



# Financial Update

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**Director of Business Services**

**Oct. 10, 2024**



# Budget Forecast Model

- Purpose
  - Estimate future fund balances
    - Fund balance is the District's checkbook
    - Monitored by the Minnesota Department of Education (MDE)
    - Board policy is 16.6%
  - Estimate needed adjustments
    - Work with totals
    - Based on assumptions
- The fund balance is based on the best information we have today

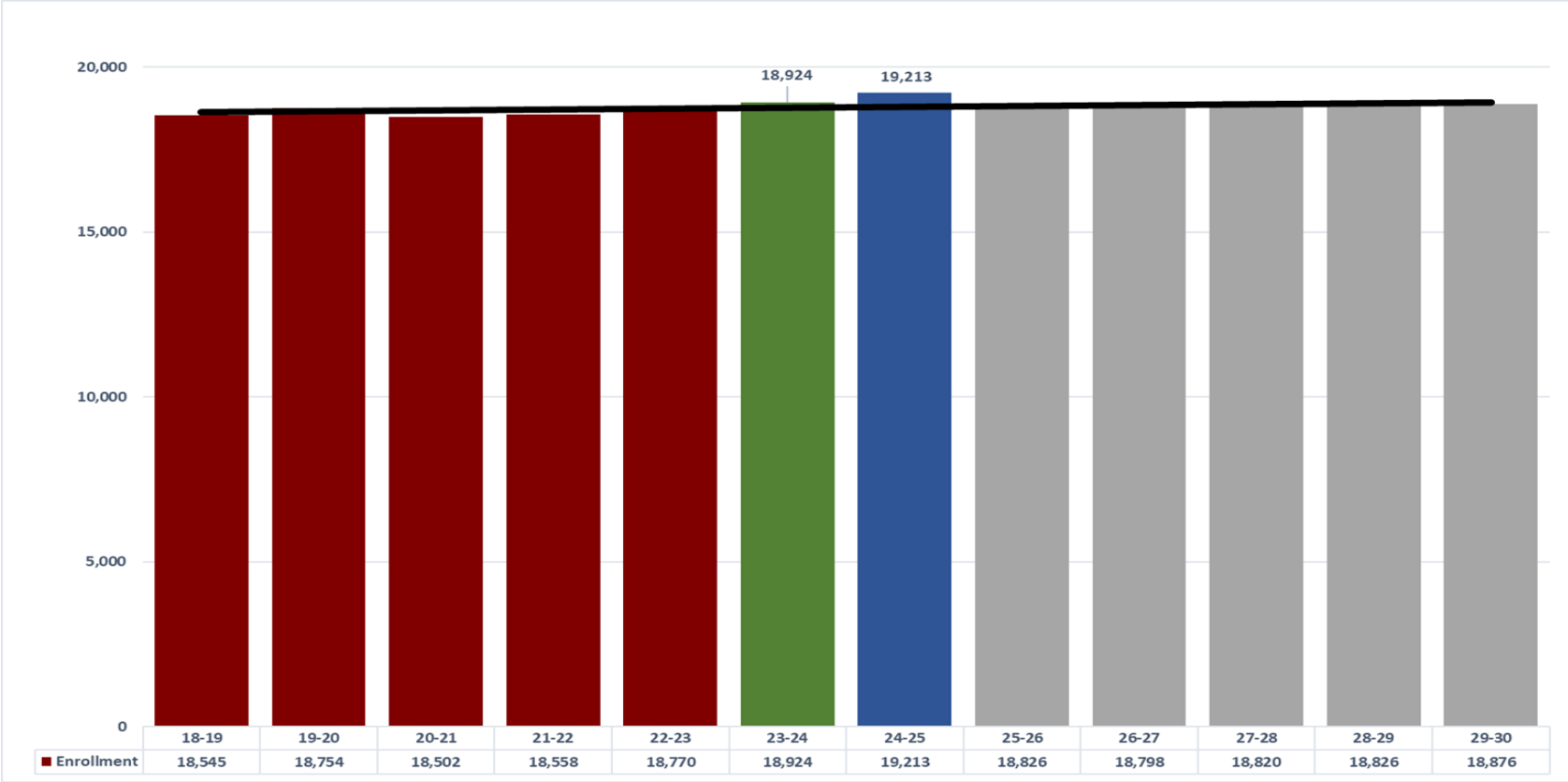
# Budget Forecast Model

- Assumptions

- Enrollment

- Conservative
    - Shows very slight overall increase to enrollment in future years
    - 0.8% over 5 years
    - About 13 students per year
    - Factors
      - Kindergarten - based on birth rates
      - Post Secondary Enrollment Options (PSEO)
      - Other enrollment options
      - Drops

# Budgeted Enrollment



BIRTH YEAR	Washington County BIRTHS	Kindergarten Year	Kindergarten	South Washington County Schools Capture Rate
2012	2,774	2018	1,341	48.3%
2013	2,833	2019	1,325	46.7%
2014	2,880	2020	1,382	48.9%
2015	2,800	2021	1,225	43.7%
2016	2,821	2022	1,295	45.9%
2017	3,085	2023	1,335	43.3%
2018	2,732	2024	1,282	47.2 %
2019	2,701	2025	1,250 (Projected)	46.3 %
2020	2,668	2026	1,235 (Projected)	46.3 %

# Enrollment Implications



South Washington County Schools						as of --> 9.30.2024						
Enrollment Projections for budget purposes												
	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Pre-K	269.71	280.38	254.36	273.31	273.90	250.86	269.00	274.00	279.00	284.00	289.00	294.00
PK/SR	41.22	35.22	30.20	28.26	26.04	23.12	132.75	133.00	133.00	133.00	133.00	133.00
K	1,325.18	1,382.01	1,225.12	1,295.92	1,322.53	1,282.09	1,274.00	1,235.00	1,250.00	1,260.00	1,270.00	1,280.00
1	1,350.37	1,366.47	1,362.35	1,307.80	1,361.52	1,354.34	1,360.50	1,173.00	1,290.00	1,306.00	1,316.00	1,327.00
2	1,366.24	1,367.19	1,334.06	1,384.49	1,353.26	1,410.33	1,429.75	1,391.00	1,203.00	1,323.00	1,339.00	1,349.00
3	1,387.75	1,411.13	1,337.52	1,360.81	1,435.10	1,395.62	1,447.00	1,432.00	1,428.00	1,235.00	1,358.00	1,374.00
4	1,402.44	1,437.13	1,400.35	1,407.06	1,429.06	1,486.76	1,450.75	1,481.00	1,470.00	1,466.00	1,268.00	1,394.00
5	1,463.79	1,430.10	1,432.07	1,396.81	1,443.21	1,453.03	1,493.75	1,445.00	1,501.00	1,490.00	1,486.00	1,285.00
6	1,405.22	1,438.74	1,340.41	1,390.31	1,359.86	1,419.02	1,434.00	1,469.00	1,410.00	1,465.00	1,454.00	1,450.00
7	1,464.47	1,438.86	1,432.09	1,375.82	1,407.91	1,406.66	1,436.50	1,431.00	1,486.00	1,426.00	1,482.00	1,471.00
8	1,415.48	1,464.52	1,438.20	1,443.88	1,394.56	1,451.70	1,462.50	1,442.00	1,446.00	1,502.00	1,441.00	1,498.00
9	1,431.06	1,463.55	1,528.12	1,491.54	1,488.74	1,474.21	1,532.75	1,466.00	1,497.00	1,501.00	1,559.00	1,496.00
10	1,462.91	1,438.72	1,458.00	1,515.07	1,503.71	1,504.81	1,539.00	1,500.00	1,468.00	1,499.00	1,503.00	1,562.00
11	1,349.14	1,425.05	1,440.82	1,418.24	1,479.72	1,475.03	1,482.50	1,440.00	1,463.00	1,432.00	1,462.00	1,466.00
12	1,409.71	1,374.92	1,488.33	1,469.08	1,490.98	1,536.19	1,468.25	1,514.00	1,474.00	1,498.00	1,466.00	1,497.00
ADM	18,544.69	18,753.99	18,502.00	18,558.40	18,770.10	18,923.77	19,213.00	18,826.00	18,798.00	18,820.00	18,826.00	18,876.00
	-0.12%	1.13%	-1.34%	0.30%	1.14%	0.82%	1.53%	0.58%	-0.15%	0.12%	0.03%	0.27%
High Class	7	8	9	10	10	12	10	10	12	12	9	9
						Original Budget	18,718					
						Difference	495					
							\$5,445,000					
						PY Difference	289.23					
							\$3,181,530					

# Budget Forecast Model



- Revenue Assumptions

- Formula increases

- Basic formula in 2024-2025 is \$7,281 per pupil unit
    - Per Adjusted Pupil Unit
    - Formula increased 2% in 2024-2025
    - Future years tied to inflation - minimum 2%; maximum 3%
    - Determined by state legislature
    - SoWashCo assuming 2.5% in each of next 3 years

# Budget Forecast Model

- Other Revenue Assumptions
  - Federal Title and Federal Special Education – assuming flat
  - Fees and others – assuming flat
  - State Special Education aid – increasing with expenses
  - Operating referendum – increases with inflation



# Budget Forecast Model

- Expenditure Assumptions
  - Wages and Benefits
    - Negotiated
    - 11 Unions (8 in General Fund)
  - Percentage of salaries and wages – known as cost of living adjustment
  - Steps and/or longevity
  - Steps and lanes (Teacher contract)
  - Generally two-year agreements
  - Payroll taxes increase also

# Budget Forecast Model

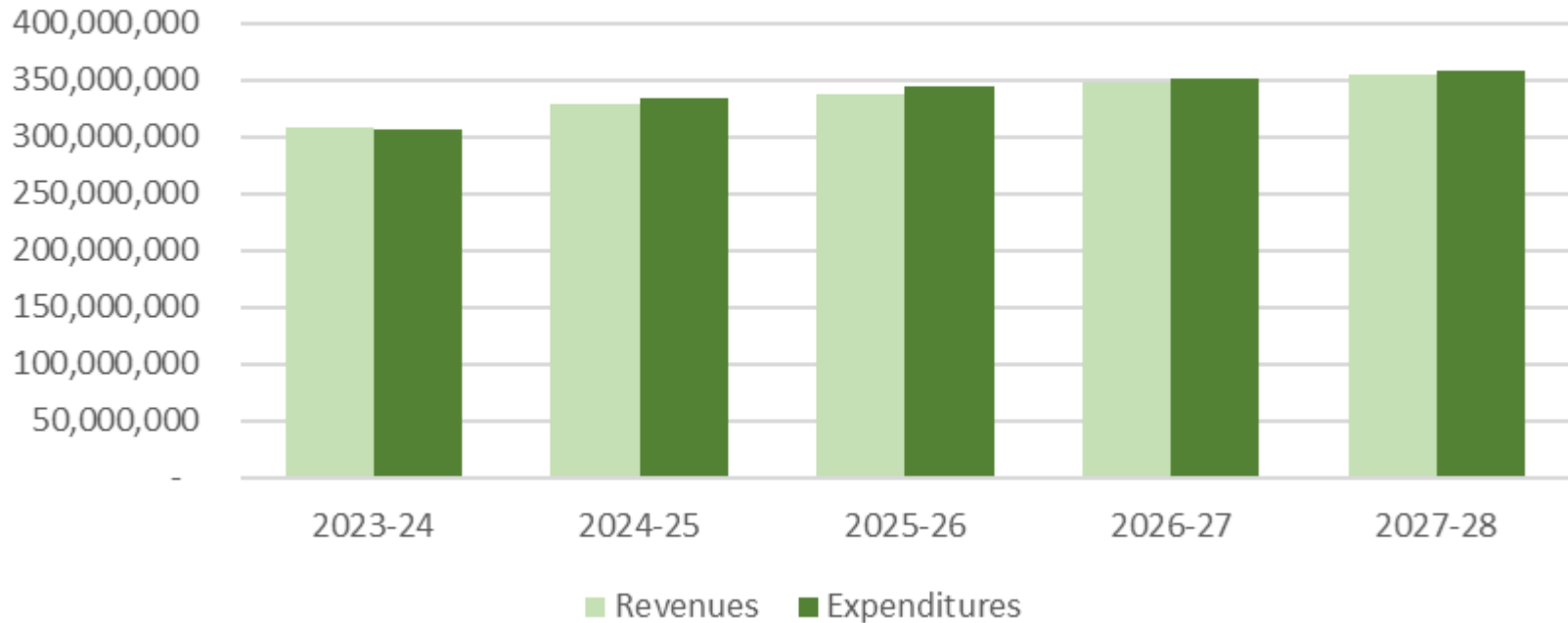
- Expenditure Assumptions – 2% average
  - Utility and fuel costs
  - Professional services
  - Substitute teachers and paras
  - Snow removal, waste removal
  - Textbooks
  - Instructional supplies
  - General and repair supplies

# Budget Forecast Model

- Miscellaneous Expenditure Assumptions
  - Retirements –
    - Save about \$50,000 per staff retirement
    - About 30 per year
  - Staffing would need to increase with enrollment
  - New buildings and rentals

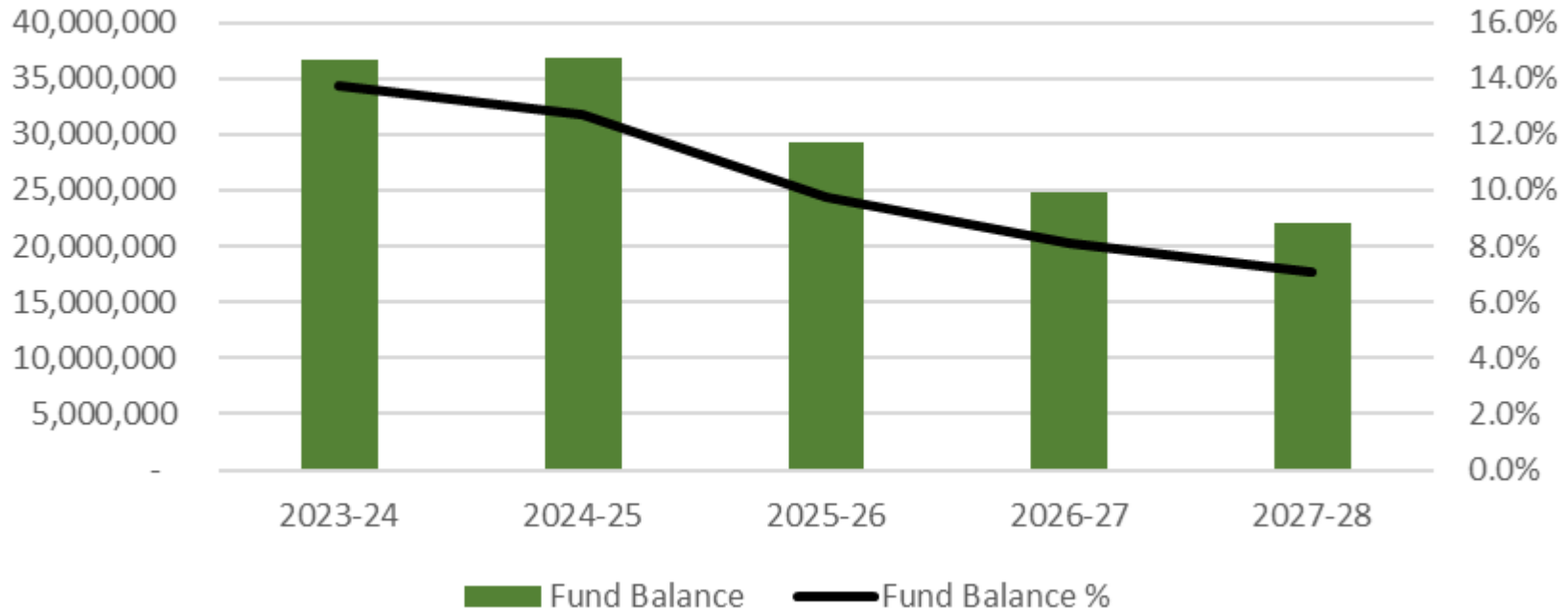
# Budget Forecasts

## Projected Revenues and Expenditures



# Budget Forecasts

## Projected Fund Balance



The background of the slide is white and decorated with numerous circles of varying sizes and colors. The colors used are red, yellow, and beige. Some circles are solid, while others are semi-transparent, creating a layered effect. The circles are scattered across the page, with some appearing in pairs or small groups. The word "Questions?" is centered in a dark blue, sans-serif font.

Questions?