



# **Mahopac Central School District**

## **The Basics of School Budgeting**

January 18, 2022

# Overview



**Goals**

**Development Process**

**Best Practice - Budget Approaches**

**Contingency**

**Appropriated Fund Balance**

**Stimulus Funds**



# Goals



- ▣ **Continued the implementation of the Strategic Plan.**
- ▣ **Utilize retirements and attrition to manage budget growth.**
- ▣ **Comply with the “Tax Cap” & other mandates.**

# Budget Development Process



- **This process begins in October and November as Principals, Directors and Department Chairs evaluate programs and make requests for new staff and resources.**
- **Mandates and ordinary contingent items (ie: debt, utilities, and any expenses legally required to operate and maintain school buildings, preserve the property of the district, and ensure the health and safety of students and staff) are identified.**
- **Contractually obligated salary and benefits increases are applied based on each respective collective bargaining agreement.**
- **External information becomes available from September through April**



# Budget Approaches



Site-Based  
Budgeting



Incremental  
Budgeting



Object or  
Line-Item  
Budgeting



Program  
Budgeting



Zero-Based  
Budgeting

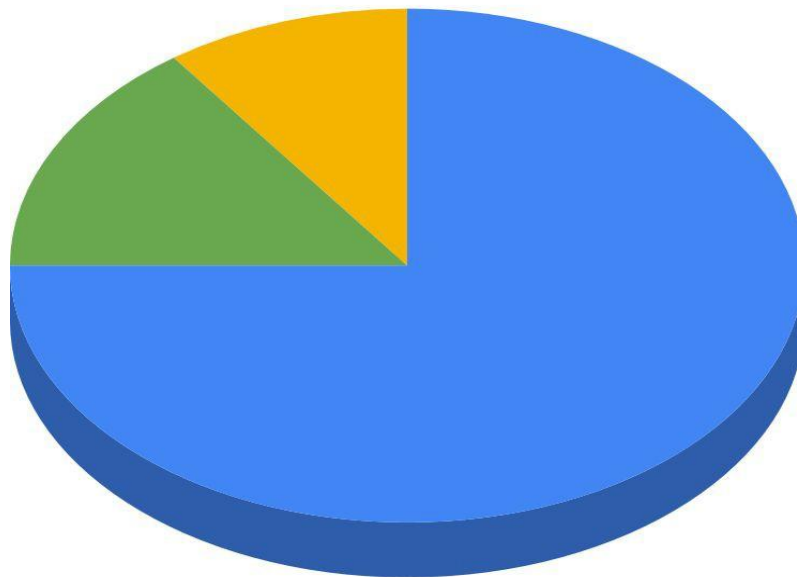
Decentralized

Centralized



# Best Practice?

It depends...



- Salaries & Benefits: Zero-based
- Equipment, Contractual, Supplies, BOCES Svcs: Site-based (Historical Consumption)
- Debt Service: Zero-based



# **Equipment, Contractual and Supplies**

- Each Principal/Director/Department Chairperson develops a budget using projected student enrollment data provided by the District Office.**
- Based on the established parameters, their requests are prepared with detailed line items included in the total budget request.**
- Additions to and/or subtractions from the prior year's budget are made based on specific changes to a program or service.**
- The budget request is reviewed by the District Office and Principal/Director to ensure the request aligns with District goals (Strategic Plan).**
- A Mid-year Spending Moratorium is imposed at the end of January each year to allow for fund balance projections.**

# Salaries and Benefits (~80%)



**Each position is evaluated based on the following factors:**

- ☐ **Projected Enrollment**
- ☐ **Student needs:**
  - ☐ **Individualized Education Plan (IEP)**
  - ☐ **English Language Learners (ELL)**
  - ☐ **Special course offerings**

**Example: a teacher's retirement at the elementary level is evaluated**

**Considerations:**

**Does the position need to be replaced in the current role?**

**Is there a need for an additional position elsewhere in the district?**

**Can the position be eliminated through attrition and not replaced?**





# Debt Service & Transfers

- **Bonds: amortization schedules are defined over the term of each bond in closing documents.**
- **Bond Anticipation Notes: principal and interest payments are defined annually in closing documents.**
- **Installment Purchase Agreements (IPA): amortization schedules are defined over the term of the agreement.**
- **Energy Performance Contracts: amortization schedules are defined over the term of the agreement.**
- **Transfer to Special Aid Fund: mandated cost of providing summer school to students with IEP's.**
- **Transfer to Capital: cost for small maintenance projects required to be approved by NYSED.**

# Future Considerations (What if...)



- ❑ **Considerations of unknown expenditures (non-exhaustive list):**
  - ❑ **Employees on long-term medical leave**
  - ❑ **New IEP 1:1 aides and related services**
  - ❑ **New IEP out-of-district tuition and transportation**
  - ❑ **Utility increases (consumption & price)**
  - ❑ **Facilities repairs**
  - ❑ **Reductions in State/Federal aid, etc.**
  - ❑ **Tax certiorari or legal issues**

# **Appropriated Fund Balance**

- ❑ **Appropriated Fund Balance (AFB) is meant to be a budgeted revenue used to pay for unplanned expenses.**
- ❑ **The district has historically been appropriating fund balance to balance the budget as opposed to using the allowable tax levy limit.**
- ❑ **Appropriated Fund Balance is only available if the prior year has a surplus of revenue over expenditures.**
- ❑ **Using a “one shot” revenue such as Appropriate Fund Balance is a factor that leads to fiscal stress as defined by the NYS Comptroller.**

# Stimulus Funds

- ❑ **Another example of a one shot revenue is the Stimulus Funds.**
- ❑ **Stimulus Funds should be used to offset one time expenditures or time limited expenditures.**
- ❑ **An example of this is the summer learning program for learning loss.**
- ❑ **Another example is 1:1 devices (Chromebook) for grades K-12.**



# 2022-23 Budget Presentations

Tuesday, February 1st: Budget Parameters and Variables

Tuesday, February 15th: Budget Development

Tuesday, March 8th: Budget Development

Tuesday, March 22th: Budget Development

Tuesday, April 5th: Superintendent's Proposed Budget

Tuesday, April 21st: Budget Adoption by BoE

Tuesday, May 10th: Budget Hearing

Tuesday, May 17th: Budget Vote & Trustee Election