

Super Seven (3) – Financial Stability Spatz/Traczyk

Overview

The board needs to provide direction, accountability and transparency around financial stability. The primary reason for achieving this goal is to help guide the board in its agenda planning and to avoid any surprises as to contract renewal dates and questions as to scope of board involvement. There will be three areas of focus in achieving this goal: financial policies; public communication; and monitoring and oversight.

What Does Success Look Like

1. Adoption of financial policies that provides this and future boards guidance on financial issues. The two policies agreed to for this year are:
 - a. Debt Guidelines Policy – Our primary financial policy (4:12 – Finance Goals and Objectives) is concerned almost exclusively with our operating funds. This policy will provide the board guidance about our largest non-operating expense – Debt Service.
 - b. Comparison School Districts Policy – Policy 4:12 calls for “A list of comparable school districts shall be identified periodically by the Administration and the FORC and approved by the Board.” This policy will provide guidance for the creation and maintenance of the list.
2. Review of and communication about financial promises made during the 2011 referendum with regard to expenses and fund balances. Some assumption used for the 2011 referendum projections, particularly enrollment and state funding, are not proving accurate. In addition, there is a need to replace the “referendum reductions” place holder with something more concrete. It is time for the board to review and assess itself against the 2011 referendum targets, but also to set new and updated expense targets that reflect the current reality. It will be critical that assessment and new targets be clearly and accurately communicated to the public.
3. With a new OPTA contract, likely changes in state funding, pensions, and/or payments, and changes in enrollment and staffing, it is important for the board to monitor and provide oversight during additional points during this budget cycle.

Dates and Times

- 1a) Debt Guidelines Policy – First reading in January, passage in late January or February
- 1b) Comparison School Districts Policy – First reading in February, passage in March
- 2) January and March FORC meetings; Preliminary report in March, Final report in April
- 3) Two additional sets of projections presented:
 - a) one after settlement of OPTA contract and a five-year and ten-year projection.
 - b) one after there is at least some clarity around the 2015-2016 state budget.