**Education Law §3614 School Funding Allocation Report**

**Part F - Narrative Description**

**(A) Describe the local methodology/approach used to allocate funds to each school in the district during the process of budget development and implementation. (B) Please also describe the role(s) of all relevant stakeholders in such budgetary processes and decision-making. (C) Finally, if schools are allocated a significant portion of their funds—either in part or in full—through a formula, outline the nature/mechanics of the formula and the elements impacting each school’s allocation.**

**Specifically, the Division of Budget and the State Education Department would consider a complete response to this question to include explicit answers to the questions included in the rubric below, including a substantive discussion on the translation of students needs into the district's budget (at least 1 sentence per question, when applicable).**

Budget Development Process

The budget development process is lead by the school district’s Superintendent in collaboration with the Assistant Superintendent of Finance. The needs of the students are translated in multiple ways. First, a master schedule analysis is performed annually to determine the number of full-time equivalent staff is required and to maintain reasonable class sizes and student-teacher ratios. The district also conducts an analysis of students with disabilities and reviews both in the district and out of district placement to assure services required are maintained. The district also reviews the accountability status of schools to allocate and support schools. Below is a more detailed six-step budget development process used to develop the budget and is outlined in a fiance handbook created and maintained by the district office.

Newburgh Standardized Budget Process is as follows:

Step 1: Develop a budget calendar and project plan with key dates, deliverables, and responsible parties.

Step 2: Review Key Data Points [Understanding Academic and Financial Historical Performance]

a. Study previous year’s actuals vs. budget by the fund, object, and location

b. Assess how closely dollars were spent on goals/themes developed in the previous year

c. Conduct Academic Return on Investment analysis on major programs

d. Check core budget assumptions to ensure major items were not over/under-budgeted

e. Conduct mid-year update of current year’s budget

f. Disseminate summary report to key stakeholders

Step 3: Projecting Available District Resources [Revenue Estimates]

a. Review final revenue from the previous fiscal year

b. Conduct Enrollment Projections

c. Calculate Estimated State Aid (governor’s budget mid-January)

d. Calculate Estimated Tax Levy (Tax Cap Calculation)

e. Calculate Estimated Federal and other sources of revenue

f. Adjust 3-5-year Revenue Projections based on newly available information

g. Review unrestricted fund balance

Collaboration with Stakeholders

Step 4: Construct and Review List of District Priorities

a. District Leaders: Review strategic plan and relevant academic data to develop an initial list of priority areas for the new fiscal year in order to provide a strong foundation for the budget process.

b. Principal & Department Leader Priorities: develop school and departmental list of priorities that are aligned to district goals

c.District Leaders: present district-created priorities to BOE and incorporate feedback to devise a finalized list of new fiscal year priorities

Step 5: Paying for Priorities [Expenditure Estimates]

a. Apply a cost analysis to the budget priorities to ascertain potential expenditures

b. Update assumptions based on newly available data for the following:

Staffing cost (taking into account raises and step increases)

Retirement Benefits (ERS, TRS, and buyouts)

Health Insurance (Active, Retirees, health and dental)

Energy (Gas, electric, water, phone, garbage, etc.

Maintenance & Custodial contracts

Insurance – Property, Casualty, Student, and Catastrophic

Leasing equipment

Transportation

Contractual agreements

Vacancies

Step 6: Implement Plan

a. Based on most current revenue assumptions allocate resources to schools and divisions

b. Develop budget

c. Develop budget presentation

d. Garner Stakeholder Input

e. Budget Roadshow

f. Update Budget

g. Finalize Budget

Formulaic Methodology

The district currently does not use a formulaic methodology but is researching and will be working with various groups throughout the year to discuss methods and possible formulas to distribute the new federal stimulus funds.

**If applicable, is there anything unique about certain schools which explain why per pupil spending at these locations may be significantly higher/lower than the district average?**

**If applicable, describe any items which the district feels are anomalous in nature and require additional description.**

  