

# I am a new Superintendent

What I need to know from a current CFO's  
perspective

WASA New Superintendent Conference: 7-23-2020  
Jacob Kuper, CFO/COO Issaquah School District  
Kassidy Probert, Assistant Superintendent NEWESD 101

## About the Presenters:

Jacob Kuper

- 17 years as CFO/COO of Issaquah School District
- 3 Years as a State Auditor
- Consulting Services to other School Districts and private companies in the areas of finance/operations
- On a personal level, I am a 6<sup>th</sup> generation Washingtonian who grew up in Eatonville and currently live in Enumclaw with my wife Rachel and 3 children (Evelyn (17), Harrison (14) and Rose (8))

Kassidy Probert

- 3 years NEWESD 101
- 4 years school district CFO
- 5 years Director of Finance Critical Access Hospital
- Live in Cheney with my wife Jenni and 2 children Asher (8) and Blakely (4)

# Presentation Overview

- The Budget/Finance Cycle
  - From July (When your new contracts all started to) to June
- What should I know as Superintendent as I begin my first year?
  - Current Financial Position of Your District
  - Planned District Initiatives
  - Enrollment
  - Staffing
  - Negotiations
  - Taxing Measures
- Resources:
  - OSPI, WASA, your Business Manager/CFO
- Reflections: What will your relationship be with \$\$\$\$ in your district?
  - Benevolent Dictator, Egalitarian, Defined Autonomy

# The Budget/Program Cycle in Washington State

- July: Admin Contracts have been issued and Budgets should be done or in some cases adopted by the Board
- August: By 7-31(class 2) or 8-31(class 1) of each year the Board must adopt the annual appropriations amount, you must hold a public hearing that has been advertised as required by statute
- September/October: Enrollment counts (P223) which your budget is based on, Have they come to fruition or not?
- November/December: Begin planning for program changes/additions for the future budget year. Staff should be projecting enrollment and next year staffing levels

## The Budget/Program Cycle in Washington State (Continued)

- January: Legislature comes into session (finishes in March or End of April, or if we are really lucky late June)
  - Also in January apportionment becomes actual. (Great time to check in and see if your prior year budgeting/enrollment forecasts were accurate)
  - February to June: Hiring and program implementation
    - Reading the Tea Leaves from the legislature (always an adventure)
    - Collective Bargaining if applicable
    - June-August: (Complete Budget...then start all over again)

# What the Heck Should I know when I walk in the door?

- **Current Financial Position:**

- Fund Balance (The Goldilocks of Numbers) How much cash do you have?
  - 2017-18 Average Fund Balance Per Pupil (\$1,455) or 11.3% of expenditures state-wide
    - This amount is an average and should vary considerably based on the size of District
  - These funds can only be spent once, and the amount you have or do not have in reserves can effect your Bond Ratings, your Union relations, your Board priorities, etc.
  - Have your reserves been stable and growing with your budget?
  - What percentage of your budget is being spent on salary/benefits vs. MSOC's (Material Supplies and Operating Costs)
  - How do I compare to like-size and or similarly situated Districts.
  - Supplemental Funding: Capital Levies, Bonds, grants, PTSA's etc.
  - What's the Board/Community Expectation for your finances?

# The District's Current Initiatives and Financial Commitments

- If there are ongoing initiatives or promised programs from prior Superintendent or Current Board members...time to get acquainted;
  - PBIS, Mental Health, Cultural Competency, Early Learning, etc.
  - First year in, If you are an external hire tough from a timing standpoint to “add or change program.” Your opportunity will come...most likely next budget cycle
  - Your current Collective Bargaining agreements...what do they cost you, and what are they going to cost you if you have multi-year settlements.
  - School Employee Benefit Board
  - Opening/Closing schools

# Enrollment and Staffing

- Enrollment = Revenue = Staffing

FTE GRADE	FTE PROJECTION						FTE				
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
K	653.50	693.50	661.00	703.75	1446.90	1336.70	1377.81	1327.66	1443.58	1388.75	1377.47
1ST	1489.00	1494.00	1547.15	1482.50	1561.40	1519.30	1470.12	1511.13	1457.04	1566.62	1505.67
2ND	1413.81	1552.00	1557.68	1623.30	1535.10	1591.00	1561.11	1519.95	1559.62	1500.05	1607.60
3RD	1526.00	1477.50	1615.00	1609.10	1691.10	1554.90	1628.23	1605.84	1562.63	1600.51	1535.61
4TH	1498.02	1544.70	1547.78	1649.90	1641.00	1720.00	1576.29	1662.45	1634.50	1590.08	1627.03
5TH	1477.23	1555.10	1582.37	1603.60	1680.00	1645.20	1739.77	1602.65	1688.04	1654.07	1607.59
6TH	1461.96	1511.70	1599.50	1626.30	1627.00	1722.70	1666.53	1771.45	1633.65	1716.37	1683.42
7TH	1391.33	1490.90	1551.60	1625.70	1655.30	1631.20	1731.12	1684.74	1786.88	1647.07	1726.59
8TH	1463.01	1432.30	1519.60	1584.80	1650.50	1637.80	1636.92	1742.64	1694.60	1791.98	1648.36
9TH	1343.78	1494.60	1472.40	1565.00	1629.10	1677.30	1659.06	1669.22	1774.91	1724.29	1818.65
10TH	1403.63	1351.60	1488.80	1474.70	1546.10	1565.40	1644.87	1632.04	1639.60	1738.80	1684.79
11TH	1233.44	1292.40	1166.50	1290.20	1243.00	1308.40	1356.88	1429.26	1411.98	1415.24	1515.81
12TH	1110.26	1115.30	1135.80	1063.10	1165.30	1060.90	1158.29	1210.74	1286.50	1261.36	1259.48
<b>TOTAL - FTE</b>	<b>17464.97</b>	<b>18005.60</b>	<b>18445.18</b>	<b>18901.95</b>	<b>20071.80</b>	<b>19970.80</b>	<b>20207.01</b>	<b>20369.76</b>	<b>20573.52</b>	<b>20595.18</b>	<b>20598.08</b>
K-5TH	8057.56	8316.80	8510.98	8672.15	9555.50	9367.10	9353.34	9229.68	9345.40	9300.06	9260.97
6TH-8TH	4316.30	4434.90	4670.70	4836.80	4932.80	4991.70	5034.57	5198.83	5115.13	5155.42	5058.37
9TH-12TH	5091.11	5253.90	5263.50	5393.00	5583.50	5612.00	5819.10	5941.26	6112.99	6139.70	6278.74
<b>TOTAL - FTE</b>	<b>17464.97</b>	<b>18005.60</b>	<b>18445.18</b>	<b>18901.95</b>	<b>20071.80</b>	<b>19970.80</b>	<b>20207.01</b>	<b>20369.76</b>	<b>20573.52</b>	<b>20595.18</b>	<b>20598.08</b>



# Enrollment and Staffing

- Enrollment = Revenue = Staffing
  - An environment with growing enrollment provides fresh revenue... a flat or declining enrollment environment requires greater financial conservatism and you are often placed into a “prioritization” situation
  - Enrollment in a seat time based system like Washington is the driver for all of your revenue.
  - Levy and Levy Equalization are in some cases are provide on a per student basis as well
  - Your business manager must ensure that you are maximizing the state apportionment (state funding) by staffing in the correct areas (such as K-3)

# Staffing Driven by Enrollment

(Established and Adhered to Ratios are essential)

(6) Resulting Student/Teacher Staffing Ratio																			
School	Ratio by Grade												Total Enrollment Ratio					Total Ratio	
	K	1	2	3	4	5	6	7	8	9	10	11	12	K-3	4th	5th	6-8		9-12
Apollo	20.5	17.8	17.8	19.6	21.6	22.8								18.83	21.60	22.80			19.92
Briarwood	17.0	17.6	19.3	21.6	23.6	24.0								18.90	23.60	24.00			20.48
Cascade Ridge	20.0	21.7	22.3	21.8	26.6	24.5								21.46	26.63	24.50			23.10
Challenger	19.0	18.1	20.8	20.1	22.1	23.3								19.42	22.13	23.25			20.39
Clark	19.9	20.0	19.4	20.0	23.4	23.3								19.85	23.40	23.29			20.95
Cougar Ridge	18.8	20.6	20.3	22.0	23.8	26.4								20.34	23.75	26.38			21.74
Creekside	17.6	19.2	19.1	21.5	26.2	26.4								19.43	26.20	26.40			21.52
Discovery	20.5	19.4	19.5	19.8	25.5	23.6								19.76	25.50	23.60			21.17
Endeavour	19.6	17.3	20.3	19.4	25.5	23.6								19.17	25.50	23.60			20.93
Grandridge	0.0	20.2	21.0	21.7	22.3	25.1								21.05	22.33	25.14			22.19
Issaquah Valley	17.8	19.0	21.6	22.0	23.0	22.8								19.93	23.00	22.75			20.72
Maple Hills	19.0	19.3	22.3	24.0	22.7	23.3								21.17	22.67	23.33			21.78
Newcastle	19.7	19.5	18.7	19.3	24.0	26.0								19.29	24.00	26.00			20.72
Sunny Hills	19.7	19.6	21.8	20.7	27.0	24.0								20.40	27.00	24.00			21.86
Sunset	18.5	19.2	17.8	20.8	26.0	28.3								19.05	26.00	28.25			21.03
Beaver Lk - MS																	25.49		25.49
Issaquah - MS																	25.57		25.57
Maywood - MS																	25.51		25.51
Pac. Casc- MS																	25.47		25.47
Pine Lake- MS																	25.52		25.52
Issaquah - HS																		25.74	25.74
Liberty - HS																		25.69	25.69
Skyline - HS																		25.75	25.75
Gibson EK																		20.90	20.90
Special Services																		0.00	-
<b>Total</b>	<b>19.0</b>	<b>19.2</b>	<b>20.0</b>	<b>20.8</b>	<b>24.2</b>	<b>24.4</b>								<b>19.8</b>	<b>24.2</b>	<b>24.4</b>	<b>25.5</b>	<b>25.5</b>	<b>23.31</b>

# Staffing Driven by Enrollment


(Established and Adhered to Ratios are essential)

- As a new Superintendent know how your District is currently staffed:
  - Ratios (What are they, hell do they even exist?)
    - Goals, requirements, funding, etc.
    - Acuity or program staffing (LAP, ELL, SPED)
  - Collective Bargaining Requirements (Stay away from Staffing guarantees in the CBA's)
  - Service Levels for staff, students, and community
  - Ratios allow for management upward and down and prevent the “squeaky wheel) or heartstrings story from getting resources
  - Data, Data, Data...outcomes desired, etc.

# Labor Negotiations

- You may be coming into a settled or tumultuous labor environment
- Your single largest cost center is labor...roughly 85% of your budget
- Fund with ongoing revenue streams not out of fund balance
- The bargaining/labor environment is as aggressive as I have seen it in my 15 year career
- Superintendent at the table...well it depends.
- Choices...(Pay less people more or more people less) Your CBA's are some of the most important documents in the entire district as they can help or hinder the ability of the District to move initiative forward, attract and retain staff, etc.

# Levies and Bonds

- When are your current levies up for renewal?
  - What is an enrichment levy?   
Enrichment
  - Do you currently have capital measures, transportation levy, or Bonds?
    - How can you use these other levies to take pressure of the operating fund and keep money in the classroom?
    - Value proposition: What is it? Why should we vote for your local levies? McCleary fixed everything didn't it?

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# Scenario Breakout

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## Conclusion

- Reflections: What will your relationship be with \$\$\$\$ in your district?
  - Benevolent Dictator: Political allocations moving an agenda forward or silencing the squeaky wheel
  - Egalitarian: Everyone gets the same \$\$\$
  - Defined Autonomy (allocate and evaluate)
  - The answer is probably all of the above. Each District at different times will need a superintendent to add program, cut program or reshape finances. This is part of the game and if done correctly with good support you and your district can focus on student achievement and instructional leadership.
  - The “budget” should be boring, predictable, and as stable as possible.
  - Good Luck and Best wishes in your first year as Washington Supts....

## Resources:

- Your Monthly Budget Status Report: Required under statute:
  - [Issaquah Budget Status](#)
- OSPI: [School Apportionment and Financial Services](#)
- [WASA](#): (TWIO, Position Papers, WASA Services, etc.)
- [Your District Website or Community Budget Guide](#)/Info that has been created by your Business Manager/CFO
- Your superintendent meetings, mentors, cohorts, etc.
- THE MOST IMPORTANT RESOURCE: IS YOUR RELATIONSHIP/TRUST WITH YOUR BUSINESS MANAGER/CFO