

Budget 101: How the Green Brook Township School Budget Will Be Put Together

A presentation by
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Green Brook Township School District



Just a reminder that...

Green Brook School District is PK-8 **ONLY**
Send to High School as Tuition Students

**Irene E.
Feldkirchner
School
PK-4
448 Students**

K – 60

1st – 67

2nd – 68

3rd – 85

4th – 100

SC* - 20

**Green Brook
Middle
School
5-8
435 Students**

5th – 91

6th – 101

7th – 101

8th – 114

SC* - 6

**Watchung Hills
High School
9-12
436 Students**

9th – 119

10th – 97

11th – 112

12th – 108

3 Schools – 1,319 Students (10-15-16)

*SC = Self Contained Special Education Program

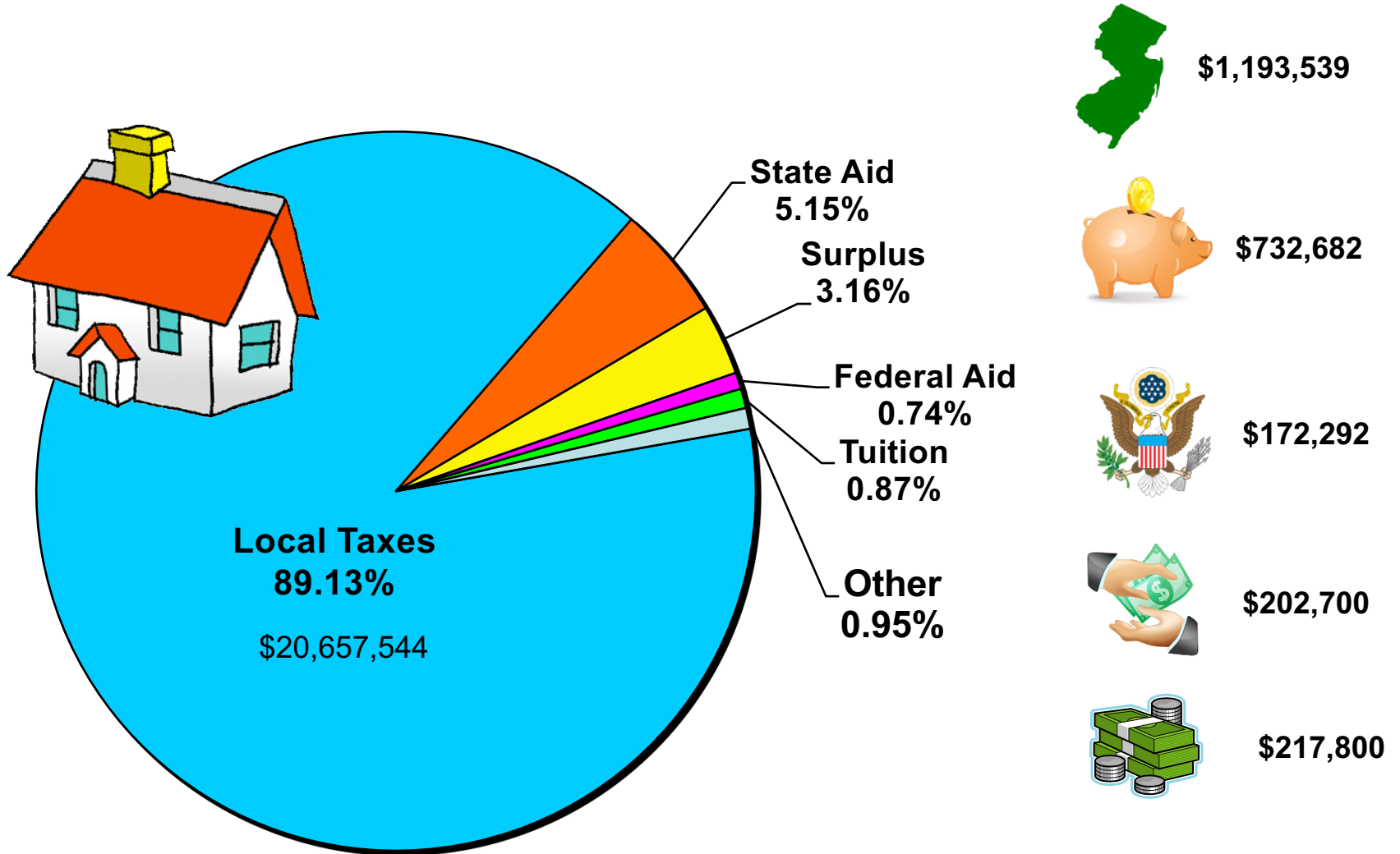
What is a School Budget?



GBTPS's Fiscal Year (July 1st - June 30th)

It's Developed December - March of the *preceding* year

Where does your Green Brook Township school budget revenue come from?



Total 16-17 Budget

Where does the money go?



Out of District
and
High School
Tuition



Supplies



Transportation
& Equipment



Professional
Services



Utilities



Salaries



Benefits



Repairs &
Maintenance

How do we build our Budget to begin the Budget process?

Step 1 – Review Staffing Requirements based on Enrollment

- **Project Enrollment**, (Based on prior year and district trends)
- **Project SpEd Enrollment**, (Based on prior year and early intervention services)
- **Evaluate SpEd Student Needs**, (IEP requirements)
- **Determine Staffing Requirements**, (Certification)
- **Assess current programs for effectiveness**

How do we build our Budget to begin the Budget Process?

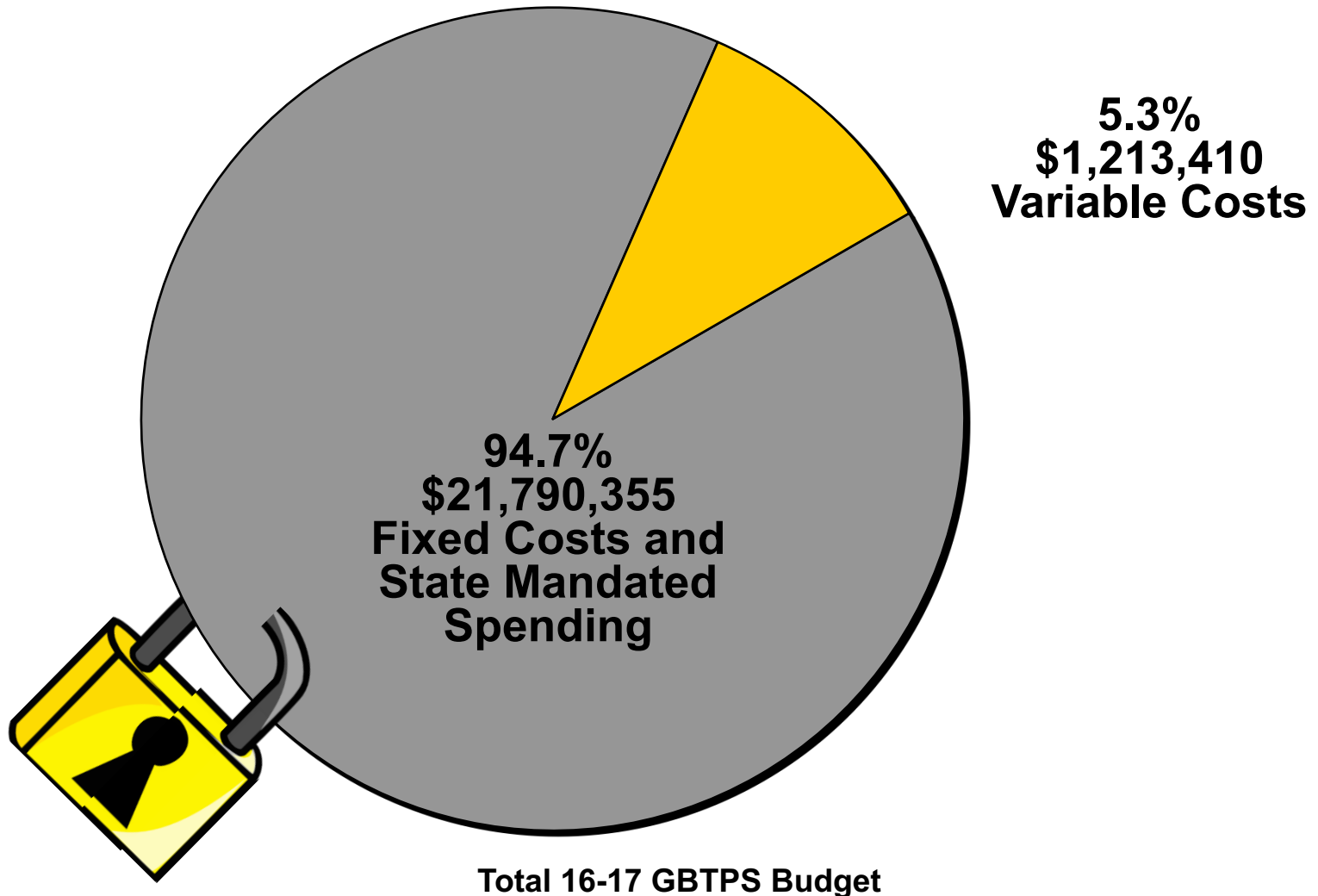
Step 2 - Review Required Spending

- + **Contracted Salaries**, (Negotiated, then fixed for 3 years)
- + **Contracted Health Benefits** (Negotiated, then the benefits are fixed for 3 years, however the costs are not)
- + **Mandated Special Education Spending**
- + **Mandated High School Tuition (General & Special Education)**
- + **Mandated Professional Services:** Lawyer, Auditor, Architect
- + **Essential Building Maintenance:** Utilities & Repairs
- + **Transportation**
- + **Mandated Insurances**
- + **Fixed Equipment Costs**
- + **State Mandated Testing Services**



TOTAL REQUIRED SPENDING

Required Spending made up
94.7% of total budget in 2016-17



Leaving 5.3% variable costs for things like...

- Textbooks
- Professional Development
- General supplies for departments
- Unexpected State mandates throughout the year (i.e. New Teacher & Principal Evaluation Systems)
- Or other possible improvements to programs, instruction, facilities, or aligning the curriculum



How do we build our Budget?

Step 3 – Identify Variable Costs

- + **Trends analysis to estimate any changes in current costs**
(done by Business Administrator)

- + **Administration & Faculty assess:**
 - + **Curriculum needs**
 - + **Program initiatives**
 - + **State mandates**
 - + **Textbook review cycle**
 - + **Professional development**
 - + **Building equipment**
 - + **Classroom supplies**
 - + **Technology needs**



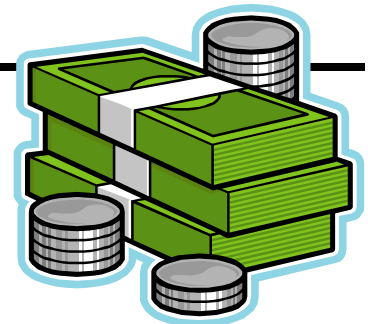
TOTAL VARIABLE COSTS

How do we build our Budget?

Step 4 - Estimate Aid & Revenue (Other than Local Taxes)

- + **State Aid:** Given by Department of Education, figures expected in February (with NJ's budget deficit, State Aid will probably decrease or remain the same)
- + **Surplus:** Calculated during prior year audit
- + **Federal Aid:** Calculated on trend analysis and projections
- + **Tuition:** Based on current/expected contracts and trend analysis
- + **Other:** Calculated on trend analysis and contractual commitments (includes investment income, building usage and shared services agreements)

TOTAL REVENUE NOT FROM TAXES



How do we build our Budget?
Step 5 - Calculate Tax Levy



+

TOTAL REQUIRED SPENDING

TOTAL VARIABLE COSTS

-

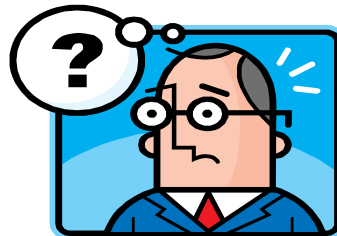
(TOTAL REVENUE NOT FROM TAXES)

**LOCAL TAXES NEEDED TO
SUPPORT BUDGET**

Step 5 Continued ***Calculation of Tax Levy***

Budget Cap:

Legally, the local tax increase cannot exceed **2%** per year, without a cap override referendum voted on by the taxpayers.

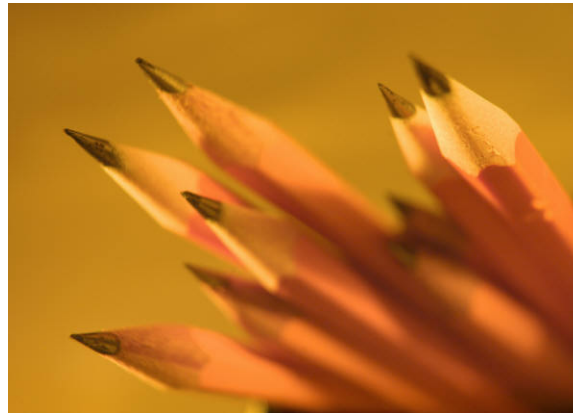


There is **no vote** on the annual school based budget within the 2% levy cap.

We have 3 options if the tax levy exceeds the 2% cap.

1. Cut Expenses

- Cuts done in consultation with Administrators, Operations Committee, BOE, the Superintendent and Business Administrator



Continued Options...

2. Tap into Surplus (aka = Rainy Day Fund)

- District surplus is 2% of the total budget
- State allows & recommends a 2% surplus



3. Use Prior Year Banked Cap

- Districts may use any tax levy increases not used in the last three prior years
- Any tax levy not used in 2014-15, 2015-16, and 2016-17 can be used to fund the 2017-18 Budget

8 Steps in the Budget Approval Process

Board assembles the Preliminary Budget

Preliminary Budget is discussed at public meetings

Board of Education votes to approve

Budget is sent out for County and State approval

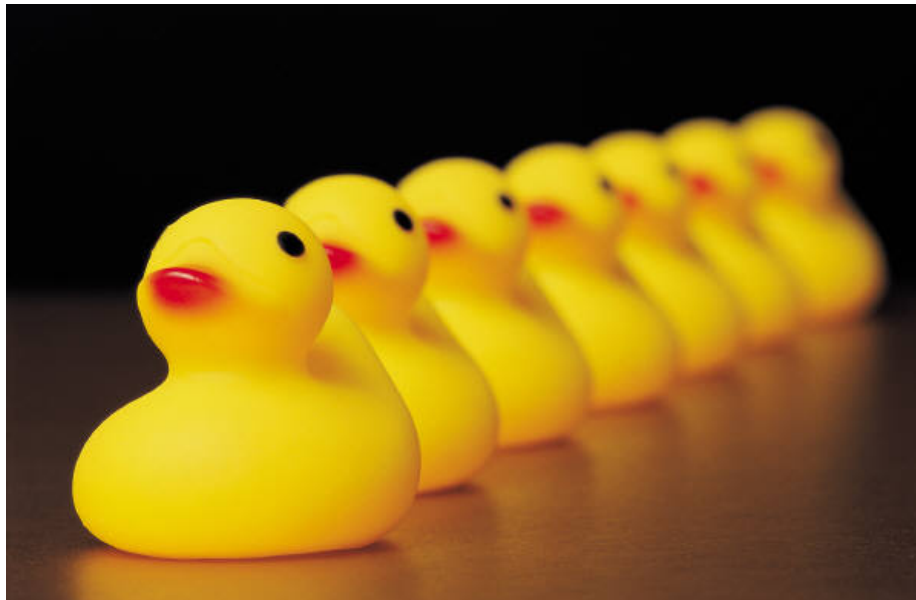
When approved it becomes the Final Budget

Final Budget is presented to the public

Board Votes to approve the Final Budget

Then...

If the proposed budget increase is within the 2% cap or less, and all of the approvals are complete, then this is the final budget.



Budget Calendar



- November – Budget Process Overview / Goal Setting
- December – Enrollment / Personnel
- January – Curriculum, Instruction & Professional Development
- February – Operations & Year-Over-Year Review
- March – Preliminary Budget Approval / Submission
- April – Public Hearing / Adoption / Submission