

## **Updating the Annual Required Maintenance Budget Amount Worksheet (Form M-1)**

The M-1 worksheet is a tool to help districts estimate the annual required maintenance budget amount to be submitted with the district's Comprehensive Maintenance Plan (CMP).

The M-1 Worksheet was provided for the first time in the fall of 2001 to complete the calculation and submission to the department for the 2002-03 budget. The department is not reissuing an updated M-1 Worksheet, but districts can use and update the district's completed and approved worksheet from 02-03 for use in calculating and determining the 03-04 required maintenance budget amount to be submitted with the district's 2002 Comprehensive Maintenance Plan (CMP). (See September 12, 2002 memo from Assistant Commissioner Rosenberg for more information on the CMP submission.)

The following provides instructions on revising the M-1 worksheet to calculate the required maintenance budget amount for 2003-04. These numbered instructions correspond to the changes represented on the sample M-1 form. Please note that completion of columns E and F on the M-1 worksheet (steps 8 and 9 below) *are optional* and for information purposes unless the district is requested approval to budget a lower amount than calculated in column G for 2003-04. If requesting to budget a lower amount, columns E and F will be used to support and justify the request.

1. Change the worksheet title from Reserve Deposit Worksheet to Budget Amount Worksheet (this reflects the ability to budget the required amount in either the maintenance reserve or directly in the line-item appropriations for required maintenance.)
2. Enter the new worksheet filing date
3. Change the title of column E from Actual expenditure to Total Expenditures of 00-01 + 01- 02
4. Change the title of column F from 01-02 Certified Budget to 02-03 Budget
5. Change the last entry in column A from Required deposit in 02-03 budget to required amount in 03-04 budget
6. Add or delete school facility names in column A if there are any changes to the school building inventory, such as new schools opened or current schools closed, or "other facilities" listed which should not be part of the calculation
7. Update gross building area square footage in column C if there are any new school building additions, or a school facility is no longer used as a school
8. *Optional* – At the bottom of Column E, enter the total expenditures for required maintenance (function 261) in 2000-01 plus 2001-02 as reported in the district's CAFR. This will prorate the total back to each school facility. If the district has actual expenditures for the school facilities as reported in the CAFR, those amounts can be entered directly on the respective lines, but the formula in the cell for total will have to manually changed.
9. *Optional* - Enter the 2002-03 budget amount in column F (total amount for function 261). Enter the certified budget amount or if revised, the revised budget amount.

The required maintenance budget amount will be automatically calculated on the District Total line of Column G. If the district chooses to request approval for budgeting a lower amount, columns E and F must be completed and the lower amount entered on the Required budget amount for 03-04 on column G.

Most districts should not have difficulty meeting the required deposit amount, and will find that they have spent more than the required minimum annual amounts. Districts should not consider the required minimum to be the appropriate amount to be budgeted and expended in this area, and should not reduce their budget to meet the minimum requirement.

However, other districts may find that they need to increase their spending in order to meet the required minimums, and may need to compensate by budgeting more than the required minimum in the 2003-04 budget. Because these funds are subject to the district's spending growth limitation, a few districts may need more than one year to catch up and must appeal to the County Superintendent for relief from budgeting the required minimum amount pursuant to N.J.A.C. 6:24-5.1 (e).

After making these changes, districts can print the updated worksheet and submit it with the Comprehensive Maintenance Plan to the Office of School Facilities in the Department's Division of Finance and the County Superintendent's Office. Districts should contact their County Manager with any questions.

