



20th Annual Facilities/Operations Director Conference

INNOV★TE.
INTEGR★TE.
MOTIV★TE.



Principles of Budgeting
Tuesday, October 2, 2018



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Business Office Certification

- Budgeting for Maintenance & Operations
- Teach Class for Business Officials
- Basic Understanding



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Budgeting for Facilities

- Why Do We Have a Budget?
- Who Do We Include in the Process?
- What Do We Include in the Budget?
- How Do We Do It?



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Why Do We Have a Budget?

- Legal Requirements
- Board Policies
- Management Decision Process
- Business Office Operations



Legal Requirements

- Annually
 - Budget Hearing
 - Audit
 - Reports to MDE – Treasury
 - Financial – Regulatory - Transparency
- Early Warning
- Deficit Elimination Plan (DEP)



Board Policies

- Cover All Areas of Operations
- Budget Approval
- Purchasing
 - Board
 - State Competitive Bid Threshold
 - 2018-19 Limit - \$24,459
 - Federal



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Management Decision Process

- Short and Long Term Planning
 - Year over Year
 - Strategic Planning
- How Much Do We Have to Spend?
- How Are We Spending It?
- Who Decides What We Spend it On?
- Bond Issues – Sinking Funds



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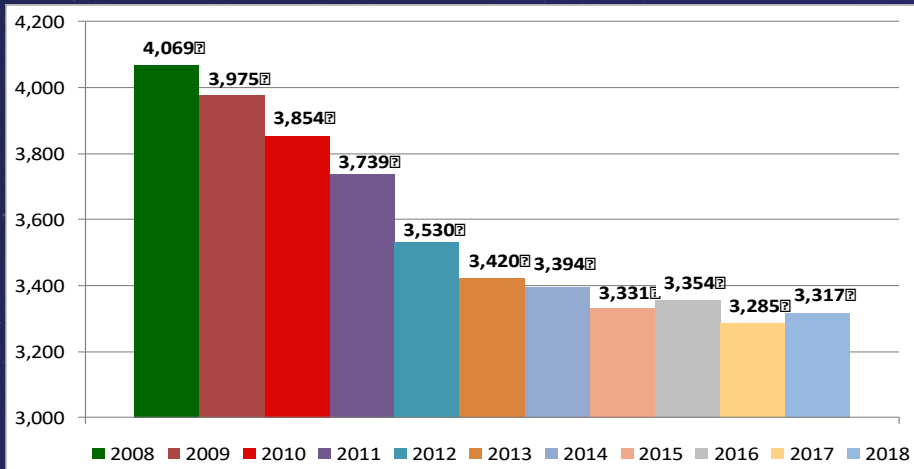
Business Office Operations

- Get To Know These People
- Make Sure You Keep Them Happy
- When Do They Print PO's?
- When Do They Print Checks?
- Did You Know That They Use 3 Different Calendars?



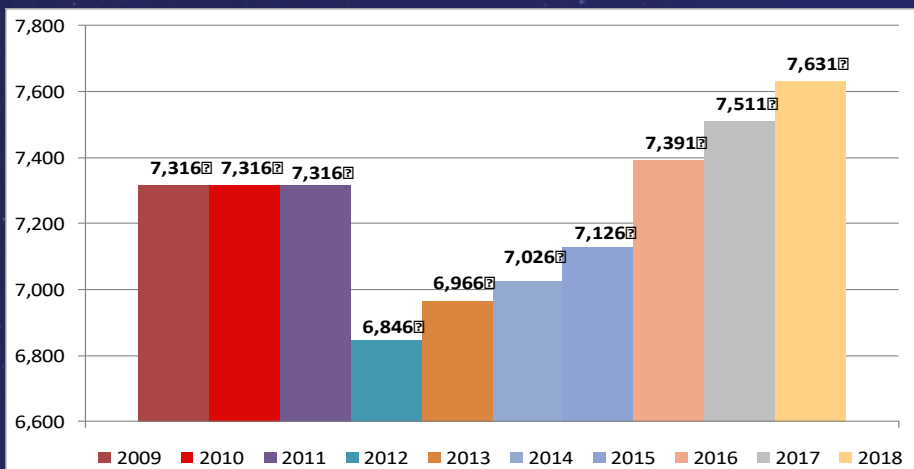
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11 Year Enrollment Trend



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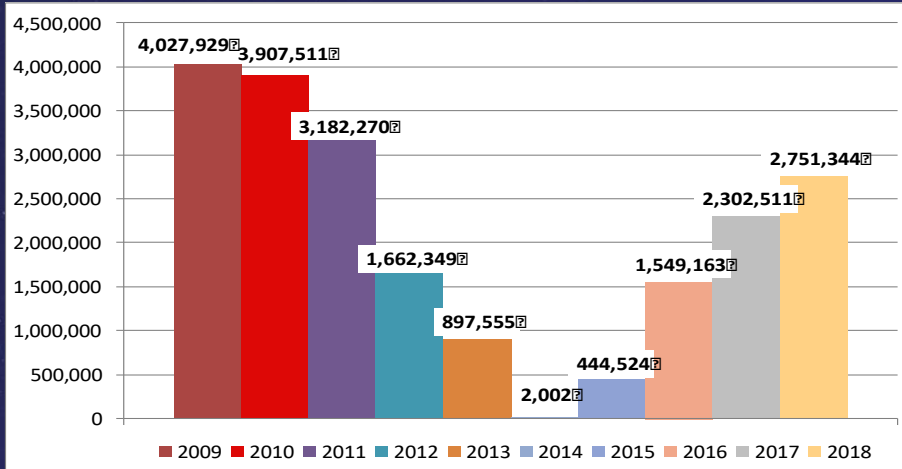
10 Year Foundation Allowance





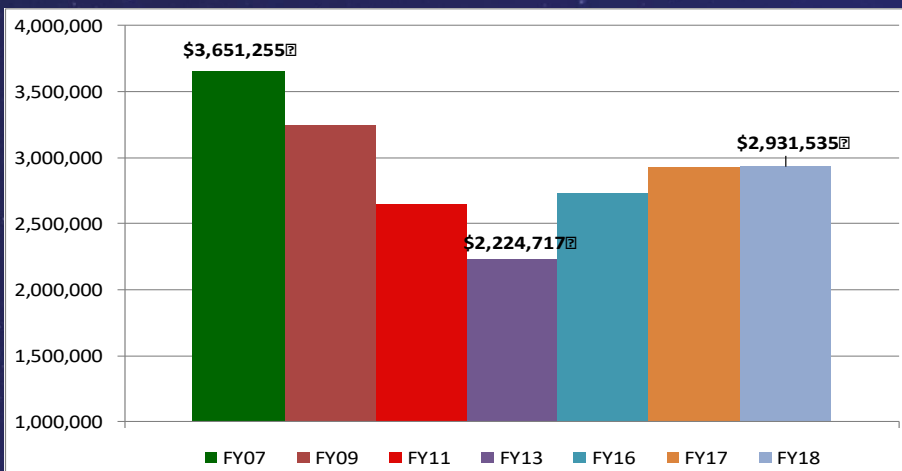
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Fund Balance History



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How Much Do We Have To Spend?

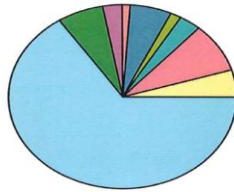


Budget Transparency Report: Operating Expenditures

School District: Holly Area School District (63210)

Fiscal Year: 2016-2017

Fund: General Fund (11)

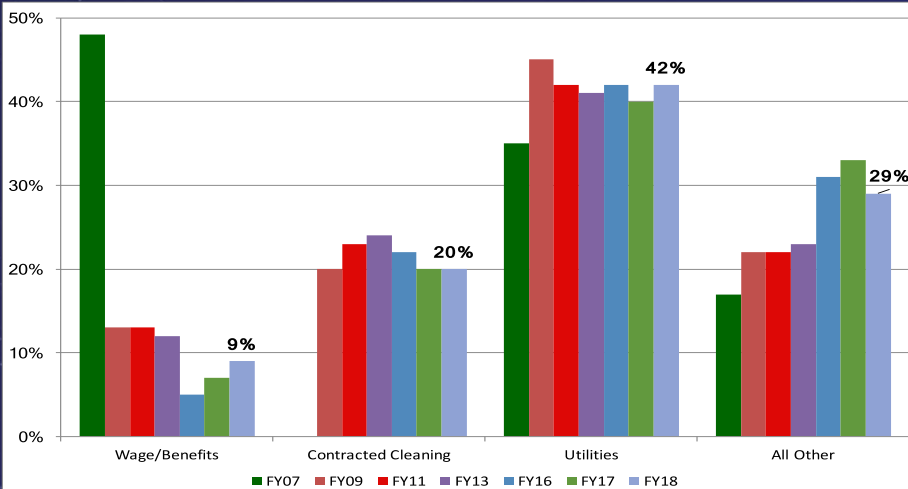


Operating Expenditures		
Instructional Expenditures (1xx,293)	\$22,440,987	62.88 %
Pupil Support Services (21x)	\$2,227,624	6.24 %
Instructional Staff Support Services (22x)	\$954,349	2.67 %
General Administration (23x)	\$392,916	1.10 %
School Administration (24x)	\$2,003,250	5.61 %
Business Services (25x)	\$524,163	1.47 %
Operations and Maintenance (26x)	\$2,976,889	8.34 %
Transportation (27x)	\$1,633,700	4.58 %
Central & Other Support Services (28x, 291,292,295,299)	\$1,066,627	2.99 %
Total Current Operating Expenditures	\$34,220,505	95.88 %
Remaining Expenditures		
Community Services (3xx)	\$4,569	0.01 %
Facilities Acquisitions (45x), Debt Service (51x) and Capital Outlay	\$1,438,077	4.03 %
Other Transactions (41x-44x, 49x)	\$27,469	0.08 %
Fund Modification (6xx)	\$0	0.00 %
Total General Fund Expenditures	\$35,690,620	100.00 %



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How Do We Spend It?





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Long Term Planning

2013-14		2011-12	
Pool Heater Repair	\$6,734	HS Bathroom Partitions	\$8,615
Pool Pack Unit Repairs	\$16,642	KRC - HS Waterless Urinals	\$5,058
Tennis Court Resurfacing	\$29,997	Dolpin Wave Pool Cleaner	\$3,000
Sherman Boiler Repair	\$23,691	Pool Equipment Repairs	\$18,153
Paving Repairs	\$5,709	HS Library Door Security	\$5,125
A/C Repairs - Patterson	\$5,200	HS Tile Hallways	\$21,315
Soccer Field Lighting	\$5,000	HS Security Camera Upgrade	\$43,801
Soccer Field Sound	\$1,040	RP Chiller Replacement	\$186,207
TOTAL 2013-14	\$94,013	RP Gym Lighting Replacement	\$14,092
		TOTAL 2011-12	\$305,366
2012-13		2010-11	
Davisburg Library Carpet	\$8,815	Resurfacing HS Track	\$51,000
HS Tile Hallways	\$19,450	Main HS Hallway Tile Replacement	\$29,850
HS Stadium Sound System	\$6,380	HS Bleacher Repairs	\$5,880
HS Front Sign Replacement	\$25,825	HS Generator Repairs	\$9,025
Holly Elem Septic Lift Station	\$23,235	Chiller Replacement Eng Fees	\$23,788
Holly Elem Heat Pump	\$5,490	Fire Suppression System - RP	\$16,350
Security System Door Lock	\$19,975	TOTAL 2010-11	\$135,893
Patterson Environmental Controls	\$8,945		
KRC Parking Lot Lighting	\$12,500		
TOTAL 2012-13	\$130,615	GRAND TOTAL	\$665,887



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Long Term Planning

	2013-14	2014-15	2015-16	2016-17	2017-18
Playground Structures	260,000	260,000			
Security Infrastructure	75,000	75,000	75,000		
Energy Conservation					
- Window Replacement	150,000	150,000	300,000	200,000	
Flooring Replacement					250,000
- Rose Pioneer					
Site Improvements	350,000	100,000	125,000	200,000	150,000
- Parking Lots					
Roofing Projects			400,000	500,000	425,000
Gymnasium Upgrade		200,000			
Track/Tennis Court Projects	50,000	100,000			75,000
ANNUAL PROJECT TOTALS	885,000	885,000	900,000	900,000	900,000



Who Do We Include in the Process?

- Central Office
 - Program Changes or Something New
- Principals – Directors
 - Moving Staff
 - Curriculum and Summer School or Food Program
 - Childcare
 - Technology
- Staff
- Business Partners



Who Should Pay for This?

- Athletic Field Marking Paint
- Repairs to Kitchen Equipment
- Booster Provide NEW Scoreboard
- Hand Sanitizer in the Classroom



How Do We Do It?

- **Account Number – Bulletin 1022**
 - **11-X-222-3333-4444-5555-6666-7777**
 - Mandatory State Guideline
 - Uniform Classification and Recording of Transactions
 - Used by Local and Intermediate Districts
- **Finance System Reports**



Accounting

- **Type of Funds**
 - **General** – Related to the operations of the school district
 - **Debt Retirement** – Payment of Interest, principal and other expenses on long-term bonded debt of the school district
 - **Capital Projects** – Receipt and disbursement of monies used for the acquisition of capital assets, including equipment (Bond and Sinking Funds)



Accounting

- **Type of Funds**

- **School Service** – To account for activities such as Food Service, Bookstore or Child Care
- **Trust and Agency** – For assets under the administrative control of the district in a trustee or custodial capacity (Student Clubs, etc.)



Accounting Function

- **260 – Operation and Maintenance of Plant**

Consists of those activities concerned with keeping the physical plant open, comfortable and safe for use, and keeping the grounds, buildings and equipment in an effective working condition and state of repair



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Accounting Object

- 11-X-222-**3333**-4444-5555-66666-7777
- **First Position**
 - 1 – Salaries
 - 2 – Employees Benefits
 - 3 & 4 – Purchased Services
 - 5 – Supplies and Materials
 - 6 – Capital Outlay
 - 7 – Other Expenses
 - 8 – Other Transactions



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- **1640 - Custodian**

An assignment to a staff member to perform school plant housekeeping, servicing and security services consisting of such activities as cleaning, operating, heating, ventilation and air conditioning systems; guarding and caring for school property; and servicing building equipment



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- **Payroll Related Costs**
 - Retirement Rate Normal – 26.18%
 - October 1 – September 30
 - Retirement Rate for UALL – 12%
 - Social Security/Medicare Rate – 7.65%
 - Workers Compensation
 - Unemployment



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- **Fringe Benefits**
 - 2110 Life Insurance
 - 2120 Long Term Disability
 - 2130 Health
 - 2140 Dental
 - 2150 Vision



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- Other Benefits
 - 2310 Tuition
 - 2920 Cash in Lieu of Health Insurance
 - 2990 Uniform Allowance



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Building Name:	Davisburg Elementary		Acct #:	11.1261.1640...877
	Hourly Rate	Hrs /Day	Days / Year	TOTAL
Todd Dome	\$ 17.62	8.00	260	\$ 36,649.60
Kim Rhode	\$ 16.79	8.00	260	\$ 34,923.20
Brenda Hughes	\$ 16.79	8.00	260	\$ 34,923.20
Building Total				\$ 106,496.00
Building Name:	Holly High School		Acct #:	11.1261.1640...1698
	Hourly Rate	Hrs /Day	Days / Year	TOTAL
Bill Courneya	\$ 17.62	8.00	260	\$ 36,649.60
Nancy Ross	\$ 16.44	4.00	260	\$ 17,097.60
Deb Fisher	\$ 16.44	8.00	260	\$ 34,195.20
Del Helsom	\$ 16.79	8.00	260	\$ 34,923.20
Katie McBroom	\$ 16.79	8.00	260	\$ 34,923.20
Sara Gross	\$ 17.19	8.00	260	\$ 35,755.20
Dave Mick	\$ 16.94	8.00	260	\$ 35,235.20
Kelly Wilcox	\$ 16.94	8.00	260	\$ 35,235.20
Building Total				\$ 264,014.40
Building Name:	Maintenance		Acct #:	11.1261.1550
	Hourly Rate	Hrs /Day	Days / Year	TOTAL
Tim Wood	\$ 18.68	8.00	260	\$ 38,854.40



Benchmarking

- Definition
 - Comparing activities, standards, level of performance and other factors to those of another company
- Standard Facility Benchmarks
 - MSBO
 - County or Regional Group



Using Benchmarks

- Areas to Benchmark
 - Staffing Decisions
 - Outsourcing Decisions
 - Product or Utility Usage
- Areas for Improvement
- Comparing Apples to Apples



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Statewide Reports

- Bulletin 1011
 - By Size of District by Student Population
- Bulletin 1014
 - By County



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Where To Find Bulletins 1011 and 1014

- Go to: www.michigan.gov/mde
- Left Side Tabs: State Aid & School Finance
- Middle Part of Page: Publications



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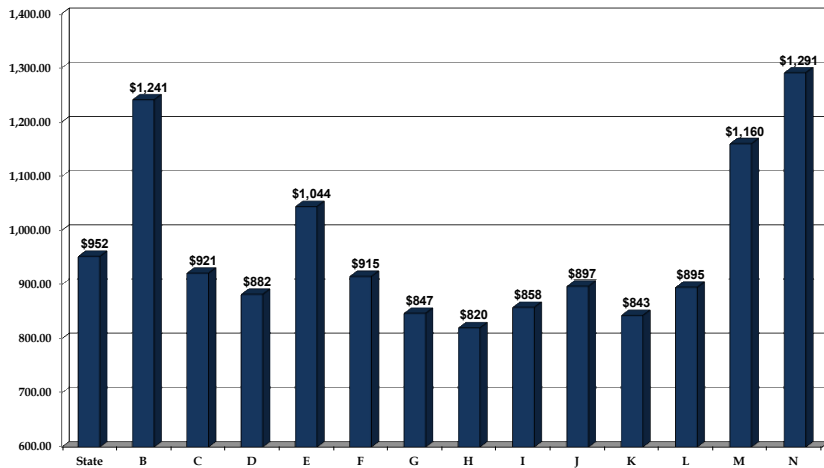
2016-17

BULLETIN 1011

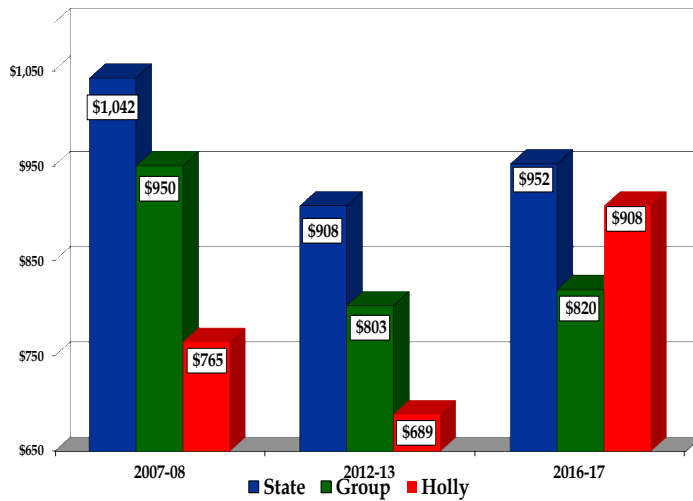
Analysis of Michigan Public School Districts
Revenues and Expenditures

Group Code	2016-17		Number of Students	GF Per Pupil Revenues and Incoming Transfers	GF Pupil Total Expenditures and Outgoing Transfers
	Classification of School District	Number of Districts			
B	20,000 to 49,999	3	93,828	\$11,783	\$11,550
C	10,000 to 19,999	13	184,871	\$10,287	\$10,892
D	5,000 to 9,999	49	333,380	\$9,946	\$10,455
E	4,500 to 4,999	8	38,677	\$1,082	\$10,880
F	4,000 to 4,499	13	54,365	\$9,946	\$10,282
G	3,500 to 3,499	22	82,673	\$9,560	\$9,990
H	3,000 to 3,499	20	64,416	\$9,353	\$9,714
I	2,500 to 2,999	49	136,158	\$9,399	\$9,749
J	2,000 to 2,499	36	78,686	\$9,478	\$9,540
K	1,500 to 1,499	54	92,956	\$9,673	\$9,789
L	1,000 to 1,499	94	117,266	\$9,284	\$9,501
M	500 to 999	201	146,006	\$9,582	\$9,658
N	Below 500	268	63,450	\$10,202	\$10,264
Totals		830	1,486,732	\$9,910	\$9,561

FY17 - Operation & Maintenance Dollars per Pupil



Total Operations and Maintenance





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Other PDF Reports

- Holly Maintenance Budget – Multi Year
- Accounting Manual
- Oakland County 2013 Comparison
- Bulletin 1014 Participants Data 2016-17



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Questions???

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