

How to Communicate Your Budget to Nonfinance People

Communicating your district budget in understandable terms helps garner the support necessary to advance the district's goals.

By Linda Jones, CPA



Your budget isn't just a financial statement. It tells the community a story about the school district's visions for its students. It is also a planning vehicle that outlines the district's goals and objectives by showing the degree to which its priorities are being supported.

What story do you want your budget to tell about your district? How can that story help your district reach its goals?

When communicating your budget to your community—especially to nonfinancial people—assume your audience knows nothing about education funding or

school district budgeting. Here are some strategies that Wichita (Kansas) Public Schools uses to help communicate its budget effectively.

Include an executive summary.

Assume your audience won't have time to read the whole document. This one- to two-page "financial state of the district" should give the reader a quick overview of the budget, including allocations, increases and decreases from the previous year, and significant changes you want the public to know about.

Explain how your school district is funded. The public often thinks districts have plenty

of money to spend. Explain who decides how much you can spend. Do you have a state formula or does the board have discretionary taxing authority? Indicate what percentage is funded locally and what percentage is state and federally funded.

Look at local taxes and help the audience make the connection between taxes and school funding. Has state aid increased or decreased over time? How about your tax base? Have property values risen or declined? What has your tax rate been over time? Calculate an annual cost on a \$100,000 home and chart the cost over time. Chart how your tax rate compares with neighboring and peer districts.

Include trend data. Which data are changing (enrollment, number of employees, test scores, poverty rate) and why? How do these trends affect your budget? Explain why special-education, bilingual, and low-income students cost more to educate.

Incorporate pictures, text, and data that support and bring the budget story to life. Always explain the visuals in layman's terms to express the specific message you want your audience to glean from them. You do not need a graphic artist on staff; art students can design the cover or display their work in the document. It will help remind patrons why you exist.

Explain the goals, objectives, and mandates that drive your decisions and costs. Highlight successes, achievements, progress, and trends. Discuss needs and initiatives and communicate the costs of those initiatives. Include student outcomes or achievement trend data. Show what taxpayers are getting for their money. If your students are performing better than neighboring districts or peer districts, include a comparison chart.

Complete a multiyear comparison of expenses. Include at least four years of data: two years of actual expenses and two years of budget by function/program and expense category. What percentage of the budget is spent on salaries and benefits? What percentage is spent at the school level? What percentage is allocated to fixed costs? Include your capital plan. Are you opening or closing any buildings? Explain the impact of new construction or building closings on the budget. How do enrollment projections affect the capital plan? Are you planning on issuing any debt? Compare your debt with the legal maximum.

Assume your audience knows nothing about education funding or school district budgeting.

Keep track of the questions about each year's budget. The following year, try to answer those questions graphically. Last year, anti-tax groups alleged that our cash balances were too high. This year, we added a chart to our budget that shows cash balances by month, thus illustrating how semiannual tax collections resulted in higher cash balances in the months of tax receipts, which must fund operations until the next collection date. We also stacked the bars to show how much of the cash balances were in restricted funds that are necessary to make scheduled expenditures, such as bond payments.

Develop a PowerPoint presentation to take on the road. Hold meetings with town officials, parents, and community service groups. Hold special sessions for principals and teachers; they may not support initiatives if they don't understand them. If teachers are telling neighbors that all the district needs to do to balance the budget is trim waste, initiatives to increase funding will likely fail.

Communicate your budget through a variety of vehicles, including the district Website, a brochure, or newsletter. Put brochures in public places like the library, real estate offices, community centers, schools, town offices, or other gathering places.



Educating your public about student success will pay off in enrollment growth and retention. Educating your public about district effectiveness and efficiencies, including the goal of putting the bulk of increased spending in the classroom, will pay off when you seek additional revenues.

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