



IASB

Iowa Association
of School Boards

Vision & Voice for Public Education



Key Financial Indicators

Logan Magnolia and West Harrison
School Districts

Joint Board Meeting

May 9, 2019



Team IASB

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Agenda

- Review District Key Financial Information
- Discuss Current Situation
- Whole Grade Sharing Information





“**Governance** exists in order to translate the **wishes** of an organization’s **owners** into organizational **performance**.”

–John Carver



Financial Focus Data

Booklet has district specific data outlining important trends that impact the district's financial condition.

- Enrollments
- Unspent Authorized Budget Ratio
- Solvency Ratio
- Revenues and Expenditures
- Expenditures Per Pupil
- Program Funding
- Property Taxes
- Other Key Data



Key Financial Measures

KEY MEASURE	TARGET	QUESTION TO BE ANSWERED?
Certified Enrollment	Stable or growing	Will our enrollment allow us to continue to be a viable district, educationally and financially?
Unspent Authorized Budget (UAB) Ratio	5% - 15%, recommended not to exceed 25% (< 0%: SBRC Workout Plan)	Are we within legal minimums? What do trends tell us? Required SBRC workout plan if negative.
Annual Unspent Spending Authority	Build to UAB Ratio goal –stabilize at 0%	Are we spending all authority generated for a given year, using prior years spending authority, or building levels too high?
Solvency Ratio (General Fund)	5% - 15%, recommended not to exceed 25%	Can we manage short and long term unexpected demands on cash?
% Revenue Spent	Build to Solvency Ratio goal-then stabilize at 100%	Are we using all of our resources each year and only spending funds with spending authority?
Salaries and Benefits	75%-82% - then stabilize	Are salaries and benefits at levels we can sustain?
New Money %- Settlement %- Change in Salaries/Benefits %	Less than or equal to District Allowable Growth and/or at state average	Are salaries at levels we can sustain? Are we competitive? Are our trends reasonable? Can differences be explained?





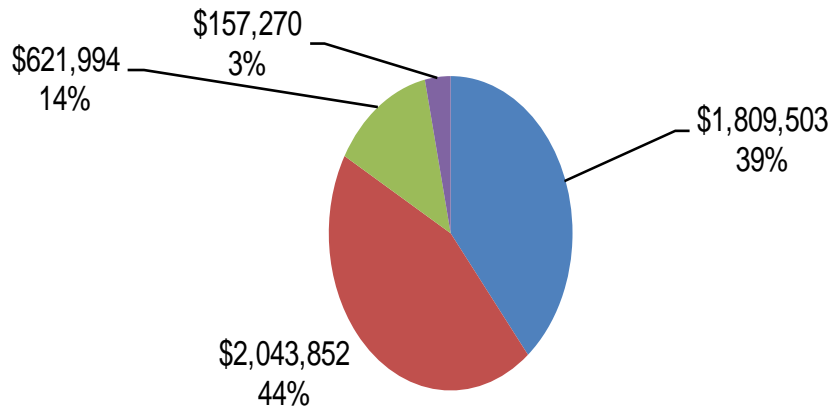
1 .

West Harrison – Brief Review of Key Financial Information

West Harrison - General Fund Revenues/Expenditures

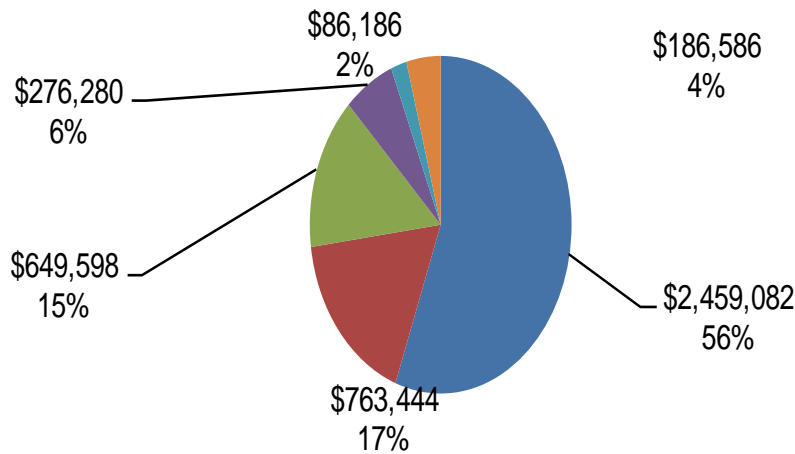
Total General Fund Revenues= \$ **4,632,619**

Total General Fund Expenditures= \$ **4,421,177**



FY 18 Revenues

- State Sources
- Local Prop. Taxes
- Other Local & Other Sources
- Federal Sources

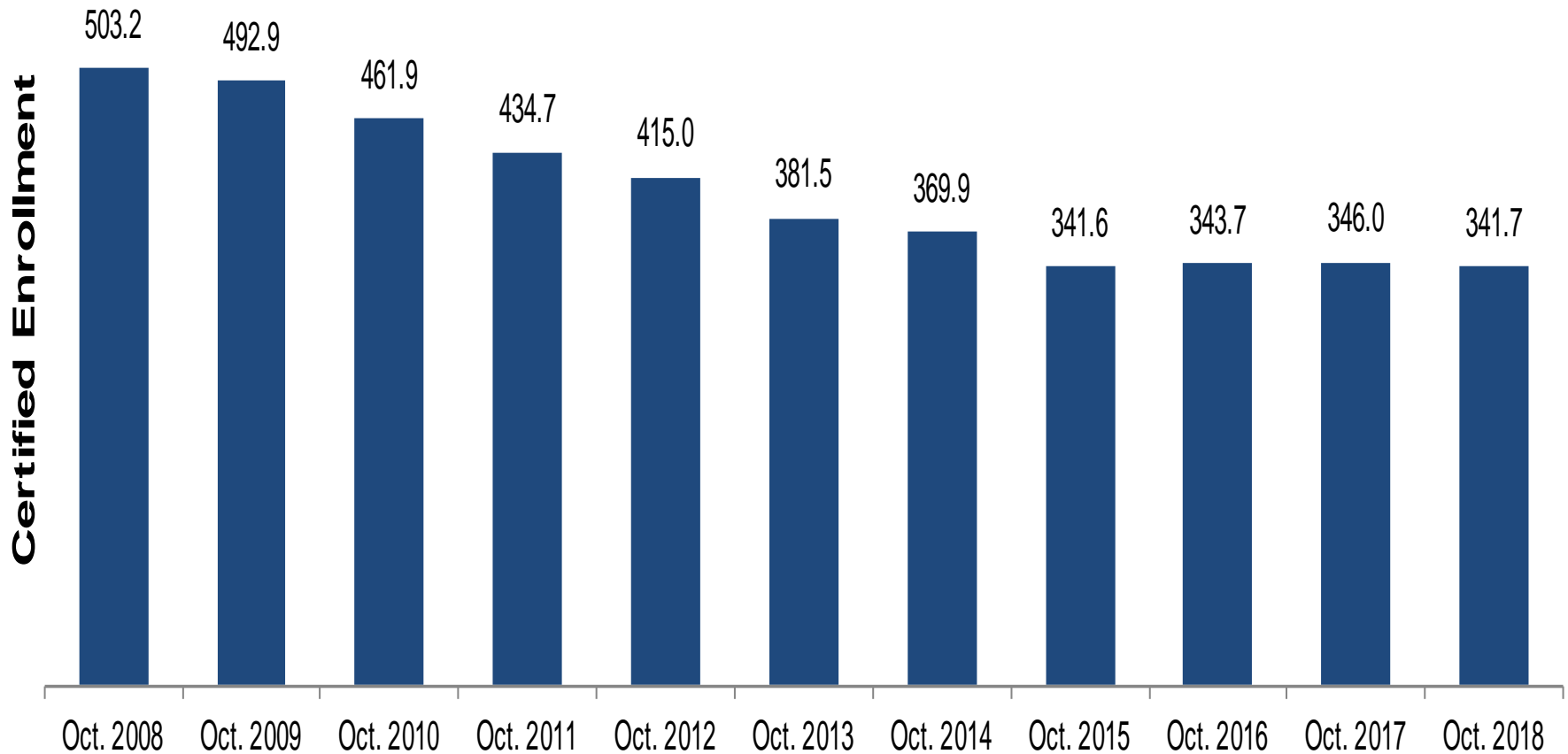


FY 18 Object Category Expenditures

- Salaries
- Benefits
- Purchased Services
- Supplies
- Equipment
- Other Expenses

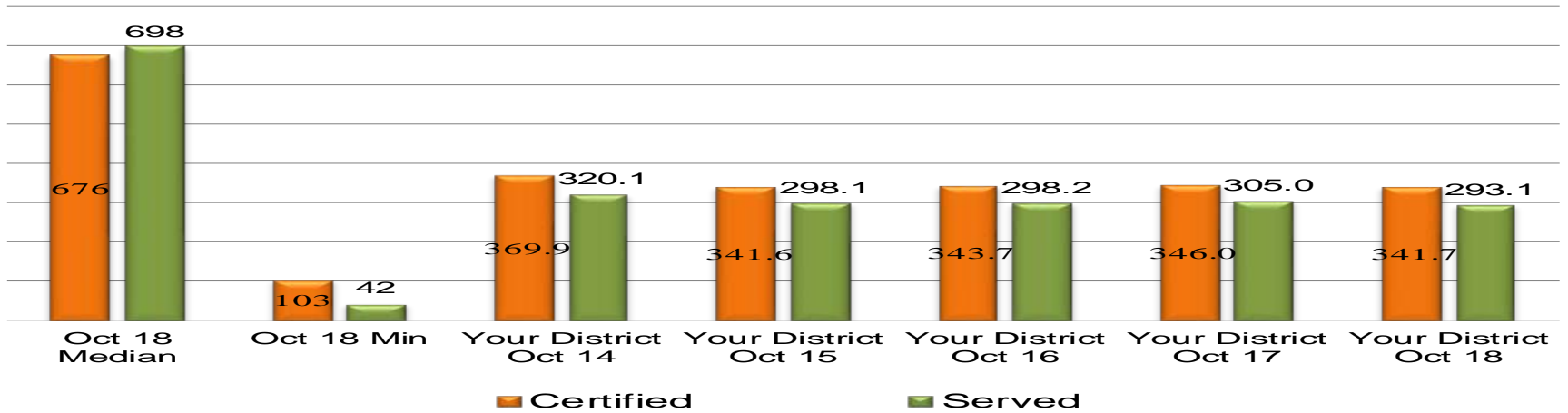
Enrollments are Key – Drives the Budget

Enrollment History

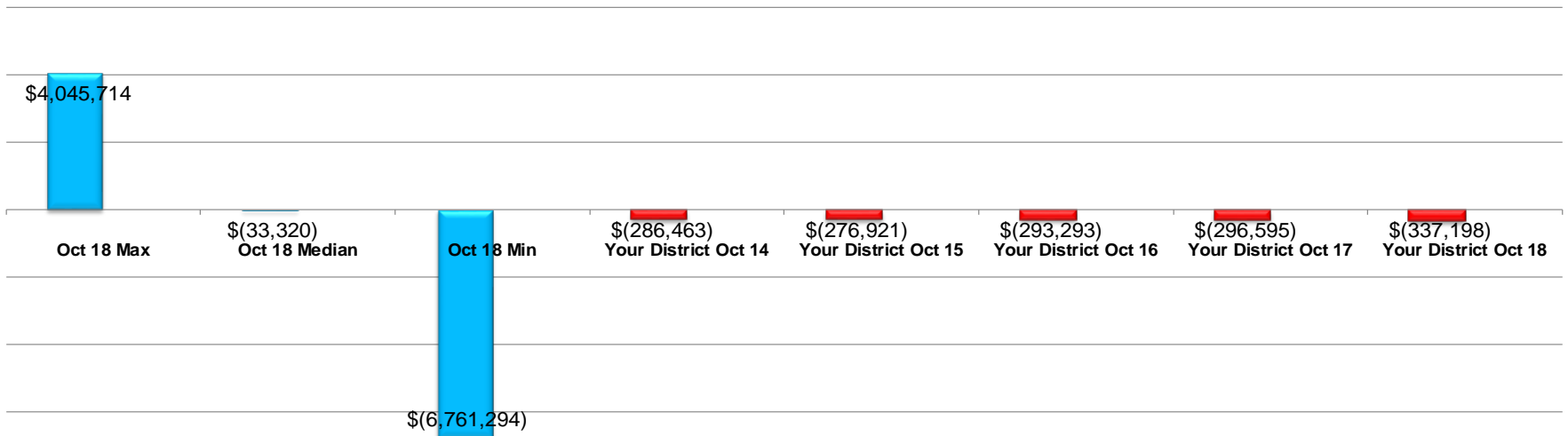


Served vs. Certified Enrollments

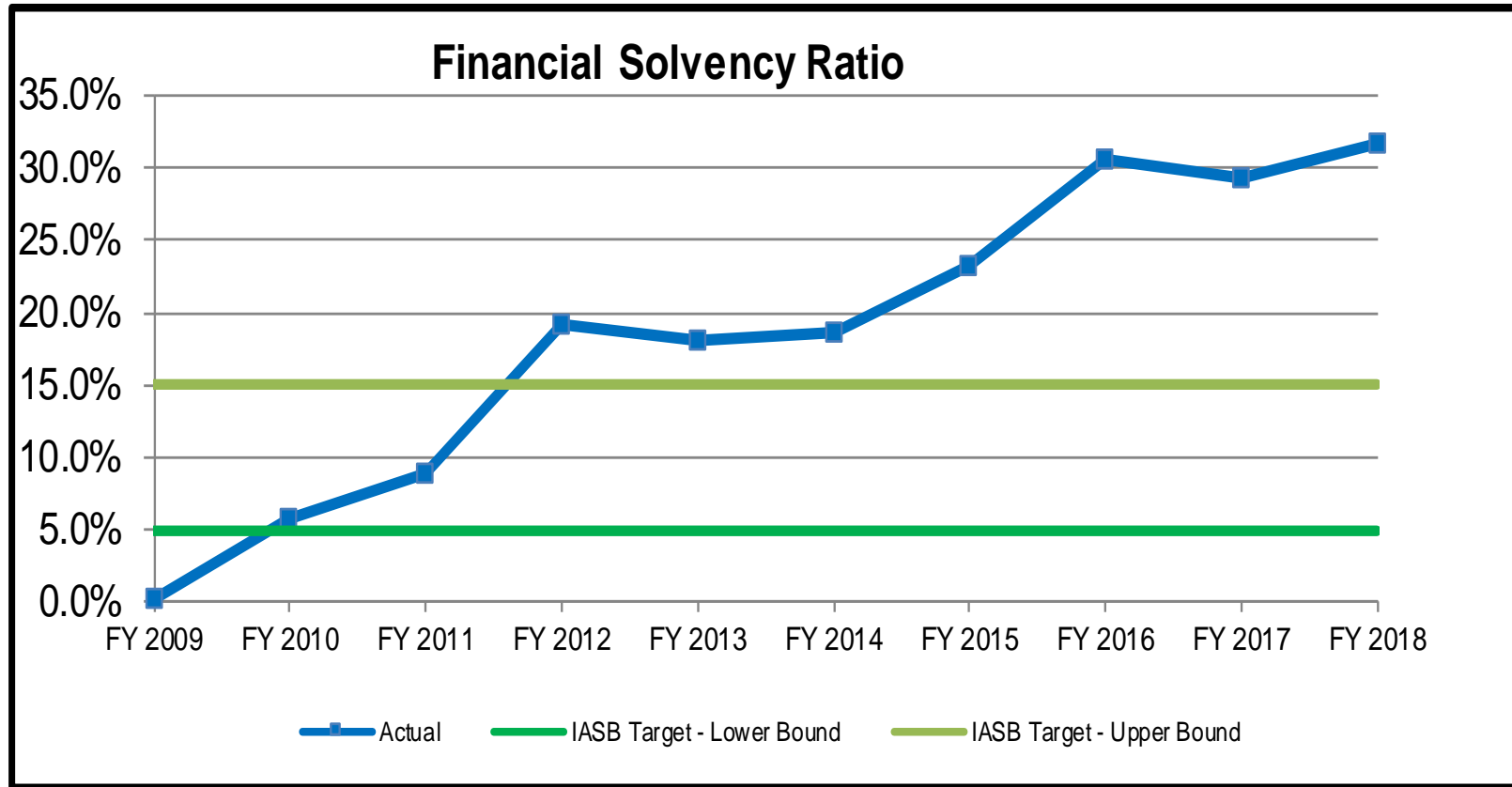
Certified and Served Enrollment



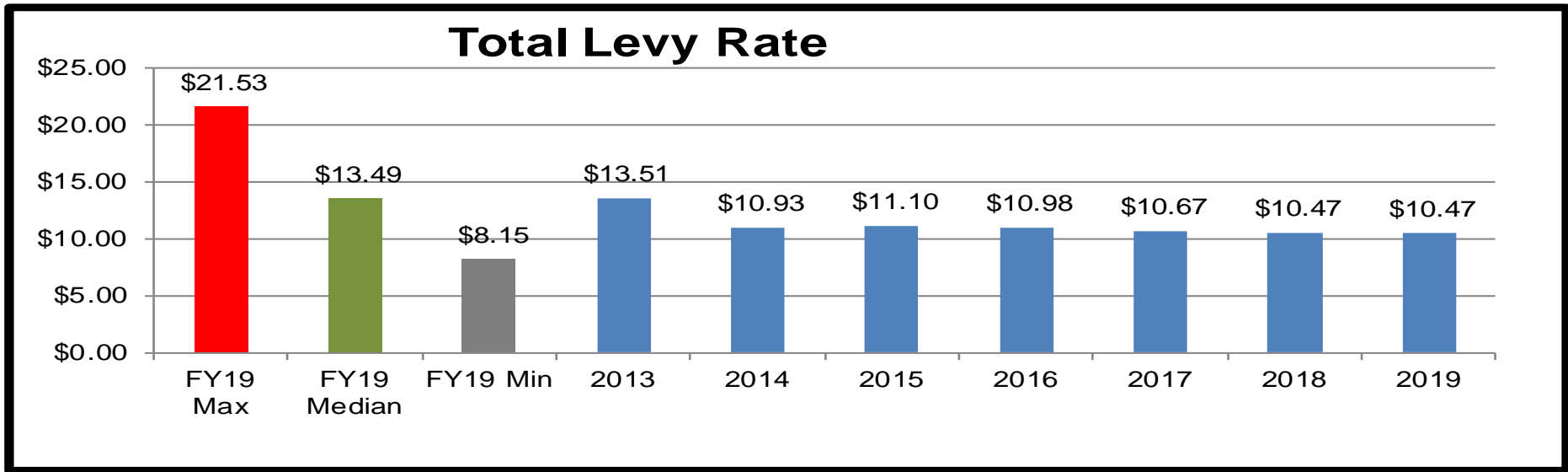
Net Open Enrolled In and Out Expense



Solvency Ratio



West Harrison - School Tax Rate



Levy Components	FY19 Max	FY19 Median	FY19 Min	2013	2014	2015	2016	2017	2018	2019
Total Levy	\$ 21.53	\$ 13.49	\$ 8.15	\$ 13.51	\$ 10.93	\$ 11.10	\$ 10.98	\$ 10.67	\$ 10.47	\$ 10.47
CDC Levy	\$ 12.22	\$ 8.89	\$ 6.21	\$ 9.26	\$ 8.76	\$ 8.57	\$ 8.22	\$ 8.30	\$ 7.59	\$ 7.84
ISL	\$ 1.96	\$ 0.49	\$ -	\$ -	\$ 0.65	\$ 0.54	\$ 0.80	\$ 0.79	\$ 0.74	\$ 0.80
Ed. Improvement*	\$ 3.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Reserve	\$ 4.78	\$ 0.74	\$ -	\$ 1.06	\$ 0.21	\$ 0.70	\$ 0.39	\$ -	\$ -	\$ -
Total Gen. Fund	\$ 17.92	\$ 10.32	\$ 7.09	\$ 10.46	\$ 9.62	\$ 9.81	\$ 9.41	\$ 9.09	\$ 8.33	\$ 8.64
Management	\$ 5.48	\$ 0.80	\$ -	\$ 0.77	\$ 0.98	\$ 0.97	\$ 1.24	\$ 1.25	\$ 1.82	\$ 1.51
PERL	\$ 0.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reg. PPEL	\$ 0.33	\$ 0.33	\$ -	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33
Voter PPEL	\$ 1.34	\$ 0.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt	\$ 4.05	\$ -	\$ -	\$ 1.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-G.F.	\$ 7.55	\$ 2.75	\$ 0.33	\$ 3.05	\$ 1.31	\$ 1.30	\$ 1.57	\$ 1.58	\$ 2.15	\$ 1.84

Shared Operational Functions (FY 2019)

Shared Operational Functions Weighting		
Superintendent		8.0
SBO		5.0
Human Res. Dir.		5.0
Trans. Dir.		5.0
Op./Maint. Dir.		5.0
Curriculum Dir.		-
Counselor		-
Social Worker		NA
Total		28.0
Adjusted Total[^]		21.0
Total Funding		\$ 144,921
[^] Weighting amount is capped at 21, unless district is in the first year of a reorganization.		

Note that this funding provision is set to expire at the end of FY 2025





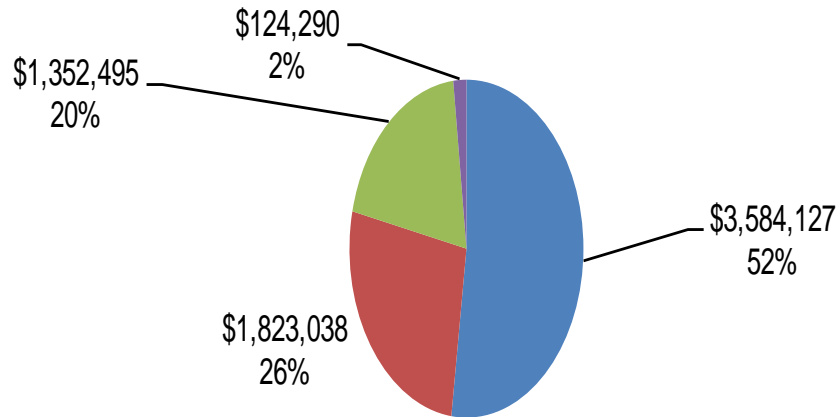
2.

Logan Magnolia—
Brief Review of
Key Financial
Information

Logan Magnolia - General Fund Revenues/Expenditures

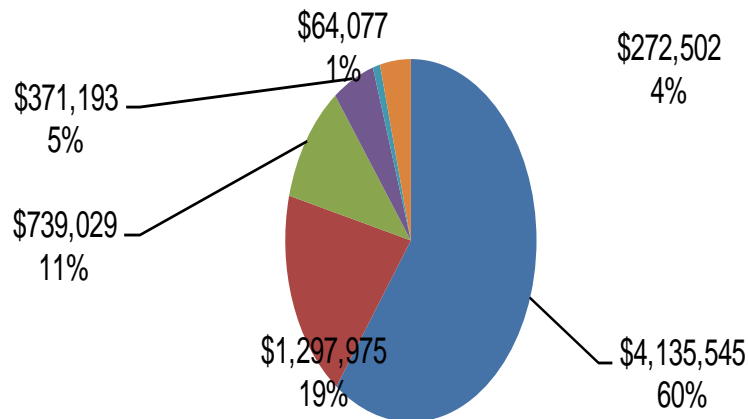
Total General Fund Revenues= \$ **6,883,950**

Total General Fund Expenditures= \$ **6,880,321**



FY 18 Revenues

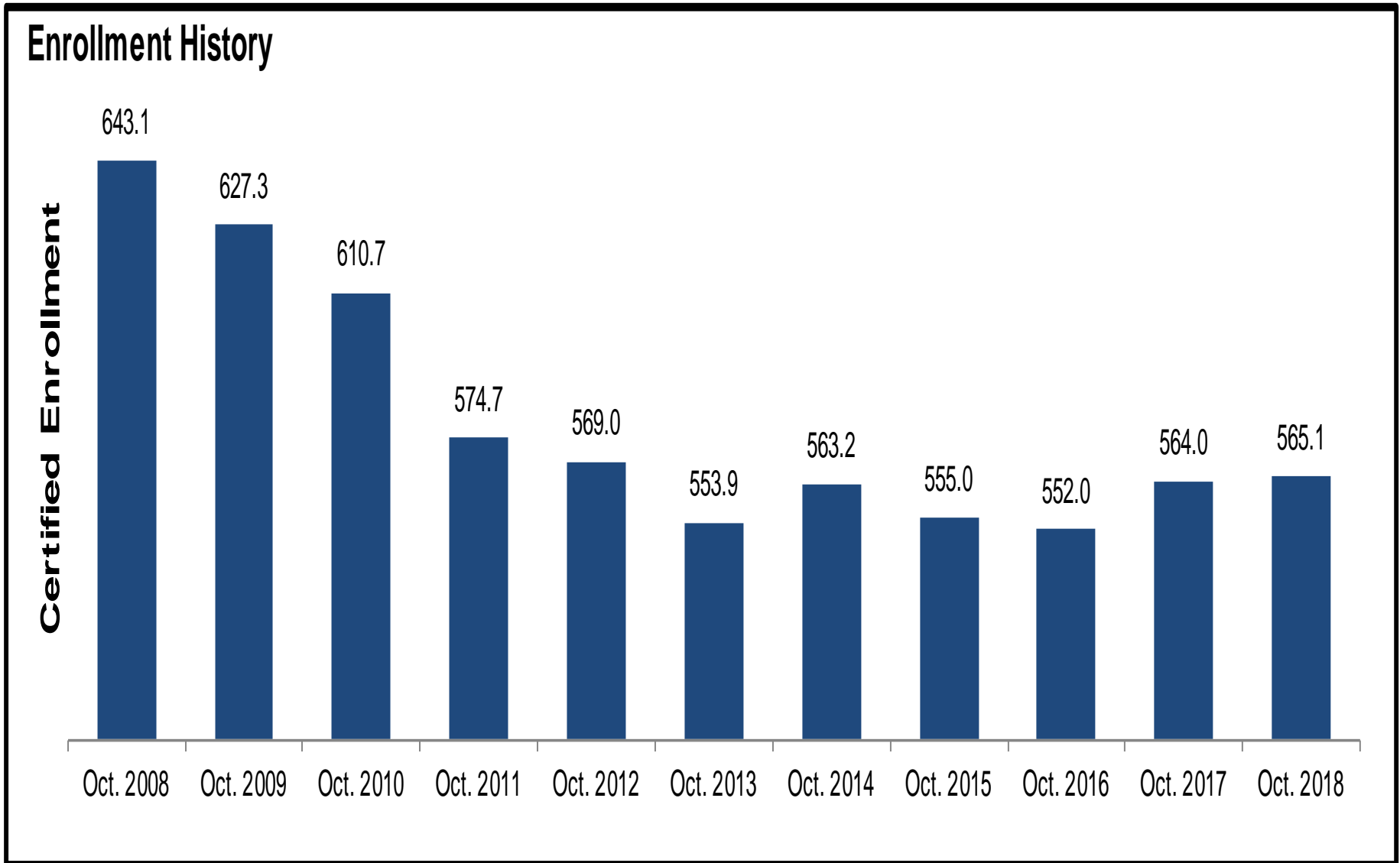
- State Sources
- Local Prop. Taxes
- Other Local & Other Sources
- Federal Sources



FY 18 Object Category Expenditures

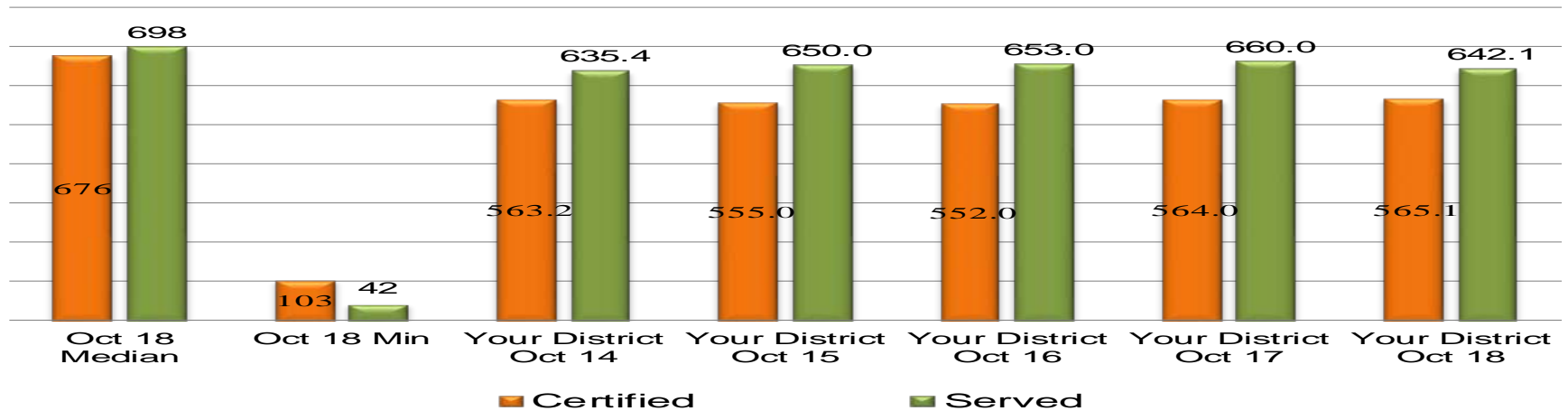
- Salaries
- Benefits
- Purchased Services
- Supplies
- Equipment
- Other Expenses

Enrollments are Key – Drives the Budget

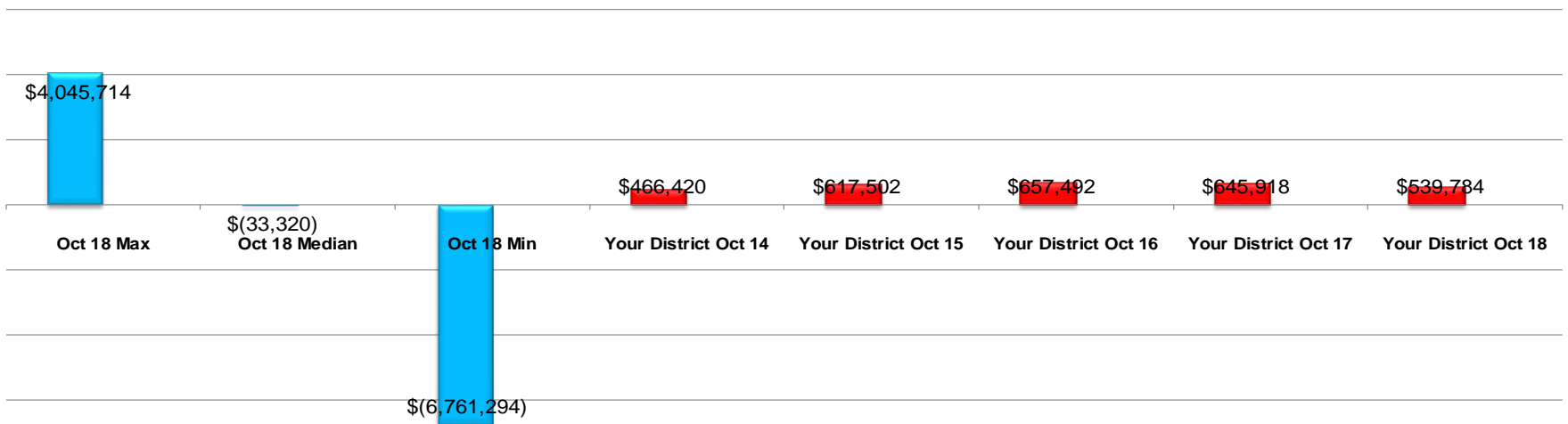


Served vs. Certified Enrollments

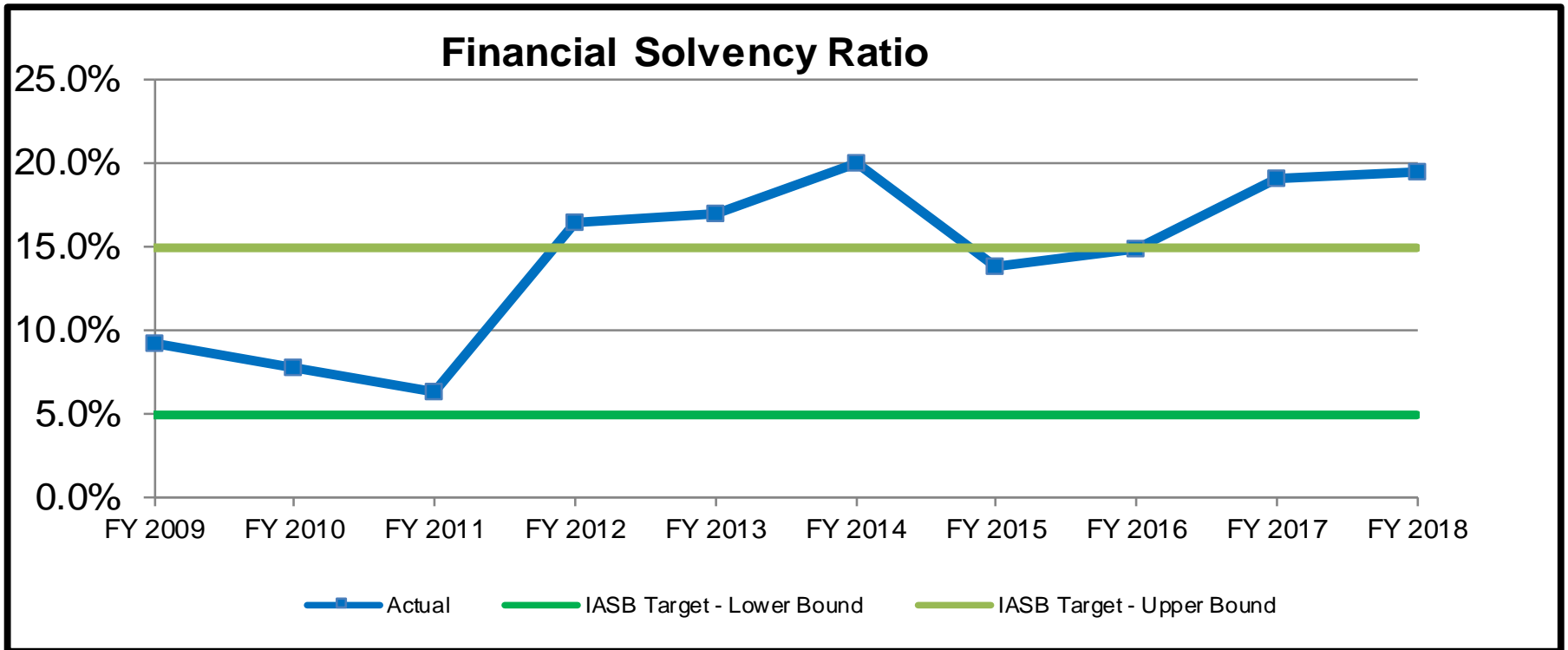
Certified and Served Enrollment



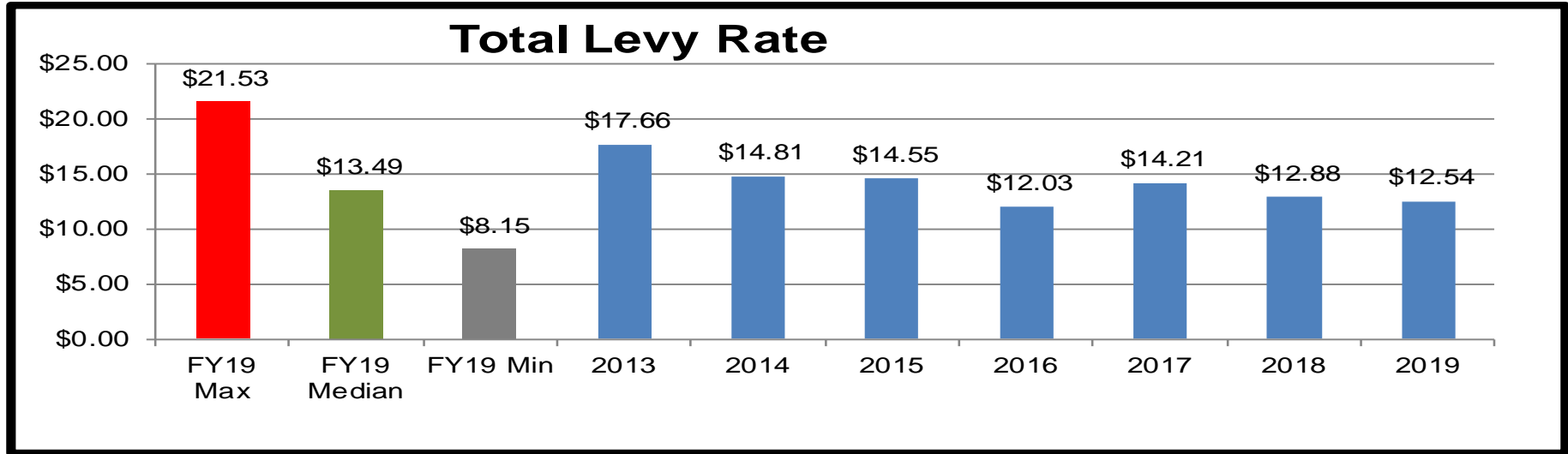
Net Open Enrolled In and Out Expense



Solvency Ratio



Logan Magnolia - School Tax Rate



Levy Components	FY19 Max	FY19 Median	FY19 Min	2013	2014	2015	2016	2017	2018	2019
Total Levy	\$ 21.53	\$ 13.49	\$ 8.15	\$ 17.66	\$ 14.81	\$ 14.55	\$ 12.03	\$ 14.21	\$ 12.88	\$ 12.54
CDC Levy	\$ 12.22	\$ 8.89	\$ 6.21	\$ 11.03	\$ 9.69	\$ 9.40	\$ 9.54	\$ 9.14	\$ 9.12	\$ 8.95
ISL	\$ 1.96	\$ 0.49	\$ -	\$ -	\$ 0.45	\$ 0.30	\$ 0.42	\$ 0.67	\$ 0.74	\$ 0.70
Ed. Improvement*	\$ 3.51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Reserve	\$ 4.78	\$ 0.74	\$ -	\$ 3.53	\$ 1.28	\$ 1.51	\$ 0.12	\$ 2.87	\$ 0.79	\$ 0.06
Total Gen. Fund	\$ 17.92	\$ 10.32	\$ 7.09	\$ 15.16	\$ 11.42	\$ 11.21	\$ 10.08	\$ 12.68	\$ 10.65	\$ 9.71
Management	\$ 5.48	\$ 0.80	\$ -	\$ 1.06	\$ 1.02	\$ 0.97	\$ 0.64	\$ 0.29	\$ 1.00	\$ 1.64
PERL	\$ 0.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reg. PPEL	\$ 0.33	\$ 0.33	\$ -	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33
Voter PPEL	\$ 1.34	\$ 0.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt	\$ 4.05	\$ -	\$ -	\$ 1.11	\$ 2.04	\$ 2.04	\$ 0.98	\$ 0.90	\$ 0.90	\$ 0.85
Total non-G.F.	\$ 7.55	\$ 2.75	\$ 0.33	\$ 2.50	\$ 3.39	\$ 3.34	\$ 1.95	\$ 1.53	\$ 2.23	\$ 2.83

Shared Operational Functions (FY 2019)

Shared Operational Functions Weighting		
Superintendent		-
SBO		5.0
Human Res. Dir.		5.0
Trans. Dir.		5.0
Op./Maint. Dir.		5.0
Curriculum Dir.		-
Counselor		-
Social Worker		NA
Total		20.0
Adjusted Total[^]		20.0
Total Funding	\$	134,740
[^] Weighting amount is capped at 21, unless district is in the first year of a reorganization.		

Note that this funding provision is set to expire at the end of FY 2025





3.

Unspent Balance Projections

West Harrison: Projection Assumptions

Scenario 1:

- **Department of Education enrollment projections** (FY 2021 – FY 2024)
- Weightings that follow the pattern of enrollments
- Modified supplemental amounts held at FY 2018 levels (FY 2019 – FY 2024)
- 2.0% SSA state percent of growth rate (FY 2021 – FY 2024)
- 2.06% growth in salary and benefits for FY 2020 and 3.0% for FY 2021- 2024)
- General 3.0% growth in other expenditure areas
- 2.0% increase in miscellaneous income (FY 2021 – FY 2024)

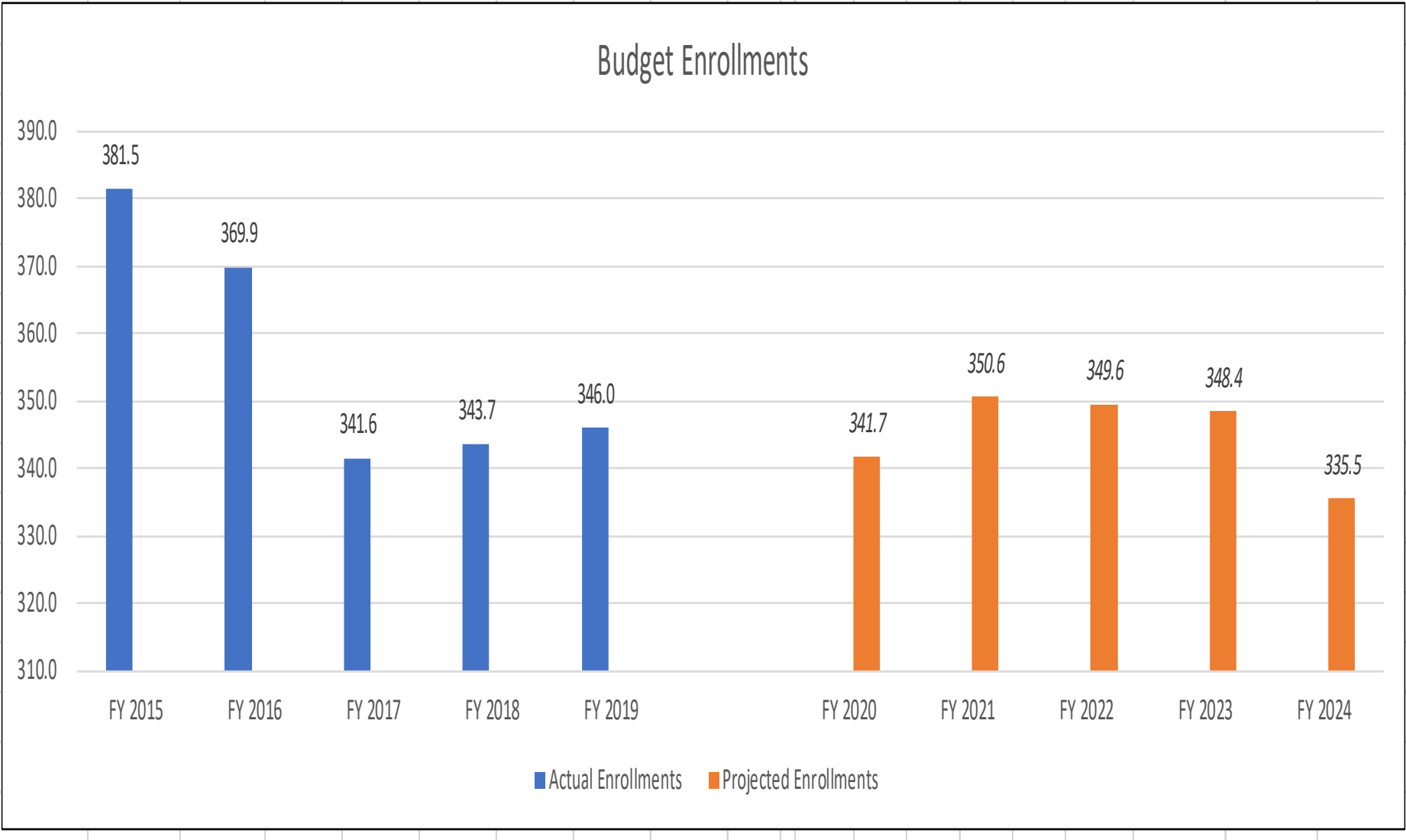
Scenario 2:

- Enrollment **decrease of 10 students** each year
- All others the same as Scenario 1.



Budget Enrollments – Scenario 1

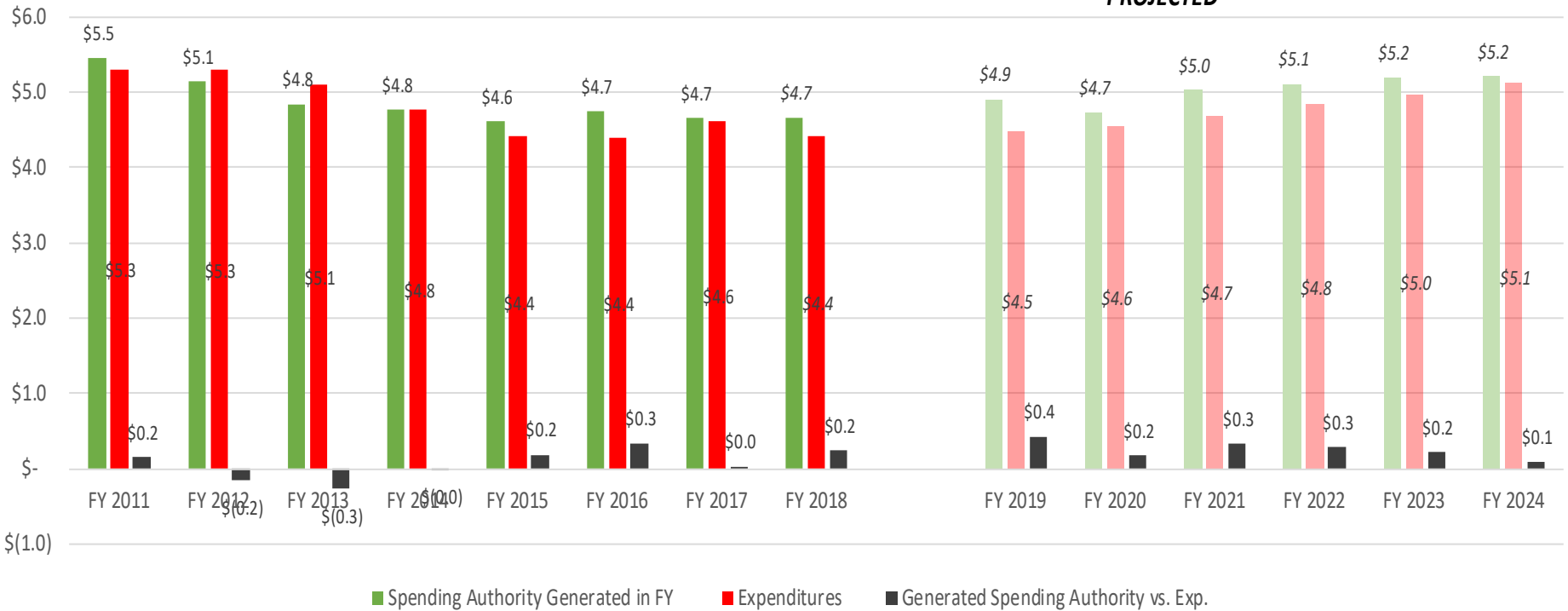
West Harrison



Spending Authority Generated Vs. Expenditures (Scenario 1)

West Harrison

Annual Generated Spending Authority vs. Annual General Fund Expenditures
(Dollars in Millions)

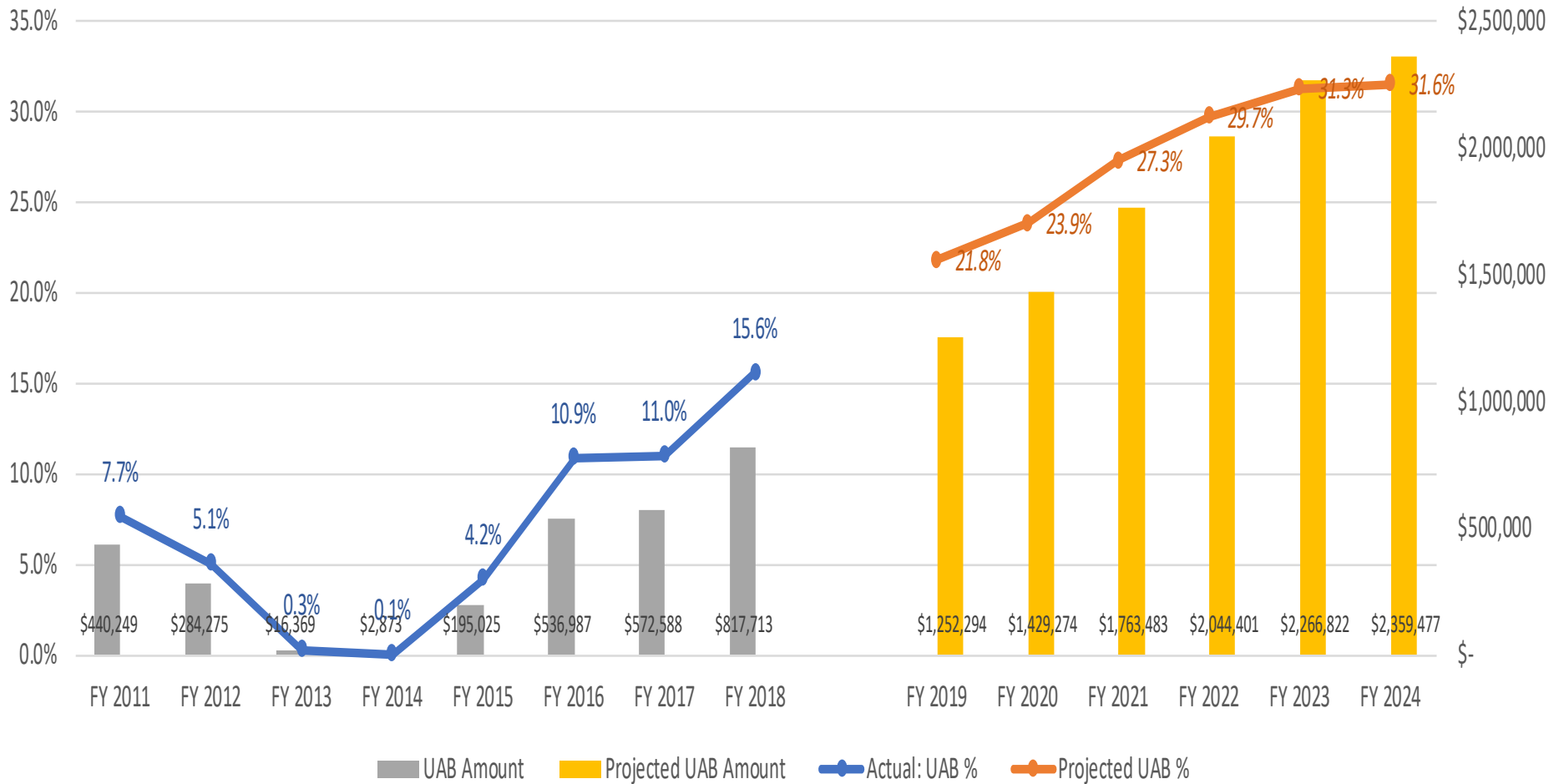


	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Estimated FY 2018	Estimated FY 2019	Projection FY 2020	Projection FY 2021	Projection FY 2022	Projection FY 2023	Projection FY 2024
Spending Authority Generated in FY	4,763,787	4,611,092	4,738,104	4,654,405	4,666,302	4,914,181	4,734,390	5,026,133	5,111,888	5,196,445	5,209,660
Expenditures	4,777,283	4,418,940	4,396,142	4,618,804	4,421,177	4,479,600	4,557,410	4,691,924	4,830,969	4,974,024	5,117,004
Generated Spending Authority vs. Exp.	-13,496	192,152	341,962	35,601	245,125	434,581	176,980	334,209	280,919	222,421	92,655
Annual UAB %	-0.3%	4.2%	7.2%	0.8%	5.3%	8.8%	3.7%	6.6%	5.5%	4.3%	1.8%

UAB Projections (Scenario 1)

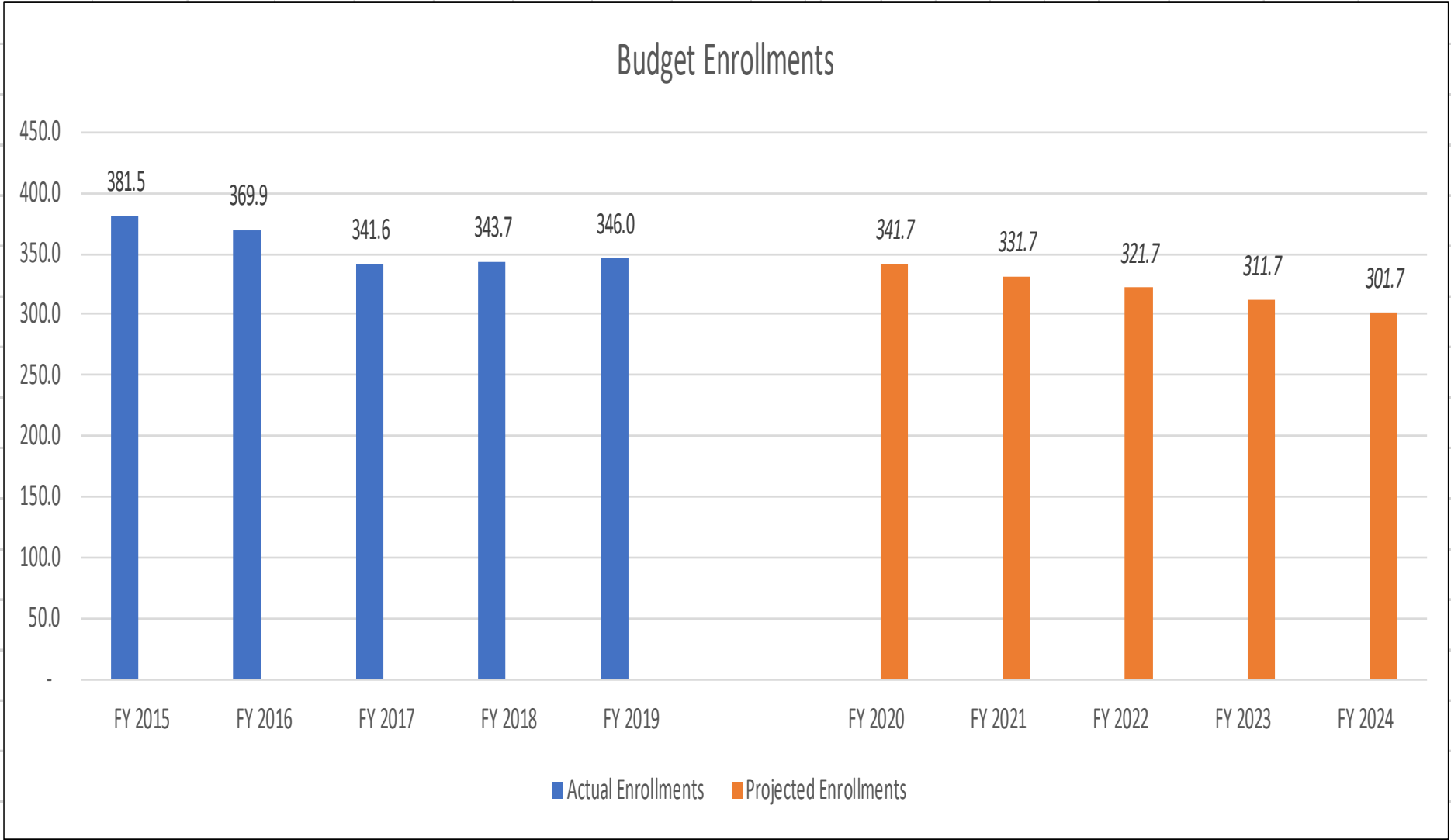
West Harrison

Unspent Authorized Budget (UAB): Percentages and Amounts



Budget Enrollments – Scenario 2

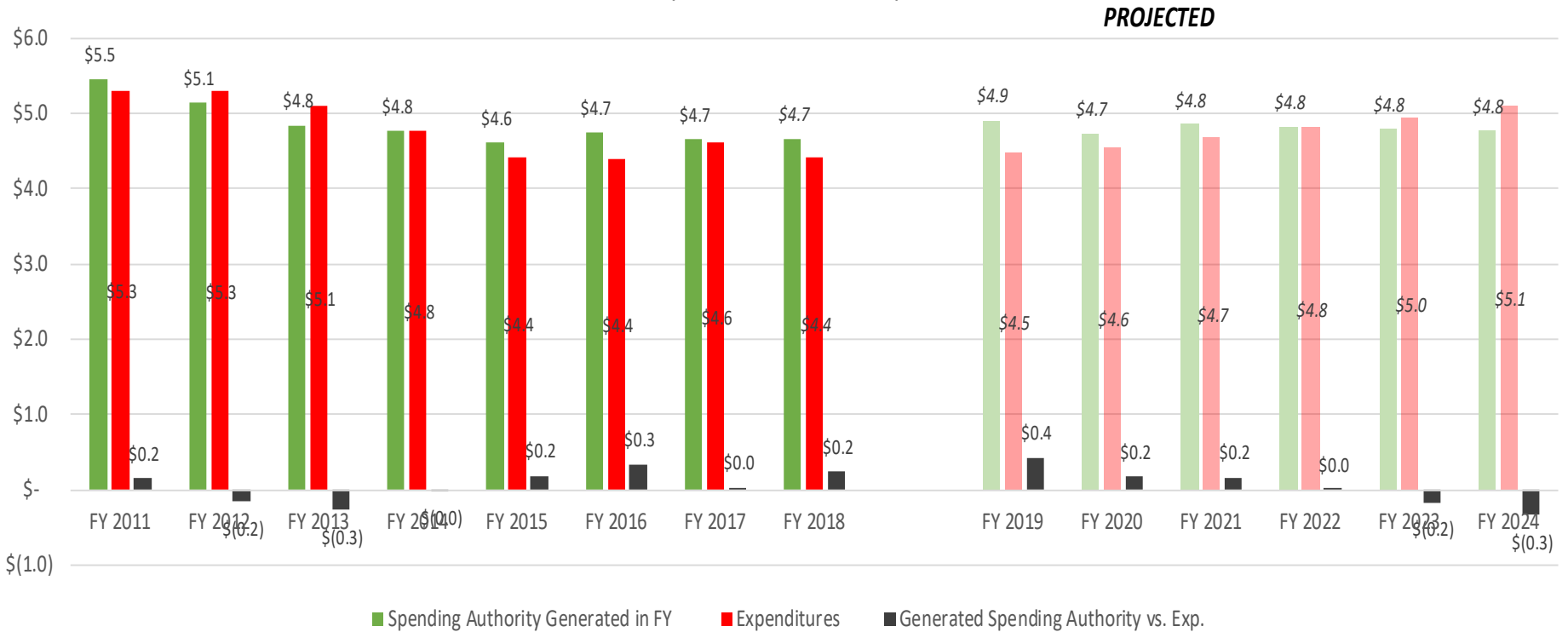
West Harrison



Spending Authority Generated Vs. Expenditures (Scenario 2)

West Harrison

Annual Generated Spending Authority vs. Annual General Fund Expenditures
(Dollars in Millions)

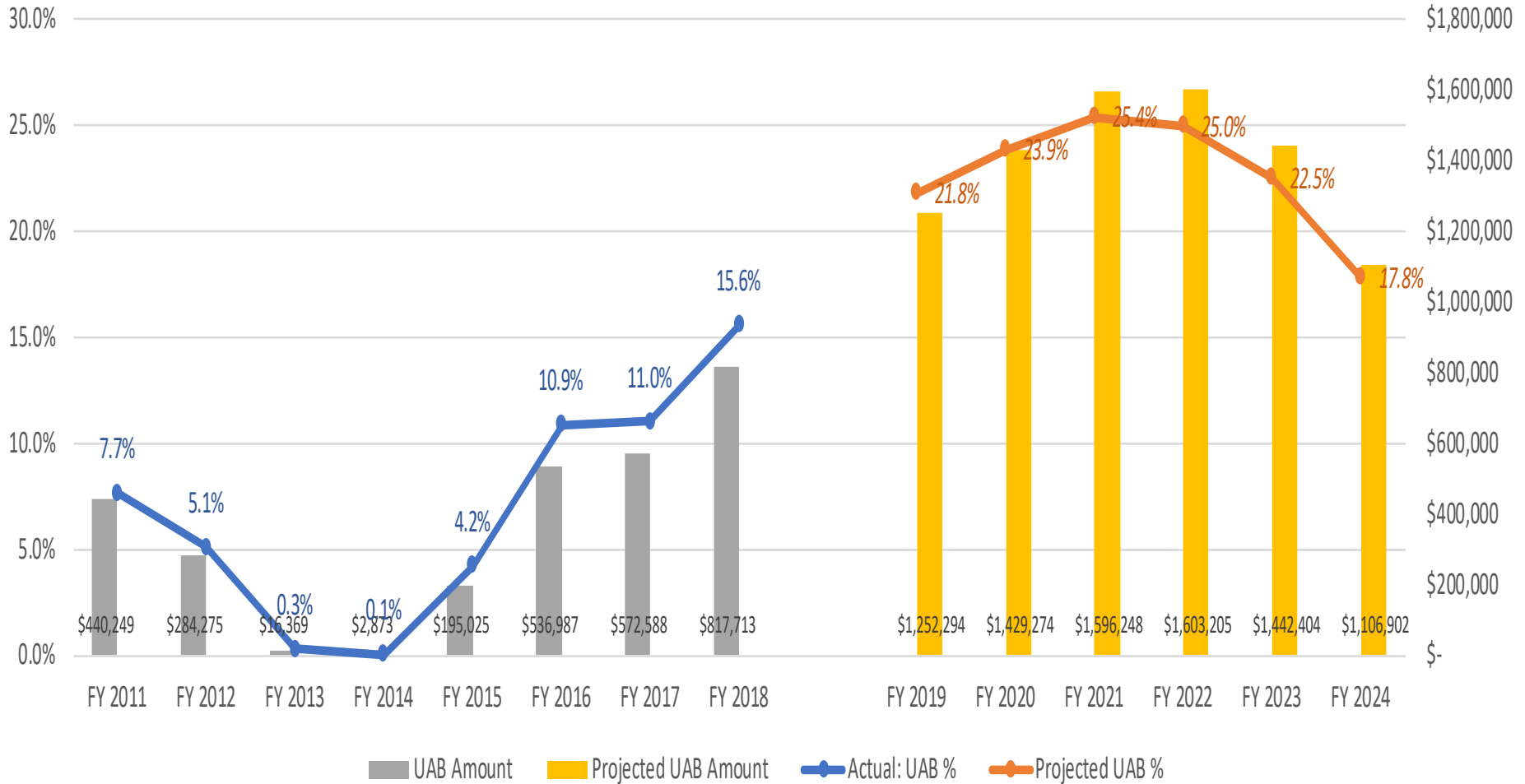


	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Estimated FY 2018	Estimated FY 2019	Projection FY 2020	Projection FY 2021	Projection FY 2022	Projection FY 2023	Projection FY 2024
Spending Authority Generated in FY	4,763,787	4,611,092	4,738,104	4,654,405	4,666,302	4,914,181	4,734,390	4,848,555	4,823,723	4,793,835	4,761,022
Expenditures	4,777,283	4,418,940	4,396,142	4,618,804	4,421,177	4,479,600	4,557,410	4,681,580	4,816,766	4,954,636	5,096,523
Generated Spending Authority vs. Exp.	-13,496	192,152	341,962	35,601	245,125	434,581	176,980	166,974	6,957	-160,801	-335,502
Annual UAB %	-0.3%	4.2%	7.2%	0.8%	5.3%	8.8%	3.7%	3.4%	0.1%	-3.4%	-7.0%

UAB Projections (Scenario 2)

West Harrison

Unspent Authorized Budget (UAB): Percentages and Amounts



Logan Magnolia: Projection Assumptions

Scenario 1:

- **Department of Education enrollment projections** (FY 2021 – FY 2024)
- Weightings that follow the pattern of enrollments
- Modified supplemental amounts held at FY 2018 levels (FY 2019 – FY 2024)
- 2.0% SSA state percent of growth rate (FY 2021 – FY 2024)
- 3.0% growth in salary and benefits (FY 2020 – FY 2024) and the addition of a principal in FY 2020
- General 3.0% growth in other expenditure areas
- 2.0% increase in miscellaneous income (FY 2021 – FY 2024)

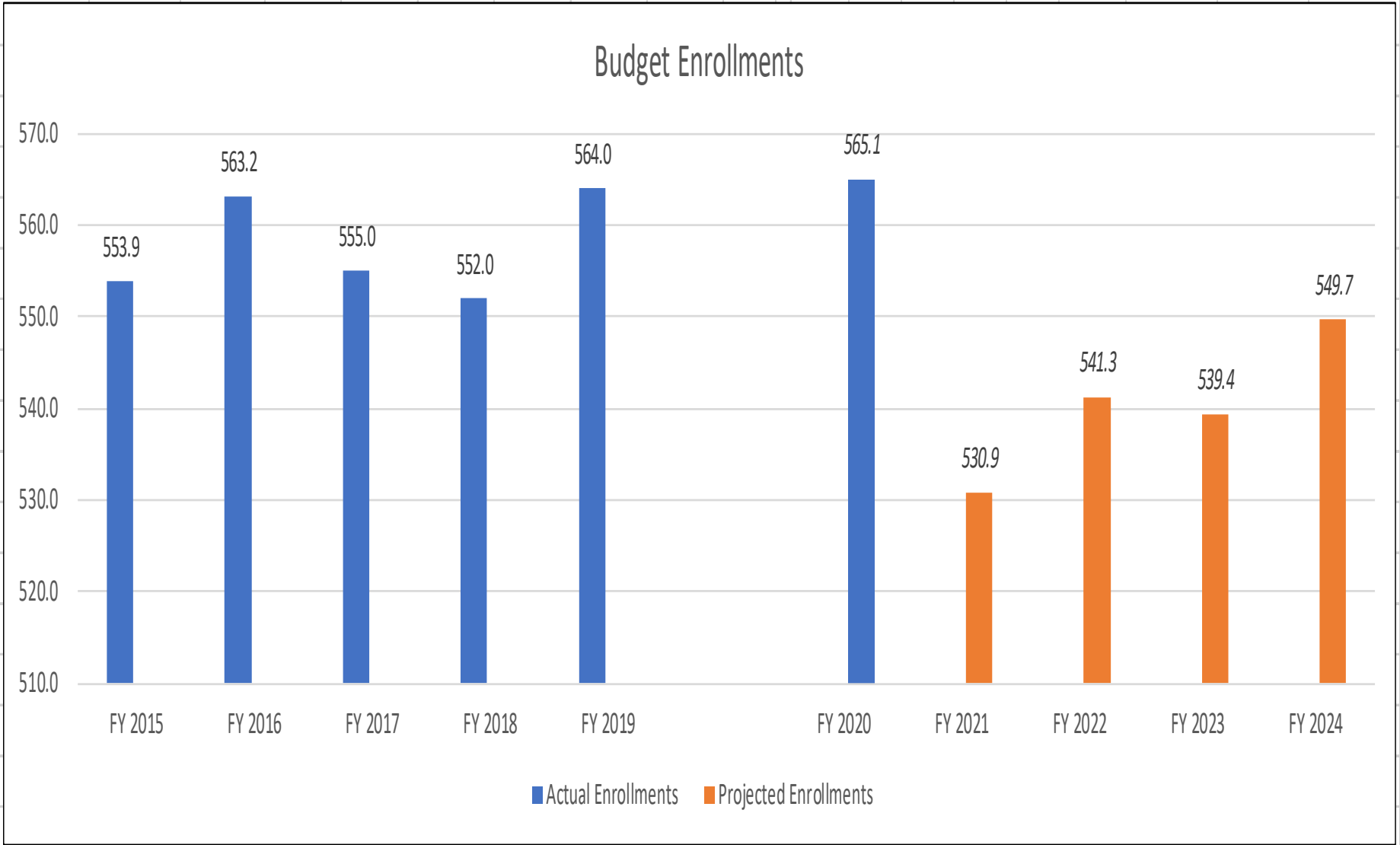
Scenario 2:

- Enrollment **decrease of 10 students** each year
- All others the same as Scenario 1.



Budget Enrollments – Scenario 1

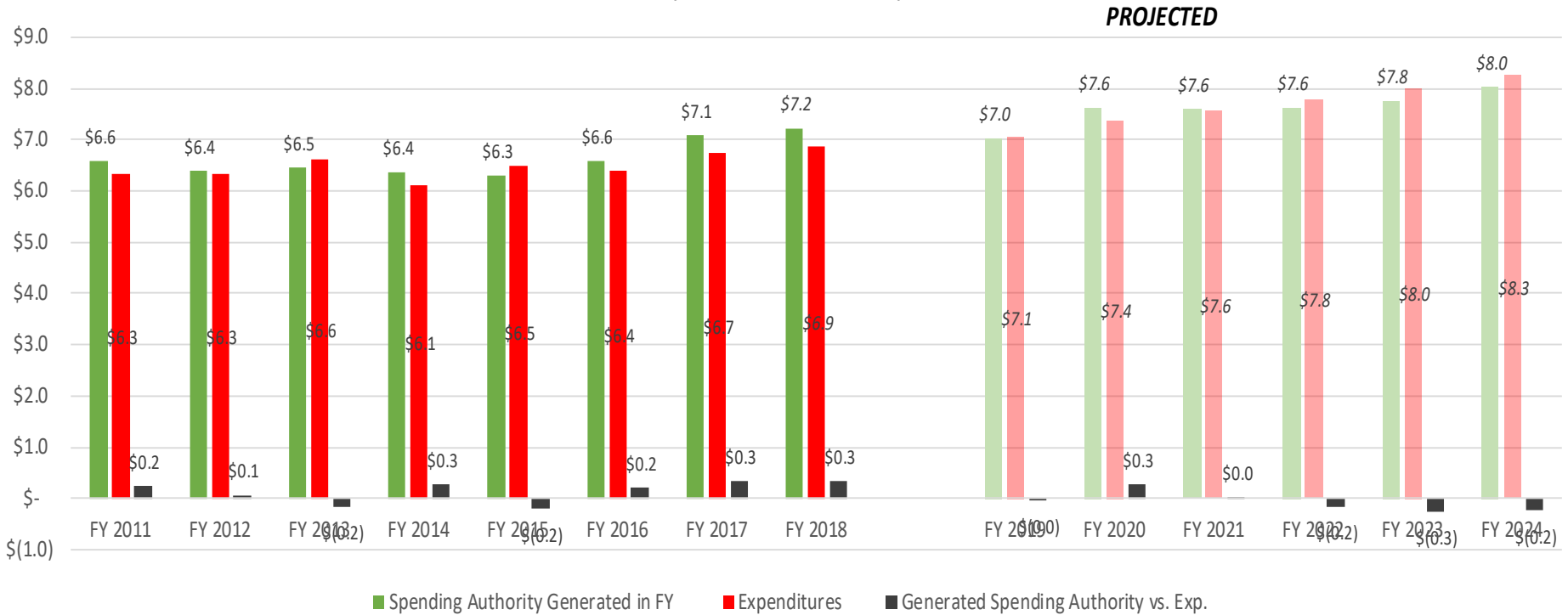
Logan-Magnolia



Spending Authority Generated Vs. Expenditures (Scenario 1)

Logan-Magnolia

Annual Generated Spending Authority vs. Annual General Fund Expenditures
(Dollars in Millions)



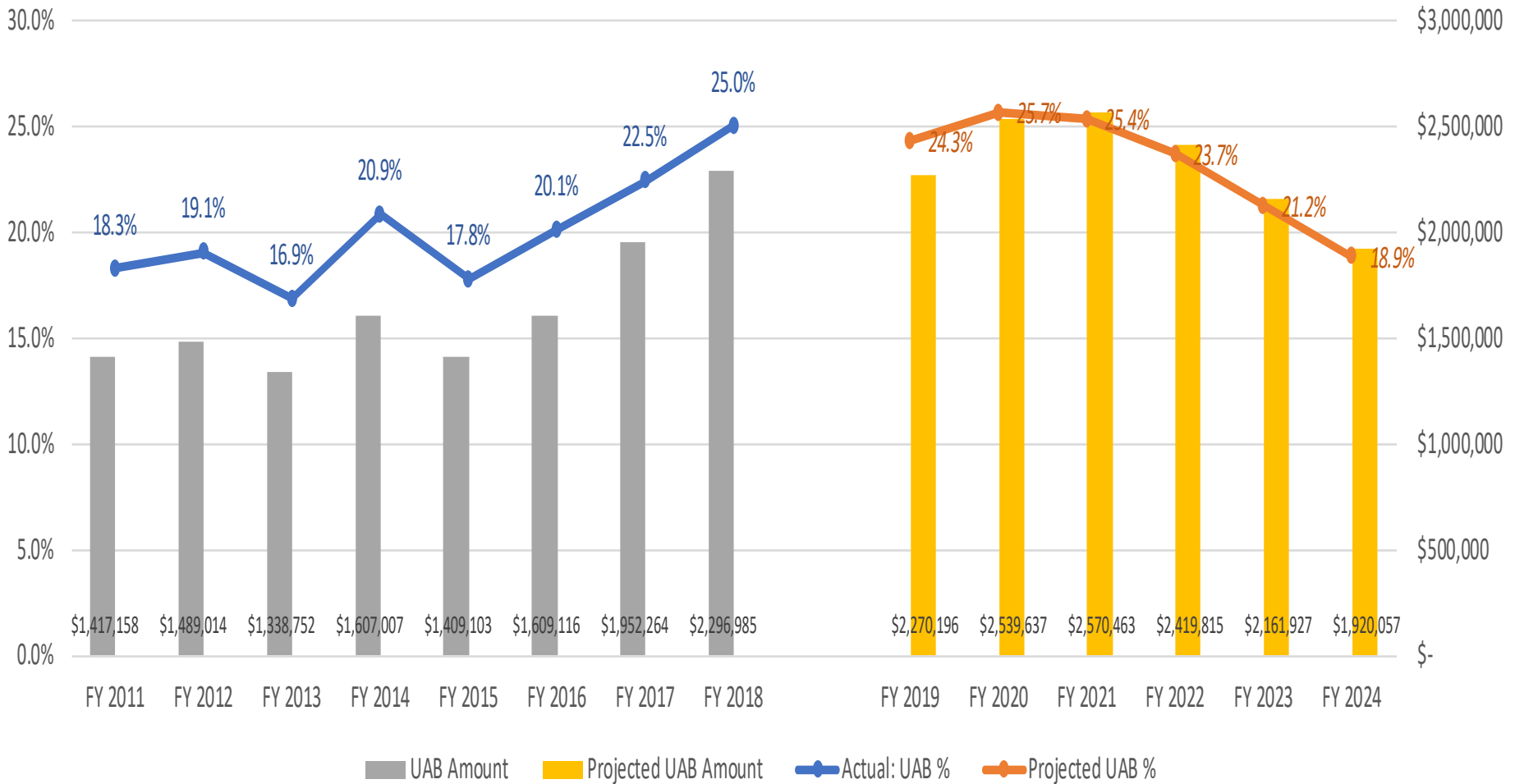
	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Estimated FY 2018	Estimated FY 2019
Spending Authority Generated in FY	6,366,384	6,305,184	6,583,515	7,083,571	7,225,042	7,035,792
Expenditures	6,098,129	6,503,088	6,383,502	6,740,423	6,880,321	7,062,580
Generated Spending Authority vs. Exp.	268,255	-197,904	200,013	343,148	344,721	-26,789
Annual UAB %	4.2%	-3.1%	3.0%	4.8%	4.8%	-0.4%

Projection FY 2020	Projection FY 2021	Projection FY 2022	Projection FY 2023	Projection FY 2024
7,624,718	7,595,475	7,634,919	7,758,371	8,018,376
7,355,278	7,564,648	7,785,567	8,016,259	8,260,246
269,440	30,827	-150,648	-257,888	-241,870
3.5%	0.4%	-2.0%	-3.3%	-3.0%

UAB Projections (Scenario 1)

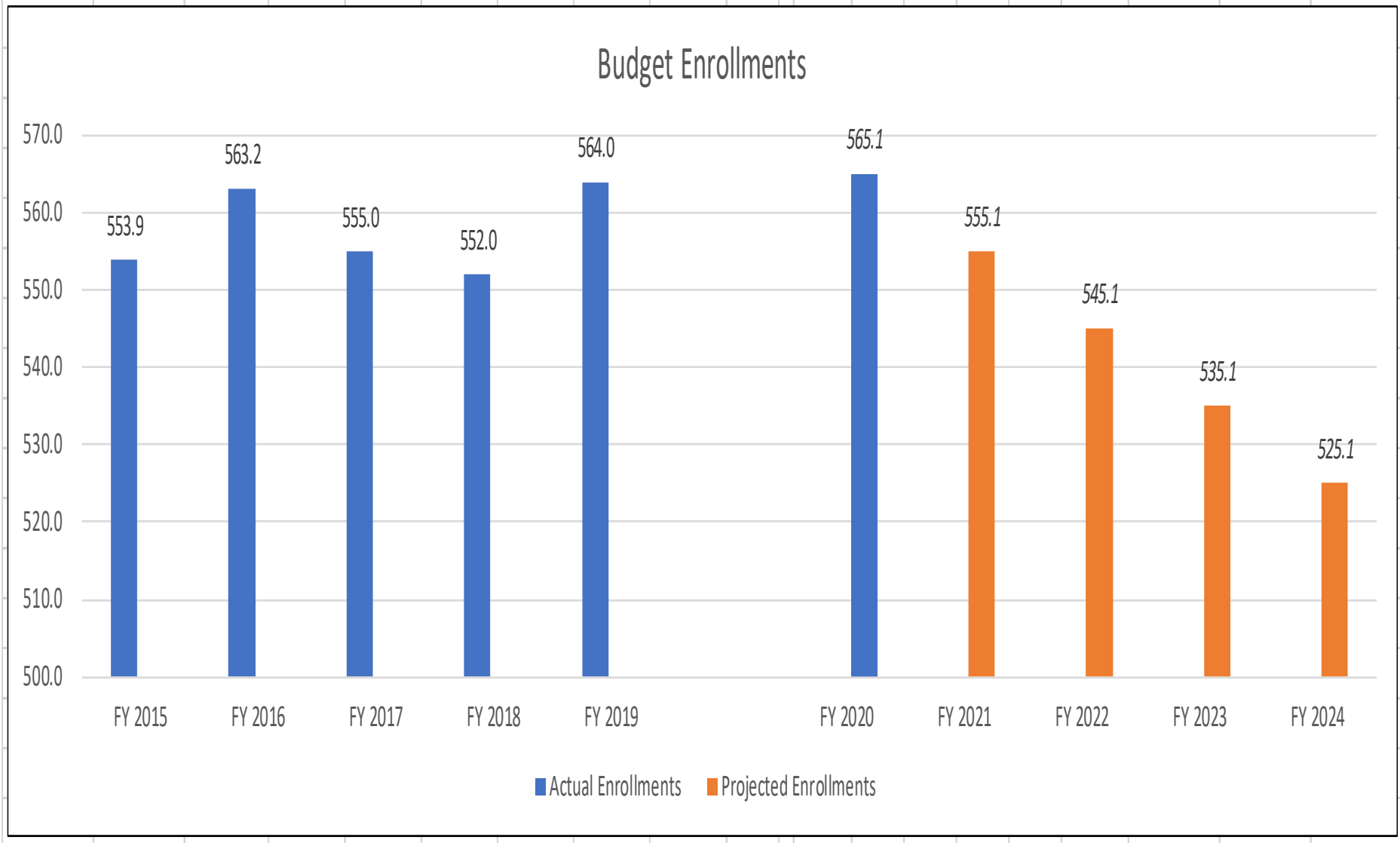
Logan-Magnolia

Unspent Authorized Budget (UAB): Percentages and Amounts



Budget Enrollments – Scenario 2

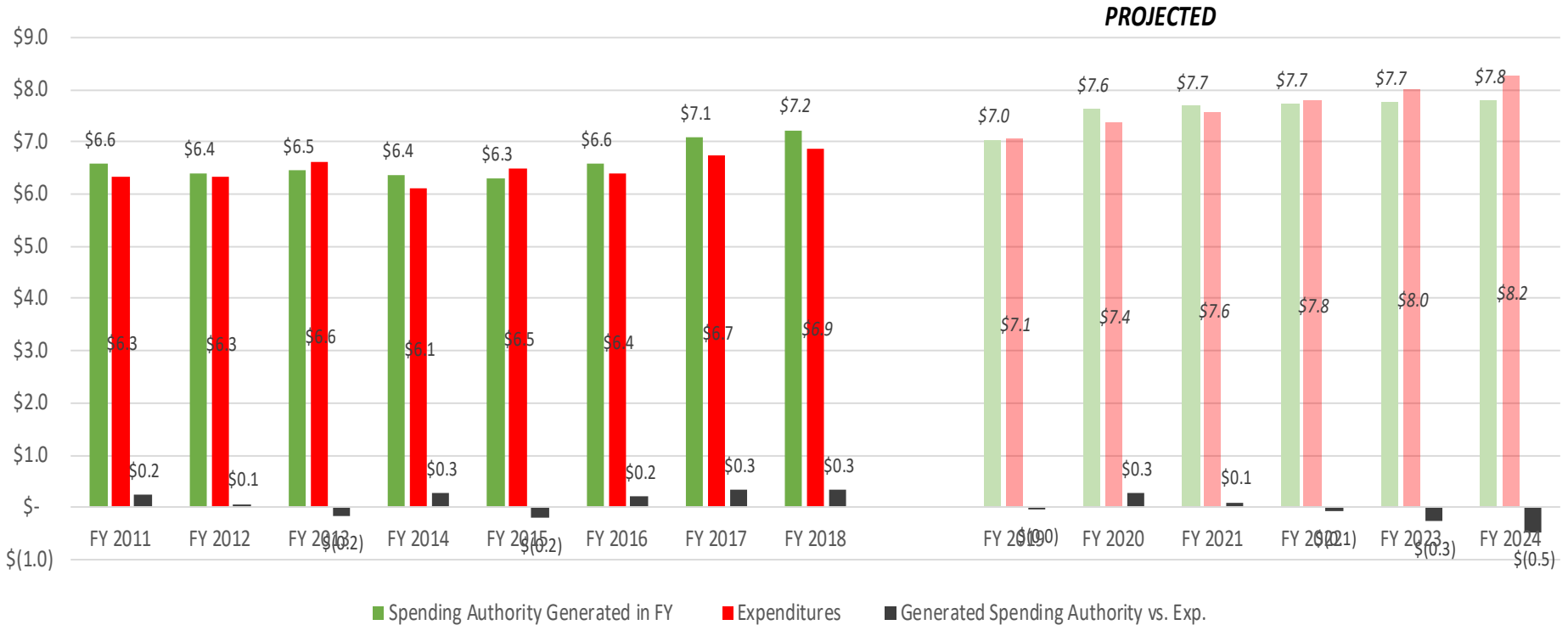
Logan-Magnolia



Spending Authority Generated Vs. Expenditures (Scenario 2)

Logan-Magnolia

Annual Generated Spending Authority vs. Annual General Fund Expenditures
(Dollars in Millions)



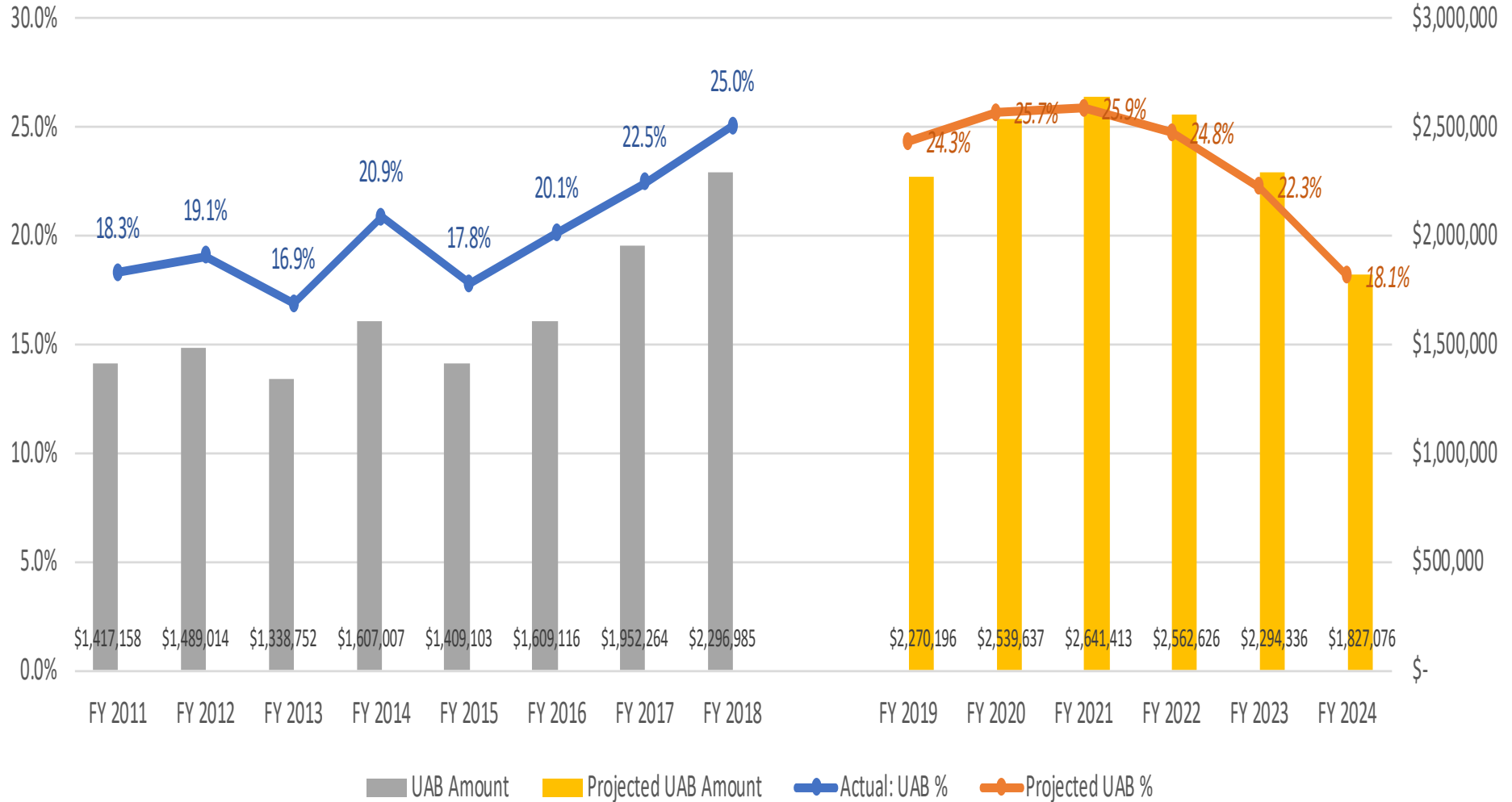
	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Estimated FY 2018	Estimated FY 2019
Spending Authority Generated in FY	6,366,384	6,305,184	6,583,515	7,083,571	7,225,042	7,035,792
Expenditures	6,098,129	6,503,088	6,383,502	6,740,423	6,880,321	7,062,580
Generated Spending Authority vs. Exp.	268,255	-197,904	200,013	343,148	344,721	-26,789
Annual UAB %	4.2%	-3.1%	3.0%	4.8%	4.8%	-0.4%

	Projection FY 2020	Projection FY 2021	Projection FY 2022	Projection FY 2023	Projection FY 2024
Spending Authority Generated in FY	7,624,718	7,670,274	7,708,719	7,745,752	7,780,006
Expenditures	7,355,278	7,568,497	7,787,506	8,014,042	8,247,266
Generated Spending Authority vs. Exp.	269,440	101,776	-78,787	-268,289	-467,261
Annual UAB %	3.5%	1.3%	-1.0%	-3.5%	-6.0%

UAB Projections (Scenario 2)

Logan-Magnolia

Unspent Authorized Budget (UAB): Percentages and Amounts



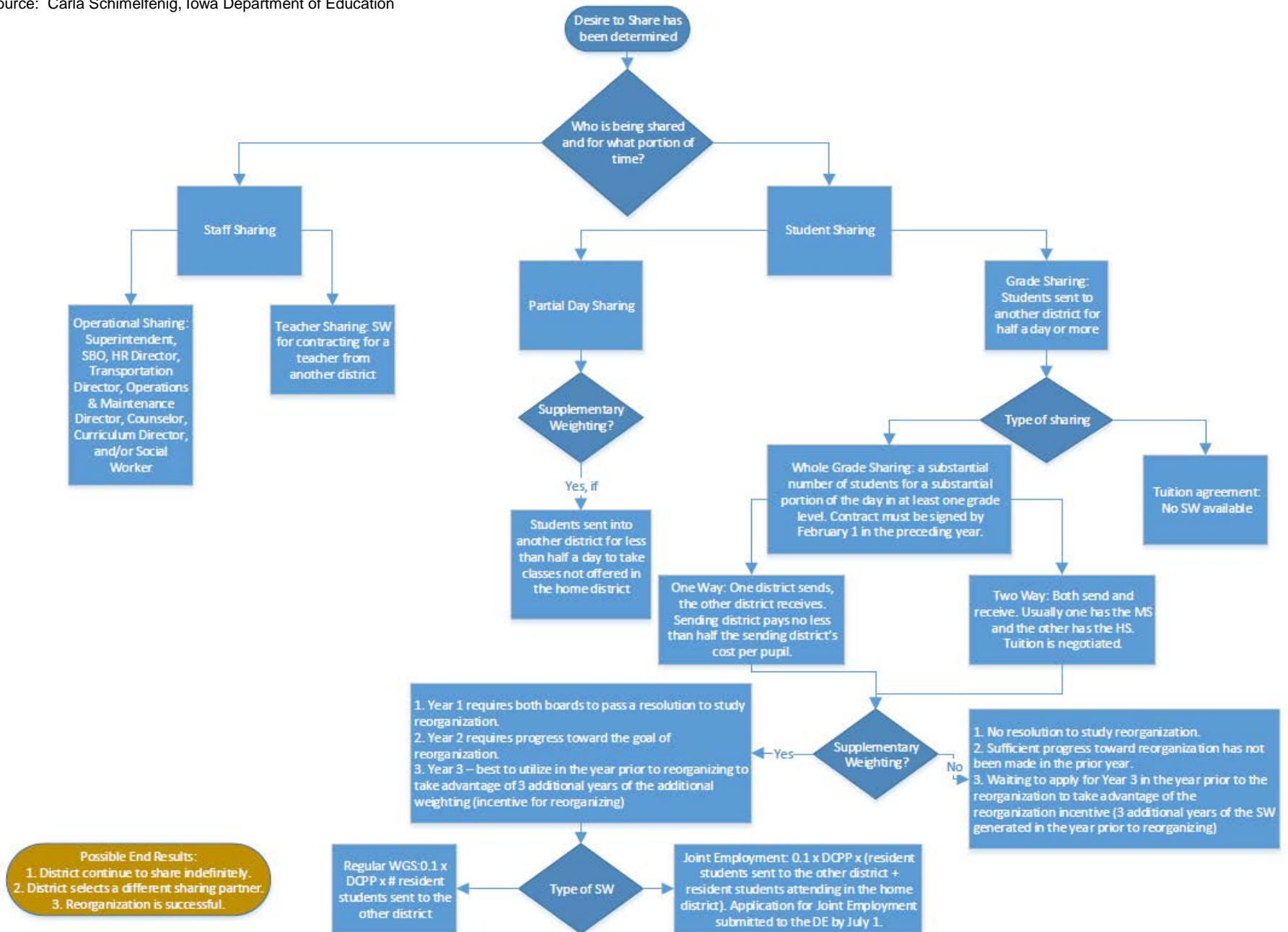


4.

Whole Grade Sharing Information

Sharing Provisions

Source: Carla Schimelfenig, Iowa Department of Education



Whole Grade Sharing Information

The IASB is presenting this for information purposes only.

The intent of this section is to discuss the types of whole grade sharing and how that provision works.

We are not making any recommendations for either school district regarding whole grade sharing.

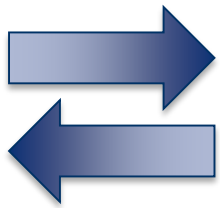


Whole Grade Sharing Types

Types:



- One-way: One district sends full grade levels to sharing district(s). The sending district no longer operates as a K-12 district



- Two-way: One school district sends pupils to one or more other school districts and receives a substantial number of students from at least one of those districts.

Note that tuition of students under a whole grade sharing agreement can be negotiated between the districts.



Sharing Arrangements 2018-19

One Way Sharing						
Sending District	Grades	Served	Certified	Receiving District	Served	Certified
		Enr.	Enr.		Enr.	Enr.
Albert City-Truesdale	GR_7-12	98.0	202.2	Sioux Central	641.0	483.0
Alden	GR_7-12	138.0	274.2	Iowa Falls	1,244.4	1,052.7
Andrew	GR_9-12	136.0	240.3	Maquoketa	1,354.1	1,305.3
Andrew	GR_9-12	136.0	240.3	Bellevue	680.3	595.3
Bennett	GR_7-12	69.0	207.3	Durant	637.3	555.3
Bennett	GR_7-12	69.0	207.3	Tipton	954.3	877.1
CAL	GR_7-12	115.7	240.6	Hampton-Dumont	1,280.2	1,190.9
Charter Oak-Ute	GR_9-12	185.8	268.8	Maple Valley-Anthon Oto	657.5	613.8
Delwood	GR_7-12	146.3	205.5	Maquoketa	1,354.1	1,305.3
Gilmore City-Bradgate	GR_7-12	89.0	161.0	West Bend-Mallard	306.4	284.4
Hamburg	*GR_9-12	139.0	227.0	Sidney	479.2	373.6
Harmony	GR_7-12	134.8	356.2	Van Buren	679.2	643.0
Laurens-Marathon	*GR_9-12	131.0	255.0	Pocahontas Area	687.5	673.7
LuVerne	GR_6-12	53.0	164.1	Algona	1,389.5	1,290.5
Morning Sun	*GR_7-12	106.4	205.6	Winfield-Mt Union	410.1	321.3
Morning Sun	*GR_7-12	106.4	205.6	Wapello	575.1	619.1
Northeast Hamilton	GR_7-12	89.1	186.5	Webster City	1,624.9	1,531.5
North Winneshiek	GR_7-12	73.0	265.0	Decorah Community	1,692.2	1,361.1
Olin Consolidated	GR_7-12	74.0	212.0	Anamosa	1,199.3	1,267.1
Schleswig	GR_9-12	178.0	260.0	Denison	2,291.2	2,170.2
Stratford	GR_7-12	79.4	141.7	Webster City	1,624.9	1,531.5
Twin Rivers	GR_6-12	42.0	135.0	Humboldt	1,394.3	1,213.6
United	GR_7-12	267.0	393.4	Ames	4,716.0	4,387.4
United	GR_7-12	267.0	393.4	Boone	1,970.4	2,060.8

Sharing Arrangements 2018-19

Two Way Sharing				
Sending District	Grades	Served	Certified	Receiving District
		Enr.	Enr.	
Adair-Casey	GR_9-12	240.0	309.0	Guthrie Center
Guthrie Center	GR_7-8	500.8	431.8	Adair-Casey
North Union	GR_6-8	335.0	410.3	North Kossuth
North Kossuth	GR_9-12	286.0	273.8	North Union
Corning	GR_6-8	378.8	413.8	Villisca
Villisca	GR_9-12	306.5	303.0	Corning
Eldora-New Providence	GR_6-8	581.3	631.1	Hubbard-Radcliffe
Hubbard-Radcliffe	GR_9-12	373.7	438.4	Eldora-New Providence
Galva-Holstein	GR_6-8	423.0	459.0	Schaller-Crestland
Schaller-Crestland	GR_9-12	351.0	367.0	Galva-Holstein
Marcus-Meriden-Cleghorn	GR_5-8	312.6	421.3	Remsen-Union
Remsen-Union	GR_9-12	311.7	318.7	Marcus-Meriden-Cleghorn
Prairie Valley	GR_5-8	559.0	574.4	Southeast Webster Grand
Southeast Webster Grand	GR_9-12	517.0	573.7	Prairie Valley

Whole Grade Sharing Options

- Whole Grade Sharing – receive supplementary weightings to study reorganization
- Whole Grade Sharing – no supplementary weightings – tuition negotiated
- Whole Grade Sharing – no supplementary weightings – costs based on joint administration of programs
- Tuition arrangement - district(s) send out whole grades with a tuition arrangement, but not eligible for supplementary weightings
- **Not bound to stay in the arrangement forever – can make changes**



Whole Grade Sharing

– No Supplementary Weighting

Districts can also enter into a whole grade sharing arrangement without the intent of reorganization

- Whole grade sharing where tuition is negotiated
- Whole grade sharing where there's a jointly administered program
- Tuition arrangement – sharing of whole grades



Whole Grade Sharing – Supplementary Weighting

Incentive for Districts (Pending Governor's signature of HF 596):

- Requires joint resolution of the affected boards to study reorganization by July 1, 2024
- Supplementary weighting of 0.1 for students that attends class in another district
- Adds additional funds for school districts
- Can receive for up to 3 years. However, receipt in years two and three require progress toward a reorganization
- If the districts reorganize, they maintain that additional supplementary weighting for the first three years
- No penalties for a disbandment of the WGS arrangement



Whole Grade Sharing – Supplementary Weighting

Example of Financial Impact:

- District A and B agree to a two-way whole grade sharing arrangement
- District A sends grades 6-8 to District B (120 students)
District B sends grades 9-12 to District A (80 students).
- District A gets: **$120 \times 0.1 \times \$6880 = \$82,560$**
District B gets: **$80 \times 0.1 \times \$6880 = \$55,040$**
- *And* both districts reduce costs



Whole Grade Sharing Resource: Iowa Department of Education Whole Grade Sharing Handbook

<https://educateiowa.gov/documents/reorganization-dissolution-sharing/2015/12/2015-2016-whole-grade-sharing-handbook>

Questions?



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