

Being proactively reactive with your budget and strategic plan



Julie Clark
Executive Director of Business Services
Prior Lake-Savage ISD 719

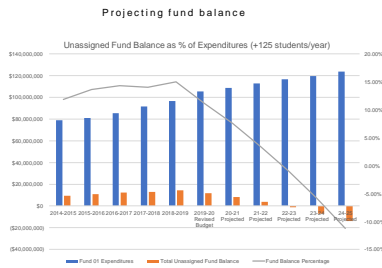


Bob Manikas
Sr. Account Executive
Forecast5 Analytics



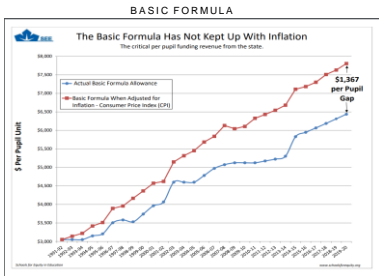
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Prepare



2

Prepare



3

Strategies for being Proactive



School district budgets have many moving pieces. Analyzing changes to enrollment, staffing, revenues, and expenses are a normal part of managing the yearly budget.

By analyzing and benchmarking historical revenue and expenditure trends to your budget, you'll be better prepared to react to the unexpected and reallocate resources well before fiscal year end.

What's more, by creating and comparing various "what-if" scenarios, districts can remain nimble as they plan for future years.

In this session, we will review successful strategies for being proactively reactive in your budget and strategic planning with an eye on the role of the School Board in this process.

4

What do we know about budgets and forecasts?

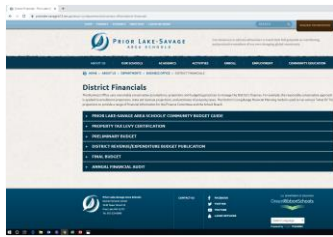
- Complex
- Confusing
- Imperative

➤ How do we communicate the critical assumptions in the forecast?

What does the community know about budgets and forecasts?

- What we tell them
- What they can find

➤ How do we best tell our story along with the data?



5

First steps in being proactively reactive

- ⊙ Understand your history
- ⊙ Develop group of peers to benchmark against
- ⊙ Ask the critical questions:

What are the financial trends that might impact our future?

How do those trends compare to other schools districts that are like us?



6

Being Proactively Reactive *With*

Historical Trends and Benchmarks

7

Historical Trends

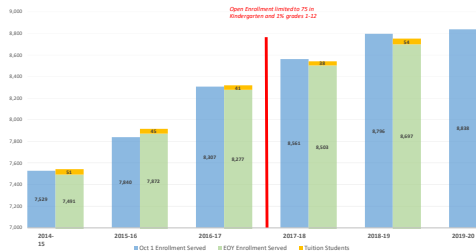
Total enrollment growth 2007-2019



8

Historical Trends

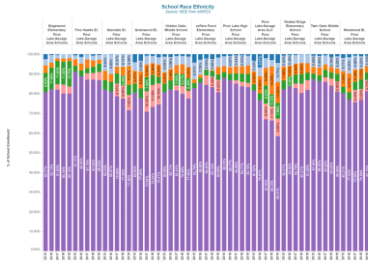
ENROLLMENT OCT 1 TO END OF YEAR COMPARISONS



9

Historical Trends

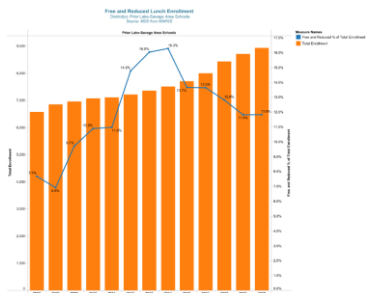
Impact of Changing Demographics
Building level demographic trends



13

Historical Trends

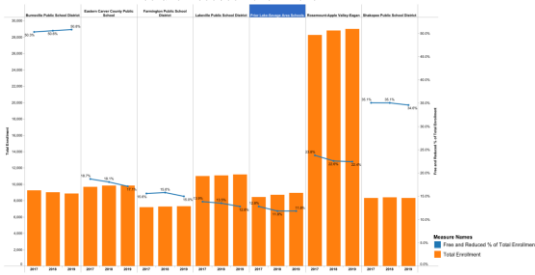
Free and Reduced Lunch Trend vs. Total Enrollment Trend



14

Historical Trends

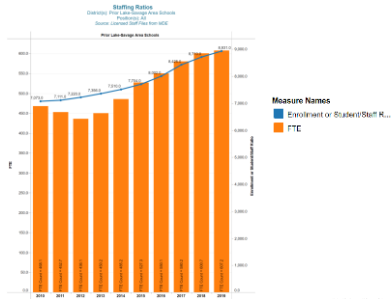
Free and Reduced Lunch Trend



15

Historical Trends

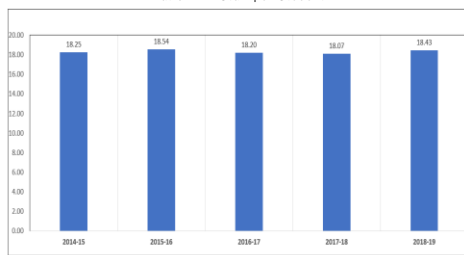
Growth in staff FTE vs. growth in enrollment



16

Historical Trends

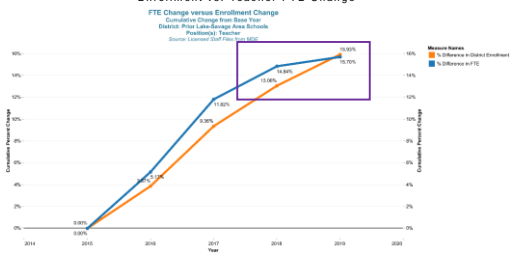
Ratio ADM Staff per Student



17

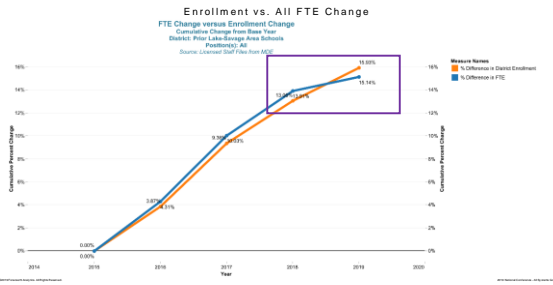
Historical Trends

Enrollment vs. Teacher FTE Change



18

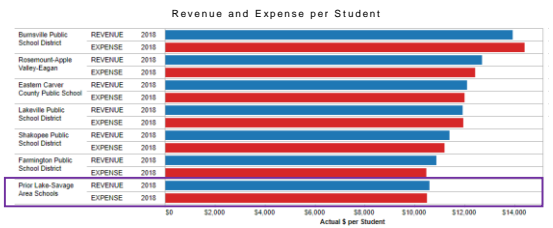
Historical Trends



19



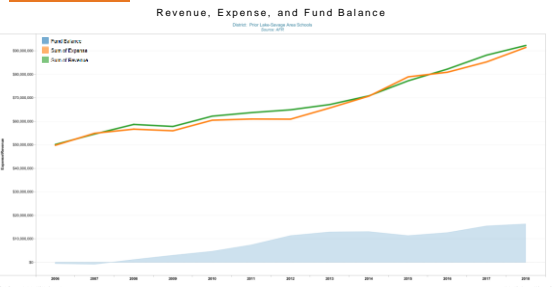
Historical Trends



20



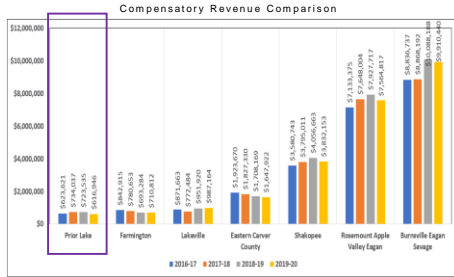
Historical Trends



21



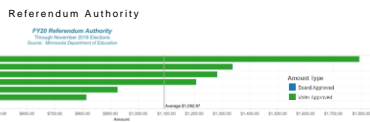
Historical Trends



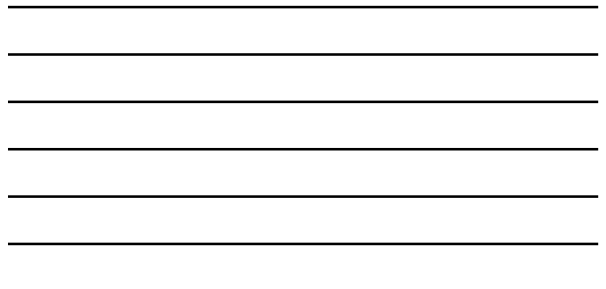
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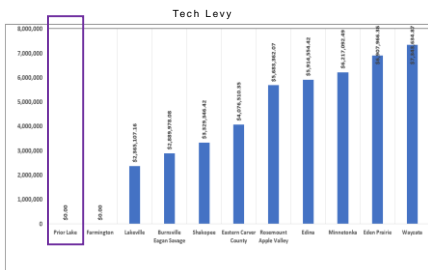
Historical Trends



23



Historical Trends

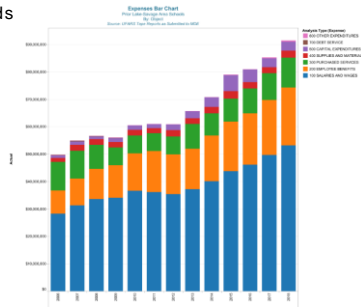


24



Historical Trends

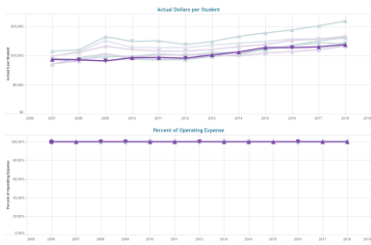
Spending over time



25

Historical Trends

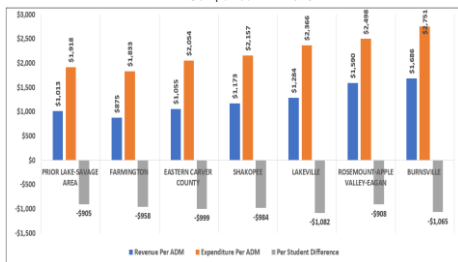
Spending over time on a per student basis vs benchmark peer group
Live examples



26

Historical Trends

Special Education Spending Per ADM Comparison FY 2018



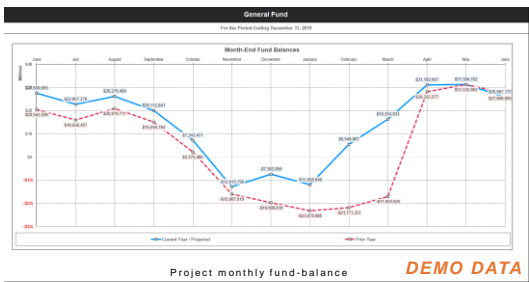
27

Being Proactively Reactive *With*

Current Year Surveillance of the Budget

28

Current Year Analysis



29

Current Year Analysis

History - Detail Source: 7110 BASIC EDUCATION

Amounts represent historical and they will be equal to a specific month.
 Amounts available to be utilized for operations from the "Legal" column are equal to current program amounts.
 Amounts available will be excluded and replaced with an average of remaining amounts (in purple) for given months across of year. If all amounts in the months are white, the program will assume \$0.

Fiscal Year	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY2016	\$0.00	\$0.00	\$0.00	\$1,247,699.00	\$0.00	\$1,247,699.00	\$0.00	\$1,247,699.00	\$0.00	\$2,495,398.00	\$0.00	\$2,495,398.00
FY2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,875,752.00	\$0.00	\$0.00	\$2,068,916.00	\$0.00	\$2,124,624.00
FY2018	\$0.00	\$1,281,119.00	\$0.00	\$1,281,119.00	\$0.00	\$1,281,119.00	\$0.00	\$1,281,119.00	\$0.00	\$1,281,119.00	\$0.00	\$2,564,238.00
FY2019	\$0.00	\$1,302,389.00	\$0.00	\$1,302,389.00	\$0.00	\$1,302,389.00	\$0.00	\$1,302,389.00	\$0.00	\$1,302,389.00	\$0.00	\$2,604,778.00

	0.00%	7.51%	0.00%	11.17%	0.00%	11.17%	11.14%	11.17%	0.00%	22.20%	0.00%	25.76%
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Notes:

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30

Current Year Analysis

Identify historical anomalies

History - Detail Source: 7110 BASIC EDUCATION

Highlight months that are unusual from trend analysis. Press the 'Apply' button to apply the trend function analysis. Amounts in white will be included and highlighted with an average if remaining amount is positive for given months across all year. If all amounts in the months are white the program will assume 0.

Fiscal Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
FY2016	\$0.00	\$0.00	\$0.00	\$1,241,609.00	\$0.00	\$1,241,609.00	\$0.00	\$1,241,609.00	\$0.00	\$2,483,218.00	\$0.00	\$0.00	\$2,191,887.00
FY2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FY2018	\$0.00	\$1,241,719.00	\$0.00	\$1,241,719.00	\$0.00	\$1,241,719.00	\$0.00	\$1,241,719.00	\$0.00	\$1,241,719.00	\$0.00	\$0.00	\$1,241,719.00
FY2019	\$0.00	\$1,241,719.00	\$0.00	\$1,241,719.00	\$0.00	\$1,241,719.00	\$0.00	\$1,241,719.00	\$0.00	\$1,241,719.00	\$0.00	\$0.00	\$1,241,719.00
Trend %	0.00%	14.97%	0.00%	14.78%	0.00%	14.78%	0.00%	14.78%	0.00%	14.97%	0.00%	0.00%	23.71%

Notes:

Download Apply Cancel

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31

Current Year Analysis

Project monthly actuals

Expense projections for model 'FY20+ MN Demo'

Expense - Activity	Object Level	Trend %	Trend Annu.	Trend %	Trend Annu.	Trend %	Trend Annu.	Trend %	Trend Annu.	Annual Budget
100 SALARIES AND WAGES	2.40%	\$12,272,837	8.27%	\$12,453,287	8.27%	\$11,889,932	14.57%	\$24,630,819	\$14,510,100	\$14,510,100
200 EMPLOYEE BENEFITS	7.73%	\$4,486,714	7.91%	\$4,571,857	10.08%	\$5,828,676	17.78%	\$10,279,642	\$57,841,000	\$57,841,000
300 PURCHASED SERVICES	8.90%	\$6,850,309	7.61%	\$5,853,379	8.33%	\$7,180,233	10.78%	\$8,292,924	\$76,841,170	\$76,841,170
400 SUPPLIES AND MATERIALS	8.56%	\$1,760,205	6.82%	\$1,402,175	10.02%	\$2,060,870	14.61%	\$3,004,305	\$20,567,379	\$20,567,379
500 CAPITAL EXPENDITURES	2.40%	\$783,969	3.76%	\$1,160,528	8.87%	\$1,225,182	44.38%	\$14,028,770	\$31,433,170	\$31,433,170
700 TRUST SERVICE	1.00%	\$731,287	0.98%	\$6,748	0.06%	\$12,125	-18.02%	\$4,811,154	\$12,16,027	\$12,16,027
800 OTHER EXPENDITURES	2.70%	\$8,341	0.88%	\$2,681	-1.88%	\$5,798	38.46%	\$118,763	\$368,757	\$368,757
900 OTHER FINANCING USES	3.89%	\$19,335	0.03%	\$125	0.01%	\$46	39.83%	\$186,061	\$487,325	\$487,325

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32

Current Year Analysis

Month 2019-12 Revenue Analysis					YTD 2019-07 - 2019-12 Revenue Analysis				
01 GENERAL FUND					01 GENERAL FUND				
Source Level	2019-12 Actual	2019-12 Trend	\$ Difference	% Change	Source Level	Actual YTD	Trend YTD	\$ Difference	% Change
000 LOCAL REVENUE	15,780,000	15,780,000	0.00%	0.00%	000 LOCAL REVENUE	2,872,072	2,872,072	0.00%	0.00%
000 STATE REVENUE	14,610,547	14,610,547	0.00%	0.00%	000 STATE REVENUE	48,864,421	48,864,421	0.00%	0.00%
000 FEDERAL REVENUE	1,500,000	1,500,000	0.00%	0.00%	000 FEDERAL REVENUE	2,221,547	2,221,547	0.00%	0.00%
000 OTHER REVENUE	2,200,132	2,200,132	0.00%	0.00%	000 OTHER REVENUE	1,871,000	1,871,000	0.00%	0.00%
000 TRANSFER FROM OTHERS	470,118	470,118	0.00%	0.00%	000 TRANSFER FROM OTHERS	0	0	0.00%	0.00%
Total	20,561,807	20,561,807	0.00%	0.00%	Total	55,759,040	55,759,040	0.00%	0.00%

Month 2019-12 Expenditure Analysis					YTD 2019-07 - 2019-12 Expenditure Analysis				
01 GENERAL FUND					01 GENERAL FUND				
Project Level	2019-12 Actual	2019-12 Trend	\$ Difference	% Change	Project Level	Actual YTD	Trend YTD	\$ Difference	% Change
010 EDUCATION - ADMINISTRATIVE	2,925,922	2,925,922	0.00%	0.00%	010 EDUCATION - ADMINISTRATIVE	2,972,072	2,972,072	0.00%	0.00%
020 EDUCATION - ELEMENTARY GENERAL	31,460	31,460	0.00%	0.00%	020 EDUCATION - ELEMENTARY GENERAL	14,226,128	14,226,128	0.00%	0.00%
030 EDUCATION - SECONDARY GENERAL	2,008,000	2,008,000	0.00%	0.00%	030 EDUCATION - SECONDARY GENERAL	58,237,189	58,237,189	0.00%	0.00%
040 EDUCATION - TERTIARY GENERAL	886,848	886,848	0.00%	0.00%	040 EDUCATION - TERTIARY GENERAL	3,882,616	3,882,616	0.00%	0.00%
050 EDUCATION - OTHER	180,840	180,840	0.00%	0.00%	050 EDUCATION - OTHER	864,880	864,880	0.00%	0.00%
060 EDUCATION - OTHER	23,792	23,792	0.00%	0.00%	060 EDUCATION - OTHER	119,443	119,443	0.00%	0.00%
070 STATE	200,727	200,727	0.00%	0.00%	070 STATE	1,201,417	1,201,417	0.00%	0.00%
080 FEDERAL	35,167	35,167	0.00%	0.00%	080 FEDERAL	682,841	682,841	0.00%	0.00%
090 OTHER	510,880	510,880	0.00%	0.00%	090 OTHER	2,086,820	2,086,820	0.00%	0.00%
100 TRANSFER FROM OTHERS	300,000	300,000	0.00%	0.00%	100 TRANSFER FROM OTHERS	0	0	0.00%	0.00%
110 PHYSICAL EDUCATION	340	340	0.00%	0.00%	110 PHYSICAL EDUCATION	1,639,616	1,639,616	0.00%	0.00%
120 ARTS EDUCATION	400	400	0.00%	0.00%	120 ARTS EDUCATION	1,429	1,429	0.00%	0.00%
130 MUSIC EDUCATION	724	724	0.00%	0.00%	130 MUSIC EDUCATION	480	480	0.00%	0.00%
140 OTHER EDUCATION	438,348	438,348	0.00%	0.00%	140 OTHER EDUCATION	2,897,373	2,897,373	0.00%	0.00%

Variance analysis

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33

Current Year Analysis

Projected year-end financials
For the Period Ending December 31, 2019

	Proj. YTD	Current YTD	Adm. Projections	Annual Forecast	Annual Budget	Variance (Year Forecast)
REVENUES						
Local	\$2,370,146	\$1,351,816	\$44,251,813	\$47,852,931	\$47,256,880	\$596,051
State	\$48,852,287	\$49,881,421	\$18,244,537	\$18,239,495	\$17,308,485	(\$9,703,032)
Federal	\$25,832	\$25,116	\$7,968,983	\$8,148,033	\$8,468,988	\$320,955
Other	\$1,747,748	\$1,884,143	\$4,163,345	\$1,177,109	\$7,489,393	\$6,312,284
TOTAL REVENUE	\$53,008,013	\$53,132,496	\$74,628,681	\$75,417,568	\$76,523,746	\$1,106,178
EXPENDITURES						
Salaries	\$52,536,838	\$51,399,000	\$18,176,838	\$18,987,487	\$18,400,258	(\$587,231)
Benefits	\$20,235,882	\$20,572,475	\$23,146,147	\$23,714,622	\$23,341,798	(\$372,824)
Purchased Services	\$1,348,734	\$1,848,147	\$16,142,419	\$23,888,582	\$23,968,883	(\$80,301)
Supplies and Materials	\$3,986,685	\$4,536,276	\$7,771,546	\$13,325,821	\$14,491,284	(\$1,165,463)
Capital Expenditures	\$1,914,889	\$1,472,368	\$1,881,624	\$1,164,013	\$1,112,382	(\$51,631)
Grant Services	\$455,188	\$498,566	\$2,281,687	\$2,281,687	\$1,788,532	(\$503,155)
Other Expenditures	\$259,788	\$151,688	\$19,842	\$239,848	\$39,288	(\$199,560)
Other Financials/ Fees	\$6,714	\$8,887	\$23,284	\$28,287	\$23,688	(\$4,599)
TOTAL EXPENDITURES	\$81,458,688	\$82,524,414	\$84,508,519	\$79,636,584	\$84,165,176	(\$4,528,592)
SURPLUS (DEFICIT)	(\$48,450,675)	(\$49,391,918)	(\$10,880,838)	(\$4,219,016)	(\$8,641,430)	(\$3,422,414)
ENDING FUND BALANCE	(\$19,888,849)	\$7,334,659	\$15,822,472	\$15,822,472	\$14,474,916	\$1,347,556

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34

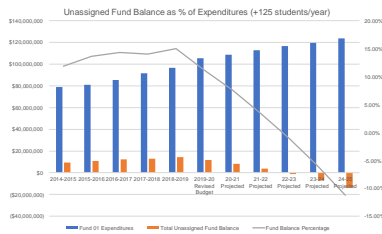
Being Proactively Reactive With

"What-if" Scenario Analysis

35

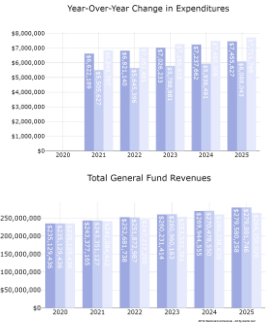
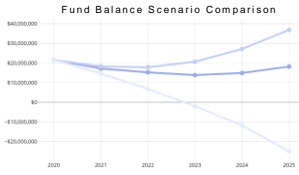
Prepare

Projecting fund balance



36

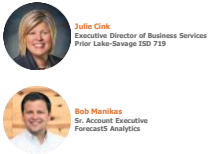
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37

**Thank you!
Questions?**



38