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Linn-Mar Budget Management Model

6/10/2015

The process of the budget management model is described below. Strategic action taken for fiscal control in budget crisis situations will follow the described stages in order to ensure that all areas are examined and analyzed prior to final decisions.

Linn-Mar Budget Management Process	
Stage 1: **Change in Practice**	The purpose of examining operational expenses at Stage 1 is to identify different practices that will result in a cost neutral effect on the budget (such as charging cost-based fees for building rentals) or a similar service with a different delivery model (such as reducing first class mailing by having students take home newsletters, etc.; or reassigning duties/responsibilities of staff members that resign) that result in a reduction in costs. Additional sources of revenue can also be identified to offset costs. These may include grant resources for one time purchases.
Stage 2: **Reduction of Personnel**	Since personnel is the largest part of a school budget, the next stage of budget management involves reducing personnel. Stage 2 action occurs only after all possibilities in Stage 1 are exhausted or if required budget cuts are too large to manage only with Stage 1 management strategies. Examples might include reducing the number of teacher or custodial or administrative positions. The effect would be larger class sizes or areas of the buildings being cleaned on a regular intermittent schedule rather than daily.
Stage 3: **Change, Reduction or Elimination of Programs**	The most radical budget management option is the elimination of programs. This involves cutting a whole area of staff or a significant number of staff which would result in elimination or reduction a program or service. An example of this would be cutting certain extra curricular programs, or a curriculum such as the fifth year of a foreign language which is not required by code. Another example would be to change an instructional delivery model. In some cases a reduction of staff to meet standards in the most minimum way really becomes a program cut. An example of this would be having one elementary guidance counselor or library media specialist for 7 elementary schools.

Budget Goal Priorities

Management

1. Maintain an average solvency ratio range of 7-11% (3 year average).
2. Review all practices in cycle or when opportune to revise or restructure for efficiency, revenue/expenditure neutrality, and/or deletion.
3. Implement and monitor new practices that result in efficiencies.

Revenues

1. Minimize property tax increase to meet our growth needs. Strive to reduce the over-all property tax levy.
2. Utilize PPEL, SILO funds for all general budget expenditures that qualify.
3. Seek additional sources of funding.

Expenditures

1. Allocate and distribute budgeted funds equitably for all students, programs.
2. Reduce supply and equipment budgets by 10% and eliminate or reduce purchases of supplies, services.
3. If replacing staff, restructure job responsibilities resulting in need for fewer positions.

Cost Avoidance

1. Identify planned future expenditures and re-stage timelines or seek other sources of funding.
2. Control ongoing costs to maintain savings from previous expenditure reductions.
3. Minimize hiring for new positions; reduce positions through attrition.