

# **BUDGET BOOT CAMP**

## **PART I: BUDGET CREATION**



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**Lacey Township School District**

**September 19, 2016**



# WHY WE DO WHAT WE DO . . .



# THE BUDGET CALENDAR

## July/August

- Opening of current year budget

## September/October/November

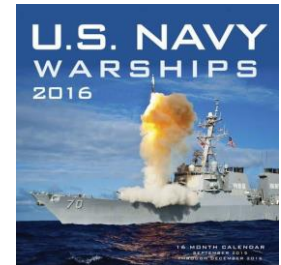
- Preparation and distribution of budget data collection tools to budget managers

## December/January

- 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/April/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

## May/June

- Submission of final budget to County Office and Department of Education

## July through August

- Monthly budget meetings between the BA and the administrators

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



# DICTIONARY OF BASIC 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



# BUILD ME A BUDGET!



# PERSONAL FINANCES



# DISTRICT FINANCES

## Step #1

Estimate total **revenue**

## Step #2

Estimate total **appropriations**

## Step #3

Estimated total revenue must = estimated total appropriations





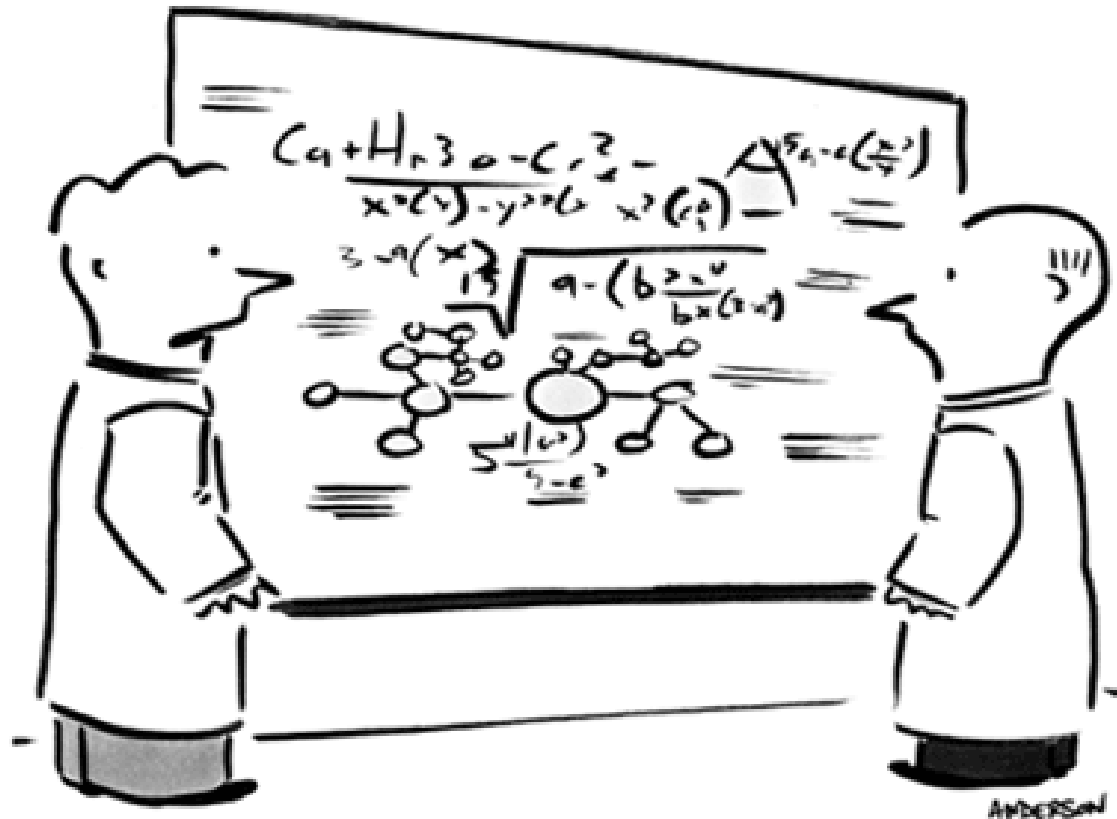
# THE 2016-2017 BUDGET



# THE STATE FUNDING FORMULA

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"I don't know, it's a little formulaic."



# STEP #1: REVENUE

	\$	%
<b>General Operations</b>		
Local Tax Levy	\$44,747,538	
State Aid	21,576,520	
Fund Balance	939,915	
Transfer from Cap Reserve	0	
Miscellaneous (Incl. E-Rate & SEMI)	<u>391,497</u>	
Subtotal	67,655,470	92.8%
<b>Grants</b>	1,365,599	1.9%
<b>Debt Service</b>	<u>3,859,550</u>	<u>5.3%</u>
<b>Total Revenue</b>	\$72,880,619	100.0%

Source: 2016-2017 District Budget



# STEP #2: APPROPRIATIONS

	\$	%
<b>General Operations</b>		
Regular Programs – Instruction	20,115,919	
Special Education – Instruction	6,940,472	
Bilingual Education – Instruction	174,919	
Co-curricular & Athletics	1,544,221	
Special Education – Tuition	2,379,387	
Attendance and Social Work	199,585	
Health Services	529,643	
Special Education – Related Services	405,852	
Other Support Services	185,000	
Special Education – Guidance	1,267,228	
Special Education – Child Study Team	1,224,640	
Improvement of Instruction	1,529,142	
Media/Library	461,203	
Staff Training	56,500	



# APPROPRIATIONS (CONT.)

	\$	%
School Administration	2,140,379	
Central Services Administration	489,629	
Facilities Operations & Maintenance	6,296,596	
Transportation	3,231,553	
Employee Benefits	18,322,250	
Capital Outlay	<u>161,352</u>	
Subtotal	67,655,470	92.8%
<b>Grants</b>	1,365,599	1.9%
<b>Debt Service</b>	<u>3,859,550</u>	<u>5.3%</u>
<b>Total Appropriations</b>	\$72,880,619	100.0%

**STEP #3: REVENUE = APPROPRIATIONS**



Source: 2016-2017 District Budget



# “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)



# 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



# QUESTIONS?



**BUDGET BOOT CAMP**  
**PART II: BUDGET MANAGEMENT**

**OCTOBER 17, 2016**



**THANK YOU!**

