



Financial Update

Dan Pyan, Executive Director of Finance and Operations
February 16, 2023



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SoWashCo Budget Update

In early 2021, the School Board passed a three-year budget reduction plan that included:

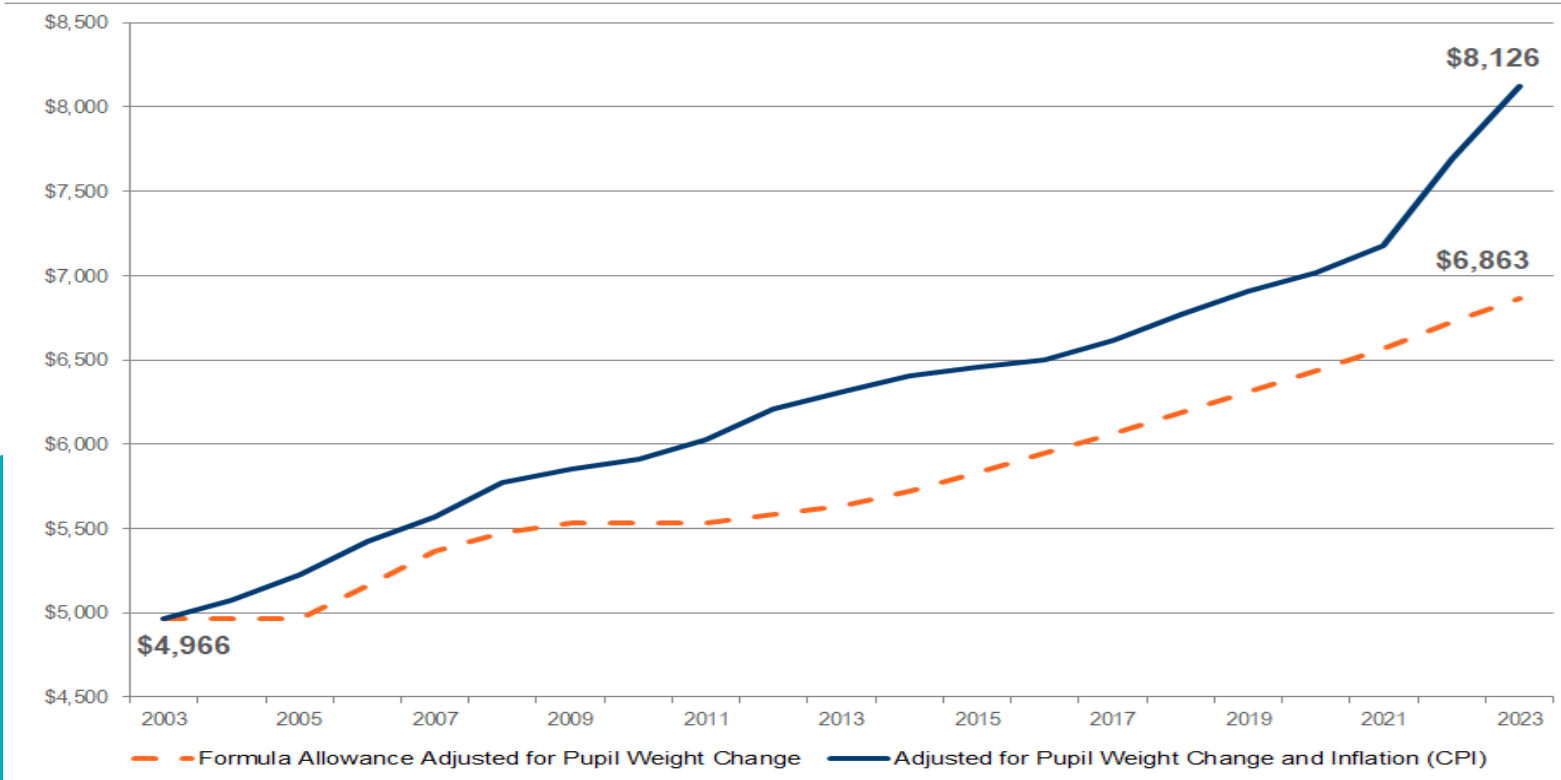
- Approval of \$9,044,644 in reductions to the General Fund budget
- Approval of an increase of \$290,200 to the revenue budget
- Directing administration to seek an increase of \$6.6 million in its operating levy
- Total adjustments in 2022-23 General Fund of \$7,939,177
- Total adjustments in 2023-24 General Fund of \$7,860,401

SoWashCo Budget Update

- Those changes were implemented into the 2021–22 budget, and the District was able to present a balanced budget.
- The 2022–23 budget uses a projected enrollment of 18,631 students.
- Projected enrollment as of Feb. 1, 2023 is 18,694 students, which is an increase of 63 students.
- On average, SoWashCo is paid \$10,500 per student.
- Revenue is affected by the amount of the basic formula.
- The largest portion of the District’s revenue is determined by multiplying the number of students by the basic formula.

Basic General Education Formula Lags Behind Inflation

General Education Formula Allowance, 2003-2023 Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE June 2022 Inflation Estimates

Recent Enrollment History

- The school year of 2019–20 produced the district's largest enrollment of 18,754
- The full pandemic school year of 2020–21 showed enrollment dropping to 18,502
- The drop of 1.34% was less than most metro school districts.
- Enrollment for 2021–22 rose to 18,558 and 2022–23 is projected to be about 18,694.
- Still lagging 60 students behind the high mark

Projected Budgeted Enrollment

South Washington County Schools
Enrollment Projections for budget purposes (as of 2/01/23)

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
	14-15	15-16	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Pre-K	236.24	237.00	251.59	250.04	269.71	280.38	254.36	273.31	260.00	260.00	260.00	260.00	260.00	
K	1,229.00	1,240.59	1,296.18	1,341.24	1,325.2	1,382.01	1,225.12	1,295.92	1,335.00	1,335.35	1,372.09	1,397.48	1,418.30	
PK/SR				17.27	41.22	35.22	30.20	28.26	25.00	40.00	40.00	40.00	40.00	
1	1,289.28	1,278.83	1,308.13	1,340.77	1,350.37	1,366.47	1,362.35	1,307.80	1,356.40	1,413.02	1,413.39	1,452.28	1,479.15	
2	1,321.05	1,326.57	1,365.73	1,359.71	1,366.24	1,367.19	1,334.06	1,384.49	1,358.00	1,385.41	1,443.24	1,443.62	1,483.34	
3	1,402.09	1,354.96	1,416.41	1,412.42	1,387.75	1,411.13	1,337.52	1,360.81	1,435.60	1,393.36	1,421.48	1,480.82	1,481.20	
4	1,376.53	1,437.63	1,400.92	1,466.37	1,402.44	1,437.13	1,400.35	1,407.06	1,429.20	1,470.47	1,427.20	1,456.01	1,516.79	
5	1,377.19	1,385.75	1,498.43	1,444.56	1,463.79	1,430.10	1,432.07	1,396.81	1,444.20	1,450.02	1,491.89	1,447.99	1,477.22	
6	1,395.93	1,323.52	1,384.27	1,486.80	1,405.22	1,438.74	1,340.41	1,390.31	1,353.60	1,409.52	1,415.20	1,456.07	1,413.23	
7	1,324.39	1,393.66	1,347.75	1,425.70	1,464.47	1,438.86	1,432.09	1,375.82	1,403.80	1,366.43	1,422.88	1,428.62	1,469.87	
8	1,383.32	1,333.71	1,407.43	1,398.11	1,415.48	1,464.52	1,438.20	1,443.88	1,396.60	1,413.54	1,375.91	1,432.76	1,438.53	
9	1,359.33	1,409.08	1,415.00	1,463.24	1,431.06	1,463.55	1,528.12	1,491.54	1,497.40	1,447.85	1,465.41	1,426.40	1,485.33	
10	1,378.35	1,365.02	1,416.32	1,413.75	1,462.91	1,438.72	1,458.00	1,515.07	1,506.80	1,496.65	1,447.13	1,464.68	1,425.69	
11	1,352.37	1,332.64	1,339.06	1,376.09	1,349.14	1,425.05	1,440.82	1,418.24	1,414.80	1,461.16	1,451.32	1,403.30	1,420.32	
12	1,372.74	1,375.34	1,330.25	1,371.31	1,409.71	1,374.92	1,488.33	1,469.08	1,477.60	1,445.42	1,492.79	1,482.73	1,433.67	
PUPILS	17,797.81	17,794.30	18,177.47	18,567.38	18,544.69	18,753.99	18,502.00	18,558.40	18,694.00	18,788.21	18,939.94	19,072.75	19,242.64	
	0.45%	-0.02%	2.15%	2.15%	-0.12%	1.13%	-1.34%	0.30%	0.73%	0.50%	0.81%	0.70%	0.89%	
HAZEL REINHARDT										18,972.00	19,078.00	19,196.00	19,329.00	
									New Revenue	\$ 1,388,877	\$ 850,692	\$ 1,644,402	\$ 1,358,876	\$ 1,857,199
High Class	3	4	5	6	7	8	9	10	10	10	12	12	9	




Financial Forecasts

- A year ago, we predicted the unassigned general fund balance to be about 7% at the end of 2021-22, it finished at more than 10%
- The 2022-23 budget was balanced and scheduled to leave a fund balance of about 10%
- Expense increases that are over budget include:
 - Services - \$1,500,000 (Utilities, Snow Events)
 - Wages - \$1,500,000 (Contract Settlements)



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Financial Forecasts

- Too early to predict 2023-24
 - Funding Sources
 - Contract Settlements
 - Over \$200 million in contracts to settle
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Legislative Actions

- This session is a funding session
- \$17 billion Surplus
- Governor's budget increases formula 4% in 2024
- 1% for SoWashCo is about \$1,400,000
- Governor's budget funds half of the Special Education cross subsidy
- \$10 million for SoWashCo in cross subsidy aid
- Stay tuned



thanks!