

# **The Public School Budget**

## **Part I: Budget Creation**



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**September 16, 2019**

# 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 2019-2020 Budget



# Step #1: Revenue

	\$	%
<b>General Operations</b>		
Local Tax Levy	\$48,322,737	
State Aid	20,922,244	
Fund Balance	768,286	
Transfer from Cap Reserve	1,321,000	
Miscellaneous (Incl. E-Rate & SEMI)	<u>455,739</u>	
Subtotal	71,790,006	93.1%
<b>Grants</b>	1,595,823	2.0%
<b>Debt Service</b>	<u>3,764,150</u>	<u>4.9%</u>
<b>Total Revenue</b>	\$77,149,979	100.0%

Source: 2019-2020 District Budget

# Step #2: Appropriations

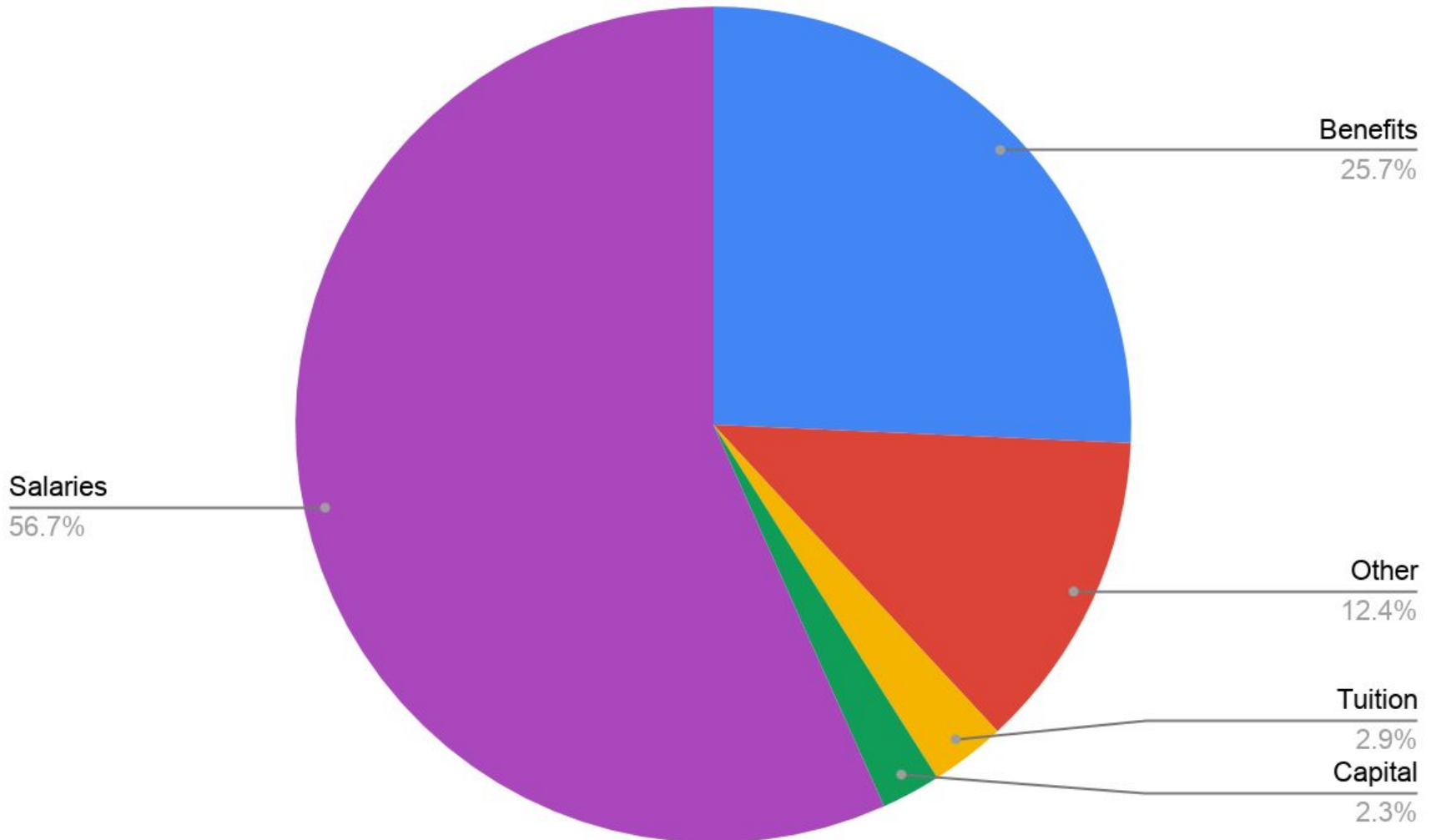
	\$	%
Regular Programs - Instruction	\$ 20,557,958	28.6%
Special Education - Instruction	7,738,595	10.8%
Bilingual - Instruction	194,066	.3%
Co-curricular & After School	1,585,236	2.2%
Tuition	2,047,643	2.9%
Attendance & Health	974,912	1.4%
Related Services	730,306	1.0%
Guidance	1,385,845	1.9%
Child Study Team & ESY	1,421,561	2.0%
Other Instruction & Library	1,896,040	2.6%

# Appropriations (Cont.)

	\$	%
Staff Training	54,000	.1%
Administration (Building & CO)	3,241,059	4.5%
Information Technology	643,043	.9%
Operations, Maint. & Security	5,446,155	7.6%
Transportation	3,738,676	5.2%
Benefits (Net)	18,465,288	25.7%
Capital Outlay	<u>1,669,623</u>	2.3%
Total	\$ 71,790,006	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 21, 2019**



**Thank you!**

