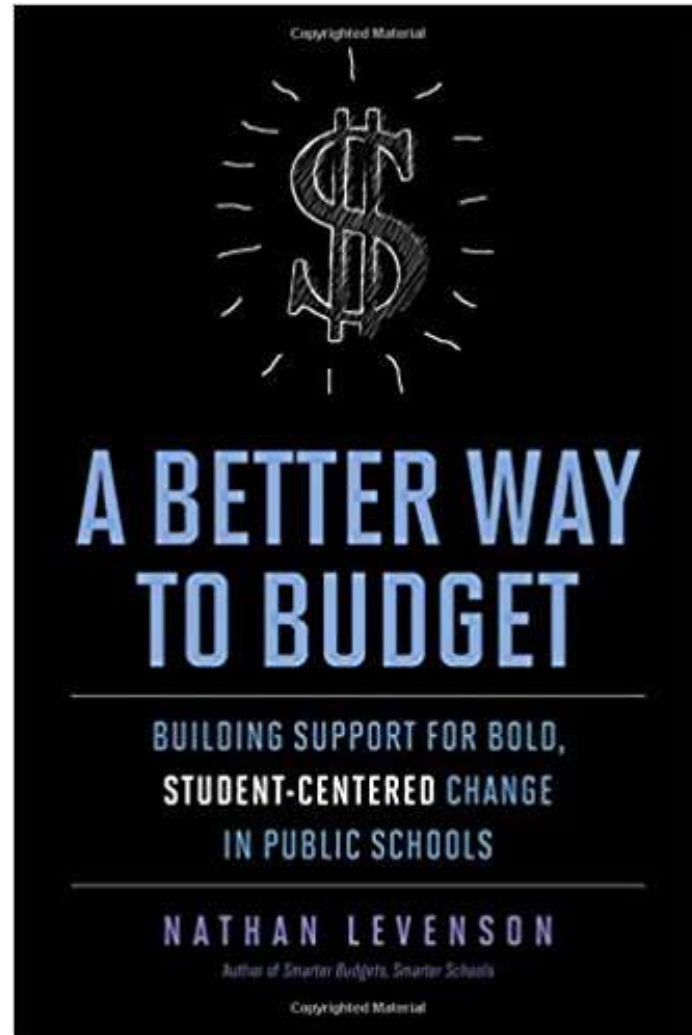
<https://www.gfoa.org/school-budgeting>



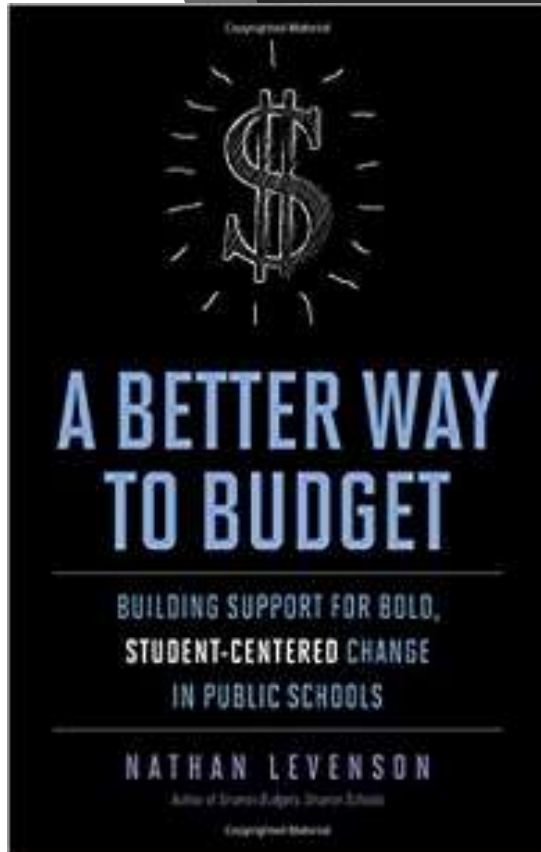
Smarter School Spending Best Practices in School District Budgeting



REQUIRED
READING



Why Do We Fight over Budgets?

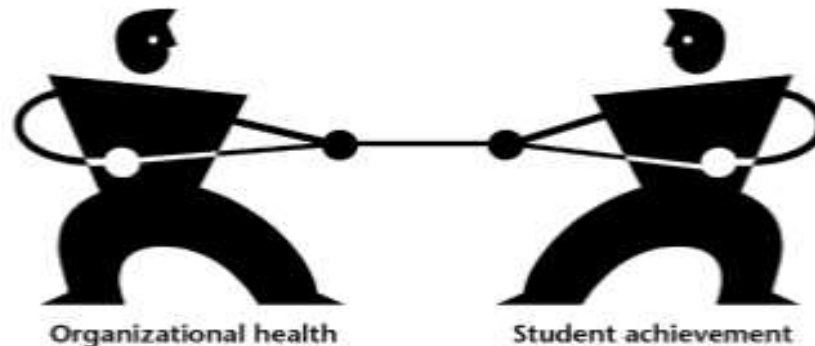


- Focus on improving the process of budgeting in order to avoid or overcome push-back and technical barriers that typically stymie attempts to boldly shift resources.
- Historically, many school districts have equated improvement efforts with new funding.
- The term budget cutting implies doing less for students. The goal is to find ways to provide the same or more for students but at less expense.

Why Do We Fight over Budgets?

....tug-of-war between two equally noble reasonable sets of values: valuing organizational health and valuing student achievement.

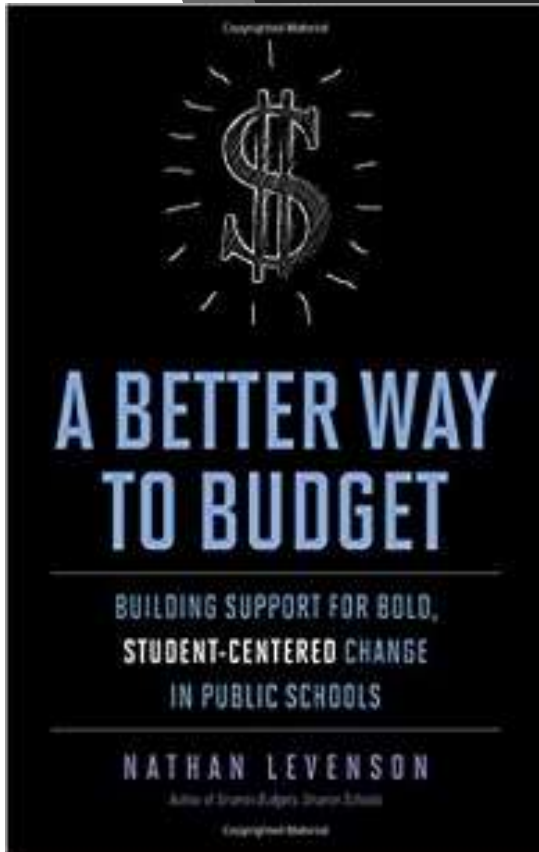
Values tug-of-war



“Organizational health means having pride in the school or district, wanting people to feel valued, caring about the feelings of others, and ensuring financial stability for hardworking, dedicated staff.”

Eight Lessons

1. Make change feel normal
2. Build a vision before building a budget
3. Engage and enlist principals
4. Take steps to minimize the pain
5. Win over supporters through joint fact finding
6. Make bold and comprehensive plans
7. Craft messages that resonate with stakeholders
8. Get the message out to all supporters and potential supporters



1. MAKE CHANGE FEEL NORMAL

-Some districts have created systems, procedures, and eventually cultures that are more open to change and thus more easily embrace big shifts in spending more easily.
- The more flexible districts that had normalized change had clear enrollment and need-driven guidelines for staffing.
- As budgets have gotten tight, the layering approach is much less of an option, but it has been replaced with another stability-enhancing strategy: across-the-board cuts.....Unfortunately, the best use of limited dollars demands much more fluid use of funds.

MAKE CHANGE FEEL NORMAL - APPLICATION

MICHIGAN RESIDENT BIRTHS 1955 TO 2016

Slide provided as a public service
by Frederick R. Ignatovich,
Professor Emeritus Michigan
State University; 9/13/2017



SUMMARY OF PROJECTIONS UNITED STATES AND MICHIGAN PUBLIC SCHOOLS

FROM 2016-17 TO 2021-22

Slide provided as a public service
by Frederick R. Ignatovich,
Professor Emeritus Michigan
State University; 9/13/2017

GRADE LEVEL	UNITED STATES PUBLIC MOST LIKELY	MICHIGAN PUBLIC HIGH	MICHIGAN PUBLIC MOST LIKELY	MICHIGAN PUBLIC LOW
K-12	+1.0%	-2.2%	-4.4%	-6.4%
K-5	-0.4%	-1.7%	-3.4%	-5.0%
6-8	+1.8%	-5.6%	-7.0%	-8.4%
9-12	+2.7%	-0.5%	-3.9%	-7.0%
SENIOR CLASS	+1.7%	+0.03%	-4.1%	-7.9%

MAKE CHANGE FEEL NORMAL - APPLICATION

- Normalize change through:
 - Formalize staffing guidelines: clear enrollment and student need driven guidelines for staffing
 - The same rules, applied in advance, depersonalize the decision and lowers anxiety and pushback
 - Create a culture that assigns staff
 - where they are needed (based on student needs)
 - in the exact amount of FTE needed (stop rounding up)
 - Regularly shifting building assignments as student needs shift, creates more cost-effective staffing and a culture that accepts changes more easily/less emotionally

2. BUILD A VISION BEFORE BUILDING A BUDGET

- By first building a shared vision and shared beliefs, district leaders can help close the divide and build support for smarter budgets.
- When dollars are in short supply, differing ***theories of action*** can drive a wedge between people with similar goals and create much pushback for any given spending plan.
- Good budget simulators force real-world trade-offs by calculating the actual financial impact of different decisions.

BUILD A VISION BEFORE BUILDING A BUDGET - APPLICATION

STRATEGIC PLANNING



The process of determining what an organization wants to be at some point in the future and how it will get there.

Courtesy of MASB

Letting Vision Drive Budget

- Budget is the financial representation of a district's strategic plan.
- “We can pay for most anything but we can't pay for everything.”
- Philosophical discussion on outcomes expected by the board and community.
 - What constitutes a successful education?
 - What is needed to make this vision a reality

The Governance Clock



Goals Are Set To:

- ➔ Achieve the district's mission and vision
- ➔ Serve as the foundation for decisions of the board
- ➔ Clarify and communicate district objectives
- ➔ Establish board and staff performance expectations

Long Range Projection with Deficit Elimination Plan – Case Study

	2011-12	2012-13	2013-14	2014-15
Balance July 1	\$340,780	\$(535,081)	\$1,311,179	\$1,680,713
Revenues Projected	22,337,976	21,735,160	20,860,714	20,512,414
Expenditures Projected	23,213,837	21,488,900	22,091,180	22,690,419
Compensation or Position Reductions		(1,600,000)	(1,600,000)	(1,600,000)
Shortfall	(875,861)	1,846,260	369,534	(578,005)
Balance June 30	\$(535,081) -8 days / -2.3%	\$1,311,179 24 days / 6.6%	\$1,680,713 30 days / 8.2%	\$1,102,708 19 days / 5.2%

Budget simulation helps others understand big picture.

District Case Study

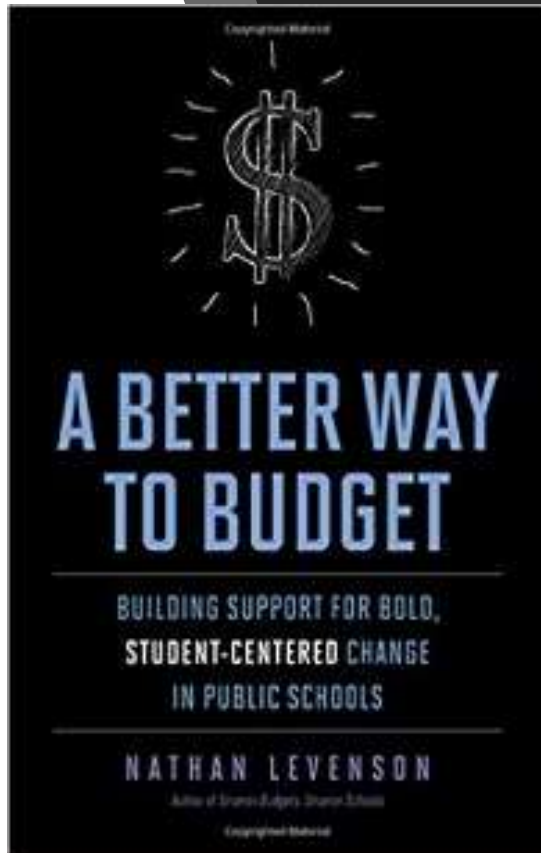


Multi-year General Fund Data

Year	Data Status	Indicator Score ⓘ	Enrollment ⓘ	Foundation Allowance ⓘ	Revenues ⓘ	Expenditures ⓘ	Fund Balance ⓘ	Taxable Value ⓘ
2018	Forecast	1	2,701	\$7,511	\$22,359,730	\$22,294,461	\$2,897,280	
2017	Budget	1	2,702	\$7,511	\$24,118,188	\$23,981,653	\$2,860,827	
2016	Audited	1	2,683	\$7,391	\$24,255,142	\$23,636,043	\$2,724,292	
2015	Historic	1	2,788	\$7,126	\$24,141,882	\$23,508,025	\$2,105,193	\$555,743,510
2014	Historic	2	2,794	\$7,026	\$22,986,161	\$22,074,578	\$1,471,336	\$543,269,840
2013	Historic	3	2,814	\$6,966	\$23,184,934	\$22,002,573	\$559,755	\$540,199,016
2012	Historic	5	2,867	\$6,846	\$22,281,537	\$23,244,922	\$-622,606	\$534,213,760
2011	Historic	2	2,912	\$7,316	\$23,860,894	\$24,075,507	\$340,779	\$548,721,395
2010	Historic	2	2,969	\$7,316	\$24,059,921	\$23,748,092	\$555,398	\$557,766,905
2009	Historic	3	3,043	\$7,316	\$24,709,105	\$24,857,396	\$243,572	\$570,544,568
2008	Historic	4	3,100	\$7,204	\$25,044,198	\$25,030,807	\$391,866	\$534,369,184
2007	Historic		3,172	\$7,085	\$25,017,670	\$25,648,399	\$378,479	\$508,632,540



BUILD A VISION BEFORE BUILDING A BUDGET - APPLICATION



To be sure, public engagement and strategic planning are important, but in a world of declining resources, the process must lead to prioritization, not proliferation, of needed changes driven by concise, unambiguous theory of action.

BUILD A VISION BEFORE BUILDING A BUDGET - APPLICATION

BUDGET DEVELOPMENT GOALS AND DECISION MAKING PARAMETERS

- Budget Development Goals:
 - Mission and Vision
 - Goals
- Decision Making Parameters:
 - Personnel
 - Professional Development
 - Supplies
 - Capital Outlay
 - Financial Integrity

3. ENGAGE AND ENLIST PRINCIPALS

- ...why do so few speak on behalf of the kids in need? A good part of the reason is that school leaders --- including principals ----aren't included in the budgeting process in a meaningful way.
- Principals have significant sway and clout with parents and teachers.
- School leaders are more likely to support a plan that has broad support from building leaders.

3. ENGAGE AND ENLIST PRINCIPALS

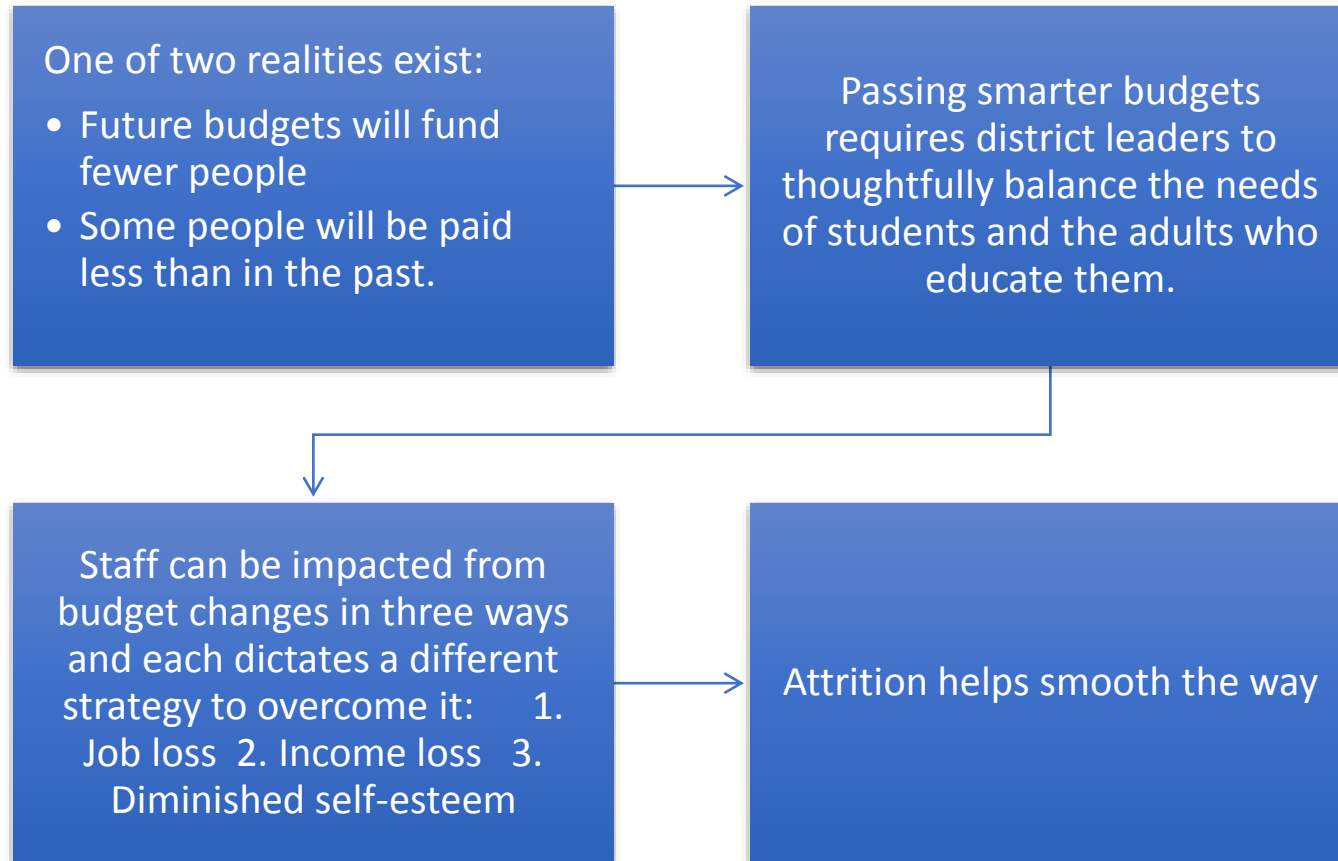
- Principals, of course, already have a role in budgeting, but in many districts it's passive and often at odds with creating effective, student-oriented budgets.
- Principals talk. They talk to teachers, parents, and school board members. What they say matters a great deal to a great many.

3. ENGAGE AND ENLIST PRINCIPALS

- To pass smart budgets----spending plans that raise achievement and support students' other needs--- active, sincere, impassioned support from principals is a must.
- **FORCE PRINCIPALS TO WRESTLE WITH THE TRADE-OFFS:** A simple Excel spreadsheet or paper worksheet can go a long way in helping principals grasp the size of shifts needed and build support for the student-centric changes.

3. ENGAGE AND ENLIST PRINCIPALS

- When additions are combined with the subtractions, it's easier for principals to engage in a passionate manner.
- RECRUIT AND HIRE PRINCIPALS WHO WILL MAKE TOUGH RESOURCE DECISIONS: The connection between human capital decisions and practices and spending money smartly is real, and perhaps too often overlooked....Using personality and value assessments in the hiring process might seem very unorthodox, but it is a well-established practice outside K-12.



4. TAKE STEPS TO MINIMIZE THE PAIN

APPLICATION – EXCEL NEGOTIATIONS SPREADSHEET HELPS STAKEHOLDERS UNDERSTAND THE RELATIONSHIP OF NUMBERS

ASSUMPTIONS 2018-19: Salary schedule rate freeze; Pay full steps; Off-schedule payment: \$45,000; Retirement rate of 25.56%; Cash stipend increase: No increase; 3.4% hard cap increase				2017-18 BASE YEAR COST	INCREASE (DECREASE)	2018-19 PROJ COST
SALARIES:						
CONTRACTUAL SALARIES				9,578,201	188,541	9,766,742
OFF SCHEDULE PAYMENTS					45,000	45,000
EXTRA DUTY (CONTRACTUAL)				416,953	-	416,953
EXTRA DUTY (HOURLY)				1.000	101,915	101,915
TOTAL SALARY				10,097,069	233,541	0.0 10,330,610
SALARY PERCENTAGE INCREASE					2.3%	
BENEFITS:						
HEALTH INSURANCE, DENTAL, VISION, etc.				2,221,806	68,428	2,290,234
CASH STIPEND				64,800	-	64,800
TUITION REIMBURSEMENT				18,074	-	18,074
RETIREMENT				0.2556 2,580,811	59,693	0.2556 2,640,504
RETIREMENT - Section 147c Rate Stabilization				0.1132 1,142,988	26,437	0.1132 1,169,425
WORKERS' COMPENSATION (.4%)				40,647	934	41,582
FICA 0.0765				777,383	17,866	795,249
TOTAL BENEFITS				6,846,510	173,358	7,019,867
TOTAL SALARY & BENEFIT COSTS				16,943,579	406,898	17,350,477
TOTAL PACKAGE PERCENTAGE INCREASE					2.4%	

5. WIN OVER SUPPORTERS THROUGH JOINT FACT FINDING

- A formal process of building shared understanding can end many budget fights before they start.
- ...many of the opponents have a different fact base, suggesting a particular change isn't needed, isn't legal, or has never worked.
- ...having those most impacted by the potential changes participate in the joint fact finding can help them more readily accept the results and their implications.

Win Over Supporters Through Joint Fact Finding - Application

- Track key performance indicators (KPI's) as a real-time form of fact finding.
- A methodical, dispassionate, and patient process of evaluating what's working, for which students, cost-effectively can help stakeholders understand why some changes in spending are being recommended....**start with a review of achievement and cost data.**

Win Over Supporters Through Joint Fact Finding - Application

- (At General Electric): As they formalized the review process, the culture started to shift. Ending something that wasn't needed or wasn't as successful as a similar effort became a sign of strength, now weakness.
- As they trimmed in one area, they freed up funds for other, more promising and successful efforts.
- Academic return on investment (A-ROI) – see Traverse City Area Public Schools article.

6. MAKE BOLD AND COMPREHENSIVE PLANS

- The better the budget is for students, the easier it is to pass.....if you can articulate why it is better
- Lessons learned:
 1. Veteran staff in many districts have seen lots of big ideas result in little benefit
 2. Effective implementation matters
 3. Be convincing that the idea will be implemented well
 4. Avoid the compromising trap – efforts to reduce pushback can make it less likely the effort will be implemented well

6. MAKE BOLD AND COMPREHENSIVE PLANS

- Four strategies to help convert opponents into strong supports:
 1. Acknowledge past shortcomings
 2. Build bold, comprehensive plans
 3. Pilot, measure, and expand
 4. Minimize “Big Idea” churn
 - a) Acknowledge past churn
 - b) Build off of existing efforts
 - c) Wait to finish what was already started
 - d) Look for an existing, worthwhile focus
 - e) Use sustainable funding sources (the effort ends when funds run out)

7. CRAFT MESSAGES THAT RESONATE WITH STAKEHOLDERS

- How you talk about spending decisions can sway or discourage support
- ...it's critical that district leaders actively and effectively build support not only *internally but externally with other key stakeholders, including the board, community, city and town officials, parents, teachers not directly impacted, administrators, and even students.*

7. CRAFT MESSAGES THAT RESONATE WITH STAKEHOLDERS

- From the outside looking in, the need for a very different approach to communicating with stakeholders seems significant.....There seems to be a disconnect between what others see and what districts observe when they look in the mirror.
- Create the right context: **It' about helping kids, not balancing the budget.**

7. CRAFT MESSAGES THAT RESONATE WITH STAKEHOLDERS

- ...when the budget is consistently discussed as the blueprint for helping students be successful, more stakeholders will be positively engaged and the reasons for swallowing some tough medicine are never absent from the discussion.
- Again, in practice this means budget PowerPoint presentations might have **fifteen slides outlining the district's teaching and learning plan, before the first financial figure is shared.**

7. CRAFT MESSAGES THAT RESONATE WITH STAKEHOLDERS

- The point is that what's typical in K-12 can seem unreasonable to others
- Central office spending is often the most visible barometer of frugality.
- **Creating multiyear budgets** is the norm in the private sector, but uncommon in K-12.
- Finally, **student enrollment is forecasted** as well
- The framing can appeal to the heart.

SJPS Application

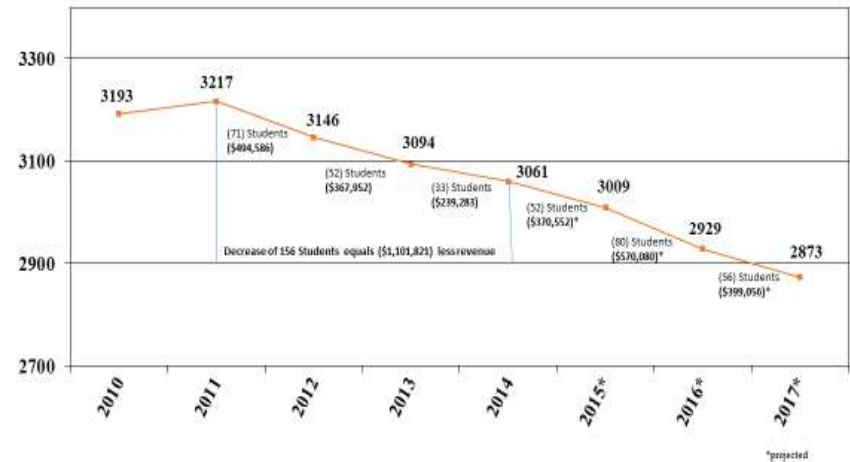
Presentations include LOTS of graphs and charts

Impact of Inflation

Purchasing Impact	July, 1994	July, 2013	% Increase
Gallon of Gas	\$1.11	\$3.59	223.4%
Gallon of Milk	\$2.29	\$3.45	50.7%
Price of a Stamp	\$0.29	\$0.46	58.6%
Per Pupil Foundation	\$5,145.94	\$7,076.00	37.5%

Inflation increase over past 20 years = 58.0%

ENROLLMENT HISTORY FALL COUNT – Updated for Fall 2014 Actual



Info shared on a regular basis with board & community:

- History is included as well as projections
- Enrollment information is constant

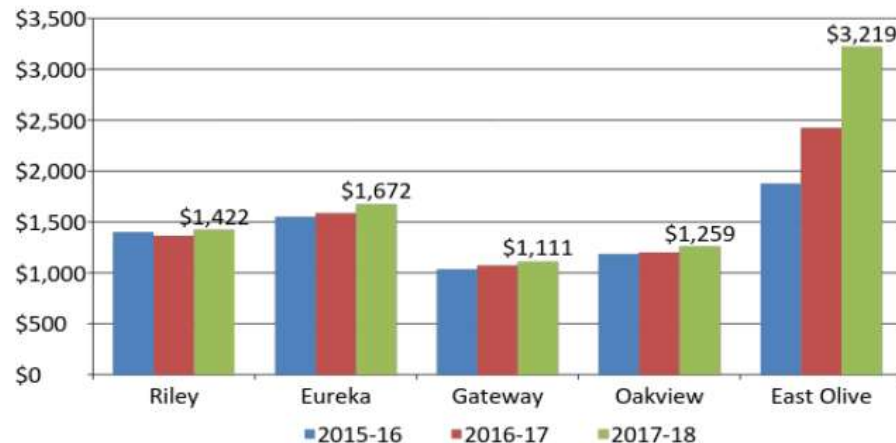
SJPS Application

Enrollment Trends – By Elementary Building



Enrollment trends dictated that we needed to close a building. We anticipated strong push back but these two slides made a big difference with parents.

Elementary Per Pupil Fixed Costs



Application: Craft Better Messages that Resonate with Stakeholders

Enrollment Projection

STANFRED CONSULTANTS Enrollment Projection Summary February 3, 2016 Projection Date

STANDARD UNIT LIMIT (X) 1.50

Using 1.5 Projection:

		Most Likely	Low	Plus Low (2)	Graded Alt Ed	Special Educatio	Fall Total
2014-15	Historical			3,243	49	146	3,438
2015-16	Historical			3,213	62	150	3,425
2016-17	Stanfred Projectio	3,234	3,163	3,210	62	150	3,422
2017-18	Stanfred Projectio	3,223	3,093	3,180	62	150	3,392
2018-19	Stanfred Projectio	3,215	3,034	3,155	62	150	3,367
2019-20	Stanfred Projectio	3,216	2,989	3,140	62	150	3,352
2020-21	Stanfred Projectio	3,230	2,961	3,140	62	150	3,352

SOURCES: STANFRED CONSULTANTS ENROLLMENT PROJECTION February 3, 2016; State Aid Financial Status Reports 1.20.2016 and 8.20.2015

Sources:

Red = Historical

Blue = Stanfred Consultants

Black=Stanfred Consultants plus historical alternative and special education

Grade by Grade Projection:	1.5 Projection	1.5 Projection	Recommended	Reported
	2016 Fall Most Likely	2016 Fall Low	2016 Fall Blend	Actual 2015 Fall
Grade K	283	273	280	269
Grade 1	231	223	228	272
Grade 2	269	266	268	258
Grade 3	253	249	252	262
Grade 4	265	262	264	257
Grade 5	256	251	254	267
Grade 6	268	262	266	232
Grade 7	235	231	234	258
Grade 8	259	257	258	227
Grade 9	229	223	227	242
Grade 10	236	229	234	247
Grade 11	233	227	231	238
Grade 12	217	210	215	188
TOTAL	3,234	3,163	3,210	3217

The above chart does not include Graded Alternative Education students, special education or part-time students.

Application: Craft Better Messages that Resonate with Stakeholders

1. AUDIENCE ANALYSIS

Values and attitude
Demographics - age, gender, lifestyle

2. SOURCE CREDIBILITY = Knowledge + Trustworthiness + Charisma

3. APPEAL TO SELF-INTEREST - People get involved in issues or positions that pay attention to their needs.

4. CLARITY OF MESSAGE - Persuasive messages are direct, simply expressed and contain only one primary idea.

5. TIMING AND CONTEXT - A message is more persuasive if environmental factors support the message or if the message is received within the context of other messages.

6. AUDIENCE PARTICIPATION - A change in attitude or reinforcement of beliefs is enhanced by audience involvement.

7. SUGGESTIONS FOR ACTION - People endorse ideas if they are accompanied by a proposed action.

8. CONTENT AND STRUCTURE OF MESSAGES - Messages are more persuasive if they use the following proven techniques:

- a) Drama
- b) Statistics
- c) Surveys and polls
- d) Examples
- e) Testimonials
- f) Endorsements
- g) Emotional appeals

9. PERSUASIVE SPEAKING - Charisma

Early positive messages inoculate individuals from negative attacks later in a career or campaign.

COST CENTER EXAMPLE - ABC ELEMENTARY EXAMPLE
FY 16-17 Budget

Description	YTD Budget
Salaries	\$ 820,154
Benefits	\$ 576,155
Total Salaries & Benefits	\$ 1,396,309
Other Expenses	
All Other Purchased Services	\$ 221
Edustaff Subs	\$ 18,609
Telephone, Water & Sewer, Waste	\$ 10,241
Equip Repair	\$ 500
All Other Repairs and Maintenance	\$ 11,256
Total Services	\$ 40,827
Supplies and Nondepreciation Equip	
Supplies	\$ 6,664
Heating & Electricity	\$ 20,444
Custodian/Maintenance Supplies	\$ 13,146
Total Supplies & Non Depr. Equip.	\$ 40,254
Total Budget and Actual	\$ 1,477,390
Per Pupil Cost to Run Building	\$ 6,208

Fulltime Equivalent Students	
Kindergarten	70
1st Grade	77
2nd Grade	91
Total FTE	238

Pupil Teacher Ratio w/ SPED 21.6
Pupil Teacher Ratio w/o SPED

Supplies Allocation	\$ 6,664
Per student supply allocation	\$ 28

CRAFT MESSAGES THAT RESONATE WITH STAKEHOLDERS - APPLICATION

Employee Name	FTE	Union Name	Job Title
Administration			
Name	1.0	001 ADMINISTRATORS	ELEMENTARY PRINCIPAL
Secretary			
Name	1.0	012 SECRETARIES	SECY - PROGRAM/FAC 10 MO
Support Staff			
Name	1.0	008 NOON HOUR	NOON HOUR SUPERVISOR
Name	1.0	008 NOON HOUR	NOON HOUR SUPERVISOR
Name	1.0	008 NOON HOUR	NOON HOUR SUPERVISOR
Maintenance and Operations			
Name	1.0	009 MAINTENANCE	ENGINEER
Name	1.0	009 MAINTENANCE	FIREMAN
Teachers			
Teacher 1	1.0	015 TEACHERS	GRADE 2
Teacher 2	0.6	015 TEACHERS	ENRICHMENT GRADE K - 5
Teacher 2	1.0	015 TEACHERS	GRADE 2
Teacher 4	1.0	015 TEACHERS	KINDERGARTEN
Teacher 5	1.0	015 TEACHERS	KINDERGARTEN
Teacher 6	0.4	015 TEACHERS	ART GRADE K - 5
Teacher 7	1.0	015 TEACHERS	GRADE 1
Teacher 8	1.0	015 TEACHERS	GRADE 1
Teacher 9	0.4	015 TEACHERS	MUSIC GRADE K - 5
Teacher 10	1.0	015 TEACHERS	GRADE 2
Teacher 11	0.6	015 TEACHERS	PHYS ED GRADE K - 5
Teacher 12	1.0	015 TEACHERS	GRADE 1
Teacher 13	1.0	015 TEACHERS	GRADE 2

11.0

8. Get the Message Out to All Supporters and Potential Supporters

- Transparency, stakeholder engagement, and public input are the holy trinity of budget communications.....
- Four groups:
 1. Friends
 2. Undecided
 3. Adversaries
 4. Uninterested
- It's best to concentrate communication efforts on the “engaged but undecided” group.

8. Get the Message Out to All Supporters and Potential Supporters

- Trust—not just logic, charts, or graphs—can carry the day.
- View principals as key influencers and potential public spokespersons.
- Regardless of who delivers the budget message, it helps to share the tough choices, not just the final recommendations.
- Avoid jargon at all costs.

8. Get the Message Out to All Supporters and Potential Supporters

- It's hard to understand how little many budgets communicate.....lots of numbers, little information, and even less understanding.
- Speak to people about what they care about.

Get the Message Out to All Supporters and Potential Supporters – APPLICATION



VISION STATEMENT

To accomplish our mission we will create a collaborative, high-performing, safe learning environment that is integrated with our communities and focused on preparing students for global citizenship.

MISSION STATEMENT

It is the mission of the Lansing School District to provide educational excellence in a safe and nurturing environment for all students.

WE BELIEVE...

- All students and their families deserve a quality education.
- Staff, students, families and Lansing communities can contribute and learn from each other.
- The needs of our students are our priority.
- Learning occurs best when students are in a safe environment.
- Diversity is our strength.
- Relationships are based on respect for self and others, mutual trust and teamwork.
- Learning is essential for success in a global society.
- The Lansing School District is committed to its responsibility to deliver a quality education for career and college readiness.

STRATEGIC PLAN SUMMARY [2014-2019]

STUDENT ACHIEVEMENT COMMUNITY OUTREACH LEARNING ENVIRONMENT

STUDENT ACHIEVEMENT
All students will achieve or exceed state performance targets and graduate career and college ready.

COMMUNITY OUTREACH
The district will maintain and grow strong relationships with greater Lansing's diverse communities, agencies, organizations, and businesses.

LEARNING ENVIRONMENT
The district will provide a safe and nurturing learning environment.

- OBJECTIVES:**
- Increase student achievement proficiency and on-time graduation rates
 - Improve data-driven instruction by regularly utilizing various sources, including iCollaborate, student and behavioral data
 - Create district wide coherence and improve student learning by implementing curriculum pacing guides and formative assessments
 - Identify and implement models and partnerships that will increase students' engagement in career preparation
- OBJECTIVES:**
- Explore and expand opportunities for the greater Lansing community to engage with the district
 - Improve communication with Lansing's diverse communities, including translation into a other languages
 - Explore and expand opportunities for grants, donations, and partnerships in order to increase learning options for students
 - Explore and identify approaches that will significantly increase positive family engagement
- OBJECTIVES:**
- Identify and adopt models for improving school climate and culture that include professional learning and problem-solving approaches
 - Implement programs and protocols that will significantly reduce behavior referrals and out-of-school suspensions
 - Implement programs, policies, and protocols that will significantly improve district morale and community perception of the district
 - Implement behavior prevention, intervention, and supports in all schools

SUPPORT SYSTEMS FINANCE

SUPPORT SYSTEMS
The district will identify, improve and implement effective and efficient support systems.

FINANCE
The district will monitor and adjust resources in order to maintain and improve financial stability.

- OBJECTIVES:**
- Complete a successful bond campaign in order to improve and reconfigure the district's facilities and provide students with 21st Century learning environments
 - Update and/or replace outdated technology in order to provide students and staff with 21st Century learning tools
 - Develop and implement rewards and consequences in order to reduce staff absenteeism
 - Maximize personnel resources by maximizing staffing efficiencies in all departments
- OBJECTIVES:**
- Update district infrastructure by implementing technology solutions to improve efficiencies in finance, human resources, and student information management systems
 - Develop and implement strategies for increasing student enrollment
 - Identify and implement strategies that will increase the district's fund balance

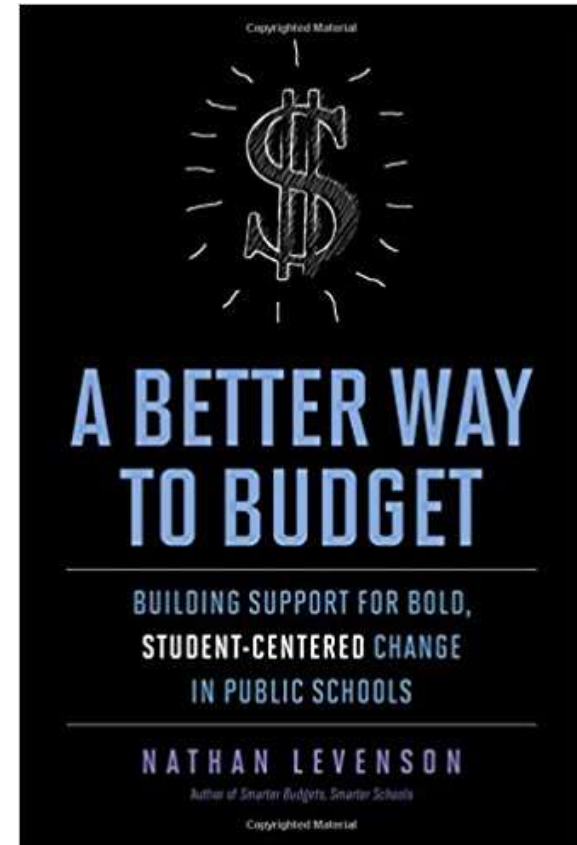
BOARD OF EDUCATION
Peter Spadafore, President
Myra Ford, Vice-President
Rachel Lewis, Secretary
Shirley Rodgers, Treasurer

Nicole Ambruster, Trustee
Amy Hodgin, Trustee
Guillermo Z. López, Trustee
Dr. Nino Rodriguez, Trustee

SUPERINTENDENT
Yvonne Caamal Canul

REASON TO BE OPTIMISTIC

- Despite tight resources districts can find the new programs, services, and staffing they need.
- Because resources are tight districts will be more likely to fund more effective programs, services, and staffing





Recommended Budget System

- Proactive, transparent, and collaborative budgeting
- User friendly data
- Cost centers
- Focus on monthly financial statements
- Budget development timeline

Zero-Base Budget

- Involve stakeholders
- Budget amounts must be annually justified
- Assess costs while weighing benefits
- Various levels of service are presented so final decisions can be made in reaching balanced budget



Traditional Budgeting

Zero-Base Budgeting

Starts with existing base
(Rollover)

Starts with “clean slate”

Examines cost / benefits for
NEW activities

Examines cost / benefits for
ALL activities

Does not examine new ways
of operating as a part of the
budget process

Explicitly examines new
approaches

Results in a “take it or leave
it” budget approach

Results in a choice of
several levels of service and
cost

Your View and Feedback

How similar are the budget concepts presented today to the practices used in your district? Which concepts would you like to adopt?



Sustainability

toolbox sustainability

District status of financial health

- **Trajectory**
- **Why have a fund balance?**
- **What is appropriate?**
- **Early Warning Law**

Reasons for Fund Balance

- *Provides stability and sustainability in a highly volatile school funding climate*
- *Helps cover unexpected expenses such as higher utility bills, unanticipated building maintenance, and one-time costs*
- *Serves as a hedge to temporarily offset unplanned student enrollment loss*
- *Allows districts to pay bills , including payroll, until the first state aid payment is received in late October*

Reasons for Fund Balance

- *Helps to offset ordinary budget variances that occur in the normal course of business*
- *Provides cash to pay for up front state and federal grant expenditures, primarily payroll, that are reimbursed after the fact*
- *General fund reserves help boost bond ratings and lower related borrowing costs*

What is appropriate?

- **Michigan School Business Officials recommends carrying a 15 to 20 percent fund balance while**
- **GFOA recommends no less than 2 months of operating expense in reserve, or the equivalent of a 16 percent reserve. GFOA recommends a formal board policy on fund balance be adopted.**



Budget Forecasting

ABC Public Schools LONG RANGE FINANCIAL PROJECTION March 2016

CURRENT TRAJECTORY

STATED IN MILLIONS

	AUDITED 2014-15 ACTUAL	% INC (DECR)	AMENDMENT # 2015-16 BUDGET	% INC (DECR)	2016-17 PROJ	% INC (DECR)	2017-18 PROJ	% INC (DECR)	2018-19 PROJ
REVENUES	\$33.0	0.2%	\$33.1	2.5%	\$33.9	-0.7%	\$33.6	-0.6%	\$33.5
EXPENDITURES	\$32.4	4.5%	\$33.9	4.1%	\$35.2	1.0%	\$35.6	1.0%	\$36.0
PROJ SURPLUS (SHORTFALL)	\$0.6		(\$0.8)		(\$1.4)		(\$2.0)		(\$2.5)
Surplus (Shortfall) Percentage	1.8%		-2.4%		-3.9%		-5.5%		-6.9%
JUNE 30 PROJ FUND BALANCE	\$4.2		\$3.4		\$2.1		\$0.1		(\$2.4)

This financial projection is based on early assumptions which are subject to change as new information becomes available. The changes could result in material alteration to the trajectory presented.

Why Forecast?



Long-term financial planning combines forecasting with strategizing. It is a highly collaborative process that considers future scenarios and helps governments navigate challenges. Long-term financial planning works best as a part of an overall strategic plan.

In the words of a
superintendent

Established a true sense of
pattern of finance

Opened up avenues of
dialogue with administration
and the union

Gave confidence to our Board
of Education

Created a tool that is more
reliable when building budgets
and making assumptions

Early Warning Law

- Signed by governor July 1, 2015
- Provides option for ISD oversight of local district or PSA finances
- Budgetary assumptions must be reported by July 7 for any district without a positive fund balance of at least 5% for the two most recent school fiscal years
- Allows for withholding of certain payments
- Emergency manager appointment option by Treasury instead of State Superintendent

Early Warning Legislation MCL 380.1219

Assessing Financial Health

- 1. Financial Practices (Uniform Budgeting and Actg Act, Bud Variance, Amendments)**
- 2. Comparative staffing, wages, and benefit costs with other districts**
- 3. School building student capacity utilization**
- 4. Comparative non-instructional costs**
- 5. Enrollment projection methods**

Early Warning Legislation MCL 380.1219

Assessing Financial Health

- 6. Deferred maintenance and capital investment needs**
- 7. Substitute costs, workers comp, unemployment, insurance**
- 8. Pupil transportation costs / routing**
- 9. Bargaining agreement costs current and future**

<http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-2-of-1968.pdf>

Uniform Budgeting and Accounting Act PA 621 of 1978 Formerly Act 2 of 1968

Uniform Budgeting and Accounting Act

- 14.422b **Definitions:** Chief administrative officer means.....the superintendent of an intermediate school district
- 141.428 **Contents of audit report.....**(c) **Disclose any material deviations** by the local unit from generally accepted accounting practices or from applicable rules and regulations or any state department or agency.....(d) **Disclose any fiscal irregularities**, including but not limited to any deviations from the requirements of section 4; defalcations; misfeasance; nonfeasance; or malfeasance that came to the auditor's attention.

Uniform Budgeting and Accounting Act

- 141.434 **Budget; preparation, presentation, and control of expenditures;**.....Sec 14(1) Unless otherwise provided by law, charter, resolution, or ordinance, the **chief administrative officer** shall have final responsibility for budget preparation, presentation of the budget to the legislative body, and the control of expenditures under the budget and the general appropriations act.

Uniform Budgeting and Accounting Act

- 141.437 **General appropriations act; amendment; reports; recommendations.....**Subject to section 16(2), the legislative body of the local unit shall **amend the general appropriations act as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined.**

Uniform Budgeting and Accounting Act

- **141.439 Expenditure of funds; transfers within appropriations.....**Sec 19. (1) A member of the legislative body, the chief administrative officer, or an employee of a local unit **shall not authorize or participate in the expenditure of funds except as authorized by a general appropriations act.** An expenditure shall not be incurred except in pursuance of the authority and appropriations of the legislative body of the local unit.

Uniform Budgeting and Accounting Act

- **141.438 Incurring debts or obligations;.....Sec 18. (1) A member of the legislative body, chief administrative officer, administrative officer, or employee of the local unit shall not create a debt or incur a financial obligation on behalf of the local unit unless the debt or obligation is permitted by law.**

Legislation Affecting Schools



Growing Legal and Regulatory Demands - FINANCE

- ORS
- HSA's
- Early audit due date
- Federal and state grant reporting
- Sections 457 and 403b
- State aid borrowing
- FID
- REP
- CEPI
- Early warning
- Collective bargaining
- SKE necessary to prepare financials

**Growing Legal
and Regulatory
Demands –
HUMAN
RESOURCES**

- ORS
- HSA's
- Sections 457
and 403b
- REP
- Collective
bargaining
- PA 300
- COBRA
- ACA
- Section 125
plans
- FMLA
- PA 106 of
2007
- PA 152 of
2011
- PWFBA MCL
403.47
- Educator
evaluations

Office Redesign Issues

- New leadership role
- Growing legal / regulatory demands
- Levels of engagement
- Fiscal distress from staffing issues
- Case studies: Office design by district size
- ISD business outsourcing
- Expectations / qualifications / process
- Talent acquisition and pre-employment assessments

NEW CFO LEADERSHIP NEEDS

- Effectively deal with the **people side of change management**
- Boards are increasingly **looking to CFO to participate, if not drive, corporate strategy** development
- **Communicate** financial information to **non-accountants**
- **TRUST** is to prerequisite for principled, effective leadership

Source: MICPA CFO Series; 2018

NEW CFO LEADERSHIP NEEDS MICPA 2018 CURRICULUM

- Essential Skills
- Driving and Managing Progress
- Leading with Integrity
- Working with or Serving on a Board
- Performance, Practice and Prevention

Source: MICPA CFO Training Series 2018

THE NEW CFO

- More operational roles
- Take the lead in identifying new metrics
- Embrace automation
- Spend less time on transactional side
- Harness zero-base budgeting to reduce costs
- Business partnering focus
- Define your role.....don't wait for someone else to do it

CFO's-In-Waiting: What Got You Here Won't Get You There; Karen del Torre

THE CASE FOR TRUSTED LEADERS

Finance professional qualities needed:

- **Understand** the financial and operational drivers of success
- **Reliable**
- **Technically competent**
- Capable of providing **business insight**
- **Communicate precisely what has and will likely happen**

THE CASE FOR TRUSTED LEADERS

- **Help drive decisions** that lead in the right direction at the right time
- It takes the **right attitude** – one that focuses on learning new skills and going beyond the task at hand to make the business successful
- Capable of **working up and down the hierarchy**, and comfortable dealing with opposing, and often conflicting, ideas
- Trusted leaders must **not be afraid to lead**

Source: The Business Edge; David Elrod, CMA, CPA; Geoff Norby, CMA, CFM; June 28, 2013

Ten Tips from the People on How to be a Winning Administrator

Have a vision	Develop broad horizons and deep perspective
Be competent	Be organized
Think service, inside and outside	Anticipate
Play defense and offense	Champion children
Know what's happening in the schools	Keep asking how your work is helping students achieve

Harvard Business Essentials — Managing Change and Transition

- General Questions:
 1. What is it that we do that creates value for other people?
 2. What networking opportunities can be developed or strengthened?

School Business

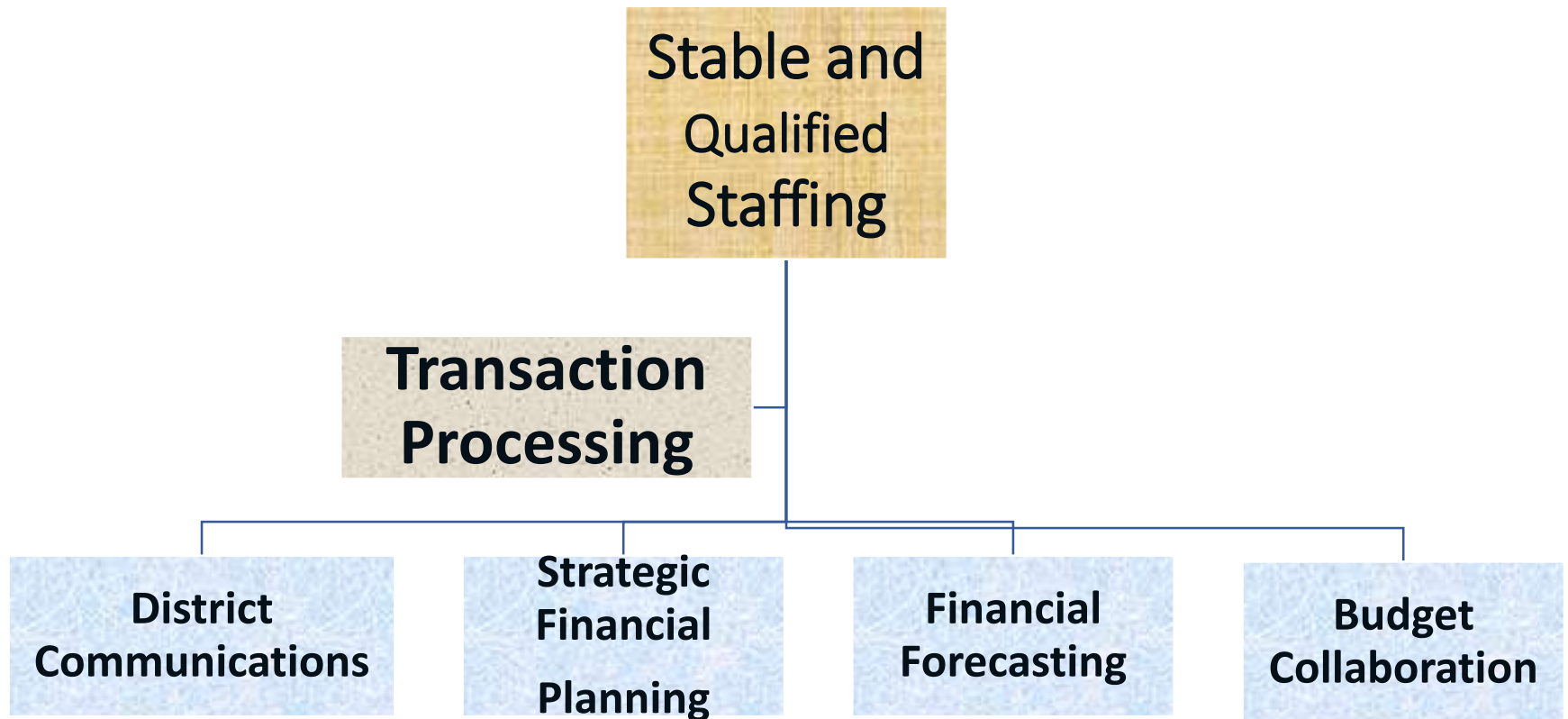
Finance



Human Resources



Business Office Levels of Engagement Statewide





Fiscal Distress from Staffing Issues

Stories from the Field

Your View and Feedback

In your role as a school leader, what are the critical skills you desire the most in your finance and HR leadership?



Business Office Staffing, Structure, and Expectations



Unsustainable Finance Office Staffing Levels

	District A	District B	District C
Students	1,980	2,473	6,651
FTE	1.5	3.0	4.0

Successful Staffing Structure for 2,500 to 3,500 Student Districts

Chief Financial Accountant (BA degree in accounting)	1 FTE
Accountant (BA degree in accounting)	1 FTE
Payroll Accountant (min Associates Degree, BA in accounting preferred)	1 FTE
Accounts payable / Receivables / Purchasing (Associates Degree)	1 FTE
Human Resources Specialist (BA Degree or Contracted)	1 FTE
Facilities Supervisor	1 FTE
Transportation Supervisor	1 FTE

**Benchmark: Fiscal Services 2016-17 (Function 252)
statewide average cost was \$137 per pupil**

Case Study



DISTRICT A

Enrollment	150 students
2016-17 Gen Fund Expend	\$3.5 million
Finance Staffing	1.2 FTE
Human Resource Staffing	1 FTE - Supt / CFO
Per Pupil Business Office Cost 2015-16 (Eidex)	\$501 / pupil
Bus / Admin State Rank (Bulletin 1014 2015-16)	NA
Fund Balance % June 30, 2017	14%

District A – Recommended Finance / HR Staffing

FINANCE	HUMAN RESOURCES / CFO
1 FTE -District Clerk	1 FTE - Superintendent
.2 FTE Payroll Backup	

Case Study



DISTRICT B

Enrollment	1,000 students
2016-17 Gen Fund Expend	\$10.6 million
Finance Staffing	2.5 FTE
Human Resource Staffing	.5 FTE
Per Pupil Business Office Cost 2015-16 (Eidex)	\$228 / pupil
Bus / Admin State Rank (Bulletin 1014 2015-16)	\$1,400 / State Rank 422
Fund Balance % June 30, 2017	8.4%

District B – Recommended Finance / HR Staffing

FINANCE	HUMAN RESOURCES
1 FTE CFO	.5 FTE HR Supr
.5 FTE Acts Pay	
.5 FTE Payroll	

Case Study



DISTRICT C

Enrollment	2,500 students
2016-17 Gen Fund Expend	\$25 million
Finance Staffing	3 FTE
Human Resource Staffing	None
Per Pupil Business Office Cost 2015-16 (Eidex)	\$115 / pupil
Bus / Admin State Rank (Bulletin 1014 2015-16)	\$1,068 / State Rank 692
Fund Balance % June 30, 2017	17.5 %

District C – Recommended Finance / HR Staffing

FINANCE	HUMAN RESOURCES
1 FTE CFO	1 FTE Specialist
1 FTE Accountant	
1 FTE Payroll	
1 FTE AP / AR / Purchasing	

Case Study



DISTRICT D

Enrollment	7,000 students
2016-17 Gen Fund Expend	\$67 million
Finance Staffing	6.0 FTE
Human Resource Staffing	2.0 FTE
Per Pupil Business Office Cost 2016-17 (Eidex)	\$96 / student
Bus / Admin State Rank (Bulletin 1014 2015-16)	\$1,069 / State Rank 689
Fund Balance % June 30, 2017	14.7 %

District D – ACTUAL Finance / HR Staffing

FINANCE	HUMAN RESOURCES
1 FTE Supt of Finance	1 FTE Exec Dir Labor Relations / Personnel
1 FTE Dir of Finance	1 FTE Secretary
1 FTE Payroll	
3 FTE AP / AR / Purchasing	

Case Study



DISTRICT E

Enrollment	15,000 students
2016-17 Gen Fund Expend	\$159 million
Finance Staffing	11 FTE
Human Resource Staffing	10 FTE
Per Pupil Business Office Cost 2015-16 (Eidex)	\$104 / pupil
Bus / Admin State Rank (Bulletin 1014 2015-16)	\$1,156 / State Rank 609
Fund Balance % June 30, 2017	6%

District E – ACTUAL Finance / HR Staffing

FINANCE	HUMAN RESOURCES
1 FTE CFO	1 FTE Human Resources Officer
3 FTE Admin: Budget, Accounting, Fiscal Services	1 FTE HR Manager
3 FTE Payroll	1 FTE HR Specialist
4 FTE AP / AR / Purchasing	7 FTE Coordinator, Clerks, Secretaries

Business Office Primary Responsibilities

Effective 11.1.2017

<p>Chief Financial Officer</p> <ul style="list-style-type: none"> Administer business services, nutrition services, operations and maintenance and transportation Support superintendent / board functions Develop credibility of budgets, financial reports Direct fiscal operations within budget and legal / accounting practices Policy and procedures development and enforcement Optimize bank & deposit relationships/cash position Strategic partner supporting superintendent / board goals Make recommendations regarding district services Liaison with human resources department Budget development, administration and LR fin planning Other duties as assigned 	<p>Dir of Budget and Finance</p> <ul style="list-style-type: none"> Direct budgeting, payroll, and investment activities Develop and maintain annual budget Monitor fund balances of assigned programs Ensure expenses are within budget and/or fiscal practices are followed Provide long range projections of operational budgets Assist with external audits Ensure accurate and timely processing and / or reporting Review personnel clearance forms Supervise, develop and oversee district investment portfolio Other duties as assigned 	<p>Chief Financial Officer</p> <ul style="list-style-type: none"> Coordinates accounting, payroll, and bookkeeping personnel Prepare financial statements Coordinate annual audit Monitors and projects cash flow Directs and monitors Federal and state grant accounting Manages accounting activities including AS400 and KRONOS Performs complex accounting work Prepare Medicaid, FID, etc., reports Prepare yearend financial statements Review and approve monthly cash receipts, bank recs, and journal entries Other duties as assigned 	<p>Director of Fiscal Services</p> <ul style="list-style-type: none"> Oversees purchasing, accounts payable, internal auditing, property control Administer purchasing and purchase card prog Monitor internal controls Directs risk management program Millage calculation and property tax reconciling Oversees non-instructional capital budget expenditures and projects (bond issue) Oversees Operation, Transportation, and Nutrition Services budget and fin reporting Oversees district leases Other duties as assigned
<p>Administrative Asst to CFO</p> <ul style="list-style-type: none"> Provides secretarial duties to support assigned administrative personnel Assists personnel in preparing annual financial reports Coordinates a variety of programs and activities (e.g. meetings, inservice, workshops) Oversees and directs computerization of actg records Oversees various files (e.g. vendor, bids, contract, construction, PO's) Performs accounting functions (e.g. account reconciliation, internal audits, internal control reviews) Other duties as assigned 	<p>Business Office Bookkeeper</p> <ul style="list-style-type: none"> Provides accounting and secretarial support Deposits checks and cash in bank Set up and maintain web stores Review internal accounts for proper ASN Journal entries Training Other duties as assigned 	<p>Accounts Systems Analyst</p> <ul style="list-style-type: none"> Ensues the efficient and accurate processing and reporting of payments Coordinates and assists other AP clerks Coordinates purchase card program Maintains supporting disbursements documentation Monitors district cash position Review and post ACH debits to AS400 Other duties as assigned 	<p>Central Office Secretary - Accounting</p> <ul style="list-style-type: none"> Ensure accurate and timely disbursements Process payments, research discrepancies Process incoming mail Provide information for vendors Maintain a variety of fiscal information, files and records (e.g. accounts payable, contracts, etc.) Reconcile account and purchase order balances Keep invoices current on AS400 system Provide backup, as needed, to the Accounts Systems Analyst and others Other duties as assigned
<p>Payroll Coordinator</p> <ul style="list-style-type: none"> Coordinating the accuracy and compliance of all payroll systems with financial, legal, and administrative requirements Assist and coordinate payroll personnel Coordinate and prepare reports (e.g. 941, state retirement, etc.) Coordinate biweekly payroll Develop and plan future payroll calendars Maintain a wide variety of payroll information, files and records Ensure accurate reporting of ORS wages and hours Monitor Kronos authorizations 	<p>Payroll Clerk</p> <ul style="list-style-type: none"> Ensure employees are paid per the directives of the HR department Review employee and EDUSTAFF employee data Coordinate flow of information between HR and payroll (e.g. REP, FID, changers of employment) Create and maintain electronic spreadsheet for accurate and current annual contract calculations Coordinate 403(b) and 457 deferred compensation Work with KRONOS for time worked / docking ORS final payroll detail Employee inquires Process changes of employment Other duties as assigned 	<p>Payroll Specialist</p> <ul style="list-style-type: none"> Review and maintain accurately coded payroll program and fund distributions Review employee and EDUSTAFF employee data Coordinate flow of information between HR and payroll (e.g. REP, FID, changers of employment) Create and maintain electronic spreadsheet for accurate and current annual contract calculations Coordinate 403(b) and 457 deferred compensation Work with KRONOS for time worked / docking ORS final payroll detail Other duties as assigned 	

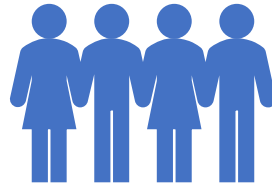
Human Resources Department Primary Responsibilities

Effective 1/3/17

<p>HR Manager</p> <ul style="list-style-type: none"> Daily Supervision of HR Staff/Operations Grievances (all groups) Board Resolutions HR Board Policies State and Local Reports REP District Audits/Compliance Labor Intakes Bump/Bid/Placement Timesheets Department Budget Reimbursements Schedule B Processing Coaching Contracts Overages Seniority – 1815 Recalls/Layoff Notices Staffing Non-comp LOA Subpoena Requests HR Document Depot Forms CEO 189's – Outside District Job Descriptions HR Department POs Name/Address Changes Overages Payment Processing 	<p>Training and Evaluation Coordinator</p> <ul style="list-style-type: none"> Professional Development/Training Certifications WEA/WAA Stages/Employee Evaluations KALPA Employee Set Up Highly Qualified Mentor Program New Teacher In-Service GCN Administrator Tenure Initial Evaluation Student Teacher Placement Retirement Liaison Loan Forgiveness/ Teacher Work Experience CDL/DOT/Pesticide Cert Renewals Proficiency Testing AppliTrack System Administrator External Postings/Recruitment New Hire Processing/Processes/ Documentation Degree Change Evaluation ACA Reporting 	<p>Employment and Compensation Coordinator</p> <ul style="list-style-type: none"> Internal Postings/Bids Employment Contracts – all groups Employee/Contract Rollover Seniority Tracking (all groups except 1815) Changes of Employment Employee Tracking Compensation Kronos System Administrator Tenure Tracking 	<p>Human Resources Specialist</p> <ul style="list-style-type: none"> Benefits – WEA, WAA, Central Office Admin., Administrative Assts. Retiree Annual Reimbursement – WEA, WAA, Central Office Admin., Admin. Assts. Worker's Compensation – Authorizations, Claim Filing, Reporting & Yearly Audit – All Groups OSHA Employee Assistance Program Bereavement Notices 3rd Party Benefit Billing ID Badges (Replacement) COBRA – WEA, WAA, Central Office 	<p>Department Secretary</p> <ul style="list-style-type: none"> Kronos District Support and Attendance Attendance (all groups except 1346) AESOP Back Up Jury Duty Dockings/Concessions Sick/Vacation Balances Morning Reception Coverage Union Business Tracking
	<p>Human Resources Clerk</p> <ul style="list-style-type: none"> Switchboard Mail Distribution Criminal Background Checks Direct Visitors to Proper Offices 189s – New Hires (send, receive, track) Postage Machine Copier Repair Calls for Cen Off Scanning VOEs GCNs – District Support Unemployment 	<p>Human Resource Clerk</p> <ul style="list-style-type: none"> Applicant Tracking New Hire Processing Ventures Scheduling/File Maintenance Employment File Processing Scanning ID Badges(New Hires and COEs) HR Phone Line Reception Coverage for Lunch Fingerprints Proficiency Testing Support 	<p>Employee Benefits Secretary</p> <ul style="list-style-type: none"> Short Term Disability – All Groups Long Term Disability – All Groups District Central Bank - WEA Benefits – 1815, 1346, Non-Union FMLA Retiree Annual Reimbursement – 1815 & 1346 COBRA – 1815, 1346, Non-Union 	<p>Substitute Systems Clerk</p> <ul style="list-style-type: none"> AESOP – All Functions Substitute Exclusion Forms Peakload Forms Conference Forms – 1815/1346 Annual Renewal for Substitutes Latchkey Coverage for Intersession CEO Scanning Substitute Orientation/ Processing/Scheduling Building Substitutes Edustaff Liaison Attendance Back Up Substitute Custodian Processing

Business Service Models

126



- Local Traditional
- Charlevoix-Emmet ISD— provides all level of business office financial services for districts of 2,000 or fewer students
- Modules

Sources: Charlevoix-Emmet ISD
Superintendent Jeff Crouse

Best Practices for Shared Services: Char-Em ISD

Keys to success:

- 100% support from Superintendents and Boards of Education in each districts
- Pay people the right wage rate for the right type of work
- Replace either retiring individuals or existing vacancies

Best Practices for Shared Services: Char-Em ISD

Keys to success:

- Create clear contracts (shared service agreements) that outline the distinct responsibilities of both parties
- Develop contracts with flexibility and revisit annually
- **Staffing is key:** highly qualified individuals; some may be assigned part-time roles
- Employ a common software platform

Best Practices for Shared Services: Char-Em ISD

Advantages:

- “Instant” access to 13.5 finance office individuals with varying expertise and specialties
- Every function has a trained back-up person for emergencies or even vacations, thereby providing a natural replacement training system

Best Practices for Shared Services: Char-Em ISD

Advantages:

- Mix of part-time and full-time employees offers “extra” capacity during busy times of the year, and limits “idle” time during the rare slow times
- Accountants can see opportunity for advancement from within the operation

Best Practices for Shared Services: Char-Em ISD

Advantages:

- Professional development and other benefit opportunities are available through the ISD
- Smaller “D” size schools have access to multiple MBA/CFO/CPAs that they couldn’t normally “afford” to hire

Best Practices for Shared Services: Char-Em ISD

Advantages:

- Bidding process for school supplies, audit services, custodial services, energy procurement, and other purchases are streamlined
- Access to human resource services such as employee discipline, 403b/457 investing, or retirement counseling

Best Practices for Shared Services: Char-Em ISD

Advantages:

- In the Char-Em ISD formula, the districts have realized a direct financial savings on the cost of the service versus employing their own staff
- Vendors have one stop shopping, so they aren't interrupting us 13 separate times. They have one point of contact for all 13 districts

Best Practices for Shared Services: Char-Em ISD

Business Management Services

- Monthly reports
 - Balance sheet
 - Revenue reports
 - Expenditure reports
 - Program reports
 - Cash flow
 - Board reports

Best Practices for Shared Services: Char-Em ISD

Business Management Services

- Input budget data
- Assist in budget preparation/amendments
- Audit preparation
- Prepare state reports
- Monthly billings for federal grants
- Annual reports for federal grants
- Manage the various liability insurance programs

Best Practices for Shared Services: Char-Em ISD

Accounts Receivable

- Investment/transfers
- Bank reconciliation
- Input cash receipts

Accounts Payable

- Input invoices/prepare vendor checks
- Issue 1099's
- Automatic payment of bills

Best Practices for Shared Services: Char-Em ISD

Payroll

- Compute contract changes
- Input payroll contract changes
- Verify/input time cards
- Input attendance data
- Prepare/print checks/direct deposits
- Prepare/print payroll related reports
- Input/prepare payroll liability checks

Best Practices for Shared Services: Char-Em ISD

Payroll

- Quarterly/annual reports (941, MPSERS, MESC, etc.)
- Electronic tax transmittals
- W-2's
- Unemployment claim forms
- Verification of employment forms
- Maintain personnel/payroll files
- Provide required information for the REP report to local district

Office Redesign Process

- Establish office service vision
- Define SKE needs
- Each employee completes Job Self-Analysis Questionnaire
- Review past performance appraisals
- Rewrite outdated job descriptions with legal review
- Issue new job descriptions
- Provide training
- Evaluate annually





Essential Tenets for Sustainability

1. Develop a Proactive Financial Leadership Team
2. Properly Staff and Train Business Services Employees
3. Define our Challenges
4. Establish Fiscal Sustainability Goals
5. Adopt Successful Governance Models
6. Install Best Business Practices for Finance and Operations

What Your Business Official Needs From the Superintendent and Board

- Understanding of staffing needs
- Public acknowledgment of business office success and financial credibility
- Appreciation for the value of accurate reporting
- Understanding the relationship of numbers
- A partnership
- Collaboration
- Space to do a job well



Business Office Expectations

- Develop and maintain metrics for big picture understanding and decision making
- Inform leadership of likely CONSEQUENCES for courses of action
- **Proactively** educate entire organization on long-range financial forecasting dynamics
- Provide **real-time** monthly reporting information of BUDGET versus ACTUAL

Business Office Expectations

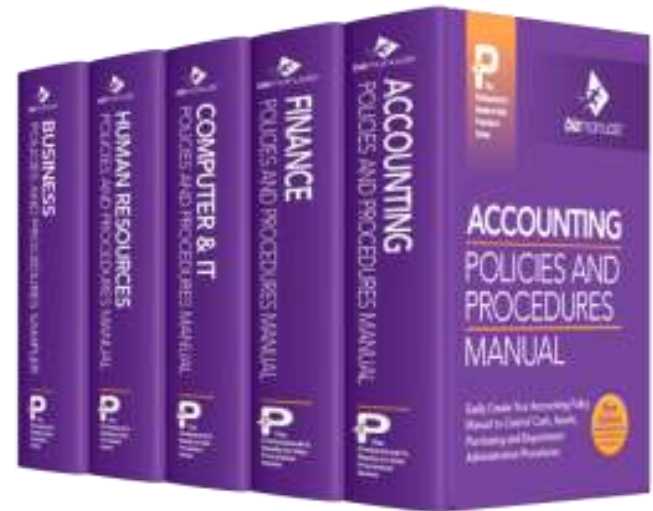
- CREDIBILITY and TRUST are our greatest assets
- Strive for minimal budget variance from actual
- Invite participation in budget process
- Serve as district financial representative for employee contract negotiations
- Serve not only as a historian, but as an *insightful leader* practicing collaboration

Recommended Staffing Considerations

- Skills, Knowledge and Experience (SKE) for CFO
- Accounting degree required for CFO
- Associates degree or higher required for other business positions
- Mid-size districts (2,500 or more) will require two degreed accountants

CFO Qualifications

- Bachelor degree in Accounting with a CPA designation preferred
- 3 to 5 years school experience is preferred
- Intent to seek the Chief Financial Officer (CFO) designation through Michigan School Business Officials



Mid-Michigan Salary Ranges with CPA
\$68,850 to \$115,000

Southeast Michigan and West
Michigan Salary Ranges with CPA
Range up to \$130,000+

Visit MSBO Website to view Hiring
Solutions, LLC, Compensation Survey

CFO Compensation Ranges

Summary of Redesign Process

- Redesign office to fit district size and needs
- Accommodate increased staffing needs from new legal demands
- Rewrite job descriptions considering outsourcing options
- Set expectations
- Test for leadership skills during hiring process
- Evaluate annually



Negotiations Preparations

A close-up photograph of two hands shaking in a firm grip. The hands are positioned in the center of the frame, with the fingers interlocked. The person on the left is wearing a white shirt with thin blue vertical stripes and a dark grey suit jacket. The person on the right is wearing a dark grey suit jacket. The background is a plain, light-colored surface.

- Language legal review by counsel
- Insurance
 - Compliance with law / avoid penalties
 - Insurance committee
- Salary schedules
 - Current Actual
 - Modeling with Excel

Negotiations Preparations

- Language legal review
 - Compliance with law?
 - Prohibited subjects?
 - Best practices – leave language
- Seek feedback from administrators and supervisors on common problem areas
- Narrow your language “wish list”
- In closed session review major issues of language and cost with your board well in advance

Negotiations Preparations - Team

- Consider your use of legal counsel
 - At the table
 - Behind the scenes
- Board members at the table? Why?
 - Executive versus legislative roles
- Team at table

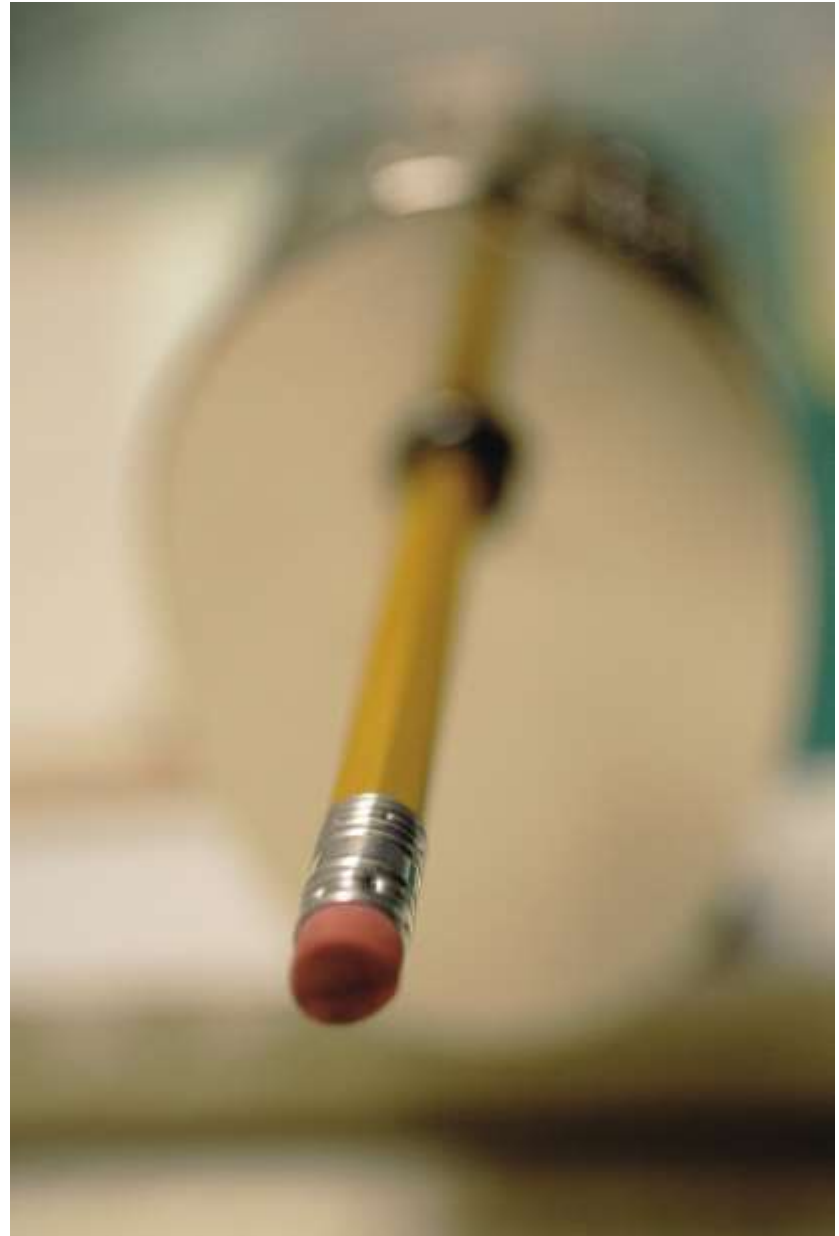
Ongoing District Insurance Committee

- Address the health care affordability crisis
- Include members of all groups – it is in their best interest
- Include experts
- Examine alternatives
- Study fully insured versus self-funding
- Transparency
- Wellness
- Provide best health care for the dollar

NEGOTIATIONS PREPARATIONS

- Compute cost of 1 percent increase or decrease
- Include roll-up costs of steps, FICA, retirement
- Annually bid insurance for best buy for the dollar
- Prepare live excel negotiations spreadsheet
- Work with board on agreed parameters
- Provide transparent cost information for understanding by all parties

\$ Costing Your Proposal \$



Is Your Board- Approved Parameter Affordable?



HYPOTHETICAL TEACHER NEGOTIATIONS SPREADSHEET February 2018

2017-18 STANDARD SALARY TABLE

STEP	% of Step 11	BA			BA+15SH			MA			MA+15			MA+30			STEP
		SCHED	#POS	TOTAL	SCHED	#POS	TOTAL	SCHED	#POS	TOTAL	SCHED	#POS	TOTAL	SCHED	#POS	TOTAL	
1		33,075	8.28	273,861	34,050	4.86	165,483	35,515		0	36,330		0	37,652		0	1
1.5		33,887	1.00	33,887	34,866		0	36,329		0	37,145		0	38,468		0	1.5
2		34,699	2.75	95,422	35,681	1.00	35,681	37,142		0	37,960		0	39,283		0	2
2.5		35,515		0	36,495		0	37,958		0	38,773		0	40,098		0	2.5
3		36,330	2.00	72,660	37,309	2.00	74,618	38,773		0	39,586		0	40,912		0	3
3.5		37,226		0	38,202		0	39,669		0	40,483		0	41,807		0	3.5
4		38,120		0	39,095	2.50	97,738	40,563	6.00	243,378	41,378		0	42,703		0	4
4.5		39,015		0	39,993		0	41,458		0	42,276		0	43,599		0	4.5
5		39,910		0	40,889	2.00	81,778	42,353	4.00	169,412	43,173		0	44,494		0	5
5.5		40,807		0	41,783		0	43,253		0	44,066		0	45,389		0	5.5
6		41,702		0	42,677	1.00	42,677	44,152	2.00	88,304	44,957		0	46,283		0	6
6.5		42,600		0	43,575	1.00	43,575	45,045		0	45,855		0	47,180		0	6.5
7		43,497		0	44,474	1.00	44,474	45,937	4.50	206,717	46,753		0	48,075	1.00	48,075	7
7.5		44,392		0	45,368		0	46,833		0	47,649		0	48,971		0	7.5
8		45,288		0	46,260	4.00	185,040	47,729	8.00	381,832	48,546	1.00	48,546	49,867		0	8
8.5		46,184		0	47,157	1.00	47,157	48,627	3.00	145,881	49,444	1.00	49,444	50,765		0	8.5
9		47,079	1.00	47,079	48,054	3.00	144,162	49,524	7.00	346,668	50,340	2.00	100,680	51,663		0	9
9.5		48,788		0	50,090		0	51,476		0	52,860		0	54,183		0	9.5
10		50,496		0	52,126	2.00	104,252	53,427	1.00	53,427	55,379	2.00	110,758	56,702	1.00	56,702	10
10.5		52,100		0	53,741		0	55,223		0	57,024		0	58,359		0	10.5
11		53,971		0	55,630		0	57,301		0	58,960		0	60,312		0	11
LNGTY	102.5%	55,320		0	57,021	11.00	627,231	58,734	23.00	1,350,882	60,434	6.00	362,604	61,820	6.00	370,920	LNGTY
LNGTY	103.0%	55,590		0	57,299		0	59,020	1.00	59,020	60,729		0	62,121	1.00	62,121	LNGTY
19TH *	105.0%	56,669		0	58,412	4.00	233,648	60,166	5.00	300,830	61,908	5.00	309,540	63,328	3.00	189,984	19TH *
25TH**	105.5%	56,939		0	58,690		0	60,453	1.00	60,453	62,203	1.00	62,203	63,629		0	25TH**
26TH***	106.0%	57,209		0	58,968		0	60,739		0	62,498		0	63,931		0	26TH***
27TH	106.5%	57,478		0	59,246		0	61,026		0	62,792		0	64,232	1.00	64,232	27TH
28TH	107.0%	57,749		0	59,524		0	61,312		0	63,087		0	64,534		0	28TH
29TH	107.5%	58,018		0	59,802	5.00	299,010	61,599	4.00	246,396	63,382	1.00	63,382	64,835	3.00	194,505	29TH
19ENH	105.5%	56,939		0	58,690	1.00	58,690	60,453		0	62,203		0	63,629	3.00	190,887	19ENH
25ENH	106.0%	57,209		0	58,968		0	60,739		0	62,498		0	63,931	1.00	63,931	25ENH
26ENH	106.5%	57,479		0	59,246		0	61,026		0	62,792		0	64,232		0	26ENH
27ENH	107.0%	57,748		0	59,524		0	61,312		0	63,087		0	64,534	1.00	64,534	27ENH
28ENH	107.5%	58,018		0	59,802		0	61,599		0	63,382		0	64,835		0	28ENH
29ENH	108.0%	58,288		0	60,080		0	61,885	3.00	185,655	63,677	2.00	127,354	65,137	6.00	390,822	29ENH
TOTALS:		1,685,334	15.03	522,909	1,732,517	46.36	2,285,214	1,788,350	72.50	3,838,855	1,833,609	21.00	1,234,511	1,881,493	27.00	1,696,713	
		TOTAL POSITIONS:			181.89			TOTAL SALARY COST:			\$ 9,578,201						



2018-19 STANDARD SALARY TABLE					ADJUSTMENT:			TOP STEP											
STEP	% of Step 11	BA			BA+15SH			MA			MA+15			MA+30			STEP		
		SCHED	#POS	TOTAL	SCHED	#POS	TOTAL	SCHED	#POS	TOTAL	SCHED	#POS	TOTAL	SCHED	#POS	TOTAL			
1		33,075	5.28	174,636	34,050	1.0	34,050	35,515		0	36,330		0	37,652		0	1		
1.5		33,887		0	34,866		0	36,329		0	37,145		0	38,468		0	1.5		
2		34,699	4.75	164,820	35,681	3.9	137,729	37,142		0	37,960		0	39,283		0	2		
2.5		35,515	1.0	35,515	36,495		0	37,958		0	38,773		0	40,098		0	2.5		
3		36,330	1.0	36,330	37,309	1.0	37,309	38,773		0	39,586		0	40,912		0	3		
3.5		37,226		0	38,202		0	39,669		0	40,483		0	41,807		0	3.5		
4		38,120	2.0	76,240	39,095	2.0	78,190	40,563		0	41,378		0	42,703		0	4		
4.5		39,015		0	39,993		0	41,458		0	42,276		0	43,599		0	4.5		
5		39,910		0	40,889	2.5	102,223	42,353	6.0	254,118	43,173		0	44,494		0	5		
5.5		40,807		0	41,783		0	43,253		0	44,066		0	45,389		0	5.5		
6		41,702		0	42,677	2.0	85,354	44,152	4.0	176,608	44,957		0	46,283		0	6		
6.5		42,600		0	43,575		0	45,045		0	45,855		0	47,180		0	6.5		
7		43,497		0	44,474	1.0	44,474	45,937	2.5	114,843	46,753		0	48,075		0	7		
7.5		44,392		0	45,368	1.0	45,368	46,833		0	47,649		0	48,971		0	7.5		
8		45,288		0	46,260	1.0	46,260	47,729	4.0	190,916	48,546		0	49,867	1.0	49,867	8		
8.5		46,184		0	47,157		0	48,627		0	49,444		0	50,765		0	8.5		
9		47,079		0	48,054	4.0	192,216	49,524	8.0	396,192	50,340	1.0	50,340	51,663		0	9		
9.5		48,788		0	50,090	1.0	50,090	51,476	3.0	154,428	52,860	1.0	52,860	54,183		0	9.5		
10		50,496	1.0	50,496	52,126	3.0	156,378	53,427	7.0	373,989	55,379	2.0	110,758	56,702		0	10		
10.5		52,100		0	53,741		0	55,223	0.0	0	57,024		0	58,359		0	10.5		
11		53,971		0	55,630	2.0	111,260	57,301	1.0	57,301	58,960	2.0	117,920	60,312	1.0	60,312	11		
LNGTY	102.5%	55,320		0	57,021	8.0	456,166	58,734	22.0	1,292,138	60,434	6.0	362,604	61,820	6.0	370,919	LNGTY		
LNGTY	103.0%	55,590		0	57,299		0	59,020	1.0	59,020	60,729		0	62,121	1.0	62,121	LNGTY		
LNGTY		0		0	0		0	0		0	0		0	0		0	LNGTY		
LNGTY		0		0	0		0	0		0	0		0	0		0	LNGTY		
LNGTY		0		0	0		0	0		0	0		0	0		0	LNGTY		
LNGTY		0		0	0		0	0		0	0		0	0		0	LNGTY		
LNGTY		0		0	0		0	0		0	0		0	0		0	LNGTY		
19TH *	105.0%	56,670		0	58,412	5.0	292,058	60,166	5.0	300,830	61,908	5.0	309,540	63,328	3.0	189,983	19TH *		
25TH**	105.5%	56,939		0	58,690	2.0	117,379	60,453	1.0	60,453	62,203	0.0	0	63,629		0	25TH**		
26TH***	106.0%	57,209		0	58,968		0	60,739	1.0	60,739	62,498	1.0	62,498	63,931		0	26TH***		
27TH	106.5%	57,479		0	59,246		0	61,026		0	62,792		0	64,232		0	27TH		
28TH	107.0%	57,749		0	59,524		0	61,312		0	63,087		0	64,534	1.0	64,534	28TH		
29TH	107.5%	58,019		0	59,802	5.0	299,011	61,599	4.0	246,394	63,382	1.0	63,382	64,835	3.0	194,506	29TH		
19ENH	105.5%	56,939		0	58,690	1.0	58,690	60,453		0	62,203		0	63,629	1.0	63,629	19ENH		
25ENH	106.0%	57,209		0	58,968		0	60,739		0	62,498		0	63,931	2.0	127,861	25ENH		
26ENH	106.5%	57,479		0	59,246		0	61,026		0	62,792		0	64,232	1.0	64,232	26ENH		
27ENH	107.0%	57,749		0	59,524		0	61,312		0	63,087		0	64,534		0	27ENH		
28ENH	107.5%	58,019		0	59,802		0	61,599		0	63,382		0	64,835	1.0	64,835	28ENH		
29ENH	108.0%	58,289		0	60,080		0	61,885	3.0	185,655	63,677	2.0	127,354	65,137	6.0	390,822	29ENH		
TOTALS:		1,685,341	15.03	538,037	1,732,786	46.4	2,344,204	1,788,347	72.5	3,923,623	1,833,609	21.0	1,257,255	1,881,494	27.0	1,703,622			
*ARTICLE 5 LONGEVITY																			
		TOTAL POSITIONS:			181.89			TOTAL SALARY COST:			\$ 9,766,742								

**ASSUMPTIONS 2018-19: Salary schedule rate freeze; Pay full steps;
Off-schedule payment: \$45,000; Retirement rate of 25.56%;
Cash stipend increase: No increase; 3.4% hard cap increase**

**2017-18
BASE YEAR
COST**

**INCREASE
(DECREASE)**

**2018-19
PROJ
COST**

SALARIES:

CONTRACTUAL SALARIES		9,578,201	188,541		9,766,742
OFF SCHEDULE PAYMENTS			45,000		45,000
EXTRA DUTY (CONTRACTUAL)		416,953	-		416,953
EXTRA DUTY (HOURLY)	1.000	101,915	-		101,915
TOTAL SALARY		10,097,069	233,541	0.0	10,330,610

SALARY PERCENTAGE INCREASE

2.3%

BENEFITS:

HEALTH INSURANCE, DENTAL, VISION, etc.		2,221,806	68,428		2,290,234
CASH STIPEND		64,800	-		64,800
TUITION REIMBURSEMENT		18,074	-		18,074
RETIREMENT	0.2556	2,580,811	59,693	0.2556	2,640,504
RETIREMENT - Section 147c Rate Stabilization	0.1132	1,142,988	26,437	0.1132	1,169,425
WORKERS' COMPENSATION (.4%)		40,647	934		41,582
FICA	0.0765	777,383	17,866		795,249
TOTAL BENEFITS		6,846,510	173,358		7,019,867
TOTAL SALARY & BENEFIT COSTS		16,943,579	406,898		17,350,477

TOTAL PACKAGE PERCENTAGE INCREASE

2.4%

2017-18 BENEFIT COST SUMMARY

PLAN		EMP#	MONTHLY COST		NO OF MONTHS	2017-18
						ANNUAL COST
Option A	Single	34	\$ 474	Hard cap	12	193,547
	2 Person	29	\$ 949	Hard cap	12	330,165
	Family	96	\$ 1,294	Hard cap	12	1,490,400
	Dent, vis, etc	159	\$ 98		12	186,526
Option B	Dent, vis, etc	18	\$ 98		12	21,168
TOTAL INSURANCE						\$ 2,221,806
Option B - CASH STIPEND		18	\$ 300		12	64,800
TOTAL INSURANCE AND CASH STIPEND						2,286,606

2018-19 BENEFIT COST SUMMARY

HARD CAP PLAN INCREASE		EMP#	MONTHLY COST		NO OF MONTHS	2018-19
						ANNUAL COST
1.034%						-
Option A	Single	34	\$ 491	Hard cap	12	200,128
	2 Person	29	\$ 981	Hard cap	12	341,391
	Family	96	\$ 1,338	Hard cap	12	1,541,074
	Dent, vis, etc	159	\$ 98		12	186,526
Option B	Dent, vis, etc	18	\$ 98		12	21,116
TOTAL INSURANCE						\$ 2,290,234
Option B - CASH STIPEND		18	\$ 300		12	64,800
TOTAL INSURANCE AND CASH STIPEND						\$ 2,355,034



Other Negotiation Tools

Stanfred Enrollment Projection

Eidexinsights.com

Munetrix.com

CEPI Websites:

- cepi.state.mi.us/FidFormb/Index.aspx

Recommended Fund Balance:

- MSBO – 15 to 20%
- GFOA – Two to three months of operating expenditures or revenues
- Board of education policy
- Your auditor's written recommendation

A close-up photograph of a hand holding a black pen, set against a dark background. The hand is positioned as if about to write. The text is overlaid on this image.

Final Question

What considerations presented today will improve the effectiveness of your finance and human resource functions with an eye on student achievement?

Sources of Reference and Research

- MSBO School Finance Reference Manual: <http://www.msbo.org/>
- MSBO website: <http://www.msbo.org/>
- MDE State Aid and School Finance: http://www.michigan.gov/mde/0,1607,7-140-6530_6605---,00.html
- CEPI Enrollment: <https://cepi.state.mi.us/msds/AuditForm.aspx>
- MDE / Administrators / Money Matters
http://www.michigan.gov/mde/0,4615,7-140-5235_6093---,00.html
- Eidex: <http://www.eidexinsights.com/>
- Munetrix: www.munetrix.com
- Government Finance Officers Association: www.gfoa.org
- Hiring Solutions, LLC; www.hiringsolutionsllc.com
- Excel Consultant Group – Consulting on Food Service, Custodial, Facilities, Transportation – Email: excelconsult.group@gmail.com; (517) 627.5728

Sources of Reference and Research

- School and Municipal Advisory Services, PC; Donald Sovey, CPA, CFO – donsovey@gmail.com; (517) 231-0563; Bond/millage communications; Budget process training; Business office staffing review and mentoring; CFO search service; Distressed/deficit district technical assistance; Fact finding research and testimony; Financial mentoring for newer; superintendents and school boards; Interim business official service; Long-range financial projection training
- ***A Better Way to Budget – Building Support for Bold, Student-Centered Change in Public Schools***; Nathan Levenson; Harvard Education Press; Copyright 2015; Available on Amazon.com
- ***Government Finance Officers Association, Best Practices in School Budgeting***; Copyright 2017; Available on GFOA.org
- Informed Decision-Making through Forecasting: A Practitioner's Guide to Governmental Revenue Analysis; Shayne Kavanagh and Daniel W. Williams; Government Finance Officers Association; Copyright 2016
- A Budgeting Guide for Local Government; Robert L. Bland; ICMA Press; Copyright 2013
- What Does the Most Good...and for Whom?: A Guide to Academic Return on Investment Analysis; The District Management Council, Copyright 2014

Questions?

Donald Sovey, CPA

(517) 231-0563

donsovey@gmail.com