

# South Washington County Schools

## *Financial Update*



Dan Pyan, Director of Finance and Operations

January 23, 2020

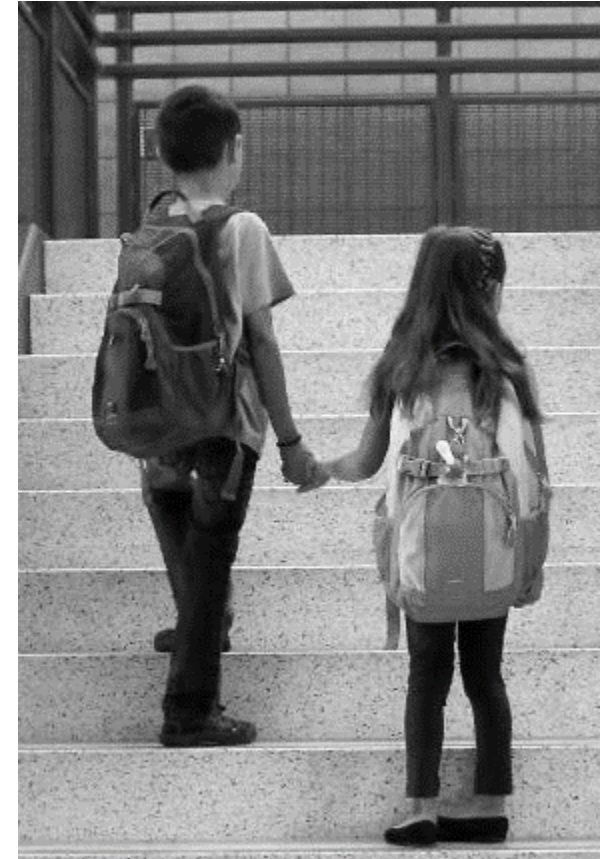
# Principles of School Finance

- Integrity: Audits confirm that we present a fair representation of our financial status
- Ethical: Follow the letter of the law
- Conservatism: Forecast the worst, expect the forecast
- Security: Safeguard all assets
- Mission-driven Expenditures: All public expenditures serve a public purpose

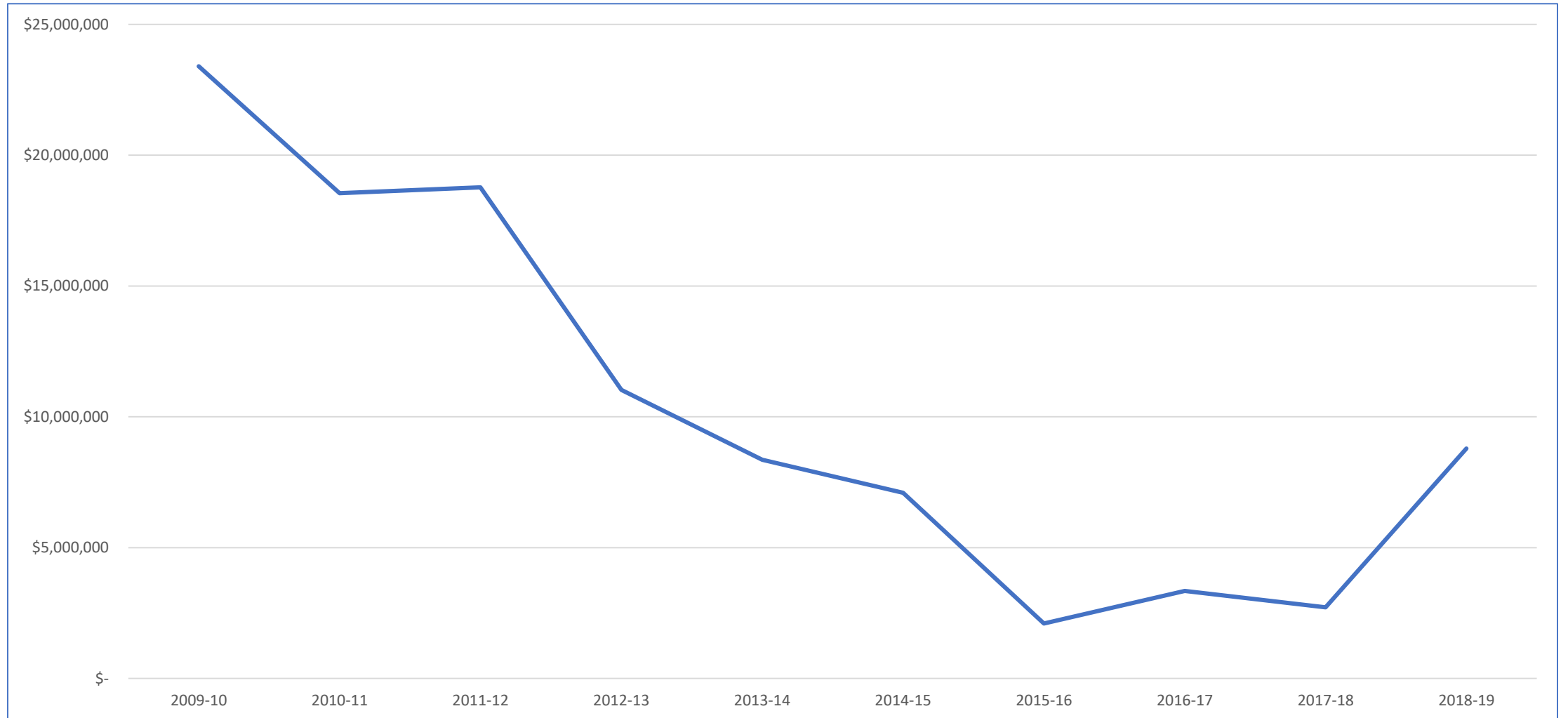


# State of the Budget

- 2018-19 Audit Completed
  - Unassigned Fund Balance in General Fund
    - \$ 8,790,153 4.36% of Expenditures
    - Increase of over \$6 M from prior year
    - Increase of almost 3% of Expenditures
    - School Board Policy of 5 – 9 % (2.5 – 4.5 weeks)
    - Desired 16% (Two Months)



# General and Internal Service Balance History



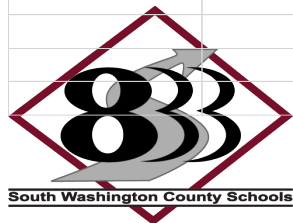
# 2019-20 Budget (What We Know)

- Expenditures are higher than revenues
  - \$1,147,687 deficit
  - Enrollment budgeted to decrease by seven Average Daily Memberships (ADM)
  - Enrollment has increased so far this school year
  - Contracts are not settled
  - More than 20 teaching FTE's were added to handle caseloads in special education and increases in elementary classes

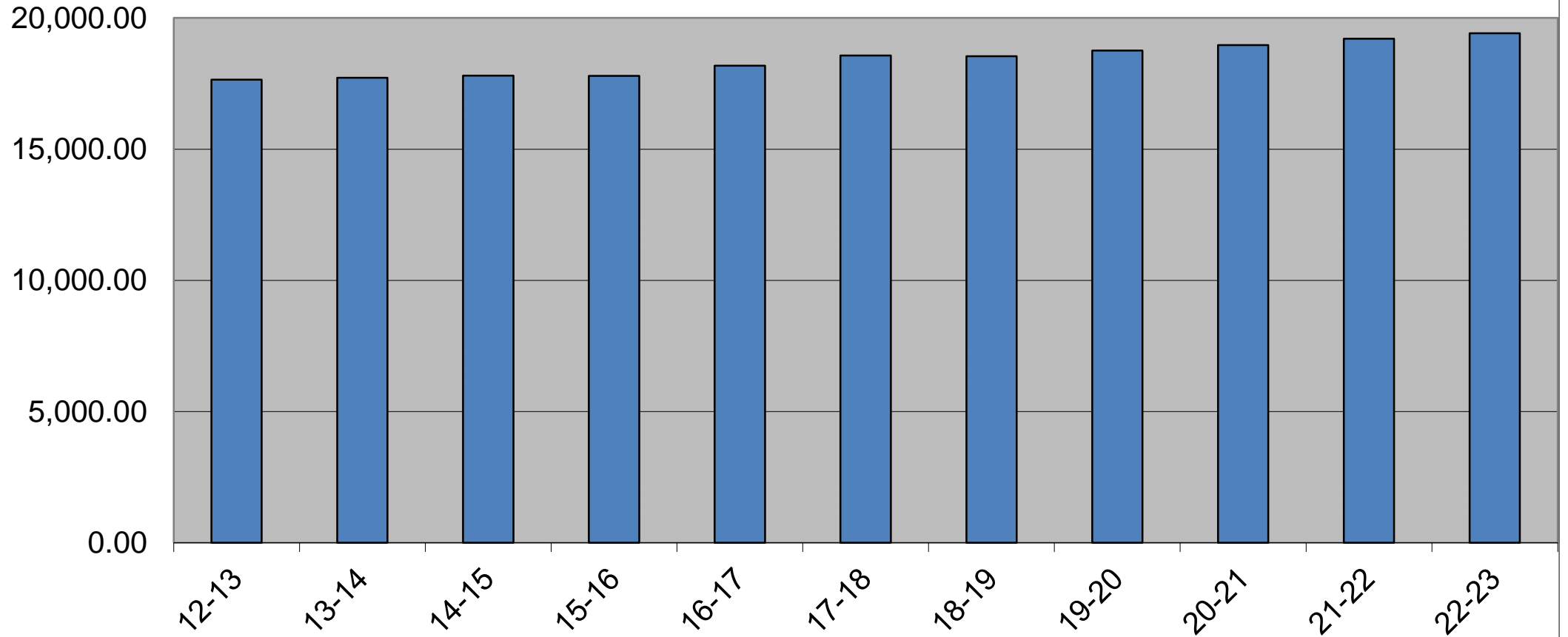


# Enrollment Projections

South Washington County Schools													
Enrollment Projections for budget purposes (as of 1/1/20)													
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
	11-12	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	167.59	195.18	204.02	236.24	237.00	251.59	250.04	269.71	260.00	260.00	260.00	260.00	260.00
K	1,215.11	1,105.52	1,121.46	1,229.00	1,240.59	1,296.18	1,341.24	1,325.2	1,382.75	1,349.72	1,352.55	1,361.67	1,354.65
PK/SR							17.27	41.22	40.00	40.00	40.00	40.00	40.00
1	1,327.05	1,391.75	1,290.72	1,289.28	1,278.83	1,308.13	1,340.77	1,350.37	1,367.75	1,507.75	1,471.74	1,474.82	1,484.77
2	1,357.02	1,329.75	1,380.15	1,321.05	1,326.57	1,365.73	1,359.71	1,366.24	1,362.75	1,399.07	1,542.28	1,505.45	1,508.60
3	1,354.32	1,353.75	1,364.35	1,402.09	1,354.96	1,416.41	1,412.42	1,387.75	1,408.75	1,399.11	1,436.40	1,583.43	1,545.61
4	1,320.41	1,376.80	1,376.39	1,376.53	1,437.63	1,400.92	1,466.37	1,402.44	1,430.75	1,437.39	1,427.56	1,465.61	1,615.63
5	1,376.50	1,347.79	1,412.21	1,377.19	1,385.75	1,498.43	1,444.56	1,463.79	1,425.25	1,456.69	1,463.46	1,453.44	1,492.19
6	1,298.75	1,356.13	1,330.61	1,395.93	1,323.52	1,384.27	1,486.80	1,405.22	1,431.25	1,399.37	1,430.24	1,436.88	1,427.05
7	1,328.37	1,324.73	1,376.66	1,324.39	1,393.66	1,347.75	1,425.70	1,464.47	1,434.75	1,446.73	1,414.50	1,445.71	1,452.42
8	1,348.27	1,332.55	1,316.94	1,383.32	1,333.71	1,407.43	1,398.11	1,415.48	1,462.00	1,443.29	1,455.34	1,422.92	1,454.31
9	1,378.47	1,405.84	1,384.28	1,359.33	1,409.08	1,415.00	1,463.24	1,431.06	1,470.50	1,522.31	1,502.83	1,515.38	1,481.62
10	1,416.39	1,408.75	1,388.90	1,378.35	1,365.02	1,416.32	1,413.75	1,462.91	1,468.00	1,479.41	1,531.54	1,511.94	1,524.56
11	1,336.55	1,371.40	1,363.63	1,352.37	1,332.64	1,339.06	1,376.09	1,349.14	1,382.75	1,421.54	1,432.60	1,483.07	1,464.09
12	1,251.77	1,349.46	1,406.92	1,372.74	1,375.34	1,330.25	1,371.31	1,409.71	1,426.75	1,404.59	1,443.99	1,455.22	1,506.49
	17,476.57	17,649.40	17,717.24	17,797.81	17,794.30	18,177.47	<b>18,567.38</b>	18,544.69	18,754.00	18,966.99	19,205.03	19,415.55	19,612.00
	1.90%	0.99%	0.38%	0.45%	-0.02%	2.15%	2.15%	-0.12%	1.13%	1.14%	1.26%	1.10%	1.01%
WADM	20,188.73	20,465.32	19,359.31	19,425.81	19,436.19	19,828.63	20,257.02	20,251.24	20,482.95	20,710.56	20,961.19	21,182.39	21,388.70
							10-year		11.21%	10.59%	9.89%	10.01%	10.69%
									18,537.00				
									20,519.00				
									\$ 2,162,839	\$ 2,276,139	\$ 2,506,273	\$ 2,212,033	\$ 2,063,037



## South Washington County Schools Budgeted Enrollment





# 2019-20 Budget Projections

Enrollment Drives Revenue	
Jan. 1, 2020 Count	18,676
<b>Add</b> Early Childhood Special Education, Voluntary Pre-K, School Readiness Plus	328
<b>Less</b> Post Secondary Enrollment Options (PSEO)	(200)
<b>Less</b> Projected Future Drops	(50)
<b>Projected</b> 2019-20 Enrollment	18,754
<b>Budgeted</b> 2019-20 Enrollment	18,537





# Financial Impacts to 2019-20 Budget

• Final Unassigned Fund Balance	\$ 8,790,153	
• Less budgeted deficit	(\$1,147,687)	
• Add per pupil revenue (217 x \$10,111)	\$ 2,194,087	
• Add Special Education Formula Aid	816,000	
• Less added FTE's	(\$1,955,000)	
• Less added expenditures	(\$ 300,000)	
 PROJECTED 2019-20 Fund Balance	 \$ 8,397,553	 4.00%



# Look to Future - 2020-2021 Projections

- New Revenues
  - Enrollment should increase (about 200)
  - Assume 2.0% formula increase
  - Federal revenue is uncertain
  - Some staffing model changes
- **Increasing Expenses**
  - Increase of \$3.4 million from inflation, COLA and staffing
- **2021 Projection**
  - Fund Balance – Unassigned 5.00%



# What can change these projections?

- Beginning fund balance
- Staffing
- Enrollment – largest factor
- Contract Settlements – sway the model
- Services/utility/supply costs
- Legislative Actions 1% = \$1,300,000
- Unfunded mandates – special education, pensions
- Other revenue sources



# Future Financial Implications

- Internal Service Fund decreasing
  - Funds severance payments
  - Severance costs over \$1 million per year
  - General fund will have to cover the costs if Internal Service Fund goes empty
- \$11.9 million operating levy expires 2023
  - Consider combining in 2022



# Operating Referendums

Approved Operating Referendum	Funding Total	Final Year	Renewal (last Chance)
\$579.88 per pupil	\$11.9 million	2023-24	2023
\$525.00 per pupil	\$10.8 million	2025-26	2025
\$780.72 per pupil	\$16.0 million	2027-28	2027
\$375.00 per pupil	\$7.7 million	2027-28	2027





# Questions and Comments



# Contact

- Dan Pyan
- Director of Finance & Operations
- 651-425-6260
- [dpyan0@sowashco.org](mailto:dpyan0@sowashco.org)

