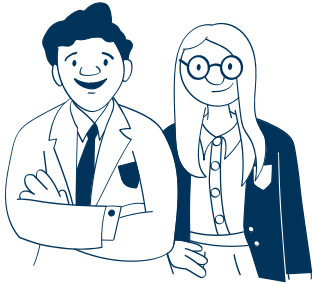# Brightly

A Siemens Company

K–12 M&O Budgeting Preparation Checklist

If you work in K–12, it might feel like getting the funding you want for the projects you need to do is nearly impossible — especially when you have so many folks who need to sign off.

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Budgets for K–12 schools are typically approved by a combination of local school boards, state governments, and sometimes federal agencies, who all work on it together…or at least try to.

For those about to start your maintenance and operations (M&O) budget for the upcoming year, we've created a helpful checklist of things to keep in mind as you prepare to present your case to secure the funds you need.

1 Gather last year's budget

Review the previous year's numbers for reference. What categories went over? Which went under? Begin with assumptions regarding staffing and enrollment trends. Consider external factors like upcoming large housing projects in the district that might increase enrollment substantially.

2 Identify key stakeholders

Determine who the key decision-makers are for the budgeting process. In K-12 schools, stakeholders typically involve the school board, parents, teachers, and administrators, with decision-making distributed among various parties. Every administrator at the building level, along with its respective departments, is vying for resources and prioritizing requests for increased budgets in both academic and extracurricular domains. You will be required to choose from these requests in consultation with the high-level school administration.

3 Review budget categories

Examine the different budget categories relevant to your school or district, such as facilities, operational costs, and departmental budgets. Has anything changed from last year? Remember that new state mandates can often change the structure of a budget.

New costs tacked on old budgets

For many educators, funding hasn't increased yet new requirements must be accommodated. For example, Texas has a recent mandate to place a minimum of one, armed security guard at all public schools.

4 Analyze major equipment condition

Now is the time to have facilities directors do a complete assessment of the condition of all your major systems like HVAC, boilers, kitchen facilities and more. Your manufacturers have expected lifespans for your equipment based on well-maintained and serviced machines. It is imperative to be honest about how well your maintenance of those systems have been so that you can accurately predict when you'll need to replace them or replace important components.

Alternatively, if your district makes use of FCAs (Facilities Condition Assessments), depending on the timing of the last report, you will either need to check the operation of your equipment to see if anything has changed since the last inspection, or schedule your next inspection to ensure you meet any state regulatory requirements.

Encouraging your facilities leaders to create a detailed PMP (Preventative Maintenance Plan) will ensure these estimates are accurate in the future.
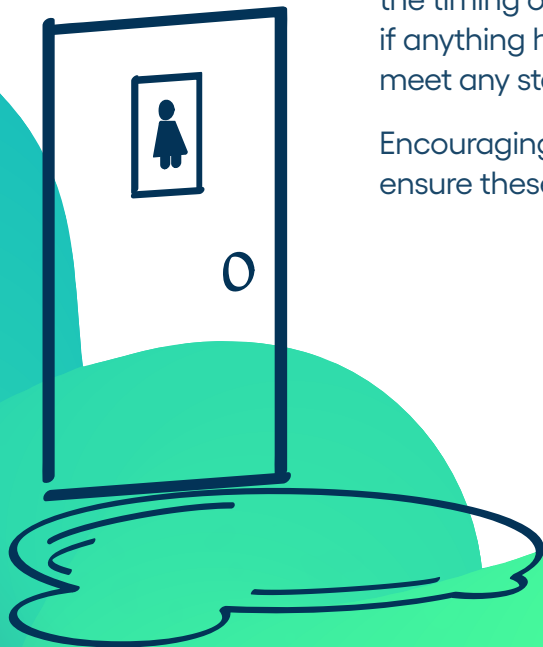
5

Assess potential unexpected expenses and plan for the unknown

Consider unexpected expenses that may arise during the budgeting period; K-12 schools may need flexibility to adapt to changing student demographics, new educational mandates, and facility maintenance while adhering to state and local regulations. Create a strategy for dealing with changes that may impact your M&O budget during the year.

6 Consider supply (and energy) costs

If you think M&O supplies are getting more expensive, so is everything else. You'll want to evaluate the supply needs for the upcoming year — knowing that you'll be competing with other areas, including consumable supplies like office materials, educational materials, classroom resources, and student supplies. Keep an eye on market predictions for next year's fuel and energy costs to know if you need to increase those budget amounts and by how much.

With utilities being such a major line item for any school's budget, controlling energy usage can go a long way. Using energy management software can help eliminate utility waste, save money, and improve your school's sustainability efforts.

Many states provide grants and rebates to support upgrades for energy-efficient facilities. To identify the most advantageous return on investment for energy efficiency improvements, seek guidance from both your utility provider and energy management software.
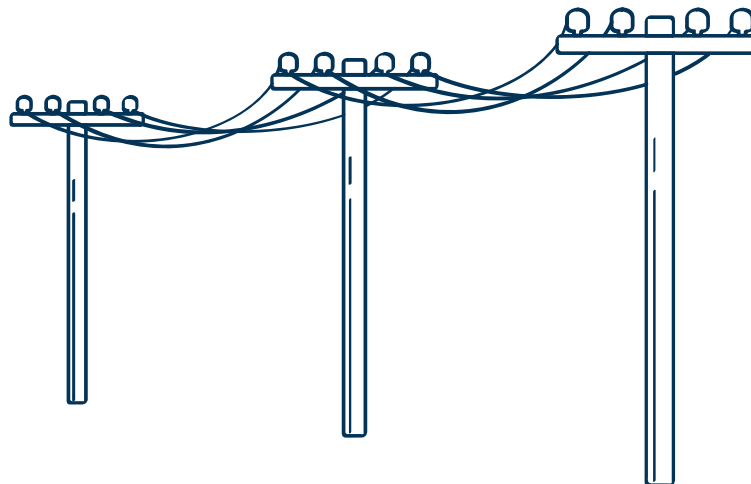
7 Explore sources of income/ revenue

Investigate potential sources of income or revenue, such as event rentals, grants, or endowments. Depending on your school and its available facilities, consider using **event managing software** to make scheduling, organizing, promoting, and recovering costs from events and facility rentals easier.

Establishing a process and plan that permits external communities to rent your facilities, in addition to meeting your school's requirements, creates a viable avenue for alternative income for your educational institution.

8

Understand how budget requests are prioritized

In K-12 schools, budget approvals may revolve around curriculum enhancements, teacher development, and student programs. Finding ways to use data to support how M&O activities support the school's primary objectives can help prioritize key facilities projects.

Using facilities data to plan for a brighter future budgets

Effectively charting space usage and prioritizing budgets is integral to robust facilities computerized maintenance management system (CMMS) software. Look for tools that can help track and analyze space utilization patterns, allowing for informed decision-making in budget allocation based on the facility's needs and priorities. The software should facilitate comprehensive reporting, data visualization, and analysis tools to streamline the process of optimizing space usage and financial planning for efficient facilities management.

9
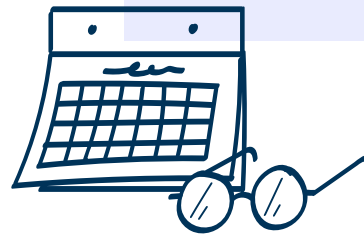
Forecast budget over multiple years

Develop a multi-year budgeting plan, forecasting at least three years in advance to account for long-term expenses and future projects. Consider using **capital planning software** that employs predictive modeling to forecast long-term funding and service scenarios. The implementation of true asset management software is a process that is well worth the start-up data collection to make future budgeting simple and accurate.

10

Coordinate with department leaders

Collaborate with department heads to understand their budget requests and ensure M&O requests align with the overall budgeting plan. Administrators and department leaders should solicit quotes from current annual service contract vendors and assess existing contracts for alignment with school needs and budget goals.

With each respective department competing for resources and prioritizing requests for increased budgets in both academic and extracurricular realms, your role will involve making selections from these requests in collaboration with the senior school administration.

11

Communicate budget priorities

In K-12 schools, M&O teams will need to communicate with school administrators, board members, parents, and teachers to align budget priorities with the educational needs of students. Clear communication channels are essential to discuss budget priorities and ensure that all relevant parties are informed and on the same page.

12

Track and update the budget plan

Data is your friend, and an **asset management solution** can help save money by improving visibility into the maintenance and care for all of your assets while giving you valuable insights to help plan budgets. Regularly track the budget plan, adjusting as needed based on actual expenses, revenue, and changing circumstances.
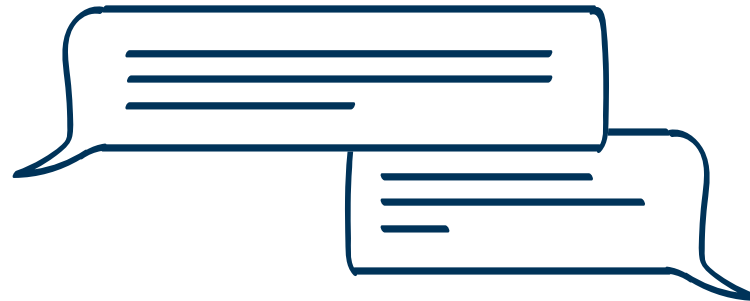
13 Plan to review and adjust budget annually

By the time you've made your requests, received funding, and performed the projects, it will be time to start again. Gather your data to conduct an annual budget review and make any necessary adjustments for the next fiscal year.
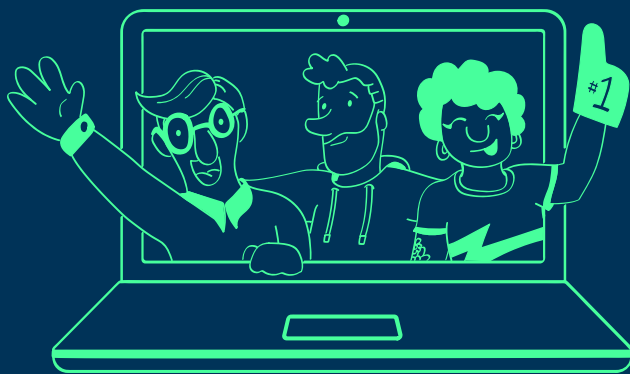
Get help with your budget planning with Brightly

With more than two decades of experience working with educational institutions, Brightly has powerful learning management software and education operations solutions to help you work smarter and use your data for better decision-making. **Schedule a call with an expert today!**

Checklist ✓

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- [ ] Review budget categories

- [ ] Analyze major equipment condition

- [ ] Assess potential unexpected expenses and plan for the unknown

- [ ] Consider supply (and energy) costs

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