

# SCHOOL BUDGET 101:

## Balancing the Budget

Each year, school boards must develop a balanced school budget proposal for the following school year and put it to a public vote on the third Tuesday in May.

In New York, this requirement for a balanced, voter-approved annual budget is unique to public schools. The school budget is the only government spending plan that residents can impact directly by voting.

### EXPENSES = REVENUE

#### MONEY GOING OUT

- Salaries/Benefits
- Curriculum/Staff Development
- Facilities Maintenance & Operation
- Transportation
- Debt Service

#### MONEY COMING IN

- State Funds
- Federal Funds
- Property Taxes
- Miscellaneous Income
- Appropriated Fund Balance\*

### SCHOOL DISTRICT

#### EXPENSES AT A GLANCE



##### SALARIES AND BENEFITS

Education is a people business. On average, more than 75 cents of every dollar goes to pay for salaries and benefits of teachers and staff.



##### FACILITIES MAINTENANCE AND OPERATION

Districts must ensure students can attend schools that are safe, clean, functional and well-maintained in a healthy environment with adequate heating, ventilation and lighting.



##### CURRICULUM DEVELOPMENT, TECHNOLOGY AND SUPPLIES

Ongoing curriculum development and training enhances the ability of teachers and support staff to provide students with a high-quality education, while instructional technology and supplies help students gain skills necessary for future success.



##### TRANSPORTATION

Districts must ensure that all school vehicles meet state safety standards and provide an efficient, reliable mode of transportation in accordance with school board policy and state law.

### SCHOOL DISTRICT

#### REVENUE AT A GLANCE



##### STATE FUNDS

New York state provides funding for public schools in the form of aid for general operations and funding designated for particular expenses.



##### FEDERAL FUNDS

The federal government does provide some aid for schools in New York. On average, this aid is less than 5 percent of a school district's annual revenue.



##### PROPERTY TAXES

If there is a gap between state/federal funds and estimated total expenses, districts generally fill it with local property taxes. Districts are required to calculate a "maximum allowable tax levy" under the property tax cap law. Exceeding the cap requires approval by a supermajority of voters (60 percent or more).



#### \*WHAT IS FUND BALANCE?

If revenue collected for the school budget remains at the end of a district's fiscal year, that money becomes part of its fund balance. Districts must adhere to state laws that govern how fund balance can be spent. Options include applying it to a future budget in the form of revenue, earmarking it for anticipated future needs and/or saving it for unexpected emergencies.

