

South Washington County Schools

FINANCIAL UPDATE - FORECASTING

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October 18, 2017



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 WRONG!



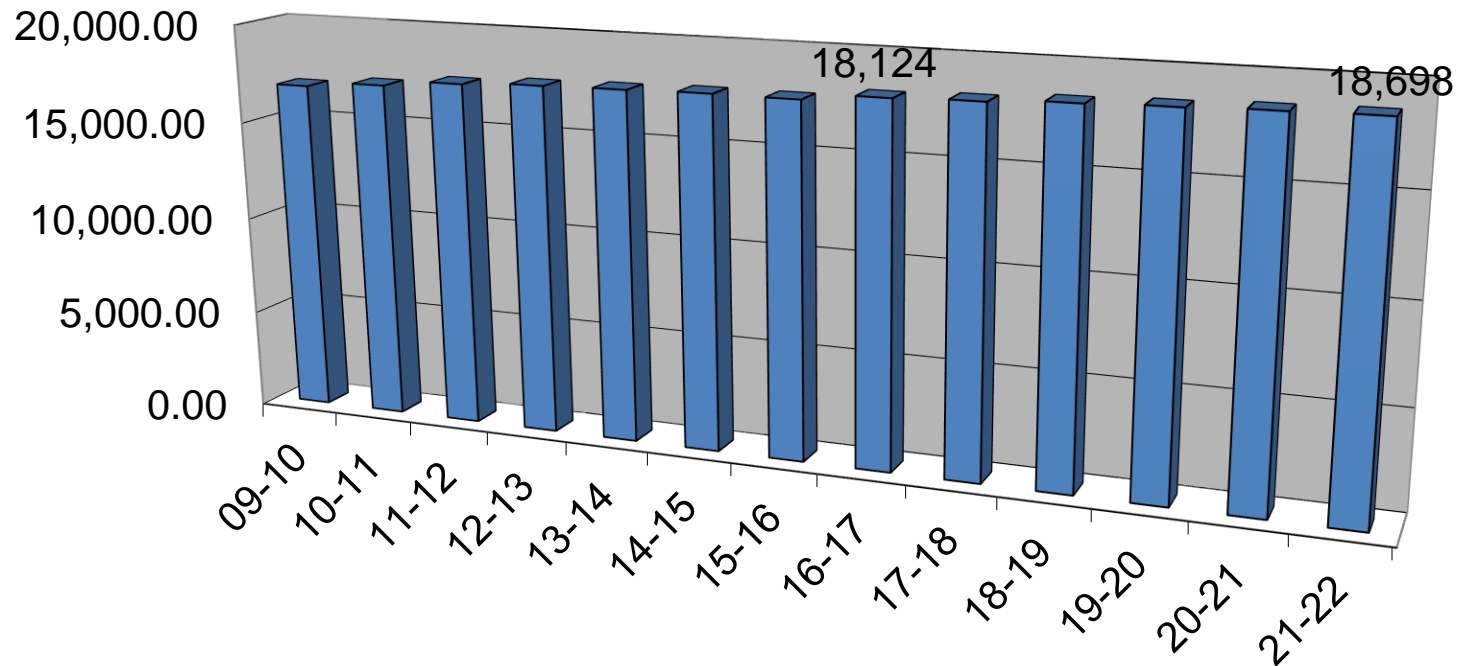
BUDGET FORECAST MODEL

Assumptions

- Enrollment
 - Conservative
 - Shows slight increase
 - About 2% per year
 - Factors – Kindergarten/Birth Rates
 - New Housing
 - PSEO
 - Drop-Outs



District Budgeted Enrollment



District Budgeted Enrollment

South Washington County Schools											
Enrollment Projections for budget purposes (as of 3/1/17)											
	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	
Pre-K	195.18	204.02	236.24	237.00	220.00	220.00	220.00	220.00	220.00	220.00	
K	1,105.52	1,121.46	1,229.00	1,239.21	1,286.79	1,196.40	1,214.57	1,233.19	1,234.03	1,232.99	
1	1,391.75	1,290.72	1,289.28	1,278.83	1,322.14	1,440.47	1,339.29	1,359.63	1,380.48	1,381.42	11.94%
2	1,329.75	1,380.15	1,321.05	1,326.57	1,363.29	1,343.00	1,463.20	1,360.42	1,381.09	1,402.26	1.58%
3	1,353.75	1,364.35	1,402.09	1,354.96	1,422.14	1,393.36	1,372.63	1,495.48	1,390.43	1,411.55	2.21%
4	1,376.80	1,376.39	1,376.53	1,437.63	1,415.57	1,449.07	1,419.74	1,398.62	1,523.80	1,416.76	1.89%
5	1,347.79	1,412.21	1,377.19	1,385.75	1,489.86	1,436.64	1,470.63	1,440.87	1,419.43	1,546.47	1.49%
6	1,356.13	1,330.61	1,395.93	1,323.52	1,383.71	1,462.24	1,410.00	1,443.37	1,414.15	1,393.12	-1.85%
7	1,324.73	1,376.66	1,324.39	1,393.66	1,348.71	1,392.27	1,471.28	1,418.72	1,452.29	1,422.90	0.62%
8	1,332.55	1,316.94	1,383.32	1,333.71	1,410.29	1,356.55	1,400.36	1,479.82	1,426.96	1,460.73	0.58%
9	1,405.84	1,384.28	1,359.33	1,409.08	1,415.86	1,461.57	1,405.88	1,451.28	1,533.64	1,478.85	3.64%
10	1,408.75	1,388.90	1,378.35	1,365.02	1,422.57	1,421.62	1,467.52	1,411.60	1,457.19	1,539.88	0.41%
11	1,371.40	1,363.63	1,352.37	1,332.64	1,268.29	1,376.65	1,375.73	1,420.14	1,366.03	1,410.15	-3.23%
12	1,349.46	1,406.92	1,372.74	1,375.34	1,354.86	1,282.70	1,392.30	1,391.37	1,436.29	1,381.56	1.14%
	17,649.40	17,717.24	17,797.81	17,792.92	18,124.07	18,232.54	18,423.13	18,524.52	18,635.81	18,698.64	
	0.99%	0.38%	0.45%	-0.03%	1.86%	0.60%	1.05%	0.55%	0.60%	0.34%	
WADM	20,465.32	19,359.31	19,425.81	19,434.81	19,768.19	19,890.81	20,125.74	20,239.10	20,370.29	20,437.45	
			Revenue	\$ 70,866	\$ 2,625,000	\$ 965,535	\$ 1,849,833	\$ 892,650	\$ 1,032,940	\$ 528,838	
							10-year	9.06%	8.74%	10.14%	



BUDGET FORECAST MODEL

Revenue Assumptions

- Formula Increases
 - Basic in 2018 - \$6,188
 - Basic in 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
- Fees and others – Assuming reduction or flat
- Special Education Aid – Nearing cap on expense reimbursement
- Operating Referendum
 - Presently \$ 1,876 per student
 - Assuming a renewal of \$771.27 per student in 2017 Election
 - Assuming an additional \$375 per student in 2017 Election



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 - Scheduled to increase
 - PERA
 - Increases with COLA's, Steps, Lanes



BUDGET FORECAST MODEL

Expenditure Assumptions – 2.5 % Average

- Utility and Fuel Costs
- Tuitions
- Professional Services
- 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

IF RENEWAL PASSES

IF ADDITIONAL \$375 per student PASSES

IF FORMULA increases 1.5% in 19-20, 20-21, 21-22, 22-23

YEAR	Unassigned Fund Balance		
2017-18	.85%	about \$	2.6 million
2018-19	2.94%	\$	6.7 million
2019-20	5.01%	\$	11.8 million
2020-21	7.23%	\$	17.5 million
2021-22	9.73%	\$	24.3 million
2022-23	12.19%	\$	31.9 million



Current Forecast

IF RENEWAL PASSES

IF ADDITIONAL \$375 per student **FAILS**

IF FORMULA increases 1.5% in 19-20, 20-21, 21-22, 22-23

YEAR	Unassigned Fund Balance		
2017-18	.85%	about \$	2.6 million
2018-19	-.39%	\$	-897 K
2019-20	-1.56%	\$	-3.6 million
2020-21	-2.5%	\$	-6.1 million
2021-22	-3.1%	\$	-7.6 million
2022-23	-3.6%	\$	-9.2 million



Current Forecast

IF RENEWAL FAILS

IF ADDITIONAL \$375 per student FAILS

IF FORMULA increases 1.5% in 19-20, 20-21, 21-22, 22-23

YEAR	Unassigned Fund Balance		
2017-18	.85%	about \$	2.6 million
2018-19	- 6.8%	\$	-15.7 million
2019-20	- 14.4%	\$	-34.0 million
2020-21	-21.8%	\$	-52.8 million
2021-22	- 28.7%	\$	-71.7 million
2022-23	- 35.5%	\$	-90.8 million



BUDGET FORECAST MODEL

WHAT CAN CHANGE?

- Beginning Fund Balance (2016-17)
- Budget Reductions
- 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

