

# Washoe County School District- Office & Department Report and Budget

## Chief Financial Officer: Office of Business & Financial Services

### Description of Office and Area of Responsibilities:

The Chief Financial Officer Tom Ciesynski is responsible for the leadership and oversight of the Budget Department led by Mike Schroeder, Budget Director; Financial Systems/Position Control/Process Improvement Department led by Jill Murdock, Position Management and Financial Systems Manager ; Financial Accounting/Accounts Payable/Payroll/Fixed Assets Department led by Gail Carson, Controller; and the Purchasing and Warehouse Department led by Andrea Sullivan, Director of Procurement and Contracts.

- Please visit <http://www.washoeschools.net/Domain/67> for the Mission, Vision, Major Functions, and organizational structure and links to the Office of Business & Financial Services.

**The Office of Business and Financial Services has direct responsibility for the following Initiatives within the District's Strategic Plan *Envision WCSD 2020*:**

*Initiative 4.1.1: Develop significant ideas to create revenues or save expenditures (looking for million dollar ideas)*

- **Current Status of Initiative:**

This last year the Office of Business and Financial Services worked with our actuary to reduce the Other Post-Employment Benefits (OPEB) funding requirement by approximately \$3.6 million. We are currently working on a Bond Refunding that is estimated to save approximately \$1.5 million and possibly create improved capital funding options. The 120-day biennial legislative session began on February 2, 2015, and involves Business Leadership Team members working on bills that address new and existing categorical programs as well as the Distributive School Account (DSA) funding, Class Size Reduction funding, procurement laws as well as other educational programs. As part of the legislative process our team is working with the Board, the Superintendent, Capital Projects, Facilities Management, Legislative Staff, Communications, and others to secure much needed Capital Funding. This legislative work involves millions of dollars of education funding, so this work is critical to our strategic efforts. Working collaboratively across all schools and departments, the Budget Department is seeking expenditure saving ideas by asking all leaders to look through their respective budgets to see if they are getting academic or operating return on investment in areas where they spend funds. From a revenue perspective, we work closely with the Grants and Operations Departments to see if any new funding opportunities present themselves to the District including E-Rate.

- **Barriers to Full Implementation of Initiative:**

School and Department budgets are very tight given the lack of growth during the last seven fiscal years of economic recovery, so looking for expenditure savings is challenging. The economy in Nevada has

shown good recovery in the last couple of years and economic development appears to be very strong with Tesla and other new companies coming; however, the positive impacts of this growth are still a few years away. We won't know the legislative outcomes of the budget and related bills until possibly June or later, so our ability to plan around these barriers is slowed.

- **Measurements used to gauge implementation and success of Initiative:**

**Initiative 4.1.1 Metrics include:**

Track opportunities as they are identified, evaluated, and presented.

**2020:** This initiative is one that is evaluated each year as we look at budgets and initiatives to see what is working and what needs to change.

*[Initiative 4.2.1: Develop external and internal system wide transparency and data access to support District-wide decision making and accountability](#)*

**Current Status of Initiative:**

Working collaboratively with the Information Technology Data Warehouse Programmers and Capital Projects leaders, the Business and Financial Services Staff developed the Online Checkbook that allows users to access all checks written by the District for schools, departments, paychecks, and the 2002 Bond Rollover Fund. The Budget Department is now working with the IT Programmers to develop an Interactive Budget, which will allow users to look at all school and department budgets from an Organization Chart drill-down perspective. We are also seeking to add additional financial dashboards for schools and departments during the current fiscal year to further streamline budget review.

- **Barriers to Full Implementation of Initiative:**

Developing transparency tools like this takes a tremendous effort by all the team members as these are programs that require sophisticated programming to capture data from different systems and make sure that this is being done with a high level of accuracy. For some team members, this responsibility is in addition to the normal day-to-day jobs that they have, which slows down the effort of making this happen more quickly.

**Measurements used to gauge implementation and success of Initiative:**

**Initiative 4.2.1 Metrics include:**

This initiative will roll out as follows:

- **2013/14:** Completed online checkbook and payroll during the fiscal year. Also completed parts of financial dashboards including capital expenditures reporting.
- **2014/15:** Further enhance the budget book, complete financial dashboards, and roll out Interactive Budget website.

**2020:**

- Track web use to determine the number of users accessing the data.
- Seek feedback in the form of surveys from the public, the Trustees, and leadership on these transparency tools.
- Compare cost and efficiency to other government entities as applicable.
- Eventual receipt of the Government Finance Officers Association Distinguished Budget Presentation Award.

**Other Major Projects within Office Business & Financial Services and Purchasing (Not Initiative Based):**

- We have moved all elementary schools from MYOB to Blue Bear software for student activity fund accounting.
- Developed a process to make annual W-2 Payroll reporting available on-line.
- Developing an electronic Independent Contractor Form in Business Plus to replace paper process.
- Implementing Budget Item Detail in Business Plus to streamline the budget development process.
- Updating Credit Card Services to help schools and departments with fee collections and save fees.
- Developing various web forms to replace paper forms to improve customer service.
- Cross-training staff to provide better backup and succession planning.
- Updating the Student Activities Fund Policies and Procedures Manual.

**Additional department metrics:**

**Business & Financial Services**

**Key Performance Indicator 1: Unmodified Audit Opinion**

**Explanation:** Gold standard assessment of financial audit reports for private and public entities. This indicates the effectiveness of the Department’s system of internal controls over accounting, budget and financial reporting when measured against the national metric of Generally Accepted Accounting Principles. The standard provides assurance to users of the District’s financial information, including banks, bondholders, state and federal agencies. This assurance helps to provide the District with lower interest rates on medium-term and bond financing, to secure grants, and provides favorable reviews from state and federal oversight bodies.

	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>
<b>Goal</b>	Receive	Receive	Receive	Receive	Receive
<b>Actual</b>	Received	Received	Received	Received	TBD

**Strategies to accomplish this KPI:** Working with the Board, the Superintendent, and our schools and departments to establish a balanced budget that aligns to our strategic plan. Once the budget is

established, managing it with disciplined internal controls to make sure that funds are properly accounted for in all material respects.

**Key Performance Indicator 2: Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting**

**Explanation:** Indicates achievement of the highest standards in governmental accounting and financial reporting. This provides assurance to the users of the District’s financial information as measured by standards set for school districts, cities, counties and other major governmental entities throughout the United States. (Award lags one year.)

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>Goal</b>	Receive	Receive	Receive	Receive	Receive
<b>Actual</b>	Received	Received	Received	TBD	TBD

**Strategies to accomplish this KPI:** Keeping current on and implementing new Governmental Accounting Standards Board pronouncements as they become required, and attending state and national conferences that assist the Office in learning these standards.

**Key Performance Indicator 3: Maintain Bond Rating**

**Explanation:** Indicates the financial strength of the District. This provides assurance to bondholders that they will be paid timely, and reduces the District’s borrowing costs.

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>Goal</b>	Moody’s: Aa2 S&P: AA	Moody’s: Aa2 S&P: AA	Moody’s: Aa2 S&P: AA	Moody’s: Aa3 S&P: AA	Moody’s: Aa3 S&P: AA
<b>Actual</b>	Moody’s: Aa2 S&P: AA	Moody’s: Aa2 S&P: AA	Moody’s: Aa3 S&P: AA	Moody’s: Aa3 S&P: AA	TBD

**Strategies to accomplish this KPI:** Managing the District’s budget in a fiscally sound manner and working to achieve stable fund balances. This rating is also tied to the rating agency’s view of the entire state’s economy. Because of Nevada’s slow economic recovery and the fact that the District has had to use its fund balance reserves to balance the budget, Moody’s has reduced our rating in FY13 (Aa3 with a stable outlook), and S&P has upgraded our outlook in FY14 (AA with a stable outlook).

**Key Performance Indicator 4: Maintain General Fund Assigned for Subsequent Year’s Expenditures Ending Fund Balance at a Minimum of 2% of Expenditures**

**Explanation:** The ending fund balance assigned for subsequent year’s expenditures reflects the opening balance for the forthcoming year. This is in accordance with Board policy, reflects disciplined budgeting

and proactive financial management to adjust to an economy that has been very unstable the last six years, and signifies the District’s ability to absorb funding decreases or other adverse financial events.

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>Goal</b>	2%	2%	2%	2%	2%
<b>Actual</b>	2.83%	2.04%	2.08%	2.00%	TBD

**Strategies to accomplish this KPI:** Building a realistic budget based on sound forecasts of revenues and expenditures. Once the budget is built, monitoring the actual outcomes in relation to the budget and making adjustments, as needed, to provide for the internal and external uncertainties or changes that are inherent in organizations.

**Key Performance Indicator 5: General Fund Expenditure Efficiency of 95% Actual Expenditures as a Percent of the Final Amended Budget**

**Explanation:** Maintaining a balanced budget that supports the goals of the organization is key to building a sustainable school district. Building the budget and managing the actual outcomes involves more than Business and Financial Services Staff, it includes the Board, the Superintendent, Schools, Departments, and our employees who perform their functions every day. Every person in the organization makes decisions that can help or hinder the budget, so having disciplined structures in place and training staff helps the organization succeed with the limited resources we are provided.

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>Goal</b>	95%	95%	95%	95%	95%
<b>Actual</b>	94.8%	95.9%	95.3%	96.1%	TBD

**Strategies to accomplish this KPI:** A Business Leadership Team that is highly skilled at managing the finances of the school district in a proactive way to allow for change and reform that is critical to organizations that seek to be great. Having an integrated Enterprise Resource Planning (ERP) technology system allows us to manage financial data in an effective and efficient manner.

**Purchasing Department**

**Key Performance Indicator 1: Annual Department Savings**

**Explanation:** Savings calculated according to Council of Great City Schools best practices. Goal is 2.5 times combined Buyers’ salaries

	FY 10-11 Savings	FY 11-12 Savings	FY 12-13 Savings	FY 13-14 Savings	FY 14-15 Savings
<b>Goal</b>	\$527,447.50	\$553,347.00	\$546,066.10	\$711,617.50	\$2,000,000
<b>Actual</b>	\$1,061,411.64	\$1,370,995.83	\$1,964,275.09	\$3,194,236.58	TBD

**Strategies to accomplish this KPI:** Issuing solicitations for public works projects, products, equipment and services pursuant to Nevada Revised Statutes 332 and 338. Ensure every effort is made to notify as many potential vendors as possible in order to create a fair, competitive environment.

**Key Performance Indicator 2: Competitive Procurements**

**Explanation:** Measures percent of purchases made on contract.

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>Goal</b>	Baseline	79%	79%	80%	80%
<b>Actual</b>	79%	79%	80%	83%	TBD

**Strategies to accomplish this KPI:** The Purchasing Department issues solicitations for public works projects, products, equipment and services pursuant to Nevada Revised Statutes 332 and 338. Every effort is made to notify as many potential vendors as possible in order to create a fair, competitive environment which provides value to stakeholders including taxpayers.

**Key Performance Indicator 3: Cooperative Agreements**

**Explanation:** Increased purchasing power results in savings and staff time efficiencies

		FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>District as Lead</b>	<b>Goal</b>	5	5	5	5	4
	<b>Actual</b>	5	6	5	5	
<b>Other Agency as Lead</b>	<b>Goal</b>	5	5	5	5	3
	<b>Actual</b>	5	6	5	3	

**Strategies to accomplish this KPI:** The Department actively participates in the Northern Nevada Consortium for Cooperative Purchasing (NNCCP) meetings. The goal of this group is to identify opportunities to combine volume for products and services into one solicitation. This allows the agencies to leverage their volume, resulting in better pricing. It also requires only one agency to issue solicitations on behalf of the other participating agencies, thus saving staff time.

**Key Performance Indicator 4: Receipt of award for Achievement of Excellence in Procurement (AEP)**

**Explanation:** Demonstrates the Purchasing Department is engaging in best practices in government procurement.

	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
<b>Goal</b>	Receive Award				
<b>Actual</b>	Received	Received	Received	Received	TBD

**Strategies to accomplish this KPI:** The Department annually submits its application which is based on pre-determined criteria. Prior to submitting the application, the department reviews the criteria and discusses process improvements and best practices that can be implemented or enhanced. Some of the criteria include: percentage of purchases to contract, education level of department head and professional staff, professional certifications of department head and professional staff, department policies that are written and published, having an ethics standard in place, professional development of staff, providing vendor training, having an environmental purchasing policy established, etc. (Award lags one year)