

All changes are highlighted in *red and italicized fonts*.

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(New Policy)*File: DA_x***FISCAL MANAGEMENT DEFINITIONS*****Significant Changes***

Changes that can be reasonably expected to dramatically impact either a significant number of Swampscott students or financial plans shall be referred to as “Significant Changes.” Examples of such changes include: opening or closing of a facility, redistricting of x% or more students, moving classes from one facility to a different facility, changes in accessibility to facilities, adding or removing temporary buildings at a facility, [other, tbd]¹.

Financial Trends Report [might belong in its own separate section]

A Financial Trends Report presents and highlights changes in the fiscal situation that have had or are likely to have significant impact on academic operational activities. Examples of significant trends include: funding, costs, employee and student headcount, student/teacher ratios, breakout by categories (teachers, ESPs, grades, schools, admin vs instructional, function, SPED, METCO, special programs, etc.), adjunct activities (extended day care, child care, etc.) and measures of annual change rates.

In general, a Financial Trends Report should be presented in such a way to make it clear and understandable to the general public and to most effectively inform the School Committee and the public. It should allow an “apples-to-apples” comparison relative to previous and future budgets and forecasts. A Financial Trends Report should include a description of assumptions, as well as the causes and circumstances that are either known to drive or assumed to drive the trends. A Financial Trends Report should use graphs and other easy to understand presentation methods.

Financial Plan

A Financial Plan presents the planned funding, revenue and transfers over some future time period. In addition to any financial projections, it shall include a “Financial Trends Report,” and it shall highlight “Significant Changes.”

Financial Plan Scenarios

A Financial Plan shall be comprised of three plan scenarios:

*(A) **Conservative [Pessimistic?] Financial Plan:** Assuming low end of funding from town and other sources, without the need for an override vote;*

¹ “Significant Changes” might constitute a trigger to determine the appropriateness of an associated public comment hearing. It would be helpful to arrive at a more clear-cut definition for the threshold of “Significant Change.”

(B) Slightly Optimistic Financial Plan: Assuming high end of funding from town and other sources, without the need for an override vote;

(C) Optimistic Financial Plan: Assuming high end of funding from town and other sources, likely requiring an override vote.

Financial Forecast

The Financial Forecast is a Financial Plan that looks further into the future than a budget that is being submitted for near term approval for next fiscal year. Its purpose is to provide an early glance at and present probable boundaries of future budgets.

Annual Financial Forecast

The Annual Financial Forecast is a Financial Forecast for the next fiscal year.

Five-Year Financial Forecast

The Five-Year Financial Forecast is a Financial Forecast for the next five fiscal years.

Financial Forecast

The “Annual Financial Forecast” and the “Five-Year Financial Forecast” shall be jointly referred to as the “Financial Forecast.”

(New Policy)

File: DA_y

FINANCIAL FORECASTING

The Superintendent shall report to the School Committee, and present the Financial Forecast. The forecast shall include a prioritized listing of items that would be funded, starting from the Conservative Financial Forecast, to reach each of the other Financial Forecast Scenarios.

[Alternatively:] The forecast shall include a prioritized listing of items that would not be funded, starting from the Optimistic Financial Forecast, to reach each of the other Financial Forecast Scenarios.

(New Policy)

File: DA_yc

FINANCIAL FORECASTING DEADLINES AND SCHEDULES

The Superintendent shall report to the School Committee, no later than October 15 of each year, and present the Financial Forecast.

Upon approval of the School Committee, [or, lacking such approval, School Committee acknowledgement,] and no later than October 31, the Superintendent shall present the Financial Forecast to a joint session between the Budget Sub-Committee of the School Committee and representatives from the town, as designated by the Board of Selectmen².

The School Committee shall hold a public hearing on the Financial Forecast, no later than November 30 of each year, not less than seven days after the notice for this hearing has been published in a local newspaper.

² The intention is to representatives/designees of Board of Selectman, Town Administrator, Finance Committee, Capital Improvement Committee, etc.

(Current Policy)

File: DB

ANNUAL BUDGET

The annual budget is the financial expression of the educational program of the school department, and it mirrors the problems and difficulties that confront the school system.

The budget then is more than just a financial instrument and requires on the part of the Committee, the staff, and the community orderly and cooperative effort to ensure sound fiscal practices for achieving the educational goals and objectives of the school system.

Public school budgeting is regulated and controlled by legislation, state regulations, and local School Committee requirements. The operating budget for the school system will be prepared and presented in line with state policy and the town charter and will be developed and refined in accordance with these same requirements.

The Superintendent will serve as budget officer but he/she may delegate portions of this responsibility to members of his/her staff, as he/she deems appropriate. The three general areas of responsibility for the Superintendent as budget officer will be budget preparation, budget presentation, and budget administration.

LEGAL REFS.: M.G.L. 71:34; 71:37 and 71:38N

(Proposed Policy)

File: DB

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[Addition]

The annual budget shall include all of the relevant elements of a Financial Plan [, as defined in Policy DA_x]. Therefore, it shall include relevant elements of a “Financial Trends Report,” and it shall highlight “Significant Changes.”

LEGAL REFS.: M.G.L. 71:34; 71:37 and 71:38N

(Current Policy)

File: DBC

BUDGET DEADLINES AND SCHEDULES

Preparation of the annual budget will be scheduled in stages throughout the school year with attention to certain deadlines established by law and charter.

The calendar year for budget preparation will be determined by reference to the town charter and state law and other requirements set by the Committee.

In reaching its decision on the budget amount that it will submit to the Selectmen, the School Committee will also observe the statutory requirement of holding a public hearing on the proposed budget not less than seven days after the notice for this hearing has been published in a local newspaper.

Established by law and charter

LEGAL REFS.: M.G.L. 71:38N
 Town Charter (See local reference)

(Proposed Policy)

File: DBC

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The calendar year for budget preparation will be determined by reference to the town charter and state law and other requirements set by the Committee.

[Addition]

The Superintendent shall report to the School Committee, no later than January 9 [or some other trigger, based on the of each year, and present the proposed Swampscott Public Schools budget for the next fiscal year.

In reaching its decision on the budget amount that it will submit to the Selectmen, the School Committee will also observe the statutory requirement of holding a public hearing on the proposed budget not less than seven days after the notice for this hearing has been published in a local newspaper.

Established by law and charter

LEGAL REFS.: M.G.L. 71:38N
Town Charter (See local reference)

(Current Policy)

File: DI

FISCAL ACCOUNTING AND REPORTING

The Superintendent will be ultimately responsible for receiving and properly accounting for all funds of the school system.

The accounting system used will conform with state requirements and with good accounting practices, providing for the appropriate separation of accounts, funds, and special monies.

The School Committee will receive periodic financial statements from the Superintendent showing the financial condition of the school department. Such other financial statements as may be determined necessary by either the Committee or the administration will be presented as found desirable.

LEGAL REF.: Board of Education 603 CMR 10:00

(Proposed Policy)

File: DI

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[Addition - Budget Tracking Report]

The Superintendent shall report to the School Committee and present a Budget Tracking Report, no later than one month after the end of each quarter in the SPS fiscal year. The report shall include all relevant elements of a Financial Plan. In particular, the report shall highlight significant deviations of actual from budget, in terms of funding, costs and transfers, including the circumstances that drove those deviations and corrective measures to mitigate against adverse consequences.

[Addition - Significant Changes. This may belong in a separate section.]

The Superintendent shall report to the School Committee, no later than one month after the end of each quarter in the SPS fiscal year, on likely significant changes within the next 24 months.

LEGAL REF.:

Board of Education 603 CMR 10:00