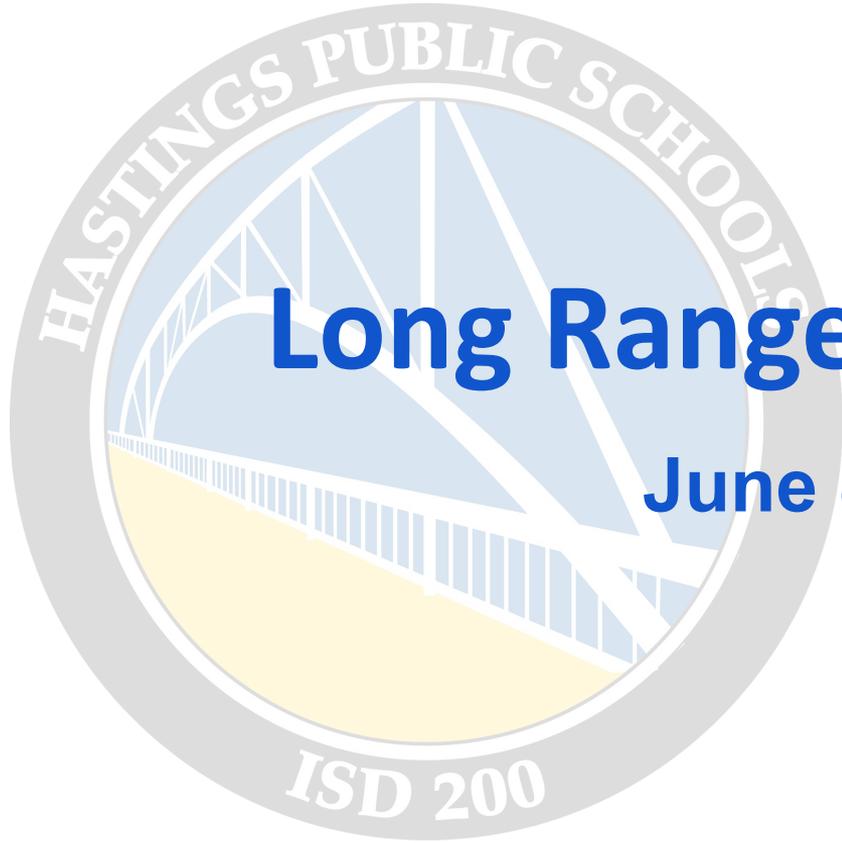


Hastings Area Public Schools - ISD 200
School Board Meeting Agenda

Wednesday, June 8, 2022
Work Session
Middle School Media Center

- I. **Items for Discussion**
 - a. Long Range Planning



Long Range Financial Plan

June 8, 2022

We Care, We Empower, We Achieve. Students are the heart of all we do.

Summary

The Long Range Financial Plan is designed to illustrate what may happen to the District's ability to pay for and provide services in the future, based on a set of assumptions. It also provides a picture of how the decisions that are made today can affect the District's financial health in the future.

Assumptions will be reviewed and updated annually.

The plan starts with the 2021-2022 current year budget, includes the 2020-2021 year for history, adds the 2022-2023 working budget, and includes projections through 2030-2031. The further out the projections, the less reliable they are.

The plan is not a budget, and is separate from the District's budget process.



714 Fund Balances Policy

V. MINIMUM FUND BALANCE

The school district will strive to maintain a minimum fund balance of:

- A. General Fund Unassigned Fund Balance 422-000 – **2 months operating expenses.**
- B. Food Service Restricted Fund Balance 464-000 of- 100,000
- C. Community Service Restricted Fund Balance 431-000 of- 100-000



ISD #200 - Hastings Public Schools
General Fund Long Range Planning Model
2020-2021 thru 2022-2023 School Years
6/8/2022

Assumptions	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Enrollment Change				-44.23	-87.68	-71.34	-96.06	-27.8	-14.6	-23.8	-31.9
General Education Formula				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Referendum Change*				-	-	-	-	-	942.00	942.00	942.00
Special Education Revenue Change				-100%	-100%	-100%	-100%	-100%	-100%	-100%	-100%
Staffing changes due to enrollment (FTE)				(0.9)	(1.7)	(1.4)	(1.9)	(0.6)	(0.3)	(0.5)	(0.6)
Salaries and Wages Change to salary schedule				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Health Insurance				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Purchase Services				2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Utilities				4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Supplies				1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Other				1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Revenues	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Basic Revenue Allowance	30,297,236	30,892,164	30,849,254	31,143,807	31,052,442	31,057,562	30,871,433	31,287,948.37	31,789,503.01	32,218,773.60	32,580,807.44
Special Education Aid	6,294,478	6,245,106	6,092,693	6,153,620	6,215,156	6,277,307	6,340,080	6,403,481.18	6,467,516	6,532,191.15	6,597,513
Other Aids and Levies	3,199,967	3,124,563	3,226,471	3,093,546	3,273,756	3,178,709	2,930,976	2,956,560	2,926,416	2,949,464	2,970,695
Miscellaneous Revenue	884,996	1,110,944	1,070,175	1,070,175	1,070,175	1,070,175	1,070,175	1,070,175	1,070,175	1,070,175	1,070,175
Federal Funding	2,946,053	3,045,014	2,766,990	2,766,990	2,766,990	2,766,990	2,766,990	2,766,990	2,766,990	2,766,990	2,766,990
Voter Apprd Oper. Ref.	6,483,807	6,304,042	6,318,995	6,570,832	3,834,834	3,846,316	3,834,778	3,897,949	3,972,083	4,037,560	4,094,938
Local Optional Revenue	3,337,111	3,329,705	3,254,387	3,221,040	3,148,618	3,087,389	3,008,712	2,989,516	2,977,881	2,958,915	2,933,494
Other-Technology Set-aside	-	-	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
Totals	53,443,648	54,051,538	53,278,965	53,720,009	51,061,971	50,984,449	50,523,145	51,072,620	51,670,564	52,234,069	52,714,611

Expenditures	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Salaries and Wages	29,191,872	31,165,063	30,530,180	31,346,074	32,138,870	32,971,990	33,800,511	34,746,925	35,719,839	36,719,994	37,748,154
Employee Benefits	13,716,125	14,113,789	13,963,851	14,073,065	14,341,461	14,621,988	14,897,562	15,180,615	15,469,047	15,762,959	16,062,455
Purchased Services	7,007,223	7,912,641	7,811,167	7,982,818	8,158,518	8,338,375	8,522,496	8,778,170	9,041,516	9,312,761	9,592,144
Supplies and Materials	2,186,971	1,494,979	1,619,498	1,635,693	1,652,050	1,668,571	1,685,257	1,702,109	1,719,130	1,736,322	1,753,685
Other Expenditures	424,454	437,589	411,788	415,906	420,065	424,266	428,508	432,793	437,121	441,492	445,907
Totals	52,526,646	55,124,060	54,336,485	55,453,556	56,710,965	58,025,189	59,334,333	60,840,613	62,386,653	63,973,528	65,602,345

Unreserved Fund Balance	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Beginning Fund Balance	15,303,917	16,220,919	15,148,397	14,090,877	12,357,330	6,708,336	(332,404)	(9,143,593)	(18,911,586)	(29,627,675)	(41,367,134)
Ending Fund Balance	16,220,919	15,148,397	14,090,877	12,357,330	6,708,336	(332,404)	(9,143,593)	(18,911,586)	(29,627,675)	(41,367,134)	(54,254,868)
Revenues Over(Under) Expenditures	917,002	(1,072,522)	(1,057,520)	(1,733,546)	(5,648,994)	(7,040,741)	(8,811,188)	(9,767,993)	(10,716,089)	(11,739,459)	(12,887,734)
Unassigned	14,712,397	14,597,881	13,984,422	12,250,875	6,601,882	(438,859)	(9,250,047)	(19,018,041)	(29,734,130)	(41,473,589)	(54,361,323)
Nonspendable/Restricted/Assigned	1,508,522	550,516	106,455	106,455	106,455	106,455	106,455	106,455	106,455	106,455	106,455
Ending Fund Balance	16,220,919	15,148,397	14,090,877	12,357,330	6,708,336	(332,404)	(9,143,593)	(18,911,586)	(29,627,675)	(41,367,134)	(54,254,868)

Fund Balance Target	\$8,756,192	\$9,189,181	\$9,057,892	\$9,244,108	\$9,453,718	\$9,672,799	\$9,891,033	\$10,140,102	\$10,397,775	\$10,662,255	\$10,933,724
Difference	5,966,205	5,408,700	4,926,530	3,006,768	(2,851,836)	(10,111,658)	(19,141,081)	(29,168,143)	(40,131,905)	(52,135,843)	(65,295,047)



Key Assumptions for FY2023-2024 Forward

Projections utilize both historical, current and future data. As the District looks forward, there are several major factors that need to be considered. They include:

- Enrollment Change - enrollment projection model
- [General Education Formula](#) - 2% increase
- Referendum Revenue - 3 scenarios (expiration, renewal, increase)
- Special Education Revenue - constant
- Staffing Changes - based on enrollment change
- Salaries and Wages - 2% increase to salary schedules
- Health Insurance - 2% increase
- Purchase Services - 2% increase
- Utilities - 4% increase
- Supplies and Other Expenses - 1% increase



Scenario #1 - no renewal of referendum expiring FY24

Hastings Public School District No 200

Five Year General Fund Budget Projection

Excludes Capital Reserves

Date Prepared: 6/7/2022

Version: I-A

Definitions	Actual 2020-21	Budget 2021-22	Projected 2022-23	% Chg	Projected 2023-24	% Chg	Projected 2024-25	% Chg	Projected 2025-26	% Chg	Projected 2026-27	% Chg
Revenue	\$53,443,648	\$54,051,538	\$54,219,751	0.3%	\$53,334,584	-1.6%	\$49,874,371	-6.5%	\$49,795,151	-0.2%	\$49,341,187	-0.9%
Expenditures	\$52,526,646	\$55,124,060	\$55,429,550	0.6%	\$54,828,237	-1.1%	\$55,670,013	1.5%	\$56,799,574	2.0%	\$58,080,030	2.3%
Revenue Over (Under) Expenditures	\$917,002	(\$1,072,522)	(\$1,209,799)		(\$1,493,653)		(\$5,795,642)		(\$7,004,423)		(\$8,738,843)	
Fund Balance	\$16,220,919	\$15,148,397	\$13,938,598		\$12,444,945		\$6,649,303		(\$355,120)		(\$9,093,963)	
Assigned Fund Balance	\$1,508,522	\$191,920	(\$12,997)		\$89,855		\$89,855		\$89,855		\$89,855	
Unassigned Fund Balance	\$14,712,397	\$14,956,477	\$13,951,595		\$12,355,090		\$6,559,448		(\$444,975)		(\$9,183,818)	
Percent Unassigned	28.0%	27.1%	25.2%		22.5%		11.8%		-0.8%		-15.8%	
Unassigned Target Fd Bal. Percent	16.7%	16.7%	16.7%		16.7%		16.7%		16.7%		16.7%	
Minimum Unassigned Fund Balance*	\$8,756,192	\$9,189,181	\$9,240,106		\$9,139,867		\$9,280,191		\$9,468,489		\$9,681,941	
Fund Balance Over (Under) Target	\$5,956,205	\$5,767,296	\$4,711,489		\$3,215,223		(\$2,720,743)		(\$9,913,464)		(\$18,865,759)	



Scenario #2 - renew referendum expiring FY24

Hastings Public School District No 200

Five Year General Fund Budget Projection

Excludes Capital Reserves

Date Prepared: 6/7/2022

Version: I-A

Definitions	Actual 2020-21	Budget 2021-22	Projected 2022-23	% Chg	Projected 2023-24	% Chg	Projected 2024-25	% Chg	Projected 2025-26	% Chg	Projected 2026-27	% Chg
Revenue	\$53,443,648	\$54,051,538	\$54,219,751	0.3%	\$53,334,584	-1.6%	\$52,293,407	-2.0%	\$52,256,649	-0.1%	\$51,829,047	-0.8%
Expenditures	\$52,526,646	\$55,124,060	\$55,429,550	0.6%	\$54,828,237	-1.1%	\$55,670,013	1.5%	\$56,799,574	2.0%	\$58,080,030	2.3%
Revenue Over (Under) Expenditures	\$917,002	(\$1,072,522)	(\$1,209,799)		(\$1,493,653)		(\$3,376,606)		(\$4,542,925)		(\$6,250,983)	
Fund Balance	\$16,220,919	\$15,148,397	\$13,938,598		\$12,444,945		\$9,068,339		\$4,525,414		(\$1,725,569)	
Assigned Fund Balance	\$1,508,522	\$191,920	(\$12,997)		\$89,855		\$89,855		\$89,855		\$89,855	
Unassigned Fund Balance	\$14,712,397	\$14,956,477	\$13,951,595		\$12,355,090		\$8,978,484		\$4,435,559		(\$1,815,424)	
Percent Unassigned	28.0%	27.1%	25.2%		22.5%		16.1%		7.8%		-3.1%	
Unassigned Target Fd Bal. Percent	16.7%	16.7%	16.7%		16.7%		16.7%		16.7%		16.7%	
Minimum Unassigned Fund Balance*	\$8,756,192	\$9,189,181	\$9,240,106		\$9,139,867		\$9,280,191		\$9,468,489		\$9,681,941	
Fund Balance Over (Under) Target	\$5,956,205	\$5,767,296	\$4,711,489		\$3,215,223		(\$301,708)		(\$5,032,930)		(\$11,497,365)	



Scenario #3 - \$150 increase in referendum expiring FY24

Hastings Public School District No 200

Five Year General Fund Budget Projection

Excludes Capital Reserves

Date Prepared: 6/7/2022

Version: I-A

Definitions	Actual 2020-21	Budget 2021-22	Projected 2022-23	% Chg	Projected 2023-24	% Chg	Projected 2024-25	% Chg	Projected 2025-26	% Chg	Projected 2026-27	% Chg
Revenue	\$53,443,648	\$54,051,538	\$54,219,751	0.3%	\$53,334,584	-1.6%	\$54,428,726	2.1%	\$54,395,252	-0.1%	\$53,957,751	-0.8%
Expenditures	\$52,526,646	\$55,124,060	\$55,429,550	0.6%	\$54,828,237	-1.1%	\$55,670,013	1.5%	\$56,799,574	2.0%	\$58,080,030	2.3%
Revenue Over (Under) Expenditures	\$917,002	(\$1,072,522)	(\$1,209,799)		(\$1,493,653)		(\$1,241,287)		(\$2,404,322)		(\$4,122,279)	
Fund Balance	\$16,220,919	\$15,148,397	\$13,938,598		\$12,444,945		\$11,203,658		\$8,799,337		\$4,677,058	
Assigned Fund Balance	\$1,508,522	\$191,920	(\$12,997)		\$89,855		\$89,855		\$89,855		\$89,855	
Unassigned Fund Balance	\$14,712,397	\$14,956,477	\$13,951,595		\$12,355,090		\$11,113,803		\$8,709,482		\$4,587,203	
Percent Unassigned	28.0%	27.1%	25.2%		22.5%		20.0%		15.3%		7.9%	
Unassigned Target Fd Bal. Percent	16.7%	16.7%	16.7%		16.7%		16.7%		16.7%		16.7%	
Minimum Unassigned Fund Balance*	\$8,756,192	\$9,189,181	\$9,240,106		\$9,139,867		\$9,280,191		\$9,468,489		\$9,681,941	
Fund Balance Over (Under) Target	\$5,956,205	\$5,767,296	\$4,711,489		\$3,215,223		\$1,833,612		(\$759,007)		(\$5,094,738)	



Impact of Covid Funds

Due to the availability of Covid dollars, the district has been able to fund much needed supports. The remaining allocations will expire on 9/30/2024. These funds have allowed the district to implement and support \$1.4 million in FY21, and a projected \$1.5 million in FY22. Without these funds the district would be in a much different financial situation.



Volatility of Estimates

- Enrollment growth/decline different than expected
- State & Federal funding increases greater/less than expected levels
- New sources of revenue not contemplated at this time
- Increases in federal grant support or new grants
- Contractual agreement changes that increase/reduce the expected salary or benefits
- Health insurance increases/reductions greater than expected
- Discontinuation of programs or expenses within the district
- Freezing or decreasing budget expense lines
- An increase/decrease in the students with special needs that require significant services be provided by the school district
- New unfunded mandates from the state and/or federal government

