

## Explaining the Budget

Let's pretend I own a company and I establish a budget that is 10 million dollars. The year goes by and I find out after the auditors finish auditing that I actually spent 8 million dollars for operations last year, not the 10 million I thought I would. Now, it is time to establish a new budget for the upcoming year. Question: what was the true amount of my operating budget for last year? Wasn't it 8 million dollars?

The default budget for the Monadnock Regional School District last year was \$30.9 million dollars. However, after the auditors finished auditing at the end of the last school year (July '07) they found that the school district actually had a surplus of \$2.1 million dollars. Thus, the actual operating budget (what was used) was not \$30.9 million dollars but \$28.8 million dollars.

The Monadnock "Special Budget Publication" that was recently mailed out claims that the operating budget increase over last year is 2.96%. This would be true, if the amount spent last year was indeed the amount listed as the default budget of \$30.9 million dollars. However, because of the surplus of over \$2 million dollars, the actual amount spent was \$2.1 million dollars less, or \$28.8 million dollars.

The proposed operating budget for next year is \$31,852,333. If we calculate the percent increase using the actual budgetary amount that was spent, \$28.8 million dollars, then the actual percent increase in the budget from last year is 10.59%! This is without adding in the cost of all the other warrant articles where taxes must be raised.

The claim by the school board chair that the budget is up only 2.96% is wrong. It is up 10.59% over last year if one uses the correct numbers. I doubt this was done intentionally, but it explains why the Monadnock 11<sup>th</sup> graders had such abysmal math scores on the recent state tests; those in charge of the school district can't do mathematics themselves.