

Guidelines for Interpreting and Scoring Benchmarks

12.2 *The school's budget supports facilities, equipment, and technology management with specific funds for capital improvements, depreciation, and replacements.*

I. What does this benchmark indicate for school performance?

Benchmark 12.2 is about budget planning that is detailed and integrated, using generally accepted accounting principles (GAAP) and making sure it is developed to support the mission of the school. It takes into account appropriate use depreciation of equipment and accurately projects future costs. The budget gives all stakeholders an understanding of current and future costs associated with school assets and capital fund improvements. The budget enables long term planning to prevent sudden, unplanned expenses. This plan is compared to other similar schools to ensure best practices and comprehensiveness.

II. As a review team member, what evidence do I look for?

Here are some fundamental guiding questions which will help frame this item:

- What does the budget look like? What did last year's budget look like?
- Are line items for the current and future budget clearly detailed?
- Has future planning been reflected in the budget?
- Does the budget match the educational mission of school?
- What other similar plans have been taken into account when making the budget?
- What are the current assessments for school assets?
- What capital improvements will need to take place in the near future?
- What improvements will the school face in the future? What has been budgeted?
- What is the state of the current technology at the school?

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- What are the budgeted lines for depreciation and replacement for technology and all facilities?
- Are the planning documents for facilities aligned with the plans for curriculum and instruction and all associated costs?

III. What are the key differences between the levels of the rubric?

At level **3-Fully Meets Benchmark**,

the budget is clear and supports the facilities, equipment and technology. There are specific funds marked for capital improvement, depreciation and replacement. Line items are clearly marked and easy to read. It is not a level because 4 because the plans have not been compared to other schools to ensure best practices and completeness or they have not given all stakeholders a realistic and comprehensive understanding of costs that may occur in the future.

At level **4-Exceeds Benchmark**,

the budget is fully integrated and detailed. The budget has been designed following the principles of GAAP. School leaders have studied and reviewed other similar plans to ensure best practices. The budget allows all stakeholders to have a real understanding of the current and future values of the school's assets. The budget reflects depreciation and use of assets in addition to long term planning that will prevent sudden, unplanned expenses. Future capital expenditures are detailed and outlined in the budget. It is comprehensive and all stakeholders understand the realistic current and future values and costs associated with the school.

At level **2-Partially Meets Benchmark**,

the existing budget supports facilities, equipment and technology in a loosely tied manner. The budget may include something for unexpected costs but it is not aligned to specific capital improvements or related costs. The budget does allow for some unexpected costs but they have not been specifically identified. For example, a school may indicate facilities improvement in the budget but may not specify the exact need. An example of this is a school with an old heating system that has not been replaced in 50 years. The budget should reflect that at some point this will need to be fixed and is quite costly.

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At level **1-Does Not Meet Benchmark**,

the school does not have a budget. If the school has a budget it does not include line items to support facilities, equipment or technology nor does it include funds for future capital improvements or depreciation.

IV. What are some key suggestions for improvement?

To move from level 1 to level 2,

- If there is no budget:
 - Begin developing a budget with school accounting experts immediately.
 - Seek out examples of similar school budgets.
- If the school has a budget:
 - Look at the line items to ensure that there is support for future capital expenditures that relate to the mission of the school.
 - Complete a school asset survey to determine which items will need replacing or repair.
 - Use the results of the asset survey to determine priorities for budget planning.

To move from level 2 to level 3,

- Align and identify funds to specific capital improvements, depreciation and replacements.
- Ensure that the budget reflects specific items.
- Review the current and future needs to clearly identify costs to support the articulation and implementation of the vision based on school's mission.
- Develop and include plans to avoid unnecessary and sudden costs.
- Ensure the expenditures in the budget reflect the educational priorities of the school. (For example, if a school states in the mission that they are going to provide the most up to date, integrative technology program, the budget should reflect clearly how this will be accomplished.)

To move from level 3 to 4,

- Incorporate best practices that ensure proper long term planning that prevents any sudden, unexpected expenses.
- Integrate and itemize the budget.

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- Offer and share with all stakeholders a realistic understanding of current and future costs associated with the school.
- Include in the budget appropriate use depreciation and equipment costs given accurate values of costs associated with the school's assets.
- Utilize the Asset Survey to clearly identify areas that will need improvement on the school grounds.
- Compare the plan with other schools' plans.
- Accurately budget for costs associated with school assets.

V. What are key terms for common understanding? (Refer to Glossary for the key terms listed below.)

GAAP – Generally Accepted Accounting Principles
School Asset
School Asset Assessment
Depreciation Costs