

# South Washington County Schools

FINANCIAL UPDATE - FORECASTING

DAN PYAN, DIRECTOR OF FINANCE & OPERATIONS

March 15, 2018



# 2017-18 Summary Revenues and Expenditures For the Period Ending February 28, 2018

General Fund							
	Original	Year-To-Date	% of	% of	Year-To-Date	Prior Year	PY
	Budget	Activity	Budget	Fiscal Year	Activity	% of	Revised
					2.28.2017	Budget	Budget
<b>Revenues</b>							
Local sources	47,892,571	27,354,246	57.1%	66.67%	29,349,909	59.8%	49,095,685
State sources	171,592,019	84,843,717	49.4%	66.67%	94,945,302	57.7%	164,541,754
Federal sources	4,740,017	937,159	19.8%	66.67%	2,386,180	53.9%	4,426,876
<b>Total Revenues</b>	<b>224,224,607</b>	<b>113,135,122</b>	<b>50.5%</b>	<b>66.67%</b>	<b>126,681,391</b>	<b>58.1%</b>	<b>218,064,315</b>
<b>Expenditures</b>							
Administration	8,518,087	5,586,965	65.6%	66.67%	5,363,575	65.1%	8,241,653
District support services	7,572,024	5,646,486	74.6%	66.67%	6,152,683	69.9%	8,804,036
Elementary and secondary regular instruction	109,275,110	55,522,193	50.8%	66.67%	56,546,397	53.0%	106,679,003
Vocational education instruction	2,003,120	1,344,273	67.1%	66.67%	1,327,246	62.1%	2,136,923
Special education instruction	40,743,732	21,248,994	52.2%	66.67%	20,514,845	53.3%	38,502,591
Instructional support services	10,680,387	5,789,422	54.2%	66.67%	5,819,738	52.7%	11,045,517
Pupil support services	20,698,600	12,831,531	62.0%	66.67%	12,120,776	56.4%	21,479,353
Sites and buildings	23,776,395	16,907,804	71.1%	66.67%	15,218,724	72.9%	20,889,018
Fiscal and other fixed cost programs	485,000	1,733,009	357.3%	66.67%	1,260,397	270.3%	466,300
<b>Total Expenditures</b>	<b>223,752,455</b>	<b>126,610,677</b>	<b>56.6%</b>	<b>66.67%</b>	<b>124,324,380</b>	<b>57.0%</b>	<b>218,244,394</b>
<b>Net Change</b>	<b>472,152</b>	<b>(13,475,554)</b>			<b>2,357,011</b>		<b>(180,079)</b>



# Budget Forecast Model

## Purpose:

- **Project Fund Balance**
  - District's Checkbook
  - Monitored by Department of Education
  - Board Policy of 5-9%
- **Project needed adjustments**
  - Work with totals
  - Based on assumptions



**IT IS BASED ON THE BEST INFORMATION WE HAVE TODAY!**

# Budget Forecast Model

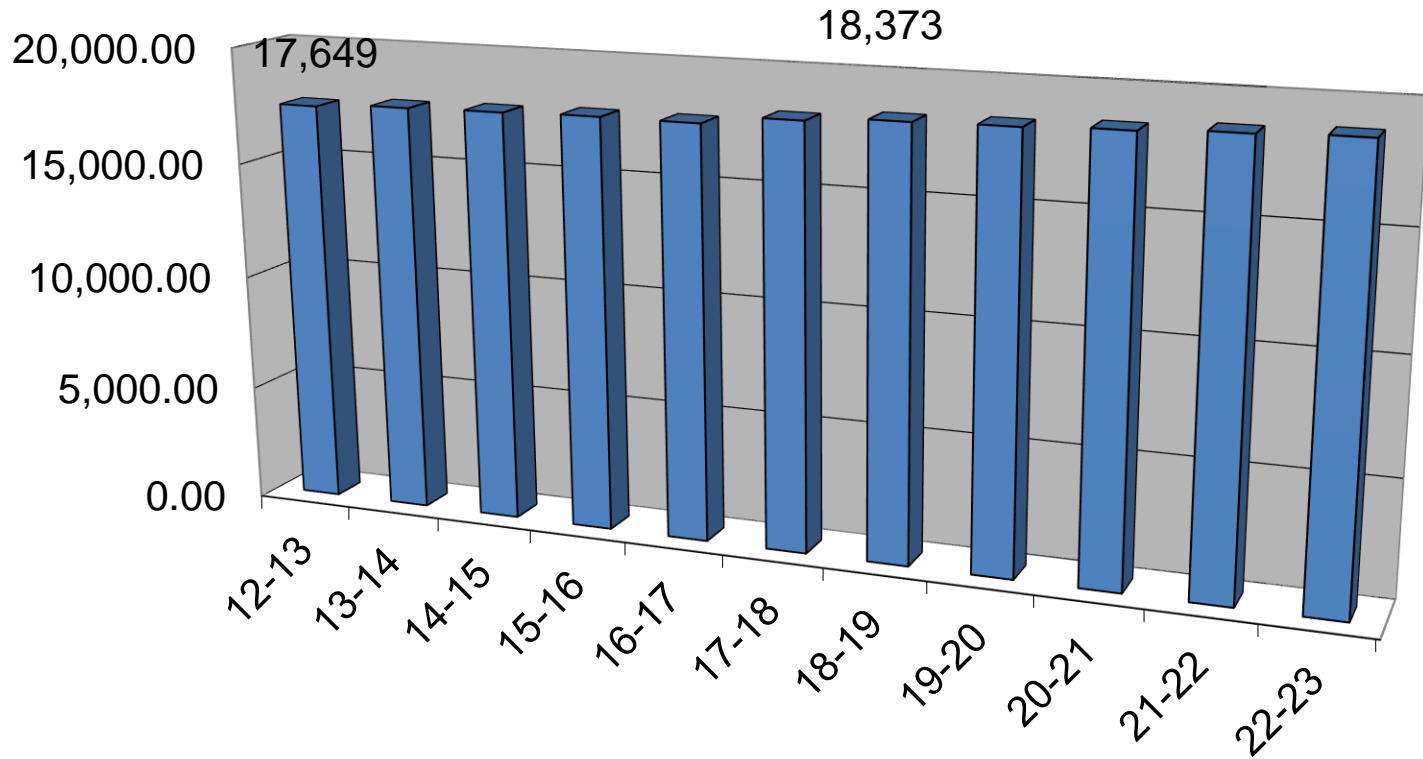
## Assumptions

- Enrollment
  - Conservative
  - Shows very slight increase on overall enrollment
  - 4.00 % over 5 years (.8% average)
  - About 144 students per year
  - Factors
    - Kindergarten/Birth Rates
    - New Housing
    - PSEO
    - Drop-Outs



# District Budgeted Enrollment

## South Washington County Schools Budgeted Enrollment



# District Budgeted Enrollment

South Washington County Schools											
Enrollment Projections for budget purposes (as of 3/1/18)											
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23
Pre-K	195.18	204.02	236.24	237.00	251.59	248.00	248.00	248.00	248.00	248.00	248.00
K	1,105.52	1,121.46	1,229.00	1,239.21	1,283.80	1,348.33	1,244.36	1,268.94	1,276.93	1,284.47	1,284.61
1	1,391.75	1,290.72	1,289.28	1,278.83	1,308.13	1,346.67	1,507.85	1,391.58	1,419.06	1,428.00	1,436.43
2	1,329.75	1,380.15	1,321.05	1,326.57	1,365.73	1,364.50	1,368.17	1,531.93	1,413.80	1,441.72	1,450.80
3	1,353.75	1,364.35	1,402.09	1,354.96	1,416.41	1,407.83	1,394.01	1,397.76	1,565.06	1,444.37	1,472.90
4	1,376.80	1,376.39	1,376.53	1,437.63	1,400.92	1,466.17	1,432.97	1,418.90	1,422.72	1,593.00	1,470.16
5	1,347.79	1,412.21	1,377.19	1,385.75	1,498.43	1,443.00	1,488.86	1,455.15	1,440.86	1,444.73	1,617.65
6	1,356.13	1,330.61	1,395.93	1,323.52	1,384.27	1,486.33	1,416.31	1,461.32	1,428.23	1,414.20	1,418.01
7	1,324.73	1,376.66	1,324.39	1,393.66	1,347.75	1,422.00	1,495.41	1,424.96	1,470.24	1,436.95	1,422.84
8	1,332.55	1,316.94	1,383.32	1,333.71	1,407.43	1,395.33	1,429.97	1,503.80	1,432.95	1,478.48	1,445.01
9	1,405.84	1,384.28	1,359.33	1,409.08	1,415.00	1,464.00	1,445.98	1,481.88	1,558.38	1,484.96	1,532.15
10	1,408.75	1,388.90	1,378.35	1,365.02	1,416.32	1,320.33	1,369.31	1,351.23	1,387.25	1,464.03	1,390.34
11	1,371.40	1,363.63	1,352.37	1,332.64	1,339.06	1,303.33	1,284.56	1,332.20	1,314.61	1,349.66	1,424.36
12	1,349.46	1,406.92	1,372.74	1,375.34	1,330.25	1,357.50	1,315.74	1,296.79	1,344.89	1,327.13	1,362.51
	17,649.40	17,717.24	17,797.81	17,792.92	18,165.09	18,373.33	18,441.50	18,564.42	18,722.98	18,839.73	18,975.79
	0.99%	0.38%	0.45%	-0.03%	2.09%	1.15%	0.37%	0.67%	0.85%	0.62%	0.72%
WADM	20,465.32	19,359.31	19,425.81	19,434.81	19,816.25	20,025.83	20,109.70	20,242.59	20,424.64	20,547.98	20,691.24
			Revenue	\$ 70,866	\$ 3,003,474	\$ 1,650,243	\$ 660,337	\$ 1,046,395	\$ 1,433,480	\$ 971,137	\$ 1,128,063
High Class	11	5	3	4	5	6	1	2	3	4	5
			BUDGET	ADM	18,222.00		10-year	9.31%	9.58%	10.25%	10.08%
			Budget	APU	19,877.00	18,438.00					
			Revenue		\$ (516,176)	\$ (599,201)					



# South Washington County Birth Rates (\*Projected)

YEAR	BIRTHS	Year	Kindergarten	Capture Rate
2008	2,889	2014	1,121	38.8%
2009	2,732	2015	1,229	44.9%
2010	2,865	2016	1,239	43.2%
2011	2,811	2017	1,284	45.7%
2012	2,774	2018	1,348 *	48.5% *
2013	2,833	2019	1,244 *	44.9% *
2014	2,880	2020	1,268 *	44.0% *
2015	2,800	2021	1,277 *	45.6% *
2016	2,821	2022	1,285 *	45.5% *



# BUDGET FORECAST MODEL

## Revenue Assumptions

- Formula Increases
  - Basic in 2018 - \$6,188  
2019 - \$6,312
  - Per Adjusted Pupil Unit
  - Increased 2% in each of last two years
  - Easily monitored
  - Determined by State Legislature
  - SWCS assuming 1.5% each of next four years





# BUDGET FORECAST MODEL

## Other Revenue Assumptions

- Federal Title/Special Education/Grants – assuming reduction or flat
  - Decrease in Title 1 nearly \$500,000 in 2018
- Fees and others – Assuming reduction or flat
- Special Education Aid – Nearing cap on expense reimbursement
- Operating Referendum – Additional \$375 in 2019 and on



# BUDGET FORECAST MODEL

## Expenditure Assumptions

- Salaries, Wages, and Benefits
- Negotiated
- 10 Unions (8 in General Fund)
- Percent of salaries and wages
- Known as COLA
- Also have Steps (and Lanes in Teacher Contract)
- Generally two-year agreements
- Chicken/Egg?



# BUDGET FORECAST MODEL

## Expenditure Assumptions

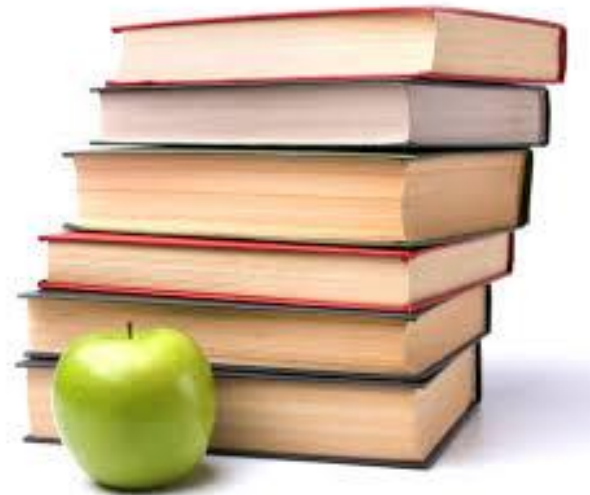
- Payroll Taxes
  - FICA
  - TRA - Proposed to increase
  - PERA
  - Increases with COLA's, Steps, Lanes



# BUDGET FORECAST MODEL

## Expenditure Assumptions – 2% Average

- Utility and Fuel Costs
- Tuitions
- Professional Services
- Utility Services – Snow Removal,  
Waste Removal
- Textbooks
- Instructional Supplies
- General and Repair Supplies



# BUDGET FORECAST MODEL

## Misc. Expenditure Assumptions

- New Building in 2018-19
- Retirements
  - Reduced expenses by about \$25,000 per staff
  - Estimated at 25 per year
- Strategic Plan
  - Assuming increasing Professional Development Budget
- Staffing would need to increase if enrollment increases more than projected
- Does not include operational changes (i.e. Self Insurance)



# Current Forecast

YEAR	Unassigned Fund Balance
2017-18	.99%
2018-19	3.53%
2019-20	4.87%
2020-21	5.35%
2021-22	6.00%



# BUDGET FORECAST MODEL

## WHAT CAN CHANGE?

- Beginning Fund Balance (2017-18)
- Enrollment – Largest Factor
- Contract Settlements – Sway the model
- Utility/Supply Costs
- Staffing
- Legislative Actions 1% = \$1,200,000
- Unfunded Mandates – Special Education, TRA, PERA
- Other Revenue Sources



# Questions & Comments

