

Budgeting Basics for ESDs

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Finance Division

District Policy

Board of
Commissioners

City of Pflugerville,
Austin, etc.

Travis County

State of Texas

Federal

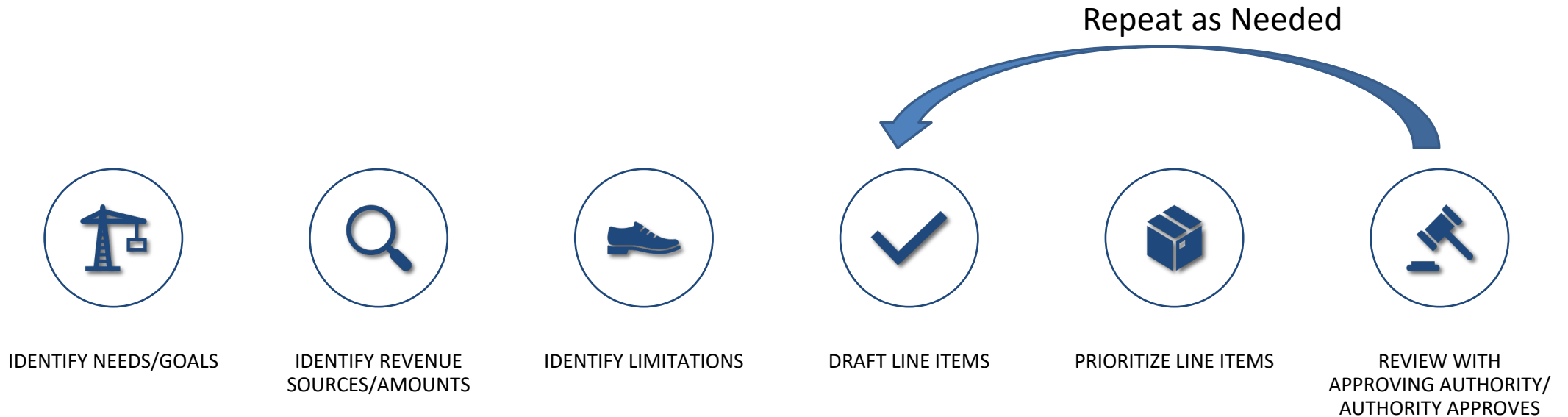
Where there
is money,
there is rules

A Few Budgeting Methodologies

- **Incremental:** Take last year's budget and apply an increment.
- **Performance-Based:** Identify performance measures and related goals and place funding where needed to achieve the goals.
- **Value based:** place value on certain programs and identify if the funding can increase that value. Does value outweigh cost?
- **Zero-based:** Start from zero and build the budget from scratch. Justifications are required for every line.

You don't have to pick just one!

Budgeting Steps



Don't forget about public engagement and input



Accrual Accounting

Recognizing expense or income when they occur, not when cash moves.

Budget Fund Summary Format

Beginning Balance

+ Revenue

- Expenditures

- Capital Projects

+/- Transfers/Other Sources

= Ending Balance

Reserve requirements and restricted funds

Start with your “Base Budget”



What do you need to continue operations as it exists today?

Identify and separate one-time items.

Always have “out year” columns to forecast the impact of the decisions today.

Designing Your Budget

Spreadsheet Tips



Build cost driver boxes
and color code them



Build the “out year”
columns in your file



File → Save As



Create scenarios
separate from base
budget.

Property Taxes	Sales Taxes	Incident billing	Contracts	Other
<p>Calculation of No-New-Revenue, Voter-Approval and deMinimus rates</p> <p>Timing of receipts can impact purchase ability</p>	<p>Forecasting economic activity for your area</p> <p>Monthly payment; but some remit quarterly or annually</p>	<p>Call volume trends, growth in the area, service delivery changes</p> <p>Service is provided, then billed so payment lags expense</p>	<p>CPI or other rate increase timing. Renegotiation</p> <p>Payment Terms vary</p>	<p>Grants</p> <p>Interest</p> <p>Donations</p> <p>Fundraisers</p> <p>Sponsors</p> <p>Other Misc.</p>

Revenue Considerations



Salaries and Benefits



Equipment – vehicles,
support equipment



Facilities – buildings,
utilities, supplies



PPE and Uniforms



Fuel



New FTEs and the impact
on all of the regular
expenses

Expenditures

Budget Management

USE IT OR LOSE IT FEARS



- End of Year Estimates
- Contingency – label specifically
- Cash Reserves

Cash Reserves

Reserve Purpose

Reserve Placement

Board of
Commissioners Role

Investment Policy



Financial Policies

Fund Balance

Grants

Debt

Accounting and Financial Reporting

Long-term Financial Planning

Budget

+ many more

<https://www.gfoa.org/materials/adopting-financial-policies>

Key points to
Remember

Excel is your best friend

There is no one “right” way

Creating a budget is both art and science – trust your gut.

Having an approved budget does not equal having money in the bank!



Questions?

THANK YOU FOR YOUR TIME