

# Budget 101: How the Clinton Township School Budget Will Be Put Together

A presentation by  
Dr. Drucilla Clark, Superintendent  
Anthony Juskiewicz, Business Administrator  
Clinton Township School District  
February 10, 2016




# Just a reminder that...

Clinton Township School District is K-8 **ONLY**




**Spruce Run**  
**PK-1**  
257 Students  
Built 1955



**Patrick McGaheran**  
**2-3**  
260 Students  
Built 1988



**Round Valley**  
**4-6**  
468 Students  
Built 1965



**Clinton Township Middle School**  
**7-8**  
413 Students  
Built 2007

**4 Schools - 1,408 Students (10-15-15)**

**\*includes 10 Out of District placements**

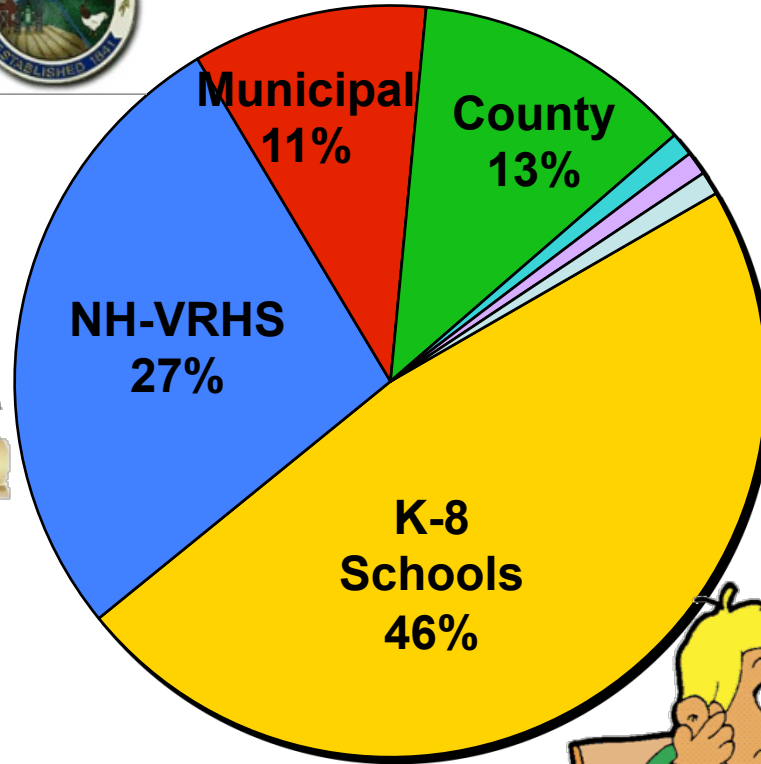
# What is a School Budget?



CTSD's Fiscal Year (July 1<sup>st</sup> - June 30<sup>th</sup>)

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

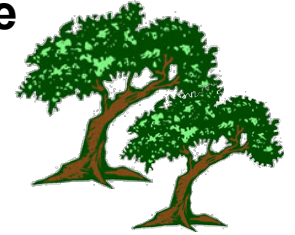
# How are CTSD Property Taxes Distributed?



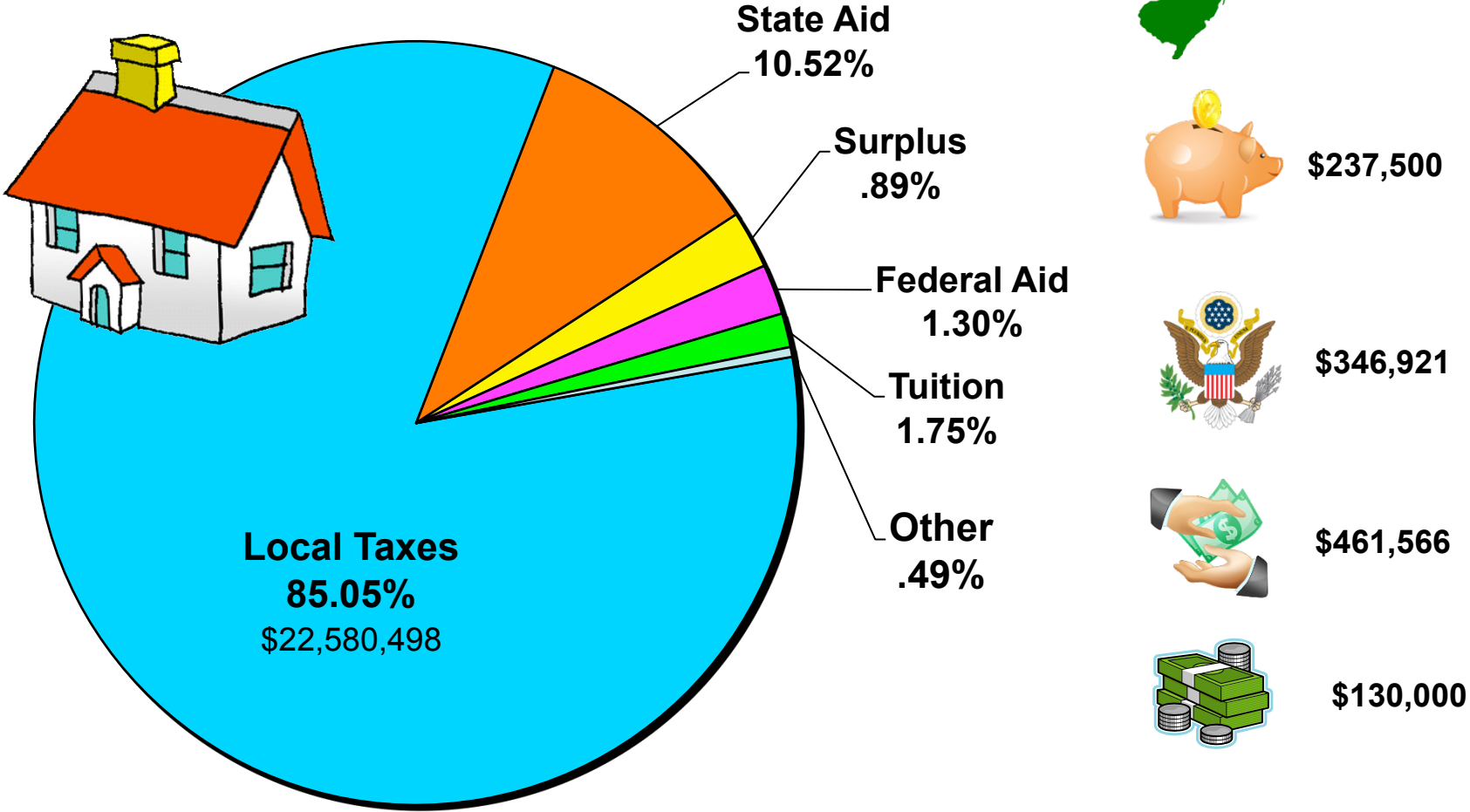
County  
Open Space  
1%

Library  
1%

Clinton Twp.  
Open Space  
1%



# Where does your Clinton Township K-8 school budget revenue come from?



Total 14-15 Budget

# Where does the K-8 money go?



Salaries



Benefits



Out of District  
Tuition



Professional  
Services



Utilities



Repairs &  
Maintenance



Transportation  
& Equipment



Supplies

## ***How do we build your K-8 Budget to begin the Zero-Based Budget Process?***

### ***Step 1 - Review Required Spending***

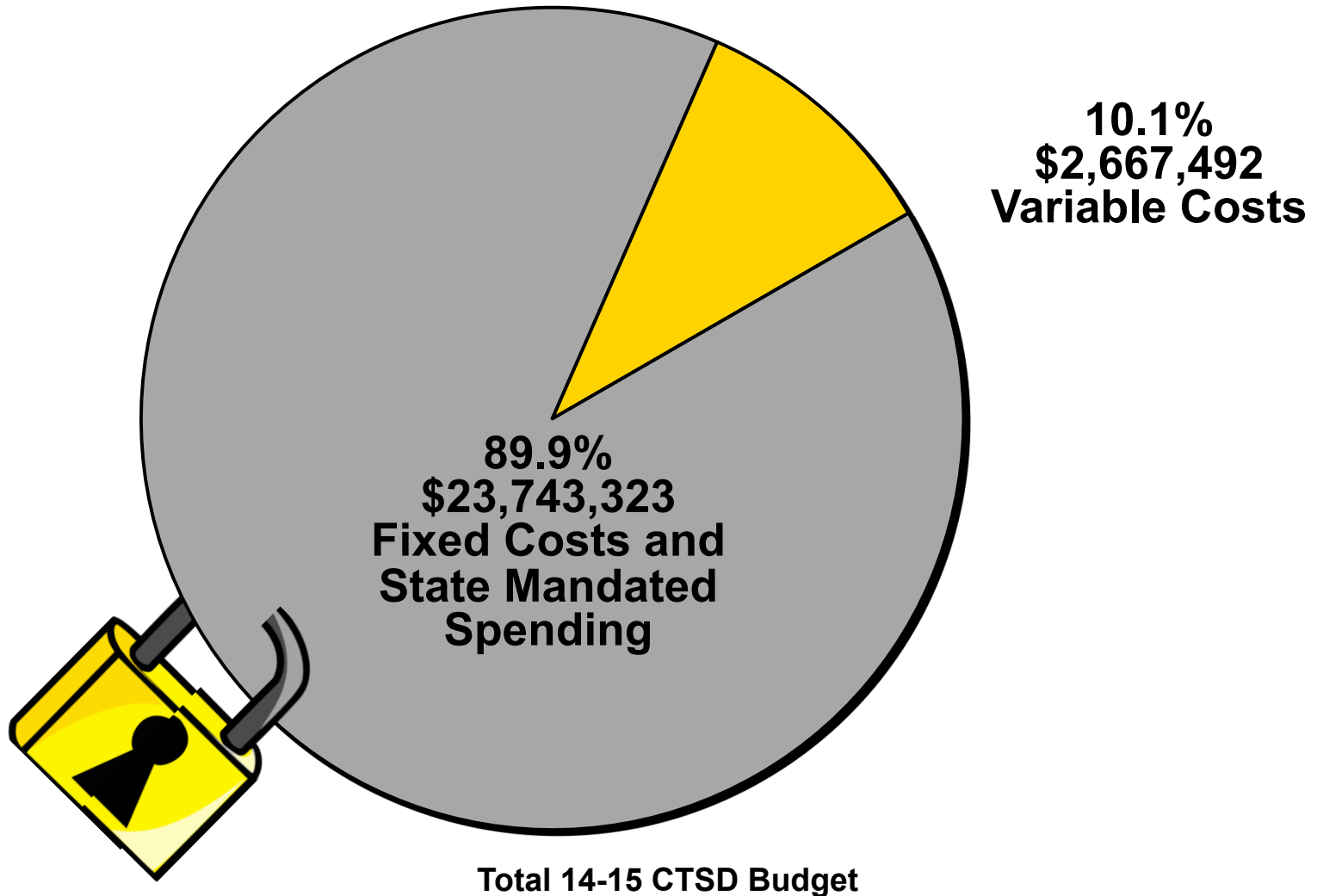
- + **Contracted Salaries**, (Negotiated, then fixed for 3 years)
- + **Contracted Health Benefits** (Negotiated, then the benefits are fixed for 4 years, however the costs are not.)
- + **Mandated Special Education Spending**
- + **Mandated Professional Services**: Lawyer, Auditor, Architect
- + **Essential Building Maintenance**: Custodial supplies & repairs
- + **Transportation**
- + **Mandated Insurances**
- + **Fixed Equipment Costs**
- + **State Mandated Testing Services**



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**TOTAL REQUIRED SPENDING**

Required Spending made up  
89.9% of total budget in 2014-15





# Leaving 10.1% variable costs for things like...

- Textbooks
- Teacher training/Professional Development  
(actually becoming a mandated cost)
- General supplies for departments
- Unexpected State mandates  
throughout the year (New teacher & Principal Evaluation  
Systems, PARCC)
- Or other possible improvements to programs,  
instruction or facilities.....aligning the  
curriculum to the Common Core Standards



# ***How do we build your K-8 Zero-Based Budget?***

## ***Step 2 – Identify Variable Costs***

- + **Trends analysis to estimate any increases in current costs**  
(done by Business Administrator)
  
- + **Superintendent, Principals & District Administration review:**
  - + **Curriculum needs**
  - + **State mandates**
  - + **Textbook review cycle**
  - + **Professional development**
  - + **Building equipment**
  - + **Classroom supplies**
  - + **Technology needs**



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**TOTAL VARIABLE COSTS**

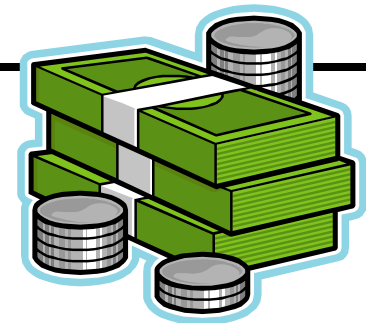
## *How do we build your K-8 Zero-Based Budget?*

### *Step 3 - Estimate Aid & Income (Revenue, other than Local Taxes)*

- + **State Aid:** Given by Department of Ed, figures expected in late February (with NJ's budget deficit, State Aid will probably remain flat)
- + **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)

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**TOTAL REVENUE NOT FROM TAXES**



*How do we build your K-8 Zero-Based Budget?*  
*Step 4 - Calculate Tax Levy*



+

**TOTAL REQUIRED SPENDING**

**TOTAL VARIABLE COSTS**

-

**(TOTAL REVENUE NOT FROM TAXES)**

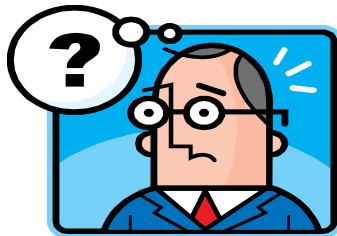
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**LOCAL TAXES NEEDED TO  
SUPPORT BUDGET**

***Step 4 Continued***  
***Calculation of Your K-8 Tax Levy***

**Budget Cap:**

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

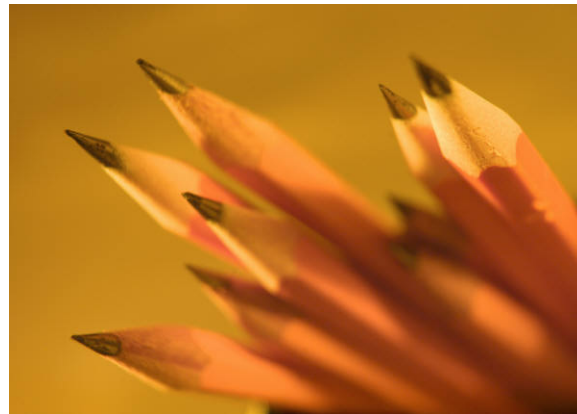


There is **no vote** on the annual school based budget within the 2% levy cap.

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

## **1. Cut Expenses**

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



# ***Continued Options...***

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

- Clinton Township has \$487,251 in current surplus, 2% of the total budget
- State allows & recommends a 2% surplus



## **3. Bring the Cap Over-Ride Question to the Voters**

- Temporary budget would be in place at the 2% cap, until the additional proposal for the increase on the November election date is approved.
- A voter approved cap override would increase the temporary budget in the current year.

# 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

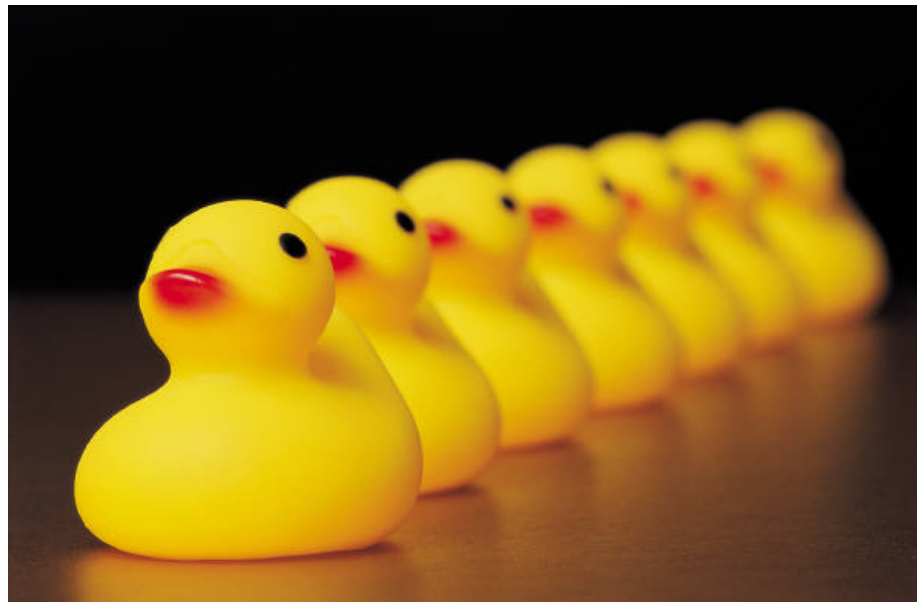
Final Budget is presented to the public

Board Votes to approve the Final Budget

Then...



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



# Some Frequently Asked Questions About Budget Development

- **Can you spend more than budgeted?** Yes. Additional revenues can be appropriated and spent in the current year. For example: Extraordinary aide.
- **What is extraordinary aid?** NJ funds a percentage of special education costs per student in excess of \$40K in district and \$55K out of district. This money is applied for in January of the current budget and not awarded until May. Therefore, this money can be appropriated and spent in the following year budget. So, it is really a reimbursement for prior year expenditures.

## MORE QUESTIONS....

- **Do you accelerate spending at the end of the year? If not, what do you do with any leftover monies?** No, we evaluate our spending regularly. We have a tight budget, but if there is money left, we can put it in reserve, move it to surplus or give it back in next year's taxes.



## More.....

- **What is surplus, excess surplus and reserves? And why does a district need to have a surplus?** Surplus is excess revenue over expenses up to 2% of the budget. Excess surplus is surplus over 2% of the total budget. Reserves are the money saved for future needs.



# More Frequently Asked Questions....

- **What is the district planning to cut from the budget this year?** We are anticipating declining enrollment. This will reduce some costs and staffing. Some of this will be applied to full day kindergarten. As always, we are doing a zero-based budget where the budget is built on the specific needs of the district and not “cuts” on last year’s budget.
- **Where does the district see savings?** We are currently looking at a variety of areas and are still working on them- specifically the competitive bidding process.

# Budget Calendar



- **February- CSA & BA evaluate Principal/Department budget requests**
- **January 28 – 15-16 Mid-Year Budget review by County**
- **February 10 - Budget 101 released**
- **February/March – BOE Committees assemble preliminary budget**
- **March 21 – Presentation & BOE Vote on Preliminary Budget**
- **February/March – DOE releases State Aid figures & BOE adopts tentative budget**
- **March 22 – Preliminary Budget sent to County for approval**
- **April 25 – Final Budget Public Hearing**
- **May– Meeting with Town Council & Mayor**

# Next Two Scheduled Board of Education Meetings

**March 21, 2016 Preliminary Budget Vote  
and Regular Board Meeting**

**April 25, 2016 Public Hearing**

**Clinton Township Middle School Auditorium  
7:30 PM**

**Let's continue the conversation!**



Please watch our website for future meetings.

**Thank you.**

# We want to hear from you!

Thank you for reviewing this presentation with us!  
If you should have any questions, please do not  
hesitate to let us know.



Please submit any questions to the Superintendent  
at [dclark@ctsd.k12.nj.us](mailto:dclark@ctsd.k12.nj.us) so we can begin  
responding at the next board meeting.