

Budget Timelines for ISDs

*aka the other March
Madness*

Session B07

Jason Helsen

Director of Financial
Services,

Muskegon Area ISD



Session Agenda

- ISD Budget Process
 - Why is it different than LEA's?
 - What's required?
- Survey Process and Results
- Muskegon Area ISD process & presentation
- Washtenaw ISD PowerPoint
- Eastern Upper Peninsula ISD Budget Document

ISD Mandated Budget Review

Section 624 of the Revised School Code requires an ISD Board to have its proposed **General Fund** budget reviewed by its constituent districts each year.

Link: <http://legislature.mi.gov/doc.aspx?mcl-380-624>

ISD Board Responsibility

By May 1 of each year:

The intermediate school board shall submit its proposed **General Fund** budget for the next school fiscal year to the board of each constituent district for review.

Local Board Responsibility

- The local board will:
 - Review the proposed ISD budget.
 - Adopt a resolution expressing its support for or disapproval of the proposed ISD budget before June 1.
 - Submit any **specific** budget objections and/or proposed changes to the ISD board.

ISD Board

If an intermediate school board receives any specific objections or proposed changes, the intermediate school board shall consider the proposed budget changes.

Interpretations

No regulation, requirements or guidance beyond what is in the statute.

In discussions with ISD colleagues and through the survey, ISD practices are certainly not standardized and have been developed over time since the inception of the legislation.

So...what are ISDs doing?



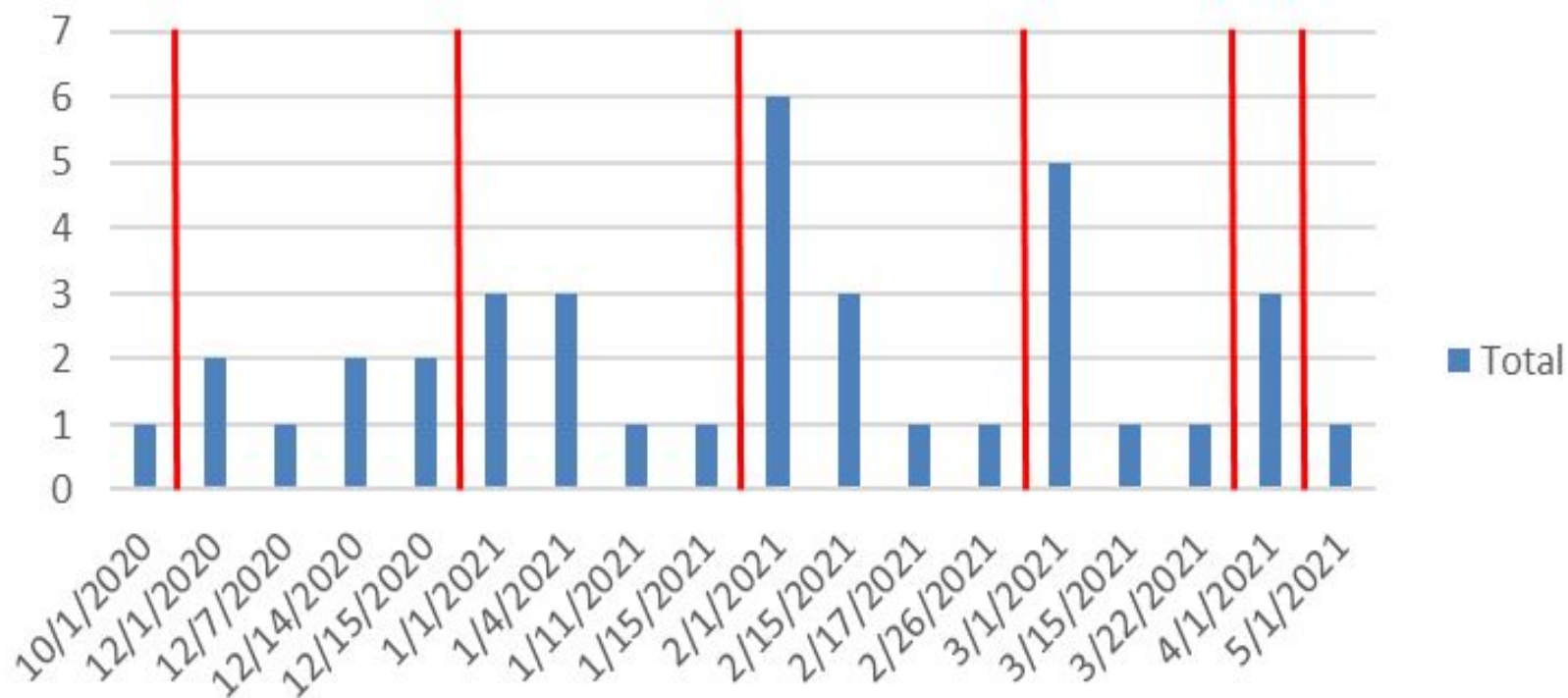
Data Gathering

- Presentation was originally planned for the 2020 MSBO Annual Conference
- Survey was launched in early March 2020
- Unfortunately, the 2020 Annual Conference was canceled
- There was enough interest in the content to have it added to the 2021 Conference
- Survey was relaunched in March 2021

Data Gathering (Continued)

- Not a full reboot in 2022 - but some subsets were selected for updates
- 10 responses received in 2022 (targeted questions)
- 38 of the 56 ISDs responded in 2020/2021 and 10 of 17 followed up with updated responses in 2022

When do you start your budgeting process?

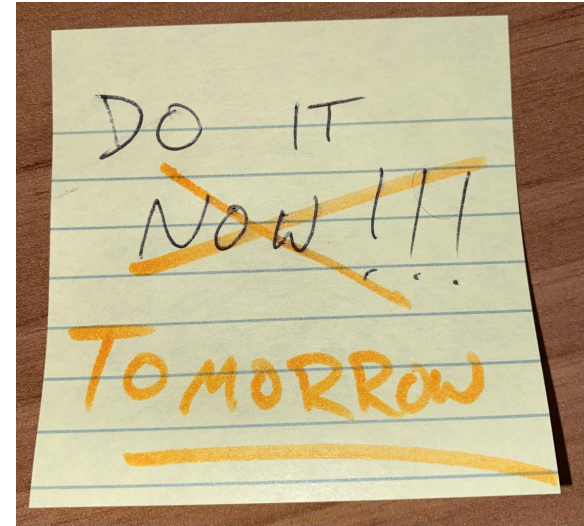


Some variation in the start date is likely due to interpretation and viewpoints...

(A) Do I ever stop thinking about budget?

vs.

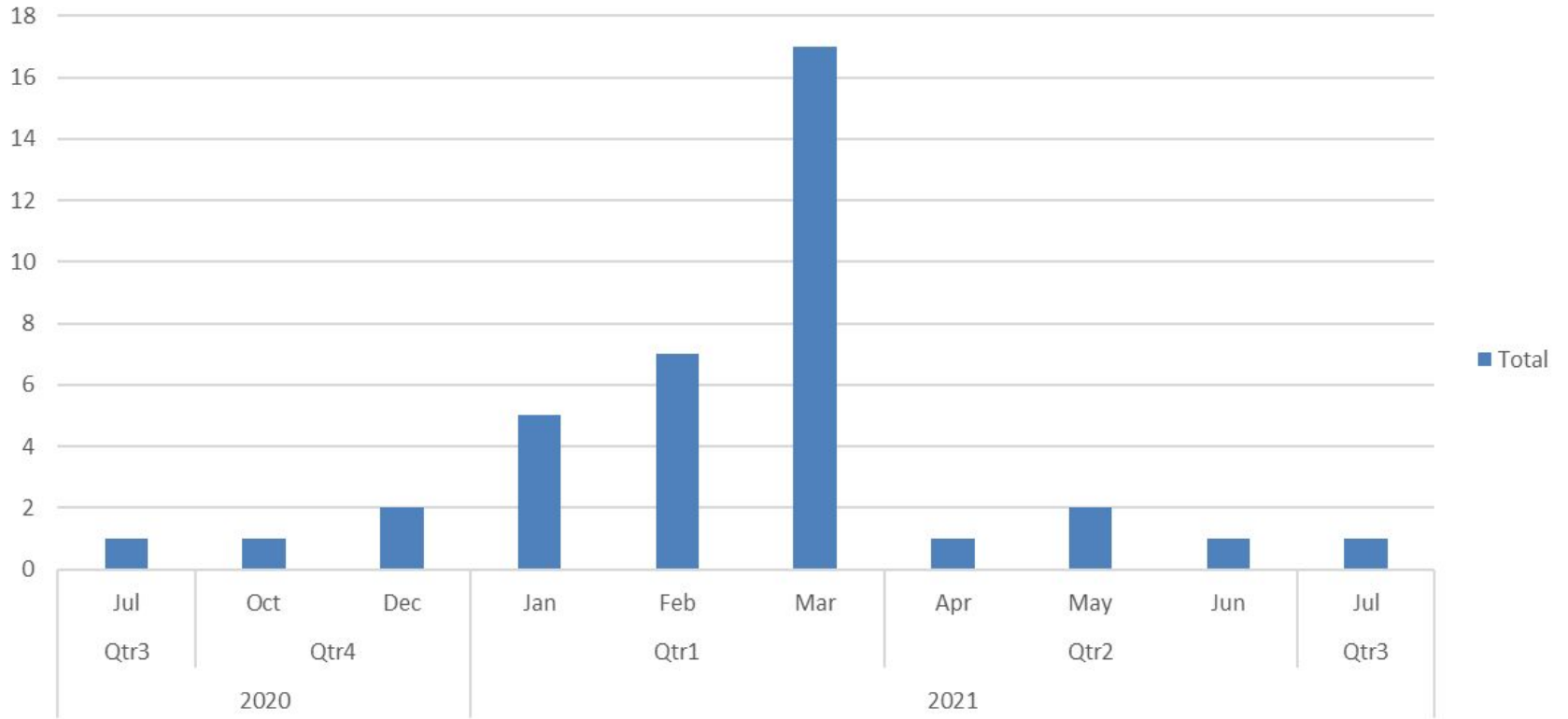
(B) When is the last possible minute I can get this done?



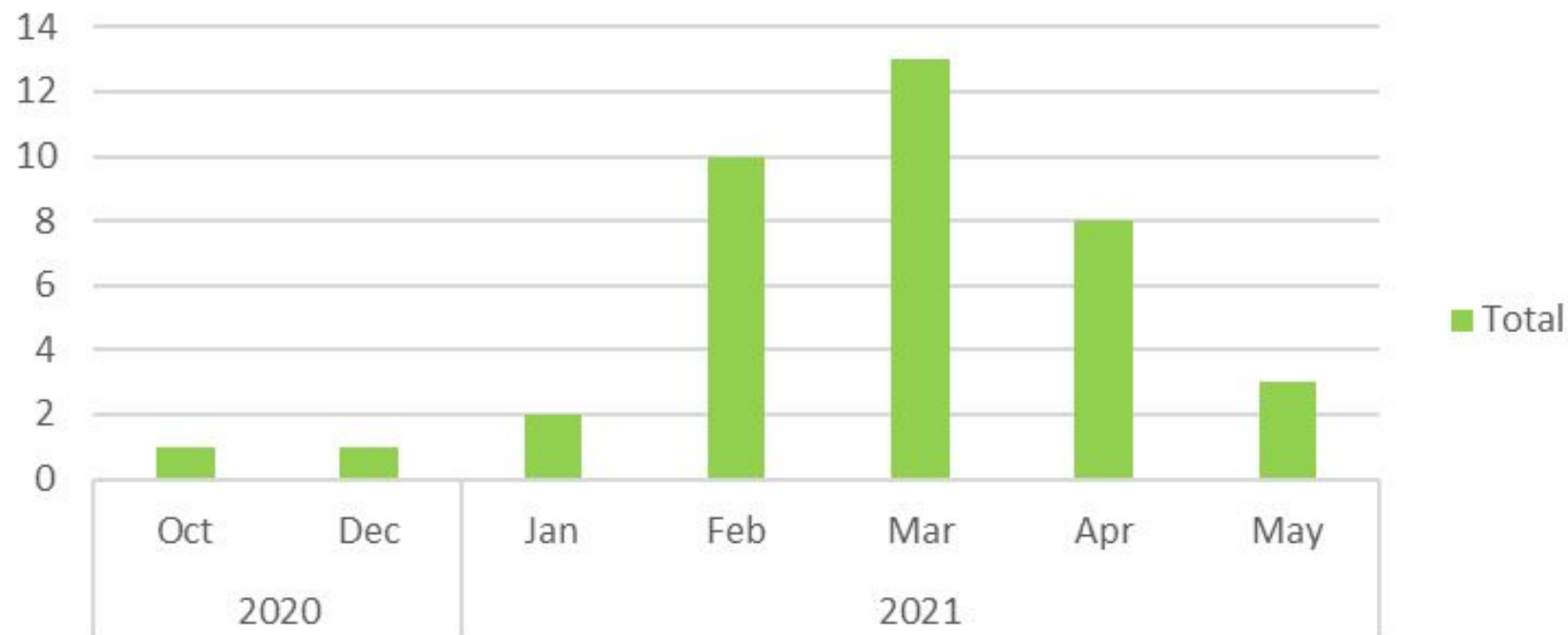
And when are ISDs doing it?



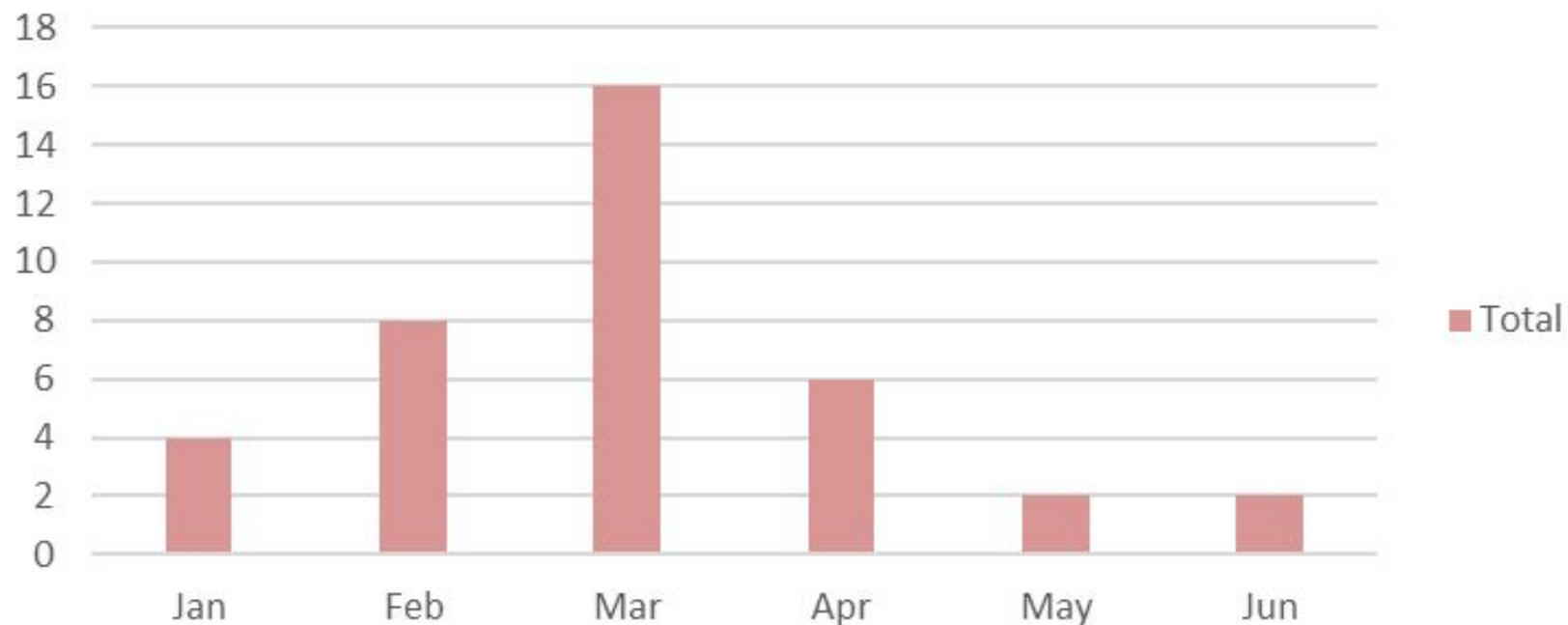
Decide wage change if no bargaining agmt in place?



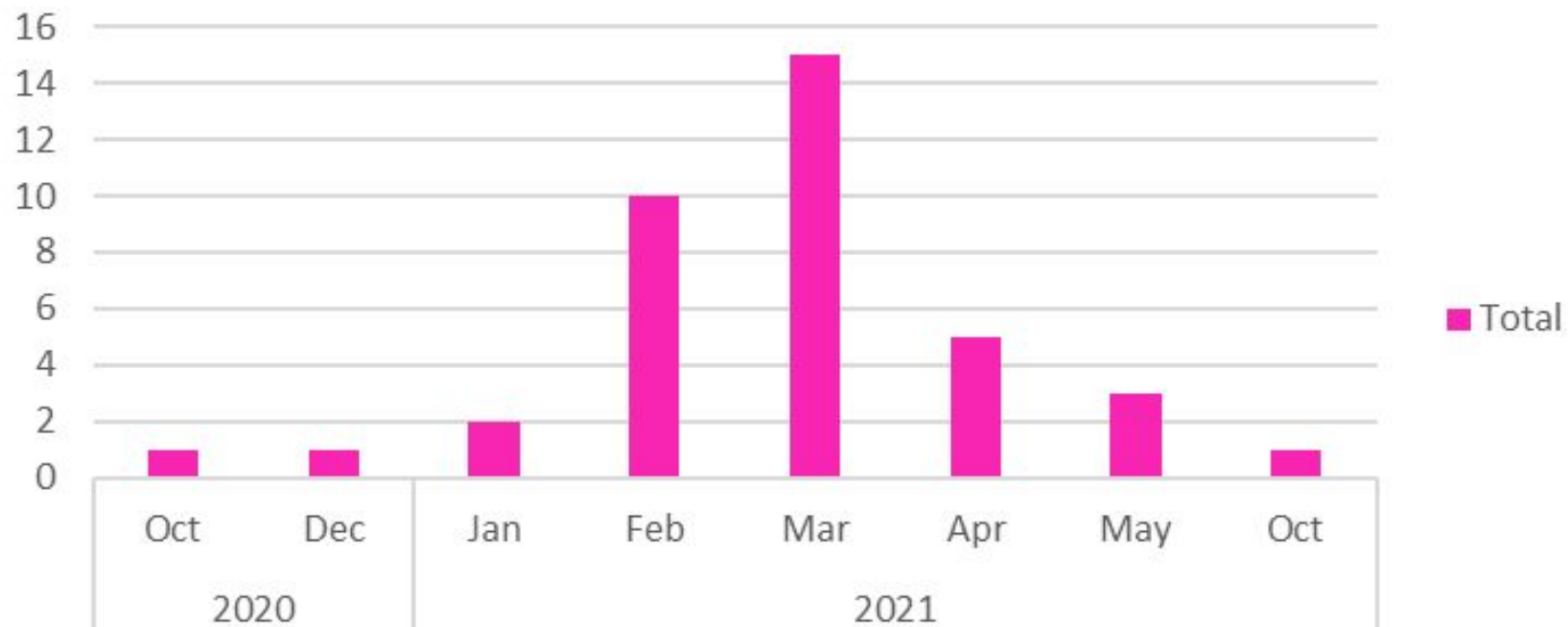
Decide on Property Tax Change for Budget?



Decide on State Aid for Budget?



Decide on Retirement Rate for Budget?



You don't have to be Irish to realize March is a popular month...



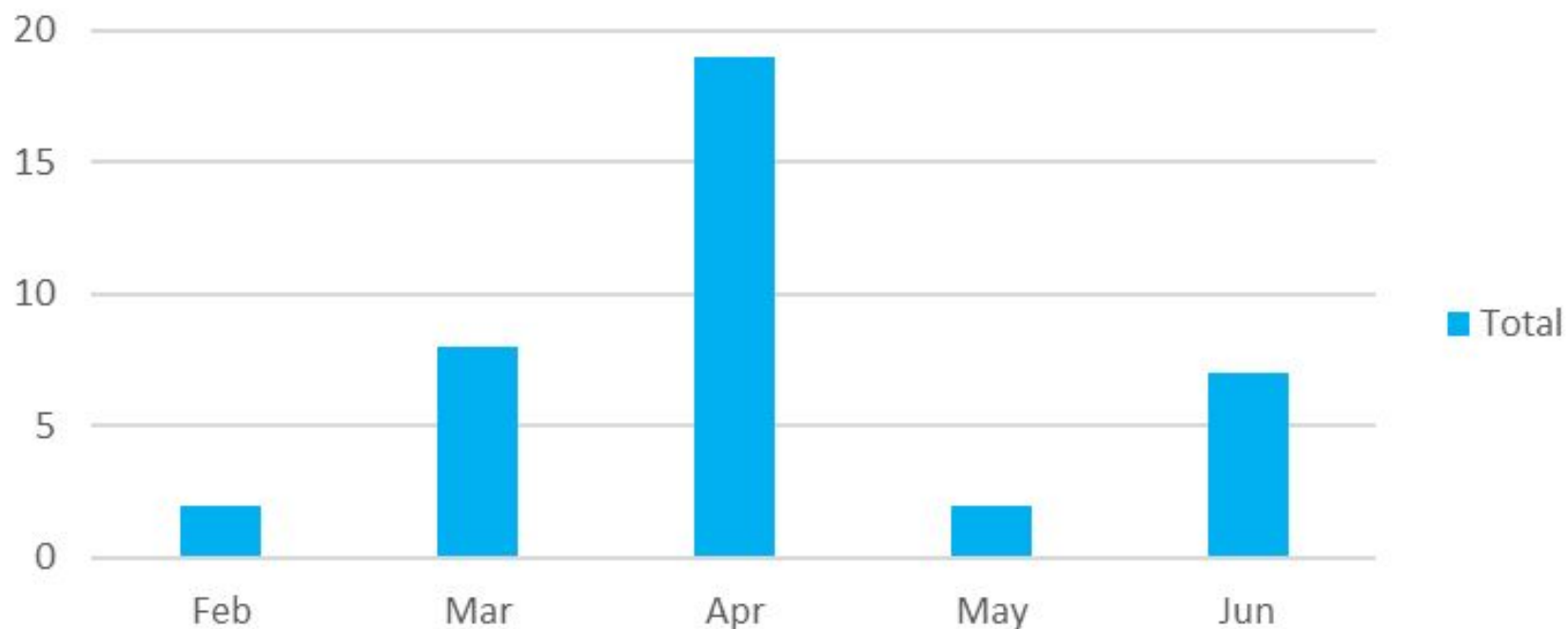
March Madness indeed!

April showers bring...

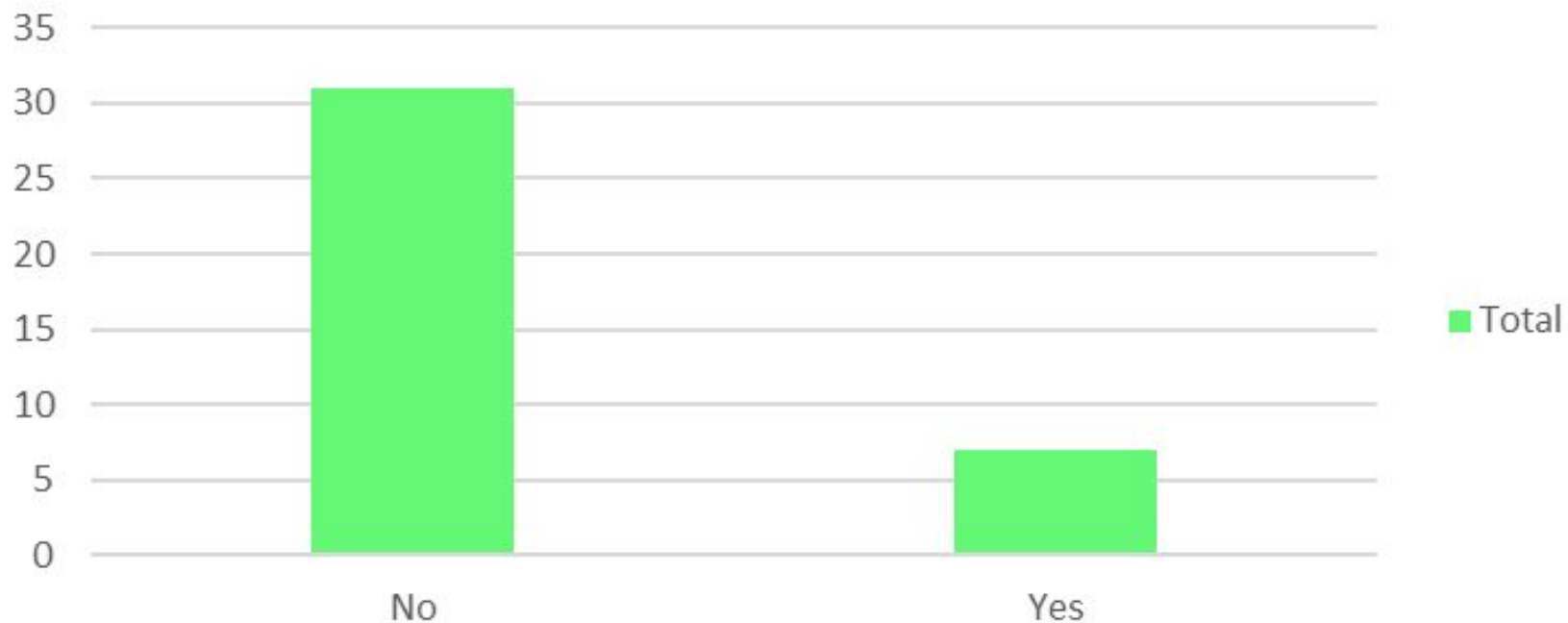


...many variations of budget presentations

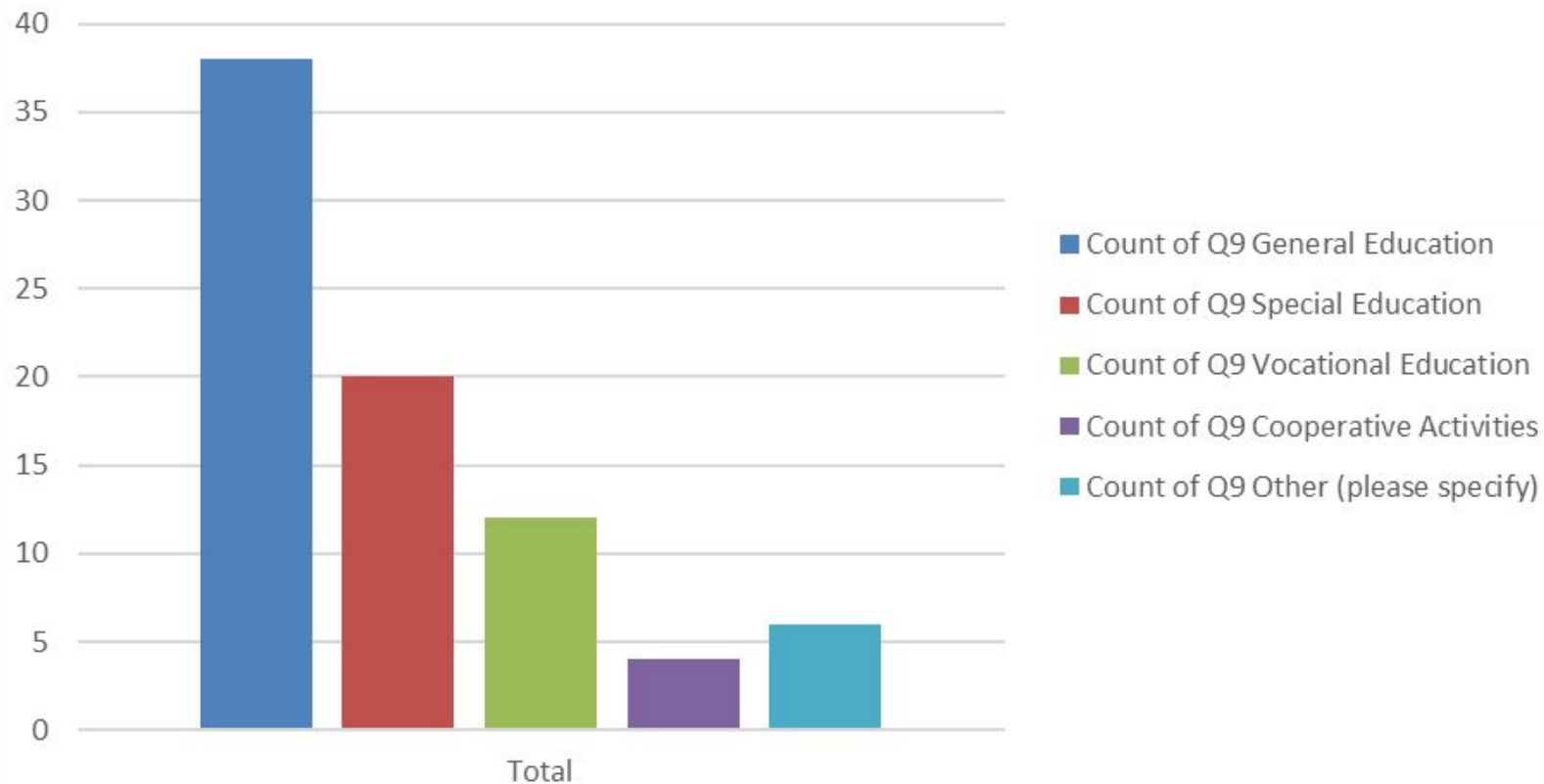
First Present to Board for Review?



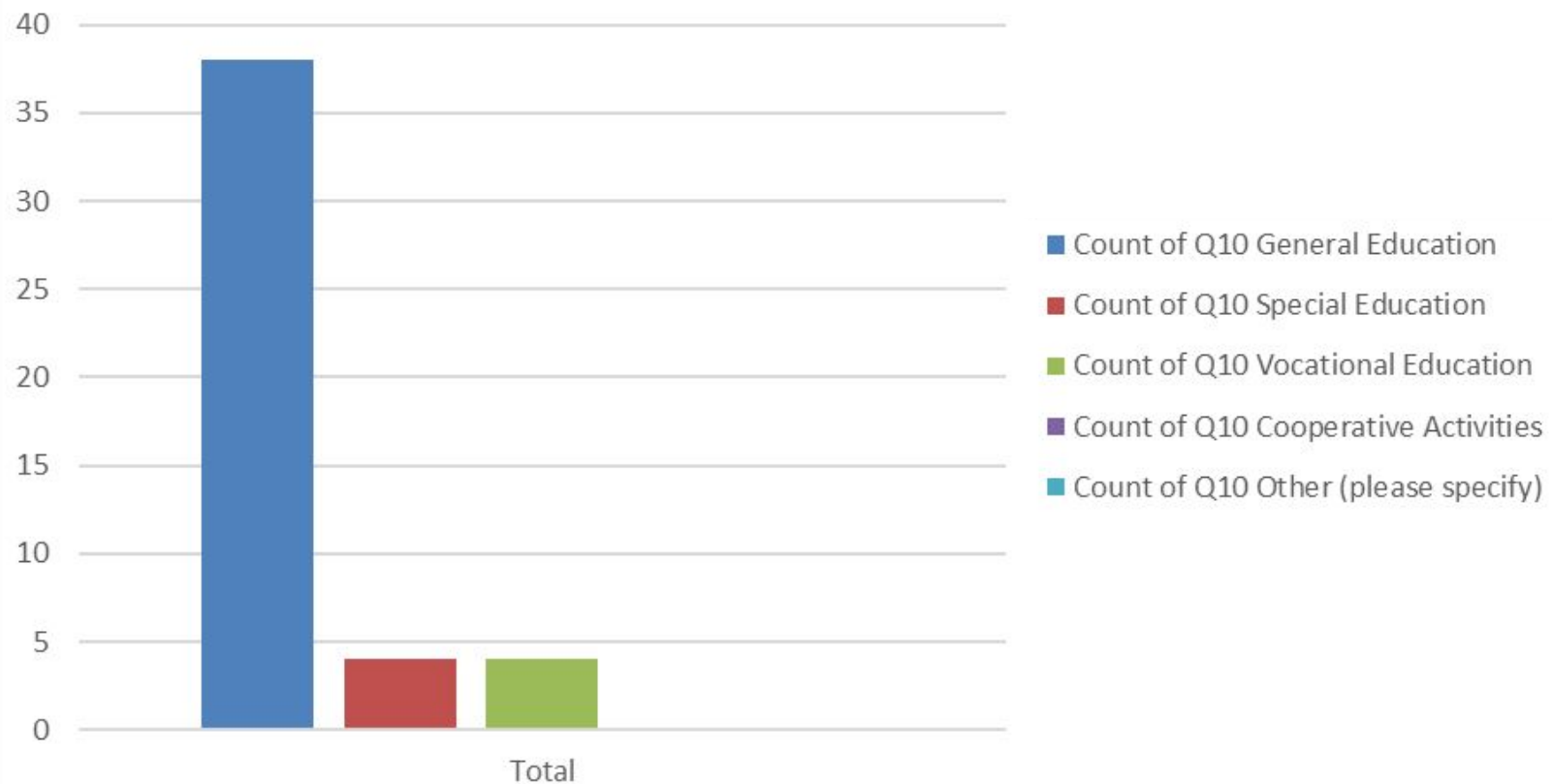
Board approves budget before sent to Locals?



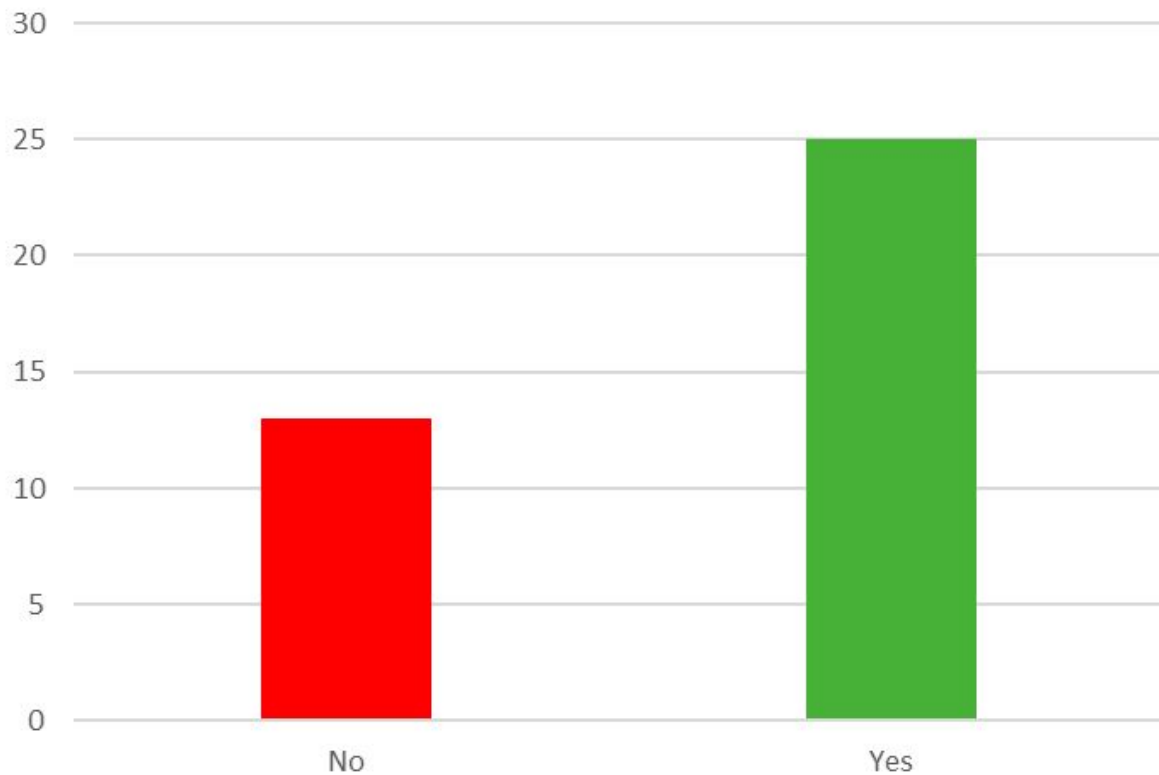
Which fund budgets do you send to locals for them to review?



Resolution the locals adopt covers which fund(s)?



Have locals disapproved your budget in the past?



2022 update

Respondents indicate **no changes** from past practices.

Those that give other fund budgets alongside the general fund have continued to do so.

Reasons include...

'We do budgets for several local districts and it forces me to complete the ISD budget for the new year so we can shift our focus.'

'We feel it builds credibility with locals and will work in our favor when we need a restoration of our millage rate in a few years.'

'We provide all funds including capital projects - we're trying to be transparent.'



Examples of budget processes and documents from..

- Washtenaw ISD
- Eastern Upper Peninsula ISD
- Muskegon Area ISD



Jason Helsen
Director of Financial
Services,

Muskegon Area ISD

jhelsen@muskegonisd.org

231-767-7209

