

# **The Public School Budget**

## **Part I: Budget Creation**



**Patrick S. DeGeorge**  
**Business Administrator**  
**Lacey Township School District**

**September 21, 2020**

# Why we do what we do . . .



# The Budget Calendar

## July

- Opening of current year budget

## August

- Preparation and distribution of budget data collection tools to budget managers

## September through January

- Board creates and approves formal budget goals and calendar
- Collection and review of departmental budgets
- Discussion of departmental budgets with budget managers
- Public discussion of budget issues as appropriate

## February

- Preparation of tentative budget for submission to the Board
- DOE release of state aid figures

# The Budget Calendar (Cont.)

## **March through May**

- Board adoption and transmission of tentative budget to County Office
- County Office approval of tentative budget for public advertising
- Preparation of final budget for submission to the Board
- Public Budget Hearing Board at which the final budget is adopted
- Submission of final budget to County Office and Department of Education

## **July/August**

- Monthly budget meetings between the BA and budget managers

<http://www.nj.gov/education/finance/fp/dwb/calendar.pdf>

# Basic Budget Terms

## **Budget**

**“PLAN”** for the appropriation, encumbrance and expenditure of revenue

## **Appropriation**

Revenue budgeted for a particular purpose

## **Encumbrance**

Legal commitment of all or part of an appropriation

## **Expenditure**

Payment of all or part of an encumbrance

## **Revenue**

Funds the district expects to receive during the year

# “Fixed” vs. “Variable”

## “Fixed” (Non-discretionary) Appropriation

An appropriation over which the district has no control and which remains the same from period to period

### Examples of a Fixed Appropriation

- Debt
- Contractual obligations
- Regulatory Requirements

# **“Fixed” vs. “Variable” (Cont.)**

## **“Variable” (Discretionary) Appropriation**

An appropriation over which the district has at least some control and which may change from period to period

### **Examples of a Variable Appropriation**

- Employee wages (increase or decrease number of employees)
- Employee benefits (increases or decreases with change in employees)
- Supplies (increase or decrease number of classes)
- Professional development (increases or decreases with change in employees)

# Budget Creation



# 3 Steps

## Step #1

Estimate total **revenue**

## Step #2

Estimate total **appropriations**

## Step #3

Estimated total revenue must = estimated total appropriations

# **The 2020-2021 Budget**

# Step #1: Revenue

	\$	%
<b>General Operations</b>		
Local Tax Levy	\$49,672,583	
State Aid	19,537,074	
Transfer from Cap Reserve	980,000	
Transfer from Maint Reserve	300,000	
Budgeted Fund Balance	661,698	
Miscellaneous (Incl. E-Rate & SEMI)	<u>856,399</u>	
Subtotal	72,007,754	93.1%
<b>Grants</b>	1,592,846	2.0%
<b>Debt Service</b>	<u>3,733,800</u>	<u>4.9%</u>
<b>Total Revenue</b>	\$77,334,400	100.0%

Source: 2020-2021 District Budget

# Step #2: Appropriations

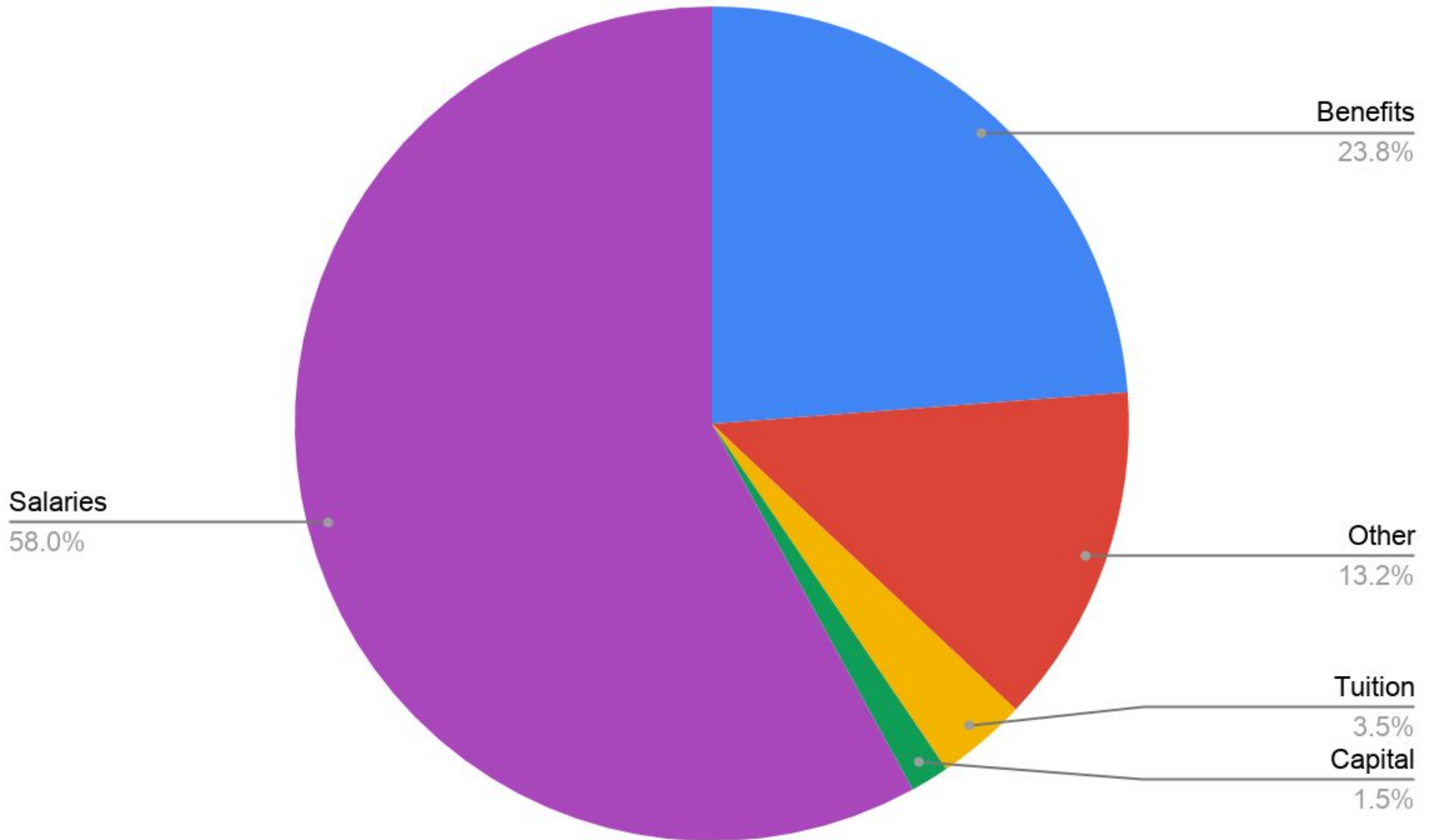
	\$	%
Regular Programs - Instruction	\$ 20,915,019	29.1%
Special Education - Instruction	8,336,095	11.6%
Bilingual - Instruction	204,276	.3%
Co-curricular & After School	1,551,458	2.2%
Tuition	2,495,180	3.5%
Attendance & Health	973,543	1.4%
Related Services & Other Support	1,032,549	1.4%
Guidance	1,389,780	1.9%
Child Study Team	1,260,063	1.8%
Other Instruction & Library	1,781,762	2.5%

# Appropriations (Cont.)

	\$	%
Staff Training	58,750	.1%
Administration (Building & CO)	3,274,703	4.5%
Information Technology	644,914	.9%
Operations, Maint. & Security	5,746,701	8.0%
Transportation	3,929,847	5.5%
Benefits (Net)	17,134,012	23.8%
Capital Outlay	<u>1,279,102</u>	1.5%
Total	\$ 72,007,754	100.0%

Source: 2019-2020 District Budget

# By the Numbers



**Step #3: Revenue = Appropriations**

# The **Key** to Budgeting



# Sustainability!



# The Board's Role

- Understand how the district operates
  - Governance
  - Policies
  - Curriculum and programs
  - Staffing
- Understand the budget process
- Establish clear and realistic budget goals – aligned with the district's mission to instruct
- Remain informed on the development of the district budget through periodic updates from district administration
- Offer meaningful and constructive comments and questions
- Review and approve preliminary and final budgets for submission to the Executive County Superintendent

# **The Public School Budget**

## **Part II: Budget Management**

**October 19, 2020**

**Thank you!**