

# Budget Update

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Dan Pyan, Director of Finance and Operations

August 29, 2019

# Enrollment Updates

- As of Friday, Aug. 16, K-12 student count was 18,735
- About 250 ahead of Budget
- Increased 12 since the CFAC meeting



# Budget Update – 2018-20

## South Washington County Schools

					% of Budget		1 Y Inc	2 Y Inc	3 Y Inc
	2016-17	2017-18	2018-19	2018-19		2019-20			
	FY Activity	FY Activity	FY Activity	Revised Budget		Prelim Budget	1 Y Inc	2 Y Inc	3 Y Inc
<b>REVENUES</b>	\$ 219,672,631	\$ 226,468,257	\$ 225,205,686	\$ 239,997,710	93.84%	\$ 249,240,739	3.85%	10.06%	13.46%
<b>SALARIES &amp; WAGES</b>	\$ 128,607,844	\$ 133,510,853	\$ 138,948,555	\$ 139,992,498	99.25%	\$ 144,121,532	3.72%	7.95%	12.06%
<b>BENEFITS</b>	\$ 50,968,804	\$ 51,683,286	\$ 54,632,517	\$ 54,262,755	100.68%	\$ 57,150,839	4.61%	10.58%	12.13%
<b>SERVICES</b>	\$ 22,875,288	\$ 23,947,925	\$ 26,094,906	\$ 24,955,617	104.57%	\$ 29,595,639	13.42%	23.58%	29.38%
<b>SUPPLIES</b>	\$ 5,466,215	\$ 7,340,489	\$ 8,519,754	\$ 9,521,502	89.48%	\$ 9,066,601	6.42%	23.51%	65.87%
<b>CAPITAL</b>	\$ 9,678,435	\$ 7,279,475	\$ 8,374,371	\$ 8,534,181	98.13%	\$ 9,124,874	8.96%	25.35%	-5.72%
<b>OTHER</b>	\$ 1,961,415	\$ 1,711,679	\$ 448,194	\$ 1,977,342	22.67%	\$ 1,328,941	196.51%	-22.36%	-32.25%
	\$ 219,558,001	\$ 225,473,708	\$ 237,018,297	\$ 239,243,895	99.07%	\$ 250,388,426	5.64%	11.05%	14.04%
<b>EXPENDITURES</b>	\$ 114,631	\$ 994,549	\$ (11,812,611)	\$ 753,815		\$ (1,147,687)			



# 2019-20 Budget

## Preliminary Budget

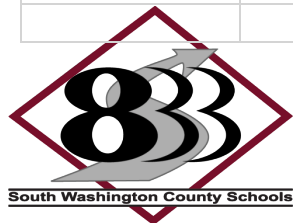
Variance  
from 18-19 RB

2020 Projected Revenues	\$ 249,240,739	3.43%
<u>2020 Projected Expenses</u>	<u>\$ 250,388,426</u>	<u>4.24%</u>
Projected (Deficit)	(\$ 1,147,687)	

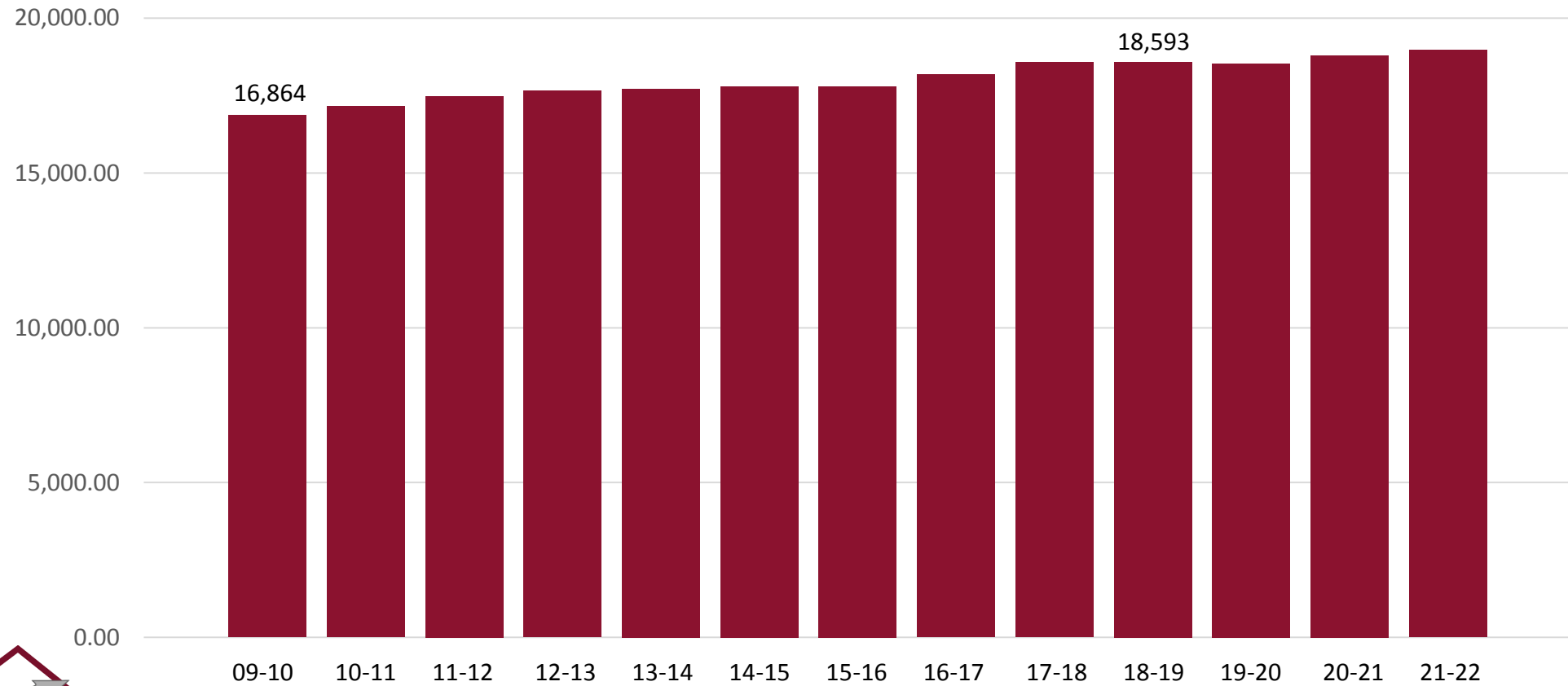


# Enrollment Drives the Budget

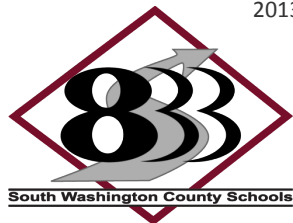
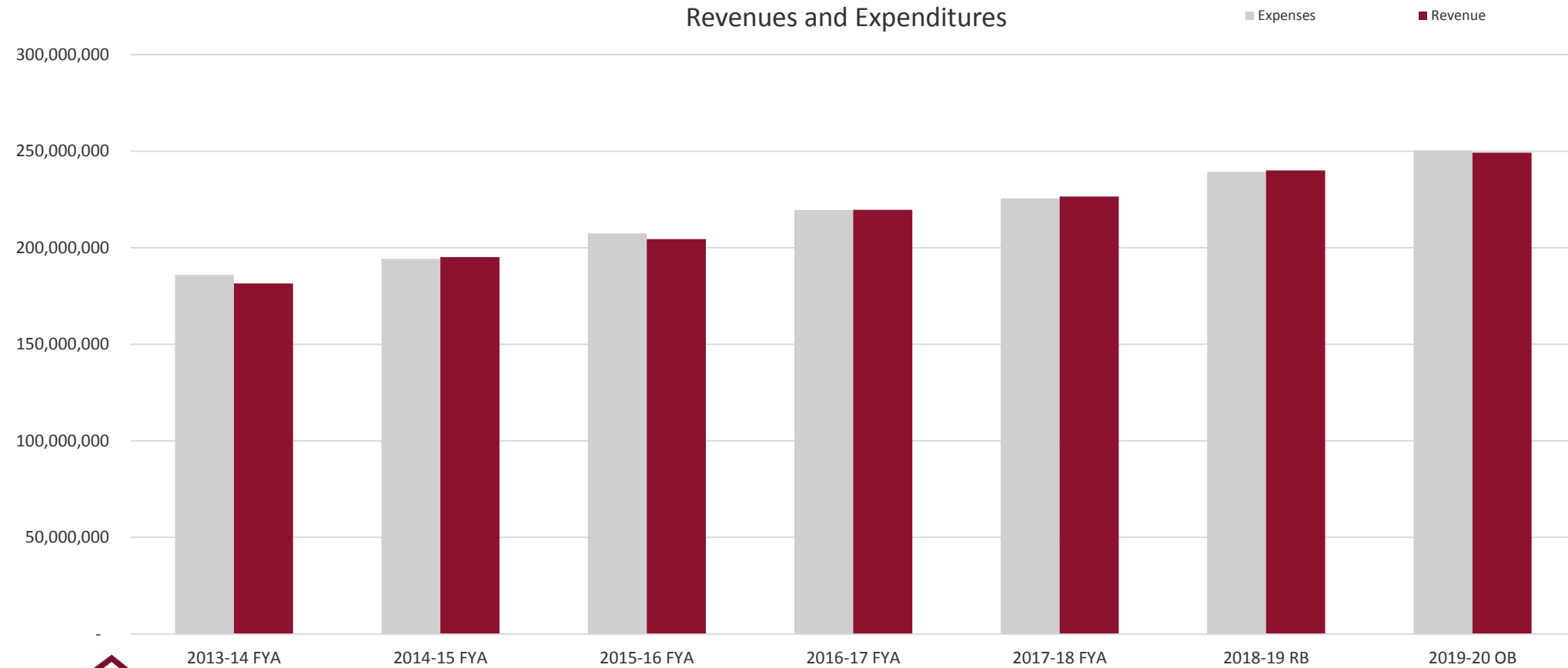
South Washington County Schools												
Enrollment Projections for budget purposes (as of 6/1/19)												
	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected
	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24
Pre-K	195.18	204.02	236.24	237.00	251.59	250.04	327.04	307.00	307.00	307.00	307.00	307.00
K	1,105.52	1,121.46	1,229.00	1,240.59	1,296.18	1,341.24	1,329.4	1,370.00	1,346.89	1,348.78	1,355.22	1,350.30
PK/SR						17.27	36.00	36.00	28.00	28.00	28.00	28.00
1	1,391.75	1,290.72	1,289.28	1,278.83	1,308.13	1,340.77	1,353.56	1,334.00	1,509.91	1,484.44	1,486.52	1,493.62
2	1,329.75	1,380.15	1,321.05	1,326.57	1,365.73	1,359.71	1,368.11	1,358.00	1,358.40	1,537.53	1,511.60	1,513.71
3	1,353.75	1,364.35	1,402.09	1,354.96	1,416.41	1,412.42	1,387.11	1,367.00	1,388.62	1,389.03	1,572.20	1,545.68
4	1,376.80	1,376.39	1,376.53	1,437.63	1,400.92	1,466.37	1,398.78	1,388.00	1,390.26	1,412.25	1,412.67	1,598.95
5	1,347.79	1,412.21	1,377.19	1,385.75	1,498.43	1,444.56	1,462.89	1,399.00	1,409.23	1,411.52	1,433.85	1,434.27
6	1,356.13	1,330.61	1,395.93	1,323.52	1,384.27	1,486.80	1,398.78	1,469.00	1,372.83	1,382.87	1,385.12	1,407.03
7	1,324.73	1,376.66	1,324.39	1,393.66	1,347.75	1,425.70	1,459.11	1,400.00	1,477.86	1,381.12	1,391.22	1,393.48
8	1,332.55	1,316.94	1,383.32	1,333.71	1,407.43	1,398.11	1,415.33	1,462.00	1,410.05	1,488.47	1,391.03	1,401.20
9	1,405.84	1,384.28	1,359.33	1,409.08	1,415.00	1,463.24	1,438.11	1,462.00	1,514.54	1,460.73	1,541.97	1,441.02
10	1,408.75	1,388.90	1,378.35	1,365.02	1,416.32	1,413.75	1,452.44	1,413.00	1,465.41	1,518.07	1,464.13	1,545.56
11	1,371.40	1,363.63	1,352.37	1,332.64	1,339.06	1,376.09	1,362.00	1,432.00	1,373.44	1,424.38	1,475.57	1,423.14
12	1,349.46	1,406.92	1,372.74	1,375.34	1,330.25	1,371.31	1,404.33	1,340.00	1,448.69	1,389.44	1,440.98	1,492.77
	17,649.40	17,717.24	17,797.81	17,794.30	18,177.47	18,567.38	18,593.04	<b>18,537.00</b>	18,801.14	18,963.64	19,197.07	19,375.74
	0.99%	0.38%	0.45%	-0.02%	2.15%	2.15%	0.14%	-0.30%	1.42%	0.86%	1.23%	0.93%
WADM	20,465.32	19,359.31	19,425.81	19,436.19	19,828.63	20,257.02	20,299.31	<b>20,238.80</b>	20,539.14	20,696.09	20,938.05	21,115.18
						10-year		9.38%	10.74%	11.16%	9.92%	9.63%



# Budget Enrollment



# South Washington County Schools General Fund



# General Fund Balance

Fiscal Year	Fund Balance \$	Fund Balance %
June 30, 2014 Actual	\$9,485,552	6.8%
June 30, 2015 Actual	\$10,317,486	5.3%
June 30, 2016 Actual	\$7,303,067	3.4%
June 30, 2017 Actual	\$7,417,697	3.3%
June 30, 2018 Actual	\$8,412,249	3.3%
June 30, 2019 Projected	\$9,159,764	3.8%
June 30, 2020 Projected	\$9,357,887	3.7%

NOTE: Board policy calls for the fund balance to be between 5 and 9 percent each year. Statutory operating debt is -2.5%.





# Financial Considerations

Contract settlements impact the budget and the district's financial standing more than any other School Board Action

2% on total 2018-19 wages and benefits

$\$194,255,253 \times .02 =$        $\$3,885,105$

$\$3,885,105$

$\$198,140,358 \times .02 =$        $\$3,962,807$

Total cost over 2 years       $\$11,733,017$



# Financial Considerations

Other services require more funds

2% over two years on:

2018-19 Costs

Supplies	\$ 8,519,754 x .02 =	\$ 514,593
Electricity	\$ 3,587,591 x .02 =	\$ 216,679
Tuitions	\$ 2,424,446 x .02 =	\$ 146,437
Natural Gas	\$ 1,318,362 x .02 =	\$ 79,629
Repair Services	\$ 1,159,178 x .02 =	\$ 70,014
Property/Liability Ins	\$ 800,000 x .02 =	\$ 38,320
Trash Removal	\$ 301,862 x .02 =	\$ 18,232
Water	\$ 280,000 x .02 =	\$ 16,912

Total increased costs over 2 years     \$1,100,816



# Financial Considerations

Increased Wage costs over 2 years	\$11,733,017
Increased Supplies and Services Over 2 Years	\$ 1,100,816
Total Increased expenses	\$ 12,833,833



# Financial Considerations

## New revenue from latest state legislation

2% on the basic formula	
\$127,758.667 x .02 =	\$ 2,555,173
	\$ 2,555,173
\$130,313,841 x .02 =	\$ 2,606,277
Total state aid increase over 2 years	\$ 7,716,623
Total Special Education State Aid over 2 Years	\$ 4,000,000
Special Education Cross Subsidy Aid	\$ 1,922,854
TOTAL NEW Revenue over two Years	\$ 13,639,477
Total New Expenses over 2 years	\$ 12,833,833
Left to handle emergencies or increase Fund Balance	\$ 805,644



# Negotiations Update

- District administration is presently negotiation with four collective bargaining groups
  - Teachers
  - Bus Drivers
  - OPEIU – Clerical
  - Principals



# Questions?

