

MASBO

Planning for the Future in a Time of Uncertainty

05.07.20

©2020 Forecast5 Analytics. All Rights Reserved.

FORECAST5[®] | 5Cast

1

Today's Presenters

- Mike Harvey - Superintendent, Zumbrota-Mazeppa
- Ed Harris - Superintendent, Chatfield
- Kathy Miller - Business Manager, Westonka
- John Carlson - Executive Director Finance, Rochester



Todd Netzke

Senior Analytics Advisor
tnetzke@forecast5analytics.com | 630.955.7913 athonomas@forecast5analytics.com | 630.955.7912



Ann Thomas

Senior Analytics Advisor
thonomas@forecast5analytics.com | 630.955.7912



Scot Ecker

Senior Analytics Advisor
secker@forecast5analytics.com | 630.955.7617



Joel Finstad

Analytics Advisor – 5Sight
jfinstad@forecast5analytics.com | 630.955.7839

FORECAST5[®] | 5Cast

2

WHAT IF??

What if the state, due to reduced revenue collections, can't live up to school funding at the anticipated levels?

What if any "pre-covid" projections we've been doing until this point are actually a "best case" scenario.

How can we plan, strategize and be nimble without causing undue alarm?

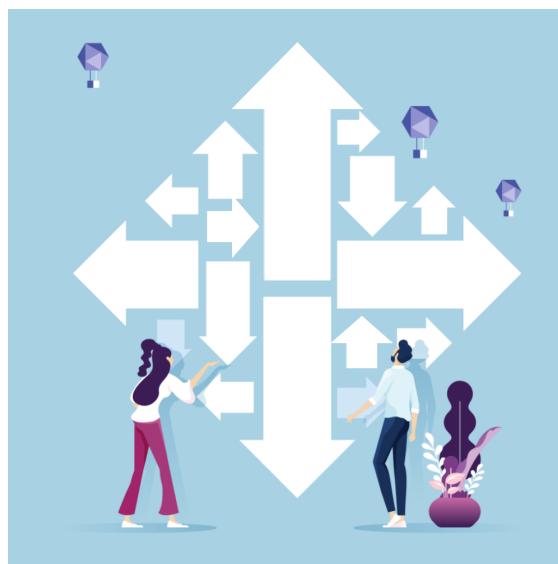
How can we stand united?

©2020 Forecast5Analytics. All Rights Reserved.

FORECAST5TM ANALYTICS | 5Cast

3

Governor's order to close schools

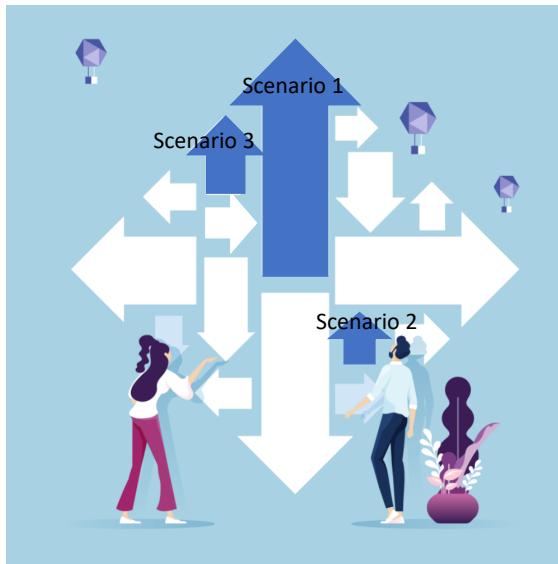


©2020 Forecast5Analytics. All Rights Reserved.

FORECAST5TM ANALYTICS | 5Cast

4

Can we bring clarity to the complicated?



©2020 Forecast5Analytics. All Rights Reserved.

FORECAST5TM ANALYTICS | 5Cast

5

Transparency, Leadership, Problem Solving

Where we go next.



©2020 Forecast5Analytics. All Rights Reserved.

FORECAST5TM ANALYTICS | 5Cast

6

Transparency, Leadership, Problem Solving

Two cities have committed to support our commitment to public service journalism.

ALL SECTIONS |  **StarTribune** LOG IN | [SUBSCRIBE](#)

From surplus to 'tsunami': Pandemic dims bright forecast for Minnesota's budget

By Jessie Van Berkel Star Tribune | APRIL 6, 2020 – 7:53PM

WHY Reduction in Revenue

A month ago, Minnesota leaders were debating how to use an anticipated \$1.5 billion surplus. On Monday, they were facing a radically different picture of hiring freezes, potential deficits and plummeting revenue brought on by the COVID-19 crisis.

"We are waiting for a tsunami of revenue to not show up," state economist Laura Kalambokidis warned a Senate working group Monday.

Frans said it's possible the Walz administration could ask legislators in May or later to approve a supplemental finance bill that includes some spending cuts, but it's too soon to tell. It depends on the updated revenue and economic forecast coming Friday and how much of the state's reserves they need to use, he said.

©2020 Forecast5Analytics. All Rights Reserved.

7

Transparency, Leadership, Problem Solving

FORECAST5
ANALYTICS

Operational Considerations and Budget Implications Related to COVID-19 – Expenditures

Expenditures Listed by Object Code 100 Personnel Services – Salaries

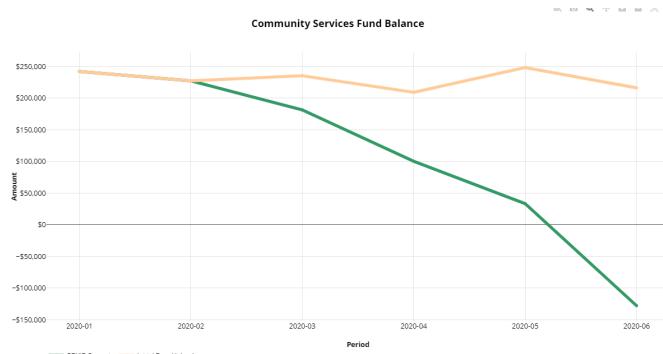
- Impact of wages paid to employees during the shutdown period
- Potential loss of good employees during the closing period
- Overtime pay impact – net reduction?
- Supplemental contracts – coaches, club sponsors, department chairs, committees
- Hiring of additional health staff in the future?
- Reduction in substitute costs

200 Personnel Services – Employee Benefits

- Medical Insurance – impact to 19-20 claims if self-insured; impact to future rate increases
- Unemployment Compensation – increased costs depending on how wages are handled for employees who are not working

300 Contracted Professional & Technical Services

- No Spring Activities transportation costs
- No Spring Activities Officials
- Contracted Substitutes savings
- Additional cost for online professional development – assisting staff with how to support students in this new environment



©2020 Forecast5Analytics. All Rights Reserved.

8

Approach

Rochester

Scenario 1 – PreCovid, 2% Basic
Formula Increase

Scenario 2 – Best Case, 1% Basic
Formula Increase

Scenario 3 – Worst Case, 0% Basic
Formula Increase

Westonka

Scenario 1 – PreCovid, 2% Basic
Formula Increase

Scenario 2 – Best Case, 1% Basic
Formula Increase

Scenario 3 – Worst Case, 0% Basic
Formula Increase

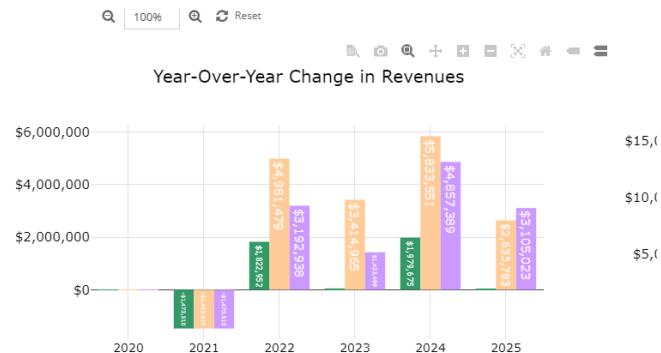
For consideration: If there is a reduction in funding, for how many years do we think it could last.

©2020 Forecast5Analytics. All Rights Reserved.

FORECAST5TM
ANALYTICS | 5Cast

9

Transparency, Leadership, Problem Solving



| 2020 | Scenario | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------|---|------|--------------|-------------|------------|------|------|
| \$9,98 | Worst Case Scenario of 0% funding increases JC 4.8.20 | \$0 | -\$1,473,510 | \$1,822,952 | \$48,40 | W | |
| \$6,51 | Pre-COVID | \$0 | -\$1,473,510 | \$4,981,479 | \$3,414,96 | P | |
| \$2,73 | COVID - Best Case | \$0 | -\$1,473,510 | \$3,192,938 | \$1,423,49 | C | |

©2020 Forecast5Analytics. All Rights Reserved.

10

Farmington Public School District Economic Profile

Financial benchmarking allows districts to analyze their condition, comparing their data to defined metrics to inform decision makers.

| District | County | District Enrollment | ELL Status Percent of Enrollment |
|--------------------------------------|------------|---------------------|----------------------------------|
| Centennial Public School District | ANOKA | 6,840 | 2.88% |
| Eastern Carver County Public School | CARVER | 9,896 | 4.73% |
| Eden Prairie Public School District | HENNEPIN | 8,826 | 8.41% |
| Farmington Public School District | DAKOTA | 7,323 | 4.63% |
| Prior Lake-Savage Area Schools | SCOTT | 8,987 | 2.98% |
| St. Michael-Albertville School Dist. | WRIGHT | 6,557 | 1.78% |
| Stillwater Area Public School Dist. | WASHINGTON | 8,572 | 2.62% |

Enrollment Data presented is from 2020.

11

Transparency, Leadership, Problem Solving



Solutions and Ideas

- Balancing class size and resources
- Formula Revenue increase?
- Federal COVID stimulus revenue
- Collective bargaining agreements
- Total number of school and work days
- Use of reserves, state and local
- Is there opportunity for efficiencies with what we've learned about remote teaching?
- Wait for posting of open positions
- Debt refinancing
- Bond ratings

- MASBO as a resource
- District leaders/mentors experience with similar challenges.

12

Not a Forecast5 client? Learn how we can help you with modeling forecast scenarios and communicating your situation.

Contact: Bob Manikas | bmanikas@forecast5analytics.com

Forecast5 clients, please contact your Analytics Advisor:



Todd Netzke
Senior Analytics Advisor
t Netzke@forecast5analytics.com | 630.955.7913



Ann Thomas
Senior Analytics Advisor
a Thomas@forecast5analytics.com | 630.955.7912



Scot Ecker
Senior Analytics Advisor
s Ecker@forecast5analytics.com | 630.955.7617



Joel Finstad
Analytics Advisor – 5Sight
j Finstad@forecast5analytics.com | 630.955.7839

FORECAST5[®] | **5Cast**