



# The School Board's Duties And Responsibilities Regarding The District's Operating Budget

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Lake Arthur Municipal Schools  
Board of Education  
June 1, 2023

Edward Rubio, President, 23 years

Irma Guillen, Vice President, 15 years

Cyndi Buck, Secretary, 5 years

Amanda Lodoza, Member, 4 years

Rosa Campa, Member, 6 months

Elisa Begueria, Superintendent, 5 years, 24 total

Kathleen Gallaway, Principal, 3 years, 36 total



Don't tell me what you value.

Show me your budget and

I would tell you what you value.



*What are the board's duties and responsibilities regarding the district's operating budget?*

## Board Duties and Responsibilities

**Statutory Duties** - According to NM Stat § 22-5-4 (2018) Local school boards; powers; duties.

A local school board shall have the following powers or duties:

- A. subject to the rules of the department, develop educational policies for the school district;
- B. employ a local superintendent for the school district and fix the superintendent's salary;
- C. review and approve the annual school district budget;**
- D. acquire, lease and dispose of property;
- E. have the capacity to sue and be sued;
- F. acquire property by eminent domain pursuant to the procedures provided in the Eminent Domain Code [42A-1-1 through 42A-1-33 NMSA 1978];
- G. issue general obligation bonds of the school district;
- H. provide for the repair of and maintain all property belonging to the school district;
- I. for good cause and upon order of the district court, subpoena witnesses and documents in connection with a hearing concerning any powers or duties of the local school board;
- J. except for expenditures for salaries, contract for the expenditure of money according to the provisions of the Procurement Code [13-1-28 through 13-1-199 NMSA 1978];
- K. adopt rules pertaining to the administration of all powers or duties of the local school board;
- L. accept or reject any charitable gift, grant, devise or bequest. The particular gift, grant, devise or bequest accepted shall be considered an asset of the school district or the public school to which it is given;
- M. offer and, upon compliance with the conditions of such offer, pay rewards for information leading to the arrest and conviction or other appropriate disciplinary disposition by the courts or juvenile authorities of offenders in case of theft, defacement or destruction of school district property. All such rewards shall be paid from school district funds in accordance with rules promulgated by the department; and
- N. give prior approval for any educational program in a public school in the school district that is to be conducted, sponsored, carried on or caused to be carried on by a private organization or agency.

## Board Duties and Responsibilities

### Board Policy – B- 0200

The Board of Education will, in accord with the Administrative Code of the Secretary of Education:

- approve and support the District's Educational Plan for Student Success (EPSS) and each school site-level EPSS action plan;
- employ and evaluate the Local Superintendent on an annual basis in accordance with Section 22-10-3.1 NMSA 1978;
- ensure that each member of the Board participates in a planned program of training which will assist in the performance of specified duties. All Local School Board members must receive a total of five (5) hours of annual training.
- delegate administrative and supervisory functions to the Local Superintendent;
- refrain from involvement in delegated administrative functions;
- review, revise as needed, and submit policies to PED on an annual basis;
- award diplomas to students who have successfully completed graduation requirements;
- ensure the alignment of District curricula with Content Standards with Benchmarks;
- **ensure that District funds are appropriately managed and disbursed;**
- **be responsible for oversight of revenue and expenditures within the District budget;**
- accept responsibility for ensuring the success of each school in the District.

*What do we need to know  
in order to fulfill our  
duties and  
responsibilities?*

The period covered by the official **Operating Budget is a fiscal year**. The fiscal year is defined as a twelve-month period, beginning July 1 and ending June 30, to which the annual Operating Budget applies.

Some projects, grants, or programs have a fiscal period that differs from this fiscal year, and it may be necessary to prepare program budgets that cover a different time period.

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The current official Operating Budget shall include only the estimated revenues and expenditures occurring during the period covered. A school district or charter school's financial statements also reflect transactions in the fiscal year.





# Basic Budget Information Flow

LEGISLATIVE SESSION BEGINS  
STATE BUDGET IS DETERMINED  
UNIT VALUE IS SET  
MANAGEMENT ANALYZE  
OUTCOMES  
DETERMINE FINANCIAL IMPACT

JANUARY

INFORMATION SHARING BEGINS

SUPERINTENDENT AND FINANCE PERSONNEL  
DISCUSS LOCAL ISSUES AND POTENTIAL COSTS

BOARD/COUNCIL BUDGET STUDY SESSIONS  
PARENT MEETINGS

FEBRUARY AND MARCH

MEM IS PROJECTED  
ESTIMATES

PROGRAM COST

REVENUE

**STATE AND LOCAL ECONOMICS ARE CONSIDERED**

COSTS ARE ESTIMATED FOR:

UTILITIES - MAINTENANCE - OPERATIONS

STAFFING PATTERNS DETERMINED - PUPIL TEACHER RATIOS

CLASSROOM SUPPLIES - EQUIPMENT

CURRICULUM

SALARIES AND BENEFITS

APRIL

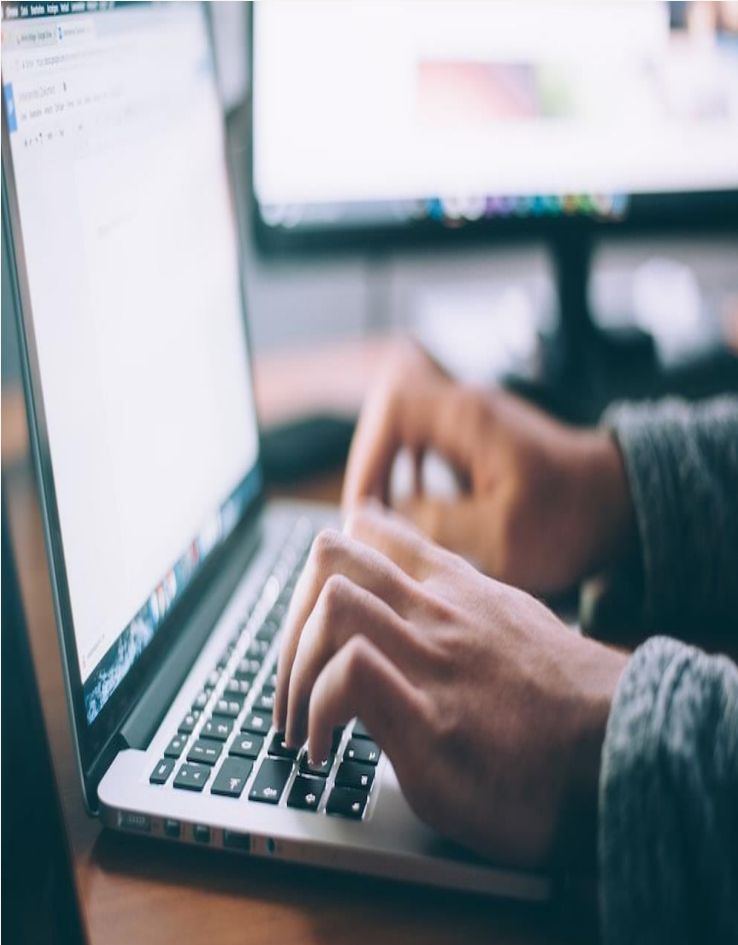
**ADMINISTRATION - STAFF - COMMUNITY MEET & SET PRIORITIES**

PROJECTED REVENUES AND EXPENDITURES ARE DEFINED  
**THE DRAFT OPERATING BUDGET IS FINALIZED**

SCHOOL DISTRICTS AND CHARTER SCHOOLS MEET WITH THE PUBLIC  
EDUCATION DEPARTMENT TO REVIEW BUDGET DOCUMENTS

LOCAL BOARD OR GOVERNING COUNCIL APPROVE BUDGET  
OPERATING BUDGET MUST BE APPROVED BY JUNE 20

MAY AND JUNE



## WHO?

Budgets are typically prepared by the assistant superintendent for business and finance or by an employee with similar responsibilities, such as a chief business official or a budget administrator, with direction from the school board, the superintendent, and other district and school administrators.

## HOW?

The projected revenues and expenditures are carefully estimated and entered in OBMS – the Operating Budget Management System used by the NMPED. This is a web-based application designed to import and export budget information with a defined approval process required in order for the information to be finally entered into the district.

# Review & Approval

- The presentation of the preliminary district budget to the school board may take the form of a meeting, budget workshop, or retreat. These working sessions familiarize board members with the budget process, preliminary budget, and significant budgetary issues (e.g., state or local revenue shortages). At this stage of budget review, it is important for the school board to reach a consensus on the objectives and priorities of the budget and to provide feedback to district staff on proposed revisions. The school board also should consider the long-term implications of resource allocations, expenditure trends, and tax rates.
- Following this presentation, the district should provide an opportunity (ies) for the public to understand and present feedback on the proposed budget. Following the completion of the public hearings, the school board may legally adopt the budget.
- Approval of the proposed budget by the local board shall be held in a public hearing before June 20. The notice of the hearing for the adoption of the budget shall be published in accordance with the Open Meetings Act.

# Oversight and Monitoring: Financial Reporting to Boards of Education and Governing Councils

- Periodic reporting to the Board of Education or Governing Council is not only customary but a **required and necessary part of budgetary maintenance**.
- **Local policies** and administrative procedures should designate the format and/or frequency of information that should be submitted for review.
- Assurance that the operations of a school district or charter school are meeting local and state policies and exhibiting **transparency** is critical.
- The reporting relationship should not be interpreted to mean that the Boards of Education and Governing Councils manage budget implementation. That responsibility is ultimately the superintendent, however; school board members and council members should be given periodic updates on the status of the Operating Budget, including revenues, expenditures, and cash for all funds.
- Boards of Education and Governing Councils should be thoroughly informed of any significant issues related to **changes or items of concern**.
- Reports should **“lay the groundwork”** for the next budget cycle, and more importantly supply information needed for Boards and Councils to make critical policy decisions.

# Oversight and Monitoring: Annual Financial and Compliance Audit

- Every school district, charter school, and Regional Education Cooperative (REC) is required to be thoroughly examined and **audited each year** by the State Auditor, personnel of his office or by approved independent auditors.
- Each local school board shall appoint an **audit committee** that consists of two board members, one volunteer member who is a parent of a student attending that school district, and one volunteer member who has experience in accounting or financial matters. The superintendent and the school district business manager shall serve as ex-officio members of the committee. A local school board with more than five members may appoint more than two board members to its audit committee.
- The school board must approve the audit before it is submitted to the State Auditor.

# Oversight and Monitoring: Annual Financial and Compliance Audit

The audit committee shall

- 1) evaluate the request for proposal for annual financial audit services;
- 2) recommend the selection of the financial auditor;
- 3) attend the entrance and exit conferences for annual and special audits;
- 4) meet with external financial auditors at least monthly after audit fieldwork begins until the conclusion of the audit;
- 5) be accessible to the external financial auditors as requested to facilitate communication with the board and the superintendent;
- 6) track and report progress on the status of the most recent audit findings and advise the local school board on policy changes needed to address audit findings;
- 7) provide other advice and assistance as requested by the local school board;
- 8) be subject to the same requirements regarding the confidentiality of audit information as those imposed upon the local school board by the Audit Act (Section 12-6-1 NMSA 1978) and rules of the state auditor.

*TAKE THE ATTITUDE OF A STUDENT,  
NEVER BE TOO BIG TO ASK QUESTIONS,  
AND NEVER KNOW TOO MUCH  
TO LEARN SOMETHING NEW.*



# https://openbooks.ped.nm.gov/

## OPEN BOOKS

NM PUBLIC EDUCATION FINANCIAL  
TRANSPARENCY PORTAL

The *Open Books Public Education Financial Transparency Portal*, a result of **Senate Bill 96**, provides access to school and district financial information from across New Mexico's public schools.

As mandated by Senate Bill 96, the website provides information on:

- Local, state, federal funding and budgeting, including to support at-risk students, bilingual services, and special education services.
- Actual expenditures for schools and Local Education Agencies (LEAs), including salary and benefits, program expenditures, administrative costs, and other expenditures.

### SENATE BILL 96

Introduced by Senator Jacob Candelaria, Representative Rebecca Dow, Senator Sander Rue, and PED leadership, **Senate Bill 96** appropriated \$3 million to launch the financial reporting website by December 31, 2021.

[VISIT THE OPEN BOOKS PORTAL](#)

The screenshot shows the 'District Dashboard' for Lake Arthur, NM. The page includes a navigation menu with 'Home', 'State', 'Districts', 'Schools', 'Map', 'Programs', 'RECs', 'Learn More', and 'Contact Us'. The dashboard features filters for 'District Type' (State District), 'Fiscal Year' (2020-2021, 2021-2022, 2022-2023), and 'District' (LAKE ARTHUR). A map shows the district location. Key financial metrics are displayed: Actual Revenue to Date (\$3,643,300) and Actual Expenditures to Date (\$3,413,560). A table titled 'School Types and Levels' lists the following data:

School Type	School Level	Schools
1 District School	Elementary School	1
2 District School	High School	1
3 District School	Middle School	1