

Understanding School Finance



A presentation by Great Falls Public Schools – March 2010

How does money at GFPS work?

- It doesn't work the way business or home budgets work
- Schools have "buckets" that split up their money
- The money in each bucket is legally designated for specific uses
- Money from Bucket A cannot necessarily get poured in to Bucket B

Who splits up the money?

- State and federal law splits the money up
- Some buckets can only be spent in certain schools
- Some buckets can only be spent on certain programs
- Some buckets can't pay for salaries
- There are a lot of rules around the buckets!

What are the main buckets?



General Funds

- Most salaries
- District “upkeep”
- Operational Costs



Special Ed

- Special Services
- Counselors
- Extended Curriculum



Federal

- Title I
- Title II D
- Many others
- “balance the scales”



Reserves

- General Fund Augmentation
- One-time-only
- Rainy Day Fund



Grants

- Short term
- Specifically Targeted

Remember – most buckets legally can't mix!

How do buckets get filled?

- Federal buckets (Federal Programs and Special Education) are filled by the feds
- Reserve bucket is filled by “events” such as PP&L settlement, Malmstrom Impact Aid, and other non-reoccurring payments
- Grant buckets are filled by grant underwriters
- The confusing one is the General Fund bucket...

How do general buckets get filled?

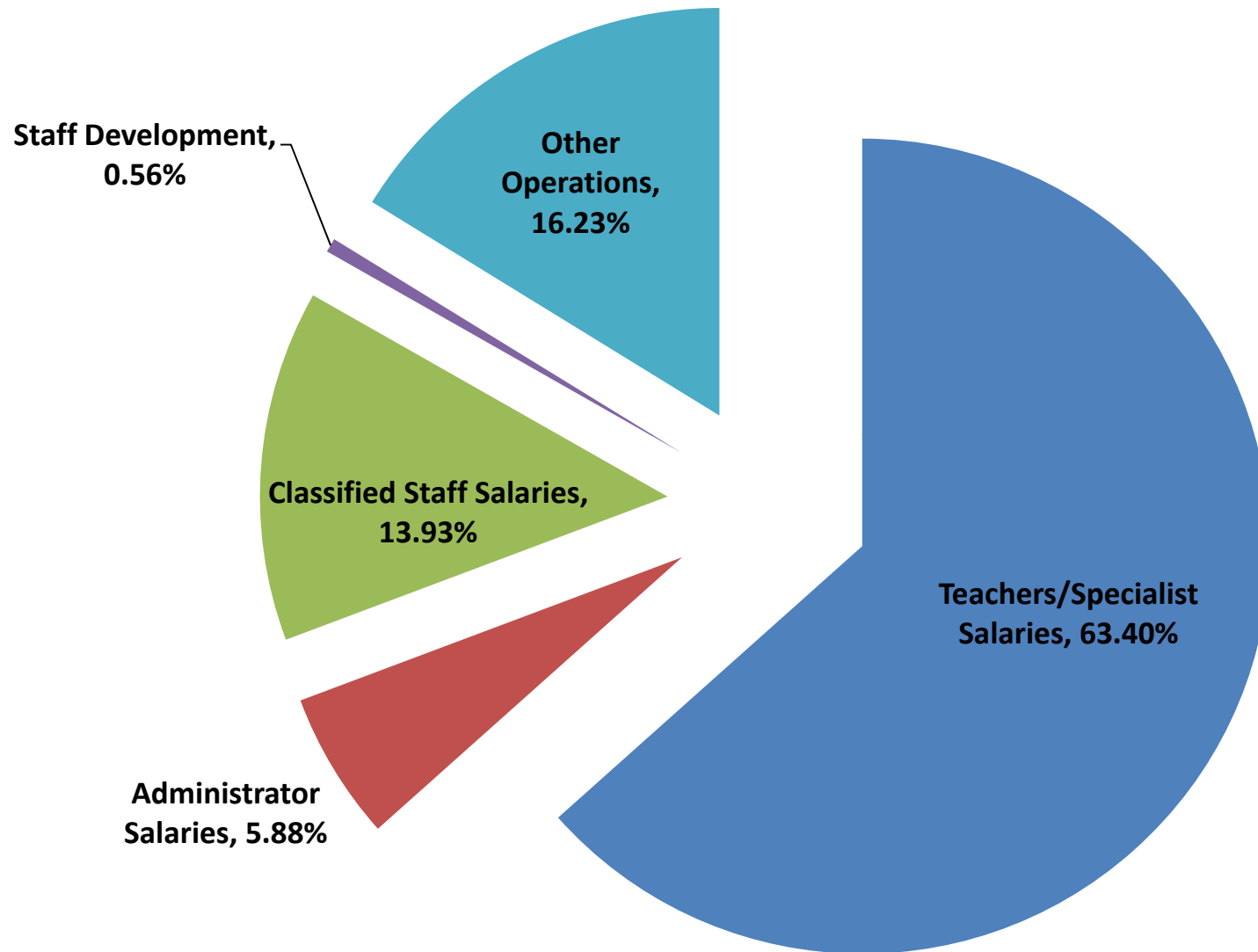
55% from
Governor's
allocation of
state budget

45% from local
support



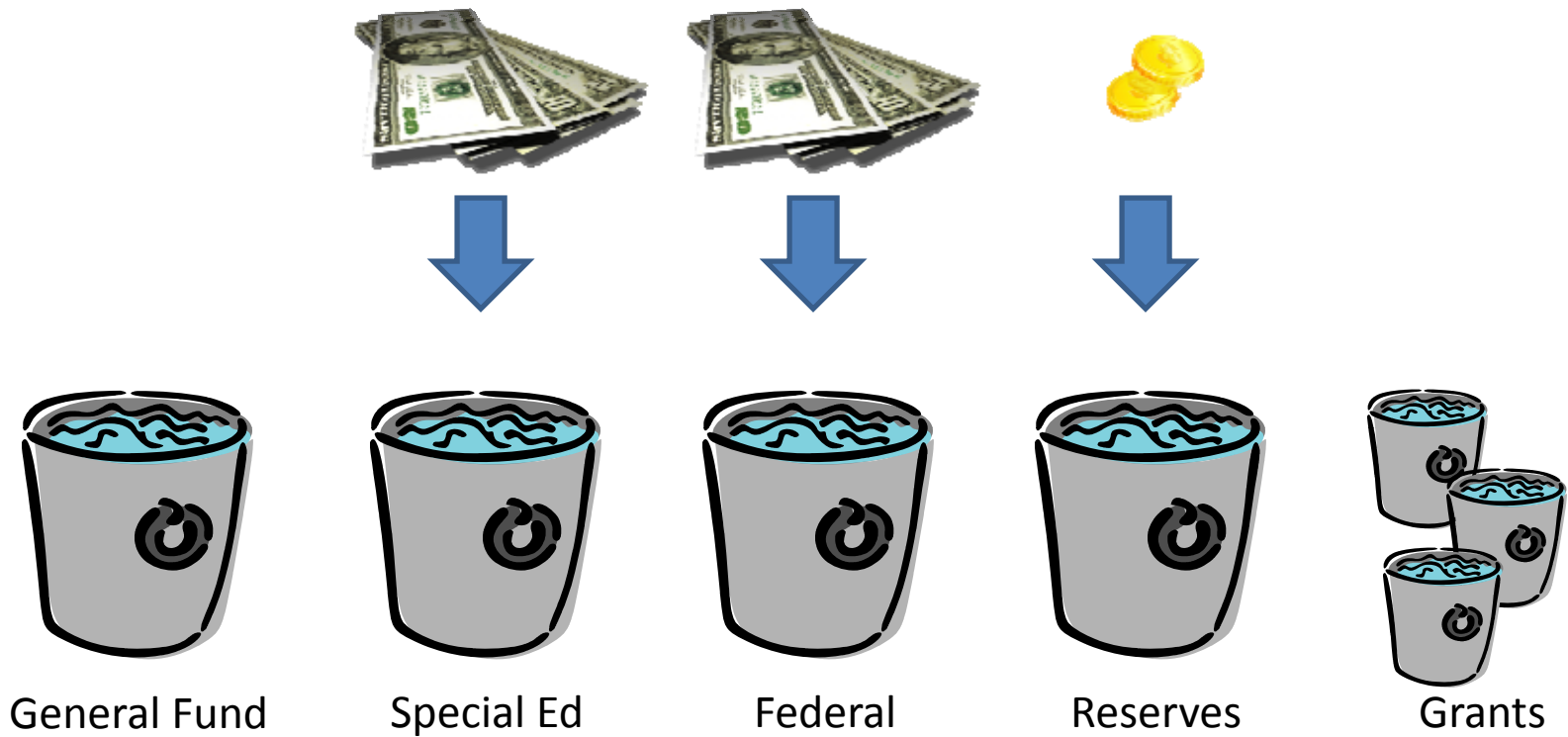
General Fund bucket

What gets paid for by the general
fund buckets?



Over 83% of the general fund budget supports salaries

What about stimulus?



Stimulus is very targeted - and it is all one time only!

What is the budget process?

- An annual budget committee is formed with community members, trustees and school staff members
- Budget committee meets for several weeks in the evening
- Budget committee makes recommendations to school board
- School board adopts recommendations

Which buckets are short for the
2010 – 2011 school year?

- Most buckets are short
- Federal buckets are short, but we have no local control over that
- State allocation into general bucket remains short due to state shortfalls and cuts
- This leaves the general bucket (the primary bucket for operation) short – the bucket the local community has the most control over

What are the recommendations for
2010-2011 general fund bucket?

There were three recommendations:

- Take budget cuts where possible
- Spend some reserves to help fill the hole
- Ask the community for a levy to cover the rest of the shortfall

The levy amounts to around \$15 / year per homeowner for a house tax-valued at \$100,000.



What if I have more questions?

- Your school principal can answer a lot of questions
- The business office at the district office building can field detailed questions
- You can get very detailed info on the school's website for the following topics:

Stimulus: <http://www.gfps.k12.mt.us/arra>

Budget: <http://www.gfps.k12.mt.us/finance>