

# How to Present the NK School Budget

## Budget Advisory Group

Tom Sgouros, scribe

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## 1 Introduction

**1** This document is an account of the agreements made during the meetings of the informal budget advisory group (BAG) convened by the school administration in October 2005 for regular meetings through January 2006. The meetings were conducted as informal discussions, without motions or votes. What has been recorded here is the best approximation of the sense of the group about what is the best way to present a school budget to the voters of the town, to the school committee and to the Town Council.

**3** This document was compiled as a way to record the group's thoughts. This was done partly to memorialize recommendations that cannot be implemented in the near term, and partly to establish a standard by which to measure the adequacy of the administration budget documents.

The BAG is continuing to meet, though less often. This document may be revised as issues arise, though it is intended to remain a record of the group's consensus rather than any member's opinion.

### 1.1 Terminology

**6** The "Budget Year" (BY) is the year whose budget is the subject of the document. The "Current year" (CY) is the year we're currently in, and the "Prior year" (PY) is the year most recently finished.

**7** For the CY, the numbers presented are to be the budget numbers, *not* adjusted for the experience since the budget was passed. Because the budget is prepared in January, and usually passed in the spring, substantial changes may have occurred since passage of the CY budget and before preparation of the BY numbers. For an account of changes made since the budget was passed, there are interim mid-year reports, but see section 1.3.2 on page 2.

### 1.2 Coverage

**9** In the past, the budget documents have only sought to represent the part of the school budget related to funding through the property tax, and approved by the Town

Council. The reasoning is that the funds omitted from those earlier presentations are not under the control of the Town Council and are restricted in their purpose so that they cannot be used to replace funds raised via property taxes.

Notwithstanding those concerns, the consensus of the group was clear that the budget should present the revenue and expenses for *all* the school department's operations, but that it should seek to make clear which funds are restricted in ways that make them not fungible. Two reasons were discussed for this change.

First, the attempt to limit the presentation is necessarily incomplete. Some restricted funds, such as grants that pay for part of some teacher's time, must be presented, because they are a part of the school department's overall mission, even if they add some features that aren't strictly central. The second reason is that the omission of these funds has been used in the past to cast aspersions on the overall credibility of the budget documents, and the whole point of this BAG exercise is to find ways to stem that current.

### 1.3 Limitations

During the discussions, it became apparent that there are several limitations to presenting a useful budget document. Some of these are historical, some procedural and some represent a question of resources. For many of the limitations we discussed, there are adequate ways to address them and still come up with a reasonable budget presentation. Others are less tractable. The three that came up most often in our discussions were the lack of a mid-year revised budget, allocation practice of some expenses, and the time and resource limitations of the controller's office.

#### 1.3.1 Time and resources

Many of the suggestions of the BAG were deemed desirable, but not practical, given the constraints of time and staff, and the accounting software and procedures in place. For example, the desire was expressed to present two fiscal years prior to the current year. Some of those recommendations were therefore not included in this document. Others have been included, on the theory that they may should be implemented in future years.

#### 1.3.2 Lack of mid-year revisions

The NK School Committee has never enacted a mid-year budget correction (though it has required budget progress

reports). Consequently, the department does not publish a revised budget. However, many of the corrections to the annual budget become apparent during the start of the school year, as enrollment projections turn into actual numbers of children, and guesses as to staffing requirements are replaced with actual staffing needs.

It has not been the School Committee practice to revise the official budget numbers to accommodate these realities. Therefore, as of the beginning of the budget season in January, the most recent budget numbers on which any official School Committee action was taken date from the previous spring. One consequence is that the CY budget numbers in the document may differ significantly from the BY numbers projected, *even where no program change is proposed*.

An example will make it clearer. Suppose that the School Committee approves a budget in May that projects a need for ten teachers in school A for the fall. But come the fall, it turns out that twelve teachers are actually required, due to unavoidable inaccuracies in the enrollment projections. When preparing the budget for the coming year, suppose the administration projects no need for change in the current year. Using the current procedures, the budget will read like this:

Year	PY	CY	BY
Teachers at A	10	10	12

This presentation makes it appear as if the number of teachers necessary will go up 20% next fall, whereas the reality is that the actual need for teachers *went* up 20% last fall. To reflect reality, the CY number should be 12, since that's how many teachers there really are this year. (Presumably a number somewhere else in the budget should decline to accommodate this increase.) But the number 12 was never officially voted on, nor the date on which these reassessments are to be measured, so without this kind of guidance from the School Committee, the administration feels it inappropriate to arbitrarily choose a date. The consequence is that in many cases, what appears to be a change in service is actually a level funding for services currently in place.

A better way to illustrate what happened would be this:

Year	PY	CY	CY*	BY
Teachers at A	10	10	12	12
* Revised as of Jan 1				

Without an officially sanctioned mid-year budget, it is inappropriate to present mid-year numbers in an official

budget document. We recommend that the School Committee adopt the practice of adjusting the approved budget for a mid-year report, making a motion and vote to do so. If such a procedure is put in place, the budget document should present numbers for the “CY” and the “CY (revised).” One will compare with the PY numbers, and the other bear comparison with the BY numbers.

### 1.3.3 Current allocation practice

Some expenses are estimated in a central lump, but spent in pieces and accounted for in many departments. For example, substitute teacher expenses are most accurately estimated at the level of an entire district, rather than at a single school. Since many substitute teachers are used on an unpredictable basis, it’s not easy to estimate the costs in a 25-teacher school. But it is relatively easy to budget these expenses over the entire district, since the higher number of teachers makes the average values more reliable.

Administration practice has been to estimate the substitute teacher cost for the district as a whole, but then to report the expense per school. That is, if school A used 35 teacher-days of substitute teaching, the original budget allocation would not have included this amount, but the final expense number for salaries would include these 35 days as well as the regular staff of that school. This means that the PY number for that school, which represents actual dollars spent, would seem large compared to the CY and BY numbers, but only because the first included the cost of substitute teachers, and the current and budget year numbers do not. For those years, the substitute total is an aggregate number.

The problem is illustrated (crudely) in the following table. Here, School A and B both spend about a million dollars on salaries, and we’ve budgeted about the same amount for substitute teachers. In the first year (the PY), the allocation has been spent, half at school A and half at school B, and the staff figures for those schools contains the money originally budgeted for teachers, along with the money spent on substitute teachers. But the CY only reports budget figures, so the staff numbers only represent regular teachers, while the anticipated substitute expenses are still on a different budget line.

Year	PY	CY	BY
Teachers at A	1.5	1.0	1.2
Teachers at B	1.5	1.0	1.2
Substitutes	0.0	1.0	1.2

The consequence of this practice is that the CY numbers

are not comparable to the PY numbers. The numbers presented in this table seem to show that from the PY to the CY, there was a huge increase in substitute teachers, and a large cut in the teaching staff, when in fact there has been no change whatsoever. Because this presents such a misleading picture of what’s going on, this represents a real shortcoming to the current system of accounting for school system expenses. The whole point of a budget is, after all, to be able to compare the actual expenses to the budgeted ones. If the PY column includes expenses that are not in the CY or BY columns, then these numbers are not strictly comparable, and only confusion will result from presenting them in a way that implies that they are.

Similar accounting problems have arisen in the past with the Medicaid and other special education funds, and some other funds as well.

The BAG agreed that wherever possible, expenses *must* be reported in a way that is comparable to the budget numbers. In some cases, this may require adjustment of accounting procedures. (And see page 6 for the solution the BAG specifically proposed for allocating substitute teacher expenses.) In the interim before such changes can be made, this kind of discrepancy must be prominently highlighted in the budget documents.

## 2 Budget document

It was widely agreed that the budget document deserves five section categories, roughly modeled on the divisions in the Rhode Island state budget documents.

**Executive summary** An overview of the budget. It should be not only be an overview of the “what,” but also of the “why” and “how.”

**Personnel** A description of how much is spent on staff, and where it is spent.

**Capital** What is to be spent on capital projects and what is anticipated to be spent on them in future years.

**Program** Incorporating the personnel and capital information, along with expenses not detailed elsewhere, this shows the totals to be spent overall.

**Technical** Essentially a different view of the same topics, with detail that might not be appropriate for the other sections. Part is aimed at readers with a knowledge of the accounting categories used by the school administration. Also contains backup information referenced by other sections, such as enrollment tables.

No one insisted that the school budget be divided up in precisely this way. If a table that we'd talked about as part of the technical section finds a more convenient home in the program section, that is not important, so long as the information is there and easy to find. But the division provided a convenient way to divide the conversation, and therefore this document, too.

The following sections contain descriptions of what belongs in each section of the budget document.

## 2.1 Executive Summary

The executive summary is the place to provide not only the broad outline of the budget to be presented, but to describe the circumstances (and the predicted circumstances) that make it appropriate. It is not just to be a few paragraphs of rhetoric, though that's part of it, but should also include data to describe what is going on in the schools, and around them.

The executive summary should, at minimum, describe the largest components of the school budget, the size of the overall budget, and the change in bottom line from last year. But there is more that belongs here. The sections that follow describe the essential components of an executive summary.

### 2.1.1 Uplifting rhetoric

No budget document would feel complete without it.

### 2.1.2 Important trends ahead

The executive summary should contain a discussion of any trends that may be apparent and which will impact the management of our school system. In addition to a simple identification of the trends, this section is an appropriate place to describe what plans there are for addressing them.

**Enrollment** Is the number of students going up? Down? In which grades? (See also section 2.4.4 on page 8.)

**Legal** This should be a summary of impending state and federal education policy changes. For example, NCLB changes are being phased in now, so these should be mentioned.

**Social** Are there social trends ahead that will impact the schools? For example, will the housing market have an effect on the enrollment projections?

**Economic** Economic trends (like inflation) will have an impact on the schools. If so, they should be mentioned here.

### 2.1.3 Budget assumptions

The executive summary is a place to describe the planning values used in preparing the budget document, as well as any other assumptions made about the trends identified in section 2.1.2

Any planning values that have changed since the last budget document was prepared should be highlighted.

### 2.1.4 Important program changes

What program changes are envisioned for the coming year? If there aren't any—if this is a level-funded budget—the summary should clearly say so. If there are changes, *why* are they being made?

This section often includes a list of the changes made. This list should conform to the suggestions made about the worksheets below (see section 3.2, page 9). In addition, they should be segregated by changes already in place, changes that are not discretionary, and discretionary changes. If the changes already in place require a countervailing offset from somewhere else in the budget, this must be noted here, as well. That is, it's incorrect to say that the dollars have been added to this account without also describing where those dollars were transferred from.

### 2.1.5 Important presentation changes

It's important to highlight any changes to the budget presentation, as well as changes to the budget itself. This applies both to changes in the document, and changes to the way that any costs are allocated or accounted. For example, when the cost allocation problems described in section 1.3.3 are worked out, the budget document *must* announce that.

### 2.1.6 Obvious questions

The executive summary should strive to anticipate and answer the obvious questions an interested observer may have upon reading the budget document. What unusual things will you notice when looking at the numbers in this budget? For example, until they are fixed, this section should mention the allocation issues described in section 1.3.3 of this document.

## 2.2 Personnel section

This section contains a description of how much is spent on staff, and where it is spent.

## Certificated staff

Title	PY FTE	PY Sal	CY FTE	CY Sal	BY FTE	BY Sal
Principals						
K Teachers						
Grade 1 Teachers						
Grade 2 Teachers						
Grade 3 Teachers						
Special Needs Teachers						
Art Teachers						
Music Teachers						
Physical Ed. Teachers						
Librarians						
Nurses						
Literacy Teachers						
SmART Teachers						
etc.						

## Non-certificated staff

Title	PY FTE	PY Sal	CY FTE	CY Sal	BY FTE	BY Sal
Paraprofessionals						
Clerks						
Custodians						
etc.						

Table 1: The component lines of the personnel tables. The example shown is for an elementary school. Above sixth grade, the teachers would be grouped in academic departments instead of grades. Non-teaching departments would, obviously, omit the teacher lines.

### 2.2.1 Layout

The personnel budget ought to be similar from one page to the next, and to have the following columns for each page:

1. Job class title
2. Previous year FTE and PY Salary (total)
3. Current year FTE and CY Salary (total)
4. Budget year FTE and BY Salary (total)

For the schools, the rows are to be in two categories: "Certificated" and "non-Certificated." In the first category are teachers, principals and specialists. The second category contains custodians, clerks and paraprofessionals.

For each school, the rows are to be broken out by program. In the elementary schools, these should be grade levels. Above grade 6, the breakout should be by academic department (i.e. Math, Science, etc.). For example,

the elementary school layout would have the rows shown in table 1 for the certificated and non-certificated staff.

Important points:

- This presentation should hold for each school. There should be identical tables available for the summaries: all elementary schools, all middle schools, and all schools.
- Benefits are to be presented aggregated by certificated and non-certificated personnel.
- There also should be a note somewhere defining the different definitions of "full-time."
- SmART allocations to each school should be reflected in a SmART line, even if schools reallocate money within their staff. Dance/Drama is to be included in the SmART funds.
- Allocate the budgeted substitute teachers by coming up with a per-teacher figure for substitute usage for

the whole school system, then allocate the substitute costs based on the number of teachers in that school.

- Divide substitute teachers by professional development and other, according to the formula described in the notes of the Staff Development section.

### 2.2.2 Supplemental information

Some information was thought to be quite useful supplements for analyzing costs at a school.

**Salary steps** It was noted that for a sufficiently small number of teachers, the personnel totals will not be very stable from year to year. The issue is the disparity in salary among the various steps of the teacher pay scale. It was suggested that a record be made of some indicator of the step mix, say the mean of the salary steps in the building, to help interpret the changes in the total salary numbers. This may be feasible, but is to be put off to a future year. In the meantime, a note to this effect is to be added to the executive summary.

**Enrollment** For each school, there should be an enrollment summary, indicating the overall growth or decline of the school population over the past few years, and the anticipated growth in the upcoming budget year.

### 2.2.3 Supporting departments

The following supporting departments have been reported centrally to date. Some of these should instead be allocated to the schools where they are spent, and others should remain central. (The original list refers to the 03-04 budget document.)

**Preschool** Allocate to the school(s) it is housed in.

**Athletics** Allocate to the HS, except a small central effort that splits its time between the HS and middle schools. Use the overall proportion of the athletics budget to the HS to evaluate how much of this to allocate to the HS, and split the remainder among the two middle schools.

**Staff Development** Central, but include a system-wide estimate of the costs of substitute teachers required by professional development programs compared to the substitutes required by unplanned absences.

**Instruction** Central, but make sure that the Actuals stay central, too. (See section 1.3.3.)

**General Instructional Improvement** Central. Should be included with Staff development, above.

**Maximization and Equalization of Opportunity** The parts of this sum that can be allocated should be, so long as the actuals can be allocated, too. (Section 1.3.3 again.)

**General Support Management Services** Allocate

**Research and Analysis** Central, but rename to “Technology,” since that’s a better description of the current department function.

**Administration** Central, but combine with **Superintendent’s Office**.

**Miscellaneous** Get rid of this category. It currently contains unemployment and life insurance, and Medicaid. The first two should be allocated with the other employee benefits and the third isn’t personnel.

The following departments should remain their own categories, allocated centrally: **Tuition, Non-public textbooks, Curriculum Office, Pupil Personnel Services, Superintendent’s Office, Fiscal Services, Human Resources, Operation and Maintenance of Plant.**

The **Transportation** department was the subject of a great deal of discussion. The consensus was that it was important to come up with some way to allocate transportation expenses to the schools served. Unfortunately, the structure of the transportation service makes doing this challenging. Suggestions for an allocation technique ranged to summing the time spent collecting students for a particular school to summing the miles traveled on the routes for a school.

The various proposals were discarded as impractical in the near term, but it was agreed that the administration should leave this as unfinished business and should consider possible allocation schemes in the future.

## 2.3 Capital section

This section includes two schedules. One reports the status of the capital projects already underway or approved. The other should be a summary of the capital needs anticipated by the school administration.

### 2.3.1 Status

This section describes the status of past and future capital projects. This should be organized as a grid, with years along the top, and projects along the side, with budgeted

		2005	2006	2007	2008
School I: new roof	bond s.f.	\$700,000 \$25,000			
School II: septic	bond s.f.		\$300,000 \$50,000		
School III: constr.	bond s.f.			\$3,000,000	\$1,500,000

Table 2: An example of the capital budget analysis table. “bond” means funds provided via a bond sale. “s.f.” stands for “school fund” and refers to any funds paid for via that year’s school expenses. Those numbers should be the same (or add up to) the capital numbers in the relevant department program pages, section 2.4.1.

(or actual) expenses for each year, split into funding categories (bond money, school fund money). Table 2 contains an example of how this would look.

The school fund money noted in the chart should be the same as the “capital” line on the program summary pages in section 2.4, or if there is more than one entry, they should add up to the relevant line.

### 2.3.2 Projects on the radar

This must be a list of the unfunded projects understood by the administration to be in the offing, in rough priority order, and with cost estimates. Procedures must be established to put projects on this list. The entries on this list need not have all detail, but should have enough detail to tell essentially what kind of expense it is. For example, an entry reading “Wickford Middle School” would not be as useful as one that reads “Wickford Middle School, renovations to existing classrooms, addition of new classrooms.” This is not the place for extensive description, but the descriptions given must stand on their own for most readers, even if they are not familiar with the current Asset Management Committee agenda.

## 2.4 Program section

The program section of the budget is the real overall view of the school budget. The personnel and capital sections described above can be thought of as detail expansions of the personnel and capital information in the program pages.

### 2.4.1 Departments

For each department, a program page should present the program, in the following categories:

**Personnel** This line should be salaries plus benefits. One

important goal is that the detail of these lines be readily apparent in the personnel section.

**Purchased Services** Any services not provided by employees.

**Supplies**

**Equipment**

**Dues and Fees**

For each school, the page will consist of this basic breakout for each of the following areas:

**Instruction** This is strictly classroom teachers.

**Support teachers** This category is for librarians, for example.

**Special Education** Includes paraprofessionals, and also the “Maximization” department that used to be completely central. (See section 2.2.3.)

**Administration** Principals, clerks.

**Plant** This should include an accounting of utility costs, too.

**Summary** The totals, summed for easy reference.

The layout of this page and the personnel pages should be designed to make identifying the personnel that belong to each category relatively straightforward, perhaps by highlighting the relevant lines, or rearranging the order of categories on the personnel page. The paraprofessionals should be allocated on this page, but may be presented together on the personnel pages.

At the bottom of the page, there should be these additional lines under the summary lines:

**Capital expenses** Should match items from the capital budget presentation, such as in table 2.

**Utilities** For schools and other departments that have buildings (e.g. Administration).

**Total school fund expenses** These are the expenses paid from tax dollars via the town or the state, and provided as unrestricted revenue.

**Total grant expenses** These entries should be differentiated by the grant program name: Title I, Title II, etc. Article 31 funds should be put here.

**Total other revenue expenses** This is expenses corresponding to revenue that is neither grant funding nor tax revenue. (e.g. the food service or Jamestown IT enterprise funds, the Jamestown tuition, etc.)

The program departments should be the same as in the personnel budget (see section 2.2.3).

#### 2.4.2 Budget totals page

This page is an overall summary view of the entire budget, shown distributed in different ways.

This page, included in past budgets, has an “Object Distribution” that splits the budget into the categories Salaries, Benefits, Purchased Services, Supplies, Equipment, Capital, Utilities and Dues and Fees.

It also contains a “Function Distribution” breaking out the total number by Instruction, General Instructional Improvement, Special Ed, General Support/Management, Research, and Administration.

It should contain a third section, a “Program Distribution” that breaks out the budget totals by the programs described in the program section. For schools, these will correspond to the choices of categories in the personnel schedules, and for each category there should be lines with numbers for personnel, non-personnel and capital, if any.

- K, Grade 1, Grade 2, Grade 3, Grade 4, Grade 5, Grade 6
- Science, Art, Music, Foreign Languages, Athletics, English, etc
- non-academic programs, as in the Program pages (and section 2.2.3).

#### 2.4.3 Table of revenues

The consensus of the group was that it is crucial for the school department to have a complete accounting of its revenues. (See section 1.2.) This means that the program section must have a complete list of all the money coming into the department, just as the list of programs is a list of all the money going out. The money coming in includes not only property tax funds from the town, but also state aid, federal grants, other grants, and fees for various services the school department provides.

In the past, certain revenues that were irrelevant to the department’s core mission were omitted from the budget. The budget document was really intended to be a budget for the tax revenue, rather than a budget for the department overall. The funds omitted were part of various “enterprise funds” and were for such purposes as fees for information technology services to the Jamestown schools, or for food service contracts with local organizations. These funds were accounted for in the annual department audits, but not included in the published budget. But the presentation described in section 2.4.1 will require that all revenue be presented in order to make the budget document internally consistent.

There was some discussion about whether the table of revenue should include a specific dollar figure for money to be received from the town: the property tax revenue, in other words. A past president of the Town Council once admonished the school department for including this number in their budget, insisting that this was overstepping the authority granted to the school department. But this is silly. The entire budget is nothing but an elaborate proposal to the Town Council, for which the single number in question *is* the bottom line. If that specific number is omitted, it is easily calculated from other numbers that cannot be omitted. If leaving this out leaves some feathers unruffled, then the BAG consensus was that this is fine.

#### 2.4.4 Enrollment projections

The enrollment projections used to formulate the school budget must be presented as part of the budget document. It would be helpful to show enrollment projections for each school on the school program pages, but there should be one place in the document to present the overall projections for the entire school system, broken out by grade level.

### 2.5 Technical section

The technical section is intended as a guide to people who are trying to reconcile the public face of the bud-



get with the accounting codes and categories that they have to deal with. This audience is mainly internal to the school administration—departments heads and principals can use this information—but it can also serve as an auxiliary source of information for readers interested in a specific topic.

### 2.5.1 Departments

The technical section of the budget really consists of a single list containing the accounting code for each category of spending, the name of the category, and the dollar amounts for the previous, current and budget years.

The technical section will be more useful to the extent that it ties in an obvious way to the rest of the budget presentation. So, for example, an elementary school's funds could be presented in a way that the subtotals on the technical pages match the lines of the school's program or personnel pages. Similarly, it's important that the document answer the question of which source of money is being spent in a particular category.

## 3 Working documents

In addition to the budget document itself, there are a small number of ancillary documents that are produced to further discussion about the budget, and to report on its progress. The documents that were identified in the course of the BAG discussions were:

- Mid-year progress reports intended to bring the School Committee up to date on expenses to date; and
- Worksheets distributed to School Committee members and the public to further discussion about proposed changes in the budget between the dates of the budget's initial presentation and its final approval.

These documents that exist in support of the budget must mesh with it—in details, but also in format—so that people who have learned how to read the overall budget can easily see how this new information relates to the original budget document to which they refer.

Where possible, this means using the same page and table formats so that people who have both documents before them can see budget changes reflected in the same lines and items on the same pages. The ancillary documents will not have all the detailed schedules of the budget document, but the pages that they do have should look the same as the budget pages.

### 3.1 Routine budget revisions

The mid-year revision of the adopted budget happens in January or so, when the actual numbers are available that correspond to the predicted numbers in the adopted budget. The report that summarizes these changes should be called the “Mid-year expense report” or something to make clear that no revision of budget decisions has been made. (Except see section 1.3.2 on page 2.)

This mid-year report, which should be available around the time the next year's budget is prepared, should look as much like the budget itself as possible, with the PY, CY-as-originally-budgeted and the CY-as-currently-experienced lined up next to each other in the same format as the budget itself. That is, personnel pages in the report should use the same format as the personnel pages in the budget, program pages in the report must look the same as the program pages in the budget, and so on.

### 3.2 Worksheets

In the spring of 2005, during the budget discussions that took place then, the administration would hand out budget worksheets: a list of descriptions and numbers to be cut. The difficulty is that these numbers bore no obvious relation to any of the published budget information, so it was impossible to understand their import. That is, if the worksheet reads that \$400,000 is to be cut from some account, one's first question ought to be how big is that account? Is the proposal a trim or a slash? These questions were not answered by the worksheets that were made available.

The BAG spent the better part of one evening discussing the different ways to present this information. There were several suggestions, and they differed, but they all agreed that the important thing was that if someone has the budget document in their lap, the worksheets should relate to that document in an obvious way. One favored suggestion was that each line of the worksheet be presented like this:

Year	PY	CY	CY*	BY	BY†
Teachers at A (line 22, page 5)	10	10	12	12	−6
* Revised as of Jan 1					
† Proposed change to published budget					

This would be a proposal to cut six teachers from school A. The page number given should refer to the budget document.

Since not all changes will be to a single line in the budget, or even to a small number of lines, this presentation will not be possible for many proposed changes. (Though it is the preferred way to do it.) But the presentation of changes should still find a way to relate the changes back to the original published budget, perhaps with a note for each line summarizing the pages or lines affected.

One point that was made is that the worksheets presented to the public in the past included both lists of cuts and additions *to be made* mixed in with changes that were *already* made. This relates to the lack of an officially approved mid-year budget, discussed in section 1.3.2 on page 2. Since there is no opportunity for an official mid-year ratification of these changes, they appear in the following year's budget, even though they have already happened. The changes already made must be presented with the corresponding adjustment they incurred. For example, if some unbudgeted teachers were added to the budget, the money to pay for them had to come from somewhere—from maintenance, perhaps, from supplies, from overestimates in the personnel account, but from somewhere. This reduction in whatever account the money came from should be recorded in the same list that records the addition.