Always Ready for Learning Coaching Network

The Always Ready For Learning Coaching Network brings together experts from across the country to provide timely, targeted, and sustained coaching to ensure learning can happen anywhere, anytime.
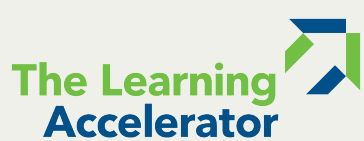
Case Study
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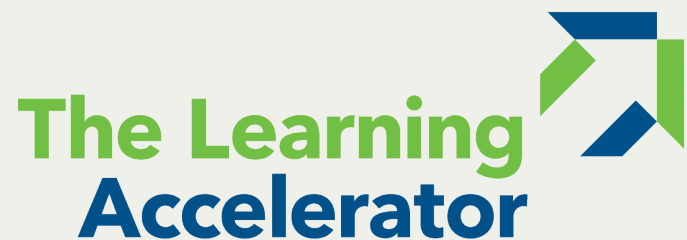# Background

MID-SIZED SCHOOL DISTRICT – 2020

Through the Always Ready for Learning Coaching Network, Afton worked to support a school district ("the District") in the Northeastern U.S. comprised of approximately 15 schools.

When engaging with the District in May 2020, the team had a lot on their plate unique to the upcoming school year: managing uncertainty around **a flat level of state per-pupil funding for FY21** (and beyond), considering **multiple instructional delivery methods with the unknowns of COVID-19**, and **understanding the costs of COVID-19 related expenses**. Each of these items had significant financial and operational implications in both the short- and long-term and required analysis and strategic thinking to drive effective decision making.

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Considering the financial and operational challenges and uncertainty driven by COVID-19, through the ARL initiative, Afton Partners supported a mid-sized school district in developing long-term financial projections and FY21 financial impacts of different instructional delivery models.

Afton Partners partnered with the District to support two major areas:

 FY21 Budget Scenarios With Different Delivery Models

 Long-term Financial Forecast Model Updates

Summary of supports and lessons learned:

FY21 Budget Scenarios

● Developed multiple budget scenarios for FY21

● Considered different staffing ratios and virtual/in-person enrollment scenarios

● Codified fiscal impact of different instructional delivery scenarios (remote, in person, hybrid)

Long-term Financial Forecast

● Given the uncertain funding (and enrollment) environment, the District wanted to create a flexible and dynamic forecast model

● The model allows for quick updates to key assumptions to quantify short and long-term impacts to district financial sustainability

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1) FY21 Budget Scenarios

Scenario Planning

The District needed to consider quantifying at least three different instructional delivery scenarios: in-person, remote, and hybrid. All with uncertain enrollment and health safety requirements due to COVID.

Afton reviewed internal budget scenarios and provided guidance on how to think about the different resource allocation and estimation options for staffing, supplies, transportation, technology and other school and district spending items.

Lessons Learned

- **Identify funding scenarios** – Use your budget models to understand the impact of different levels of uncertain funding. In the District's case, they understood the budget of a traditional school year with flat funding per pupil and adjustments to make to operations if funding fluctuates.

- **Codify budgetary impact to different operating scenarios** – Is the plan to deliver instruction in person, remotely, or hybrid? What would be the timing of these scenarios and how would they be operationalized with available funding?

- **Enrollment –** How will the different instructional models impact enrollment, and how will that impact staffing and funding? Understanding different breakeven levels of enrollment, and options to reach breakeven, are important when considering budgeting scenarios to consider.

- **Communicate early, and often** – Budgets are living documents that will change with new information. District leadership should communicate key assumptions included, and risks and opportunities associated with each. In times of uncertainty, proactive communication is especially important.

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2) Long-term Financial Projection Model

Reflecting a new (and uncertain) reality
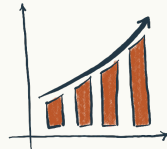
The District did not have a recent long-range projection, but the current uncertainty of COVID-19 provided an opportunity to create one.

Once a budget was finalized, Afton created a long-range projection model to reflect projected enrollment, revenues, and expenditures.

This model was used to quantify an annual funding gap and the need to prioritize future staffing and expenditure plans to ensure sustainability.
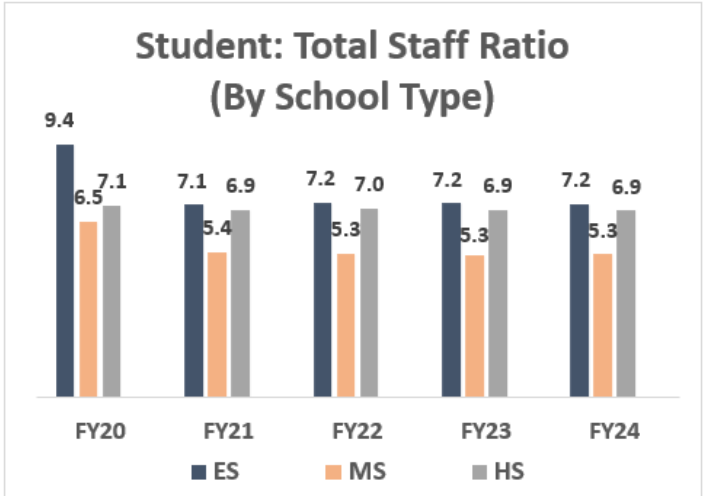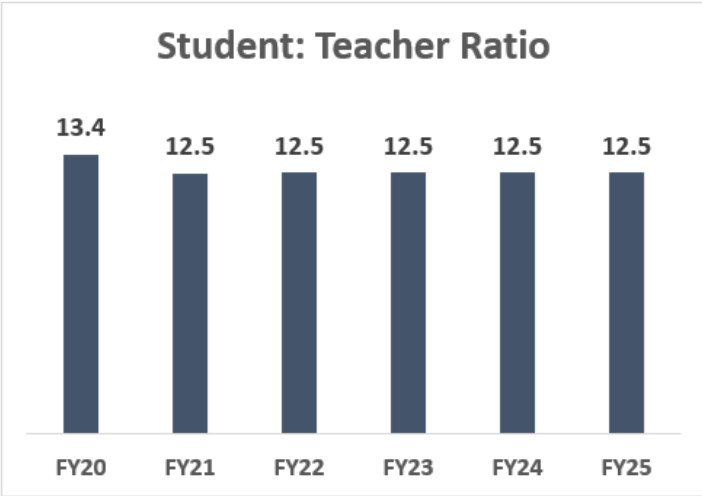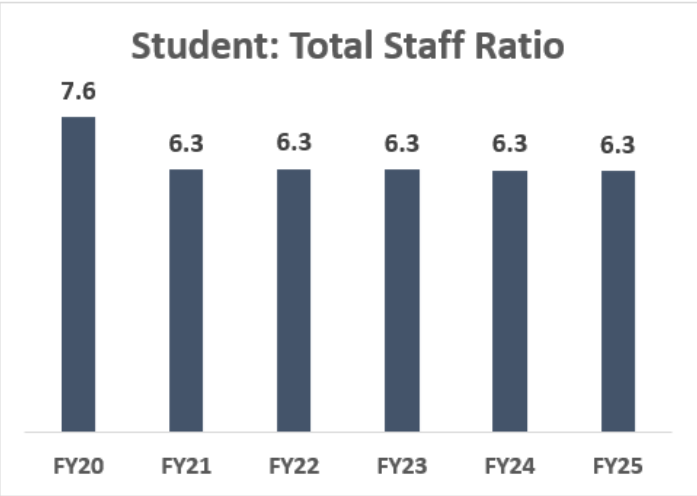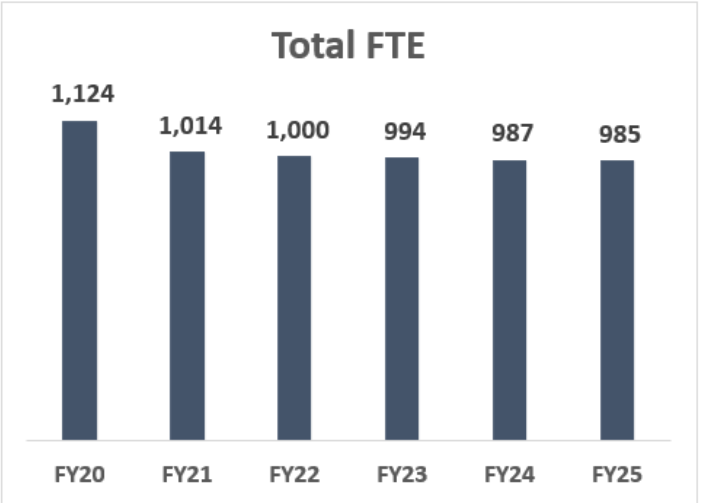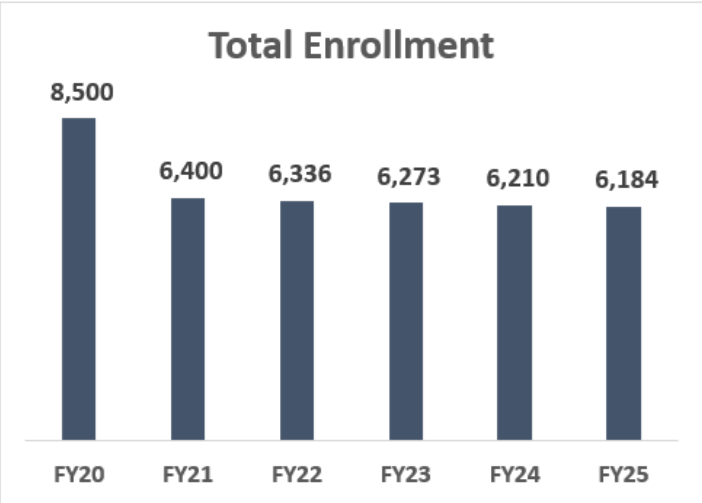
Lessons Learned

- **Focus on flexibility** – Allowing for a quick update on assumptions such as average teacher salary, per pupil revenues, inflation, benefit growth, enrollment, debt service, and staffing ratios allows projection scenarios to be run quickly and translate the fiscal impact of various operational and strategic decisions.

- **Consider COVID impact on assumptions and expectations** – The pandemic will impact all key assumptions in future years, including enrollment levels (with a particular focus on Kindergarten first, then by grade level), and any additional resources required for academic testing and/or supports required for students with the greatest needs. This all while confronting a likely decrease in education funding in many states. Districts have always had to contend with "doing more with less," but the near future will likely require additional innovative approaches to resource allocation to meet the needs of all students as they return to the classroom.

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Example of financial projection dashboard

Enrollment, Staffing, and Schools Summary

Total Schools

FY20	FY21	FY22	FY23	FY24	FY25
15	15	15	15	15	15

Total Enrollment

FY20	FY21	FY22	FY23	FY24	FY25
8,500	6,400	6,336	6,273	6,210	6,184

Total FTE

FY20	FY21	FY22	FY23	FY24	FY25
1,124	1,014	1,000	994	987	985

Student: Total Staff Ratio

FY20	FY21	FY22	FY23	FY24	FY25
7.6	6.3	6.3	6.3	6.3	6.3

Student: Teacher Ratio

FY20	FY21	FY22	FY23	FY24	FY25
13.4	12.5	12.5	12.5	12.5	12.5

Student: Total Staff Ratio (By School Type)

	FY20	FY21	FY22	FY23	FY24
ES	9.4	7.1	7.2	7.2	7.2
MS	6.5	5.4	5.3	5.3	5.3
HS	7.1	6.9	7.0	6.9	6.9

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Long-term Financial Projection Model

OVERVIEW

Afton has anonymized and shared a simple five-year long-term projection tool, which allows districts to project financial impacts of changes to enrollment, funding, and expenditures over the long term. The largest contributor to expenses will be salaries and benefits which usually grow at a higher rate than public funding. The model will help the user identify what impact adjustments made today will have in two to five years.

A copy of the MS Excel model can be found <u>here</u>. Please refer to the 'Model Guide' tab for an overview of the model and general instructions for use.

*Please note that "dummy data" is being used for demonstration purposes, and the figures in this model do not represent any organization in particular.

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