

# **The Public School Budget**

## **Part I: Budget Creation**



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# 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

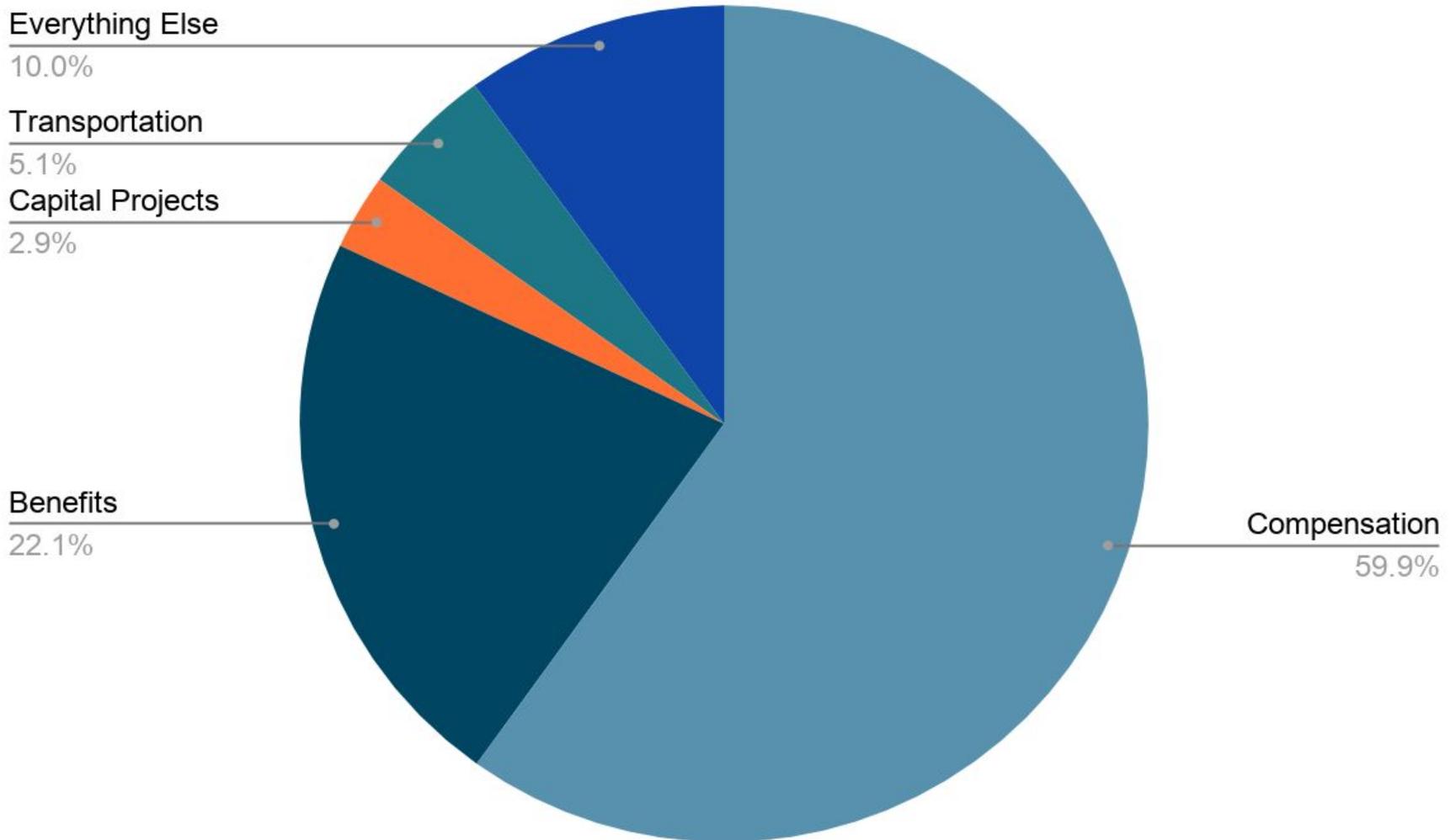
# **The 2021-2022 Budget**

# Step #1: Revenue

	\$	%
<b>General Operations</b>		
Local Tax Levy	\$50,966,035	
State Aid	17,691,445	
Extraordinary Aid	550,000	
Transfer from Cap Reserve	1,634,000	
Transfer from Maint Reserve	400,000	
Budgeted Fund Balance	873,267	
Miscellaneous (Incl. E-Rate & SEMI)	<u>544,076</u>	
Subtotal	72,658,823	90.62%
<b>Grants</b>	3,874,991	4.83%
<b>Debt Service</b>	<u>3,650,200</u>	<u>4.55%</u>
<b>Total Revenue</b>	\$80,183,814	100.0%

Source: 2021-2022 District Budget

# The Breakdown



# Step #2: Appropriations

	\$	%
Regular Programs - Instruction	\$ 21,573,532	29.69%
Special Education - Instruction	9,274,349	12.76%
Bilingual - Instruction	199,632	.27%
Co-curricular & Athletics	1,573,297	2.17%
Tuition	2,066,611	2.84%
Attendance & Health	1,072,265	1.48%
Related Services & Other Support	1,087,591	1.50%
Guidance	1,470,828	2.02%
Child Study Team	1,210,948	1.67%
Other Instruction & Library	1,825,174	2.51%

# Appropriations (Cont.)

	\$	%
Staff Training	65,500	.09%
Administration (Building & CO)	3,251,638	4.48%
Information Technology	673,110	.93%
Operations, Maint. & Security	5,783,842	7.96%
Transportation	3,530,147	4.86%
Benefits (Net)	15,882,927	21.86%
Capital Outlay	<u>2,123,432</u>	<u>2.91%</u>
Total	\$ 72,658,823	100.0%

Source: 2021-2022 District Budget

**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, 2021**

**Thank you!**