

WASBO Facilities Management Conference

February 2024



B&G Finance 101

Key Financial Metrics to Guide Budgeting
and Measure Performance

WASBO
University:
Home of
the Debits!



Tuesday, February 6, 2024



**Wisconsin's
ranking has
fallen relative to
the nation on
per pupil
spending on
K-12 education**

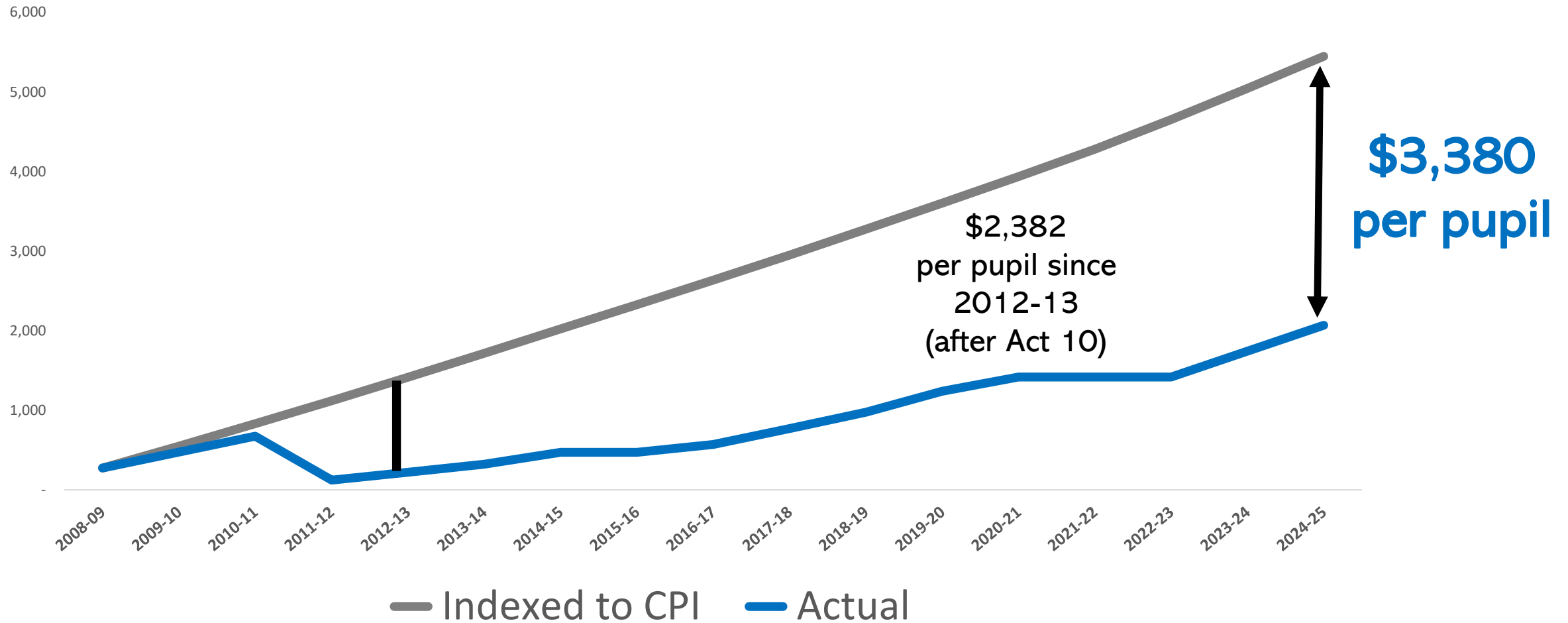
11th in 2002
11% above national average



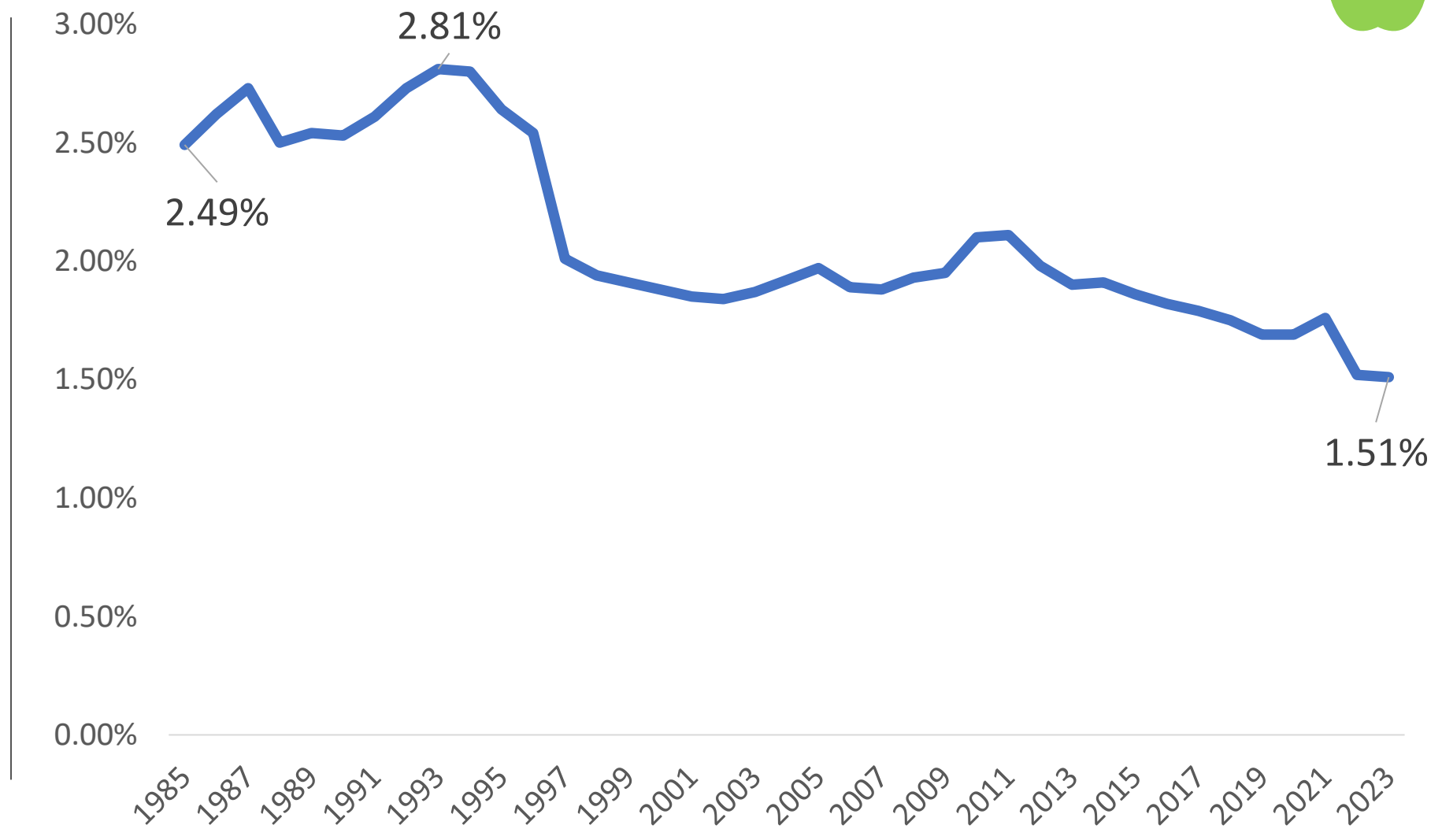
25th in 2021
5.2% below national average

Wisconsin provides **disproportionately less funding to rural districts: 11th lowest** in the nation on state revenue to schools per local dollar (\$.82 versus \$1.18 nationally)

General school district revenues per pupil lag inflation by more than \$3,300 since 2009



School property tax levy as % of personal income (tax burden)



2023-25 State Budget

What was enacted: Key K-12 funding provisions



Revenue limit: + \$325 per pupil in each year



More Equalization Aid [Minimal increase]



Low revenue ceiling Up to \$11,000



After Levy: School Levy Tax Credits



Significant increase in voucher/charter payments



Uptick in special education reimbursement rate: ~33%



Elimination of High Poverty Aid

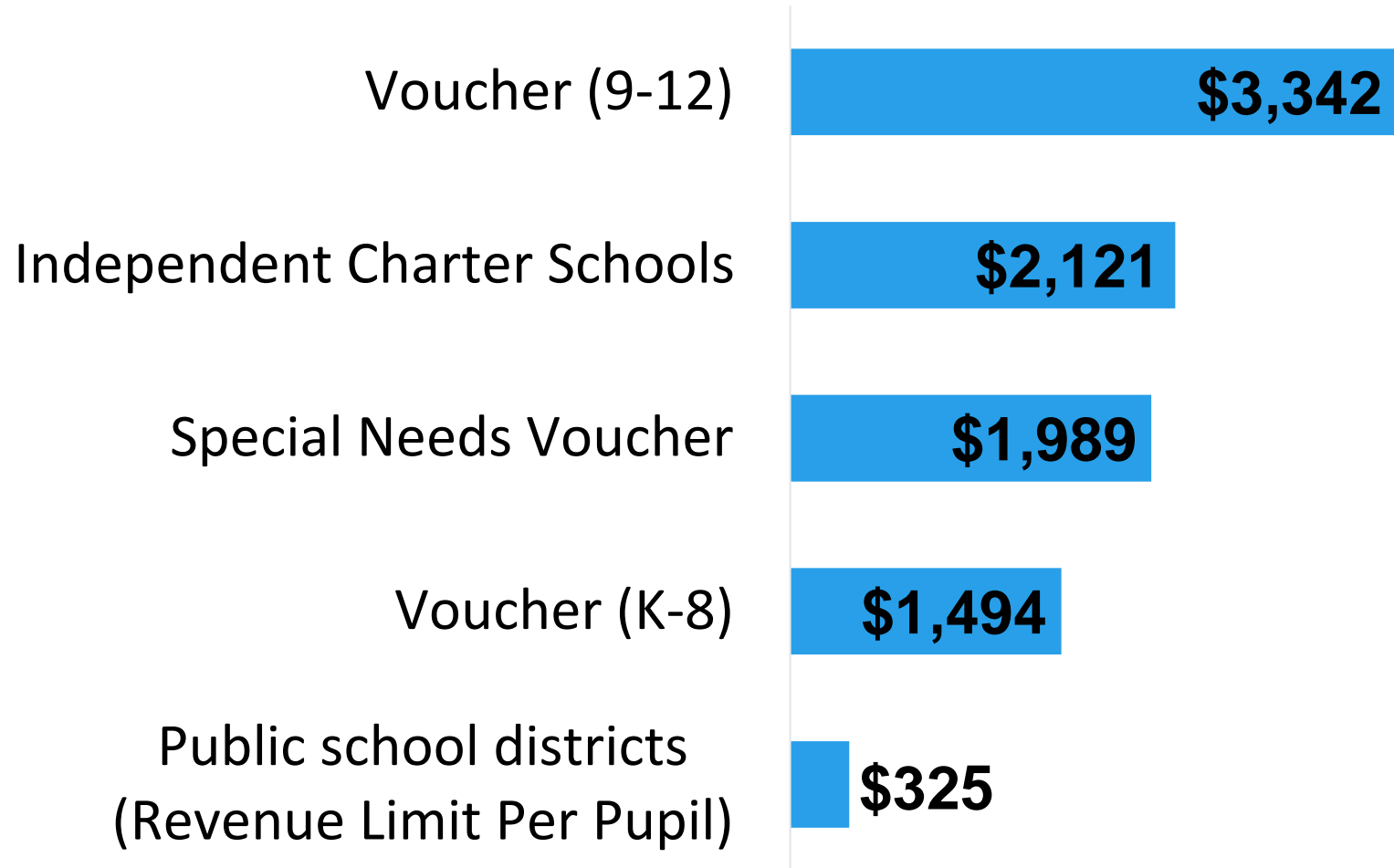


Minimal mental health aid: \$31/pupil

Significant increase in voucher/charter payments

Impacts by school type

2023-24 change to per pupil payments over prior year (\$)



Declining Enrollment as treated under our revenue limit formula:

Reduces resources faster than costs

71% of districts are in declining enrollment (55% in 2006-07)

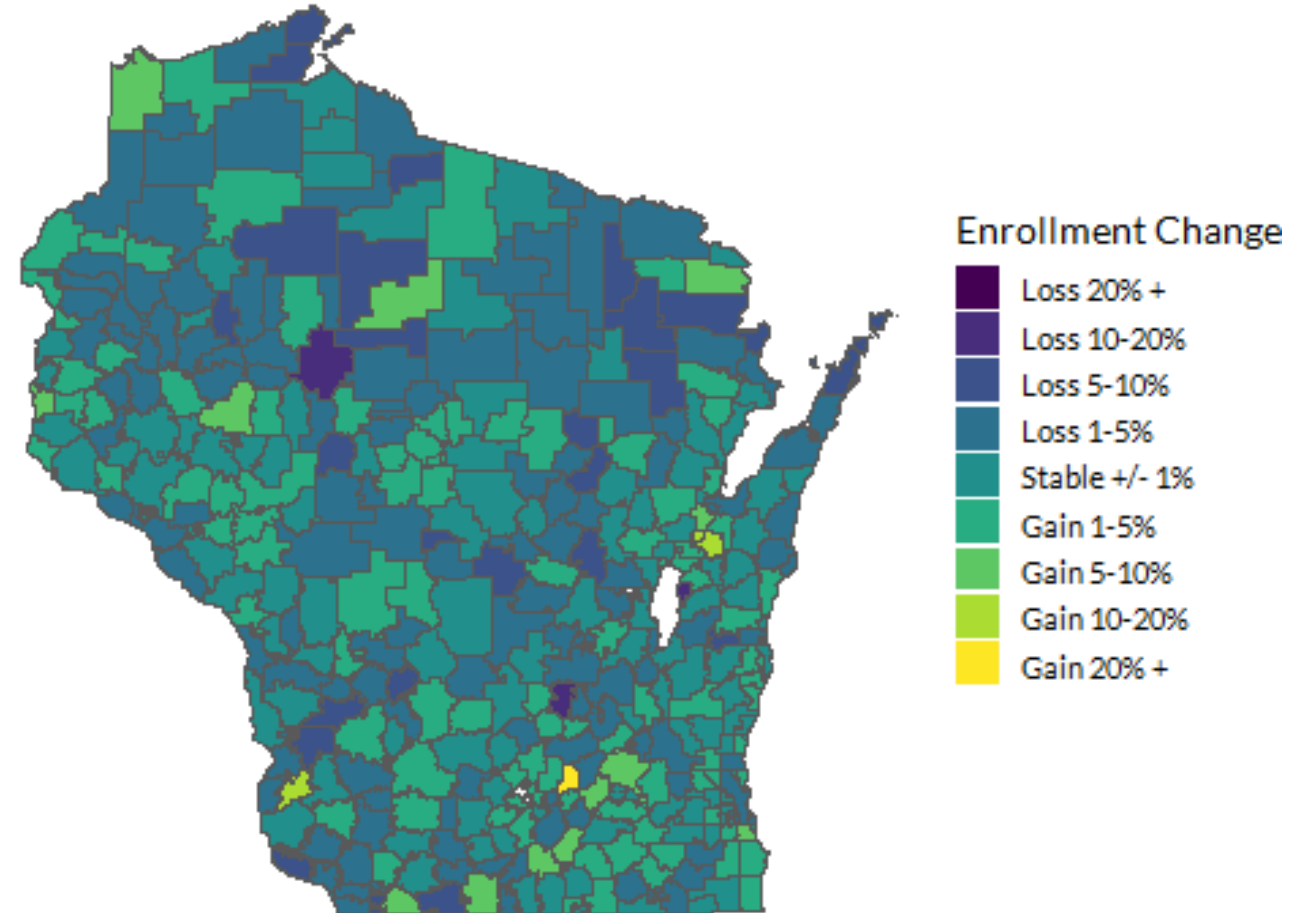
75% of students are located in just 30% of districts

Public school enrollment projected to decline by over 10,000 students annually over the next 5 years

Percentage change in enrollment

2005-06 to 2022-23

School Year 2006-07





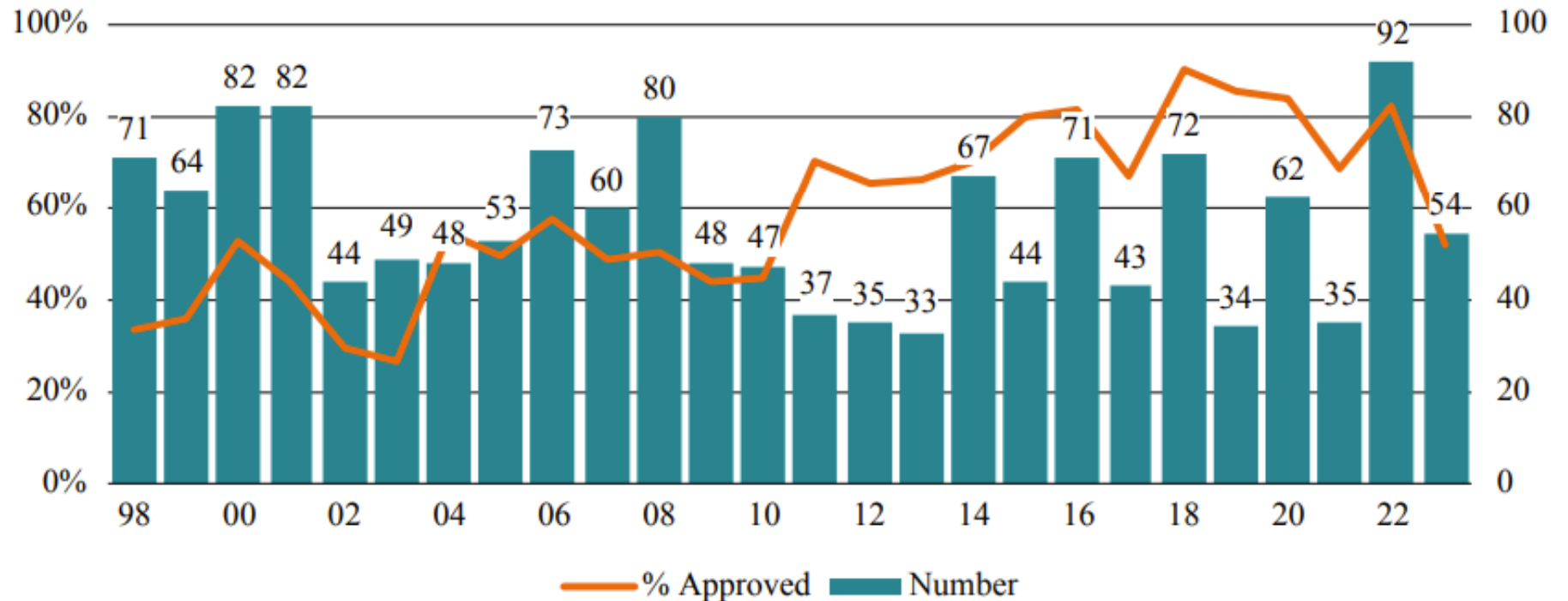
How are districts coping?

After exhausting Act 10 tools, deficit spending, tapping reserves, and using ESSER...

Increased use of operating referendums

2022 had highest number of operating referendums since at least 1998

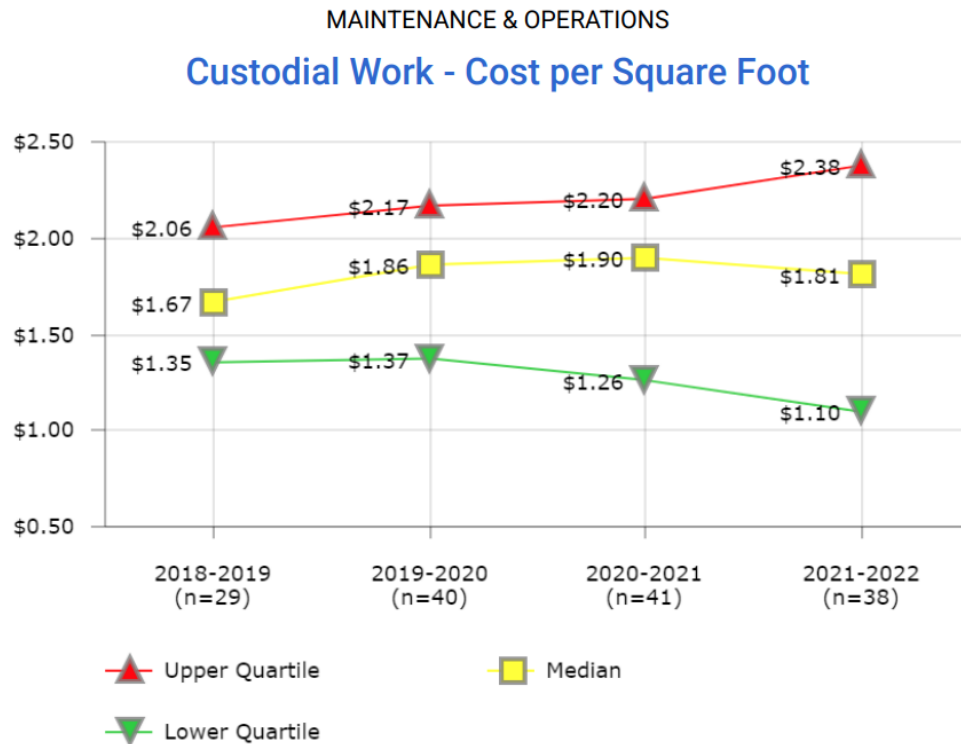
Operating referendums: Number and approval rates (1998-2023)



Let's Focus on School Facilities, Maintenance and Operations

Metrics!

Custodial Work Per Square Foot



Description of Calculation

Total cost of district-operated custodial work plus total cost of contract-operated custodial work, divided by total square footage of all non-vacant buildings.

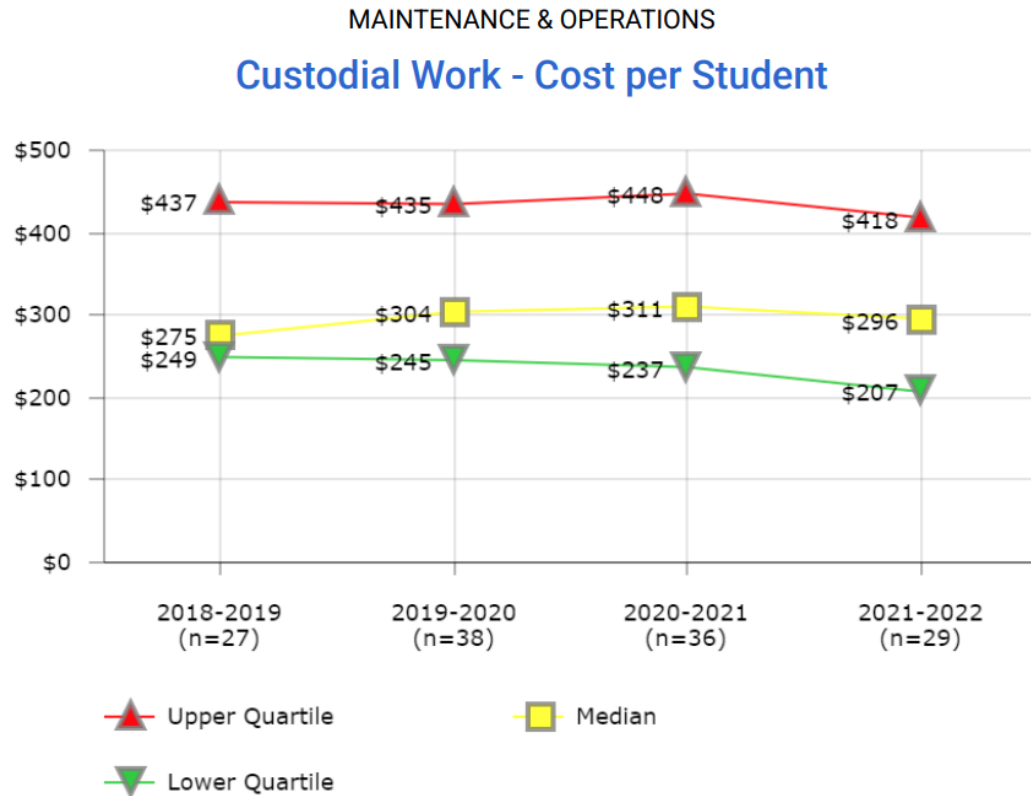
Importance of Measure

This measure is an important indicator of the efficiency of the custodial operations. The value is impacted not only by operational effectiveness, but also by labor costs, material and supply costs, supervisory overhead costs as well as other factors. This indicator can be used as an important comparison with other districts to identify opportunities for improvement in custodial operations to reduce costs.

Factors that Influence

- Cost of labor
- Collective bargaining agreements
- Cost of supplies and materials
- Size of school

Custodial Work - Cost per Student



Description of Calculation

Total custodial work costs (contractor and district operated), divided by total student enrollment.

Importance of Measure

This measure is an important indicator of the efficiency of the custodial operations. The value is impacted not only by operational effectiveness, but also by labor costs, material and supply costs, supervisory overhead costs as well as other factors. This indicator can be used as an important comparison with other districts to identify opportunities for improvement in custodial operations to reduce costs.

Factors that Influence

- Cost of labor
- Cost of supplies and materials
- Scope of duties assigned to custodians

Custodial Workload



Description of Calculation

Total square footage of non-vacant buildings that are managed by the district, divided by total number of district custodial field staff. This measure only applies to district-operated sites.

Importance of Measure

This measurement is a very good indicator of the workload for each custodian. It allows districts to compare their operations with others to evaluate the relative efficiency of the custodial employees. A value on the low side could indicate that custodians may have additional assigned duties, or have opportunities for efficiencies compared to districts with a higher ratio. A higher number could indicate a well managed custodial program or that some housekeeping operations are assigned to other employee classifications. It is important for a district to examine what drives the ratio to determine the most effective workload.

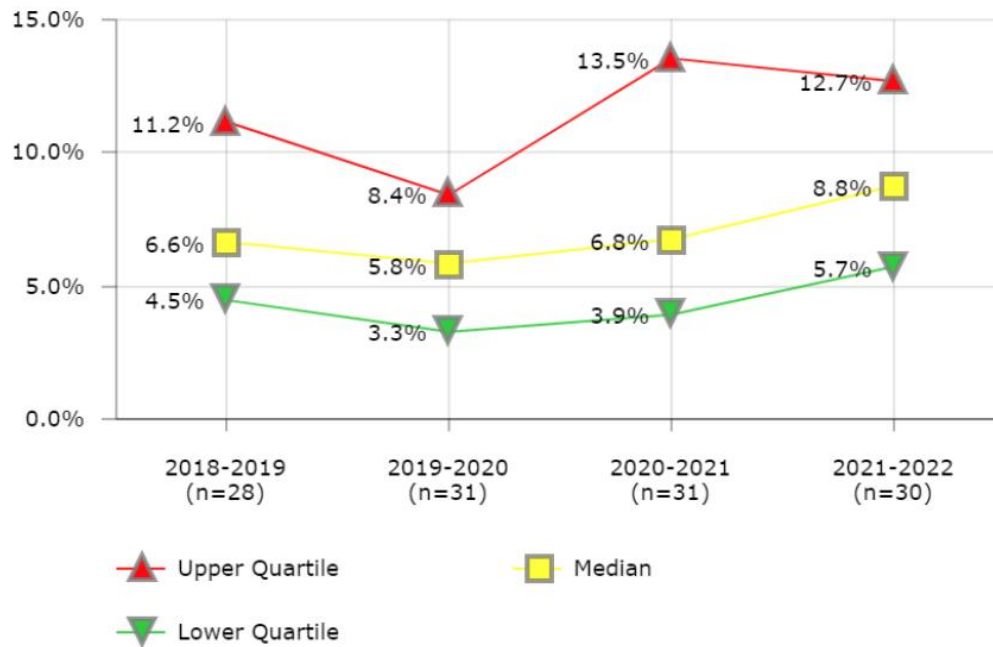
Factors that Influence

- Assigned duties for custodians
- Management effectiveness
- Labor agreements
- District budget

Separation Rate (Custodial Turnover)

HUMAN RESOURCES

Employee Separation Rate - School-Based Exempt Staff



Description of Calculation

Number of school-based exempt staff that left the district (retirement, resignation or termination), divided by the total number of school-based exempt staff (FTEs).

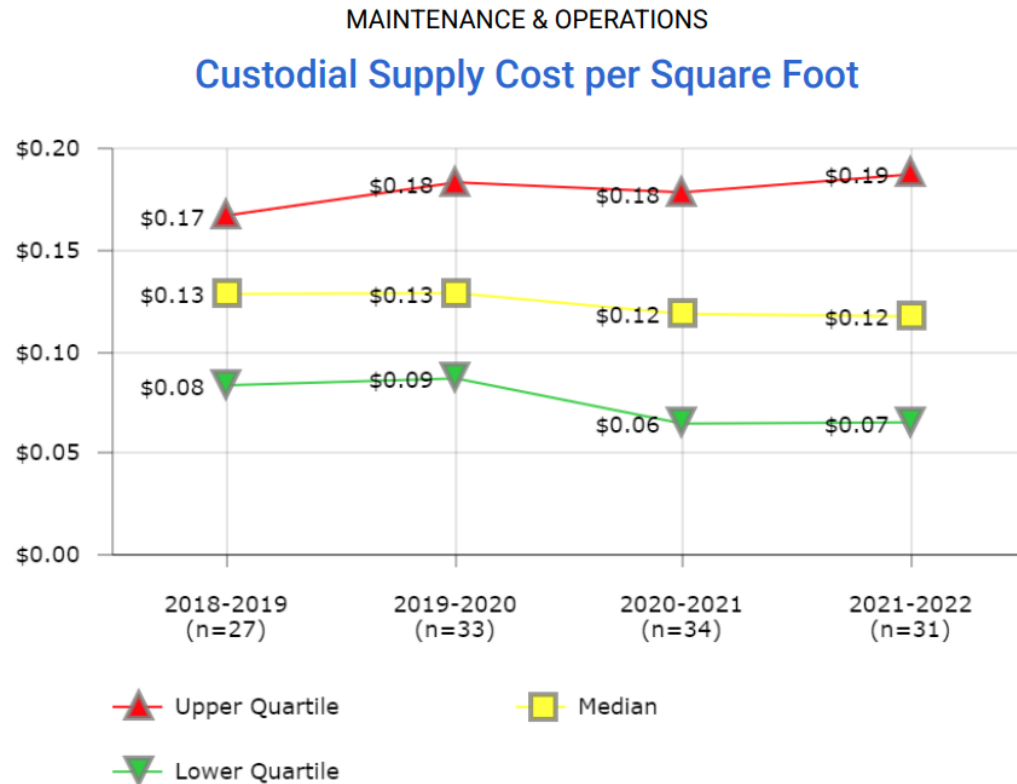
Importance of Measure

These measures may serve as indicators of district policies, administrative procedures and regulations, and management effectiveness. Measuring these allows the district to further analyze its actions in terms of resources, allocation of funds, policy and support to its employees. They also may be measures of workforce satisfaction and organizational climate.

Factors that Influence

- Compensation and benefits
- Recognition and rewards
- Career path/advancement
- Age distribution of workforce
- Effectiveness of leadership
- Training and professional development

Custodial Supply Cost per Square Foot



Description of Calculation

Total custodial supply cost of district-operated custodial services, divided by total square footage of buildings managed by the district. This measure only applies to district-operated sites.

Importance of Measure

This measure is an important indicator of the efficiency of the custodial operations. The value is impacted not only by operational effectiveness, but also by labor costs, material and supply costs, supervisory overhead costs as well as other factors. This indicator can be used as an important comparison with other districts to identify opportunities for improvement in custodial operations to reduce costs.

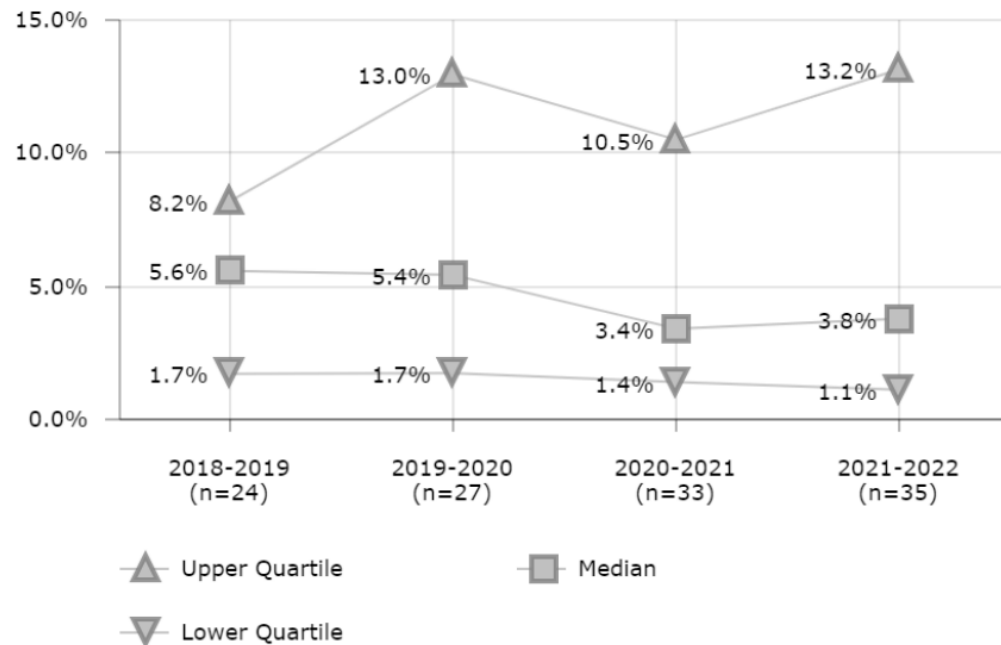
Factors that Influence

- Cost of labor
- Cost of supplies and materials
- Scope of duties assigned to custodians

Percent of Work Orders Done In-House

MAINTENANCE & OPERATIONS

Routine Maintenance - Proportion Contractor-Operated, by Work Orders



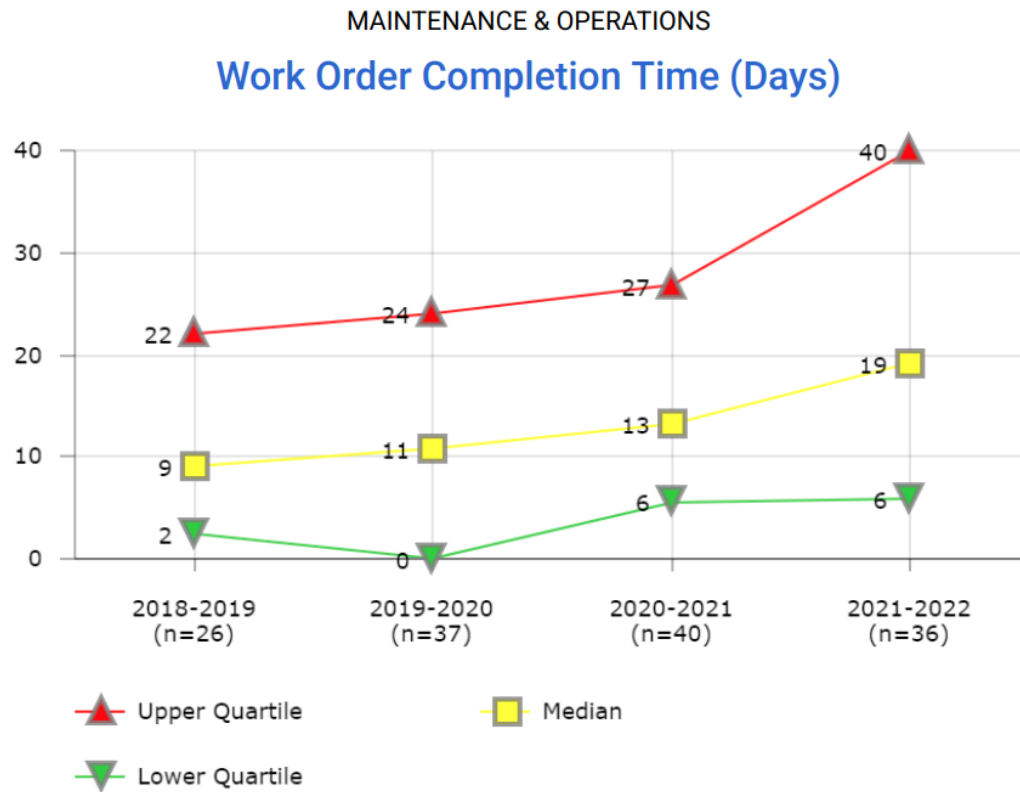
Description of Calculation

Number of routine maintenance work orders handled by contractors, divided by total number of routine maintenance work orders.

Importance of Measure

Can be used to identify districts that utilize contractors to perform routine maintenance.

Work Order Completion Time



Description of Calculation

Total aggregate number of days to complete all work orders, divided by total number of work orders.

Importance of Measure

This measure is an indicator of a district's timeliness in completing work orders

Districts with lower completion times are more likely to have a management system in place with funding to address repairs.

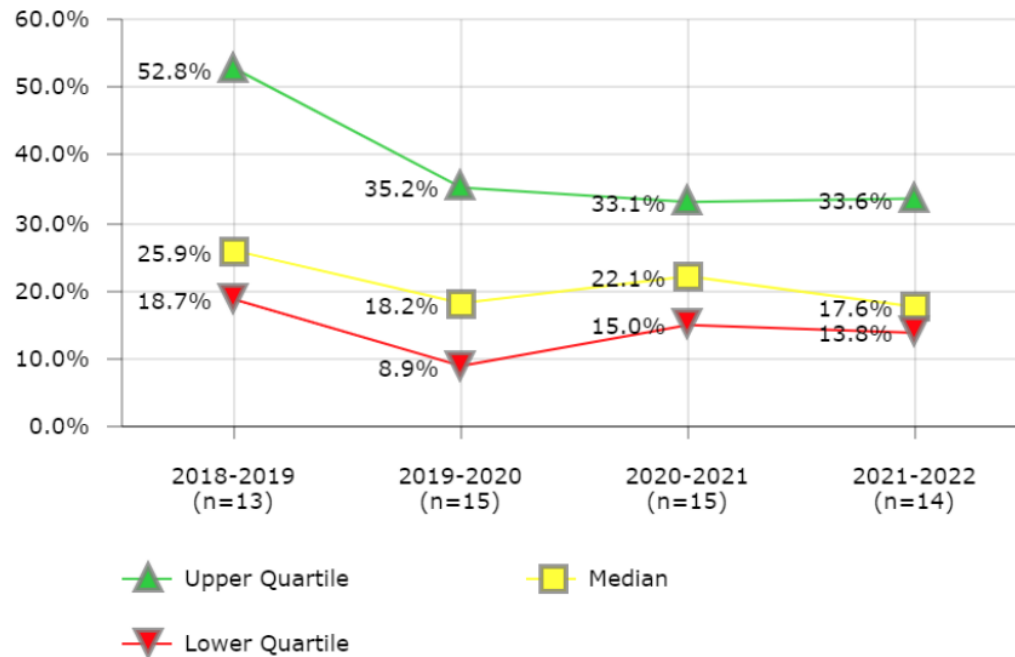
Factors that Influence

- Number of maintenance employees
- Management effectiveness
- Automated work order tracking
- Labor agreements
- Funding to address needed repairs
- Existence of work flow management process

Recycling Percent of Total Material Stream

MAINTENANCE & OPERATIONS

Recycling - Percent of Total Material Stream



Description of Calculation

Total material stream that was recycled (in tons), divided by total material stream (in tons).

Importance of Measure

This measures the degree to which districts recycle.

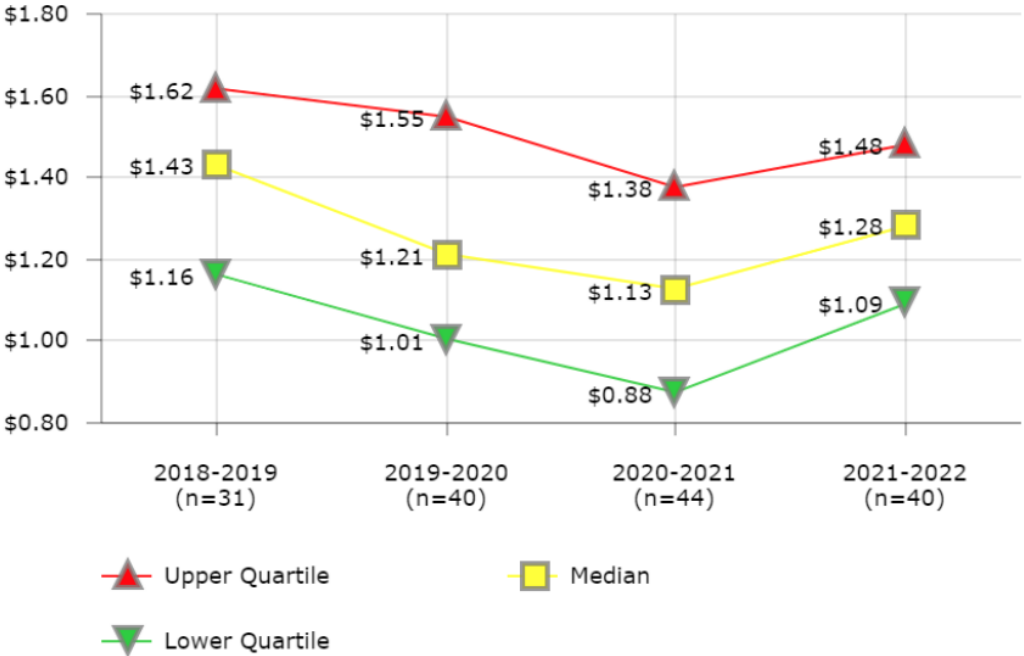
Factors that Influence

- Placement of recycling bins near waste bins
- Number of recycling bins deployed
- Material collection contracts
- Commitment to environmental stewardship
- State requirements

Total Utility Costs Per Square Foot

MAINTENANCE & OPERATIONS

Utility Costs - Cost per Square Foot



Description of Calculation

Total utility costs (including electricity, heating fuel, water, sewer), divided by total square footage of all non-vacant buildings.

Importance of Measure

This measures the efficiency of the district's building utility operations

It may also reflect a district's effort to reduce energy consumption through conservation measures being implemented by building occupants as well as maintenance and operations personnel.

Higher numbers signal an opportunity to evaluate fixed and variable cost factors and identify those factors that can be modified for greater efficiency.

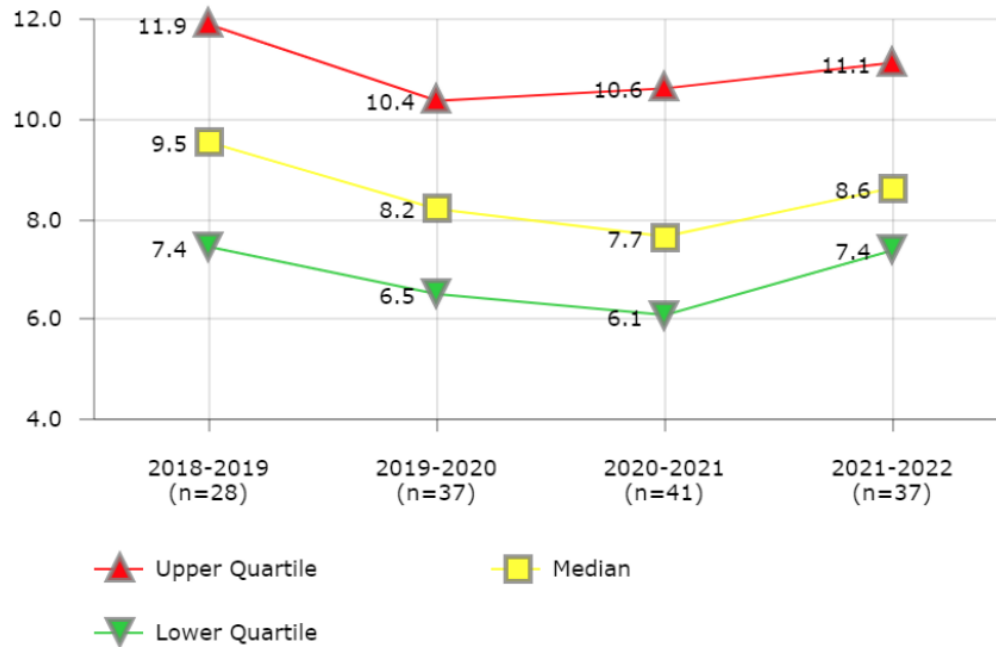
Factors that Influence

- Age of buildings and physical plants
- Amount of air-conditioned space
- Regional climate differences
- Customer support of conservation efforts to upgrade lighting and HVAC systems
- Energy conservation policies and management practices

Electricity Usage per Square Foot

MAINTENANCE & OPERATIONS

Utility Usage - Electricity Usage per Square Foot (KWh)



Description of Calculation

Total electricity usage (in kWh), divided by total square footage of all non-vacant buildings.

Importance of Measure

This measures the level of electricity usage. Districts with high usage should investigate ways to decrease usage in order to reduce costs.

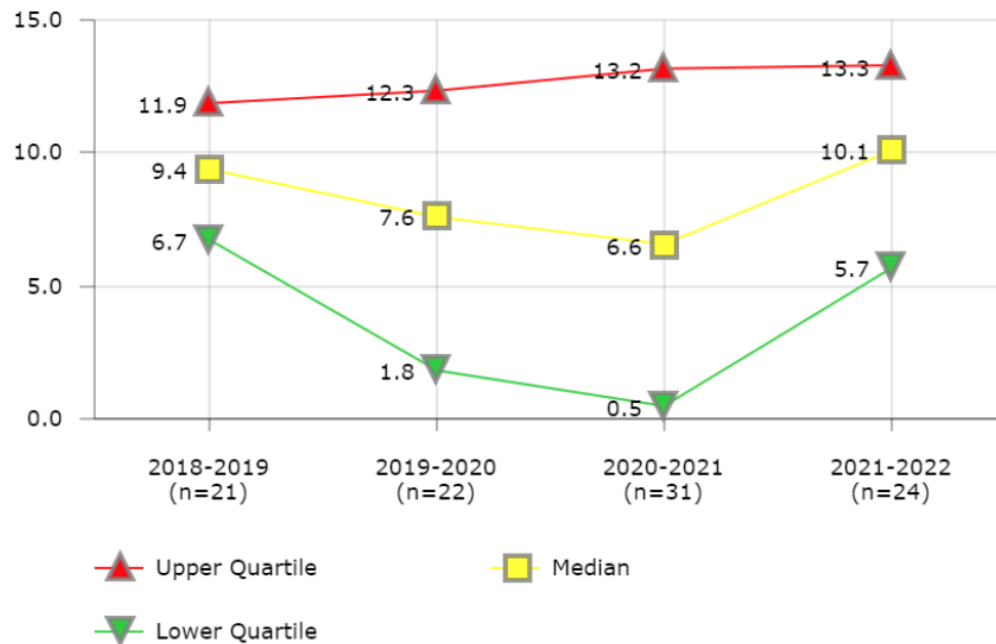
Factors that Influence

- Use of high-efficiency lightbulbs
- Automated light switches
- Shutdown policy during winter break
- Regulation of heating and air conditioning

Water Usage per Square Foot (Gal.) Non-Irrigation

MAINTENANCE & OPERATIONS

Utility Usage - Water (Non-Irrigation) Usage per Square Foot (Gal.)



Description of Calculation

Total water usage (in gallons) excluding irrigation, divided by total square footage of all non-vacant buildings.

Importance of Measure

Can be used to evaluate water usage.

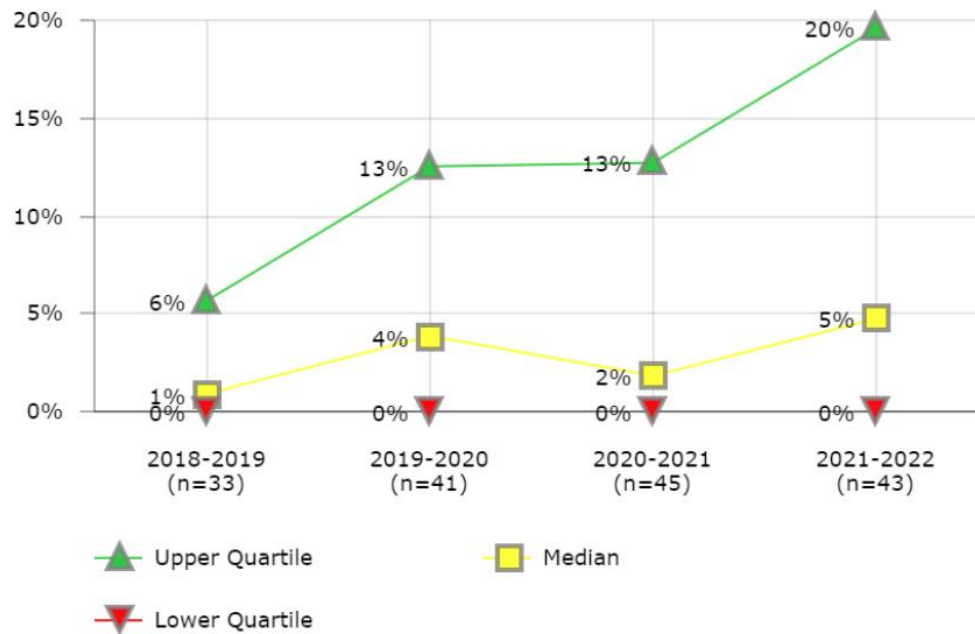
Factors that Influence

- Low-flow toilets and urinals
- Maintenance of faucet aerators
- Motion-sensor faucets to reduce vandalism

Green Building Standard By Percent

MAINTENANCE & OPERATIONS

Green Buildings - Buildings Green Certified or Equivalent



Description of Calculation

Square footage of all permanent buildings (academic and non-academic) with a green building certificate, plus square footage of all permanent buildings (academic and non-academic) that were built in alignment with a green building code but not certified.

Importance of Measure

This measure compares the number of energy efficient or "green" buildings in the district.

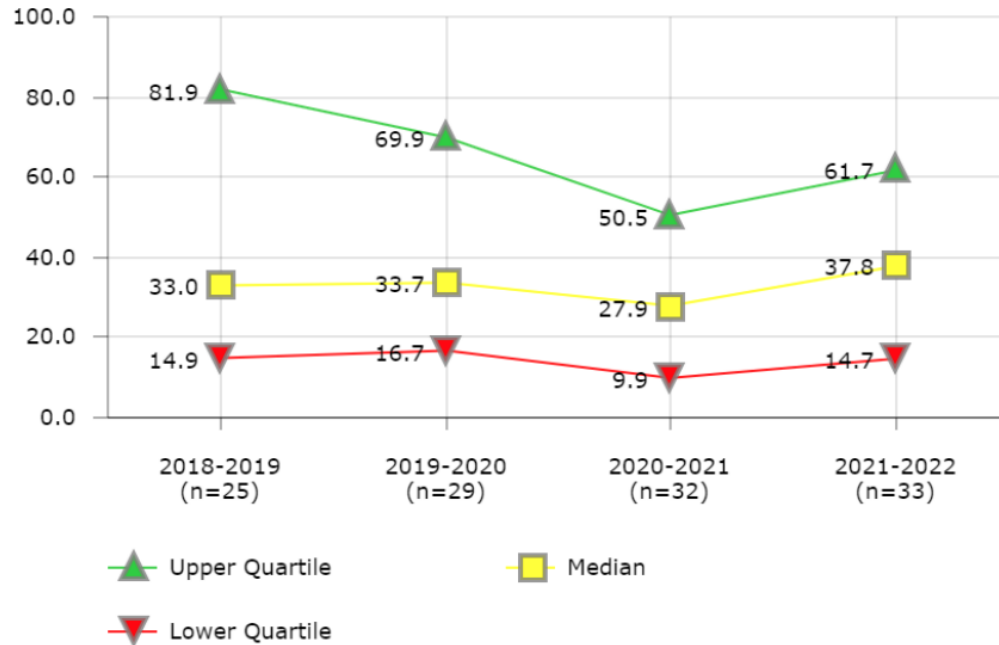
Factors that Influence

- Community support for environmental and sustainability measures
- Grant availability
- District policy
- Environmental site assessment
- Local health issues

Training Hours per Safety/Security Personnel

SAFETY & SECURITY

Training Hours per Safety/Security personnel



Description of Calculation

Total number of hours of safety-related drills and trainings for all safety and security personnel, divided by total number of safety and security personnel.

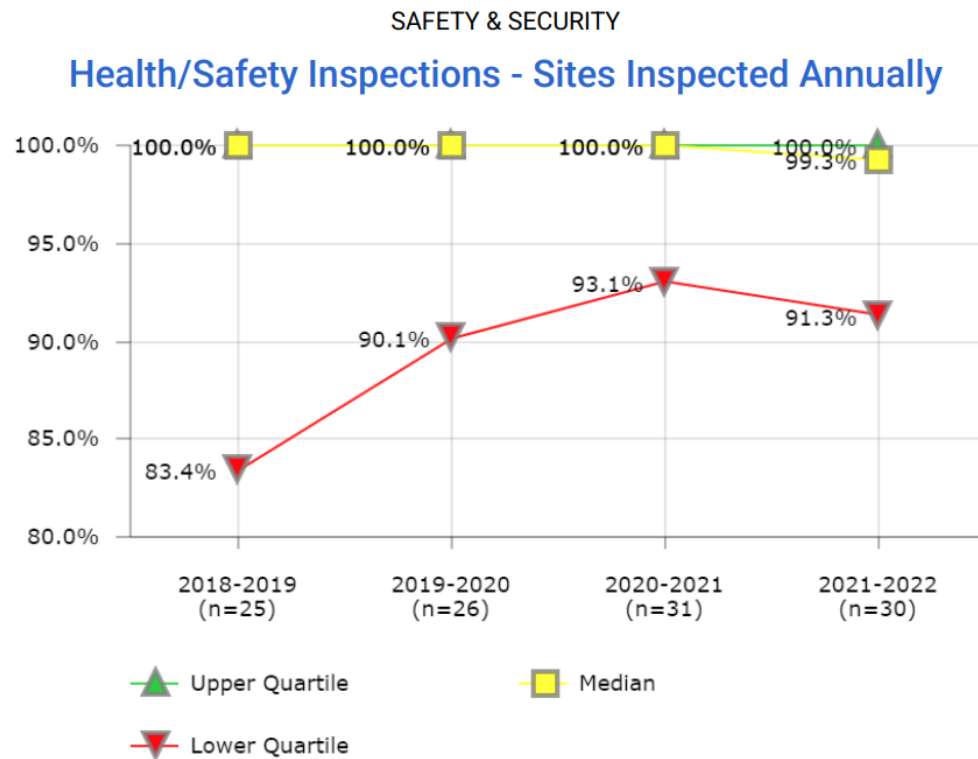
Importance of Measure

Most school districts complete crisis response training prior to the opening of each school year.

Factors that Influence

- Emergency response priority with school/district leadership
- Emergency response resources
- Thoroughness of school/district crisis response plan
- Weather

Health and Safety Inspections (Annual)



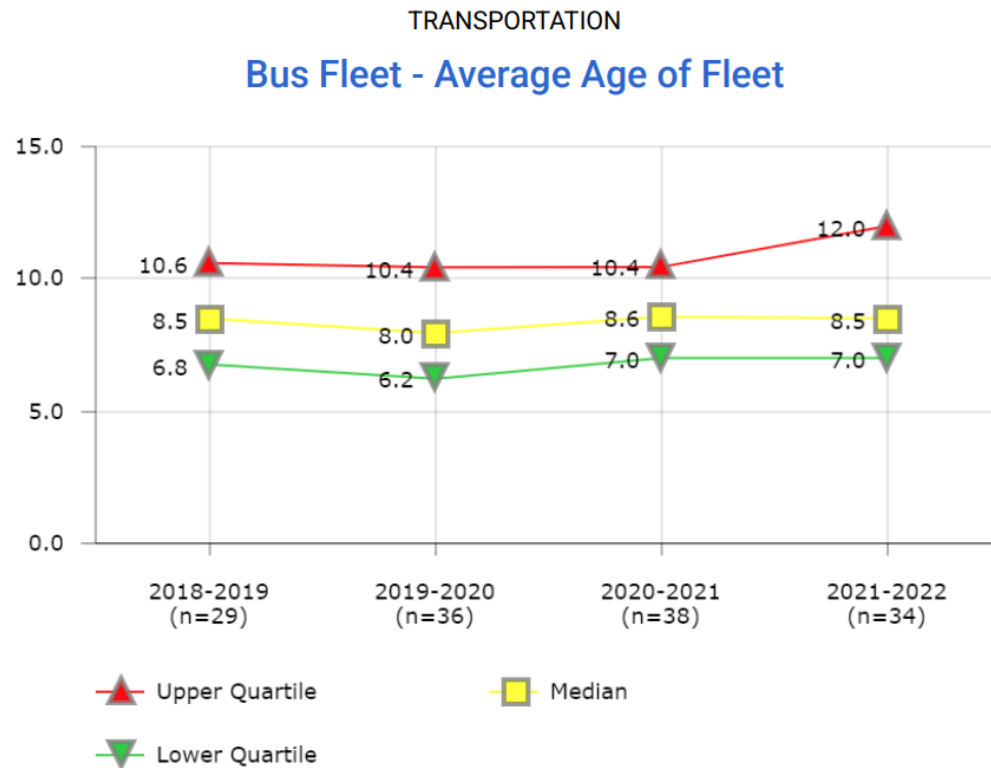
Description of Calculation

Total number of sites/campuses (academic and non-academic) inspected annually, divided by the total number of district sites.

Importance of Measure

Regular health and/or safety inspections are important for compliance and risk mitigation.

Average Age of Bus Fleet



Description of Calculation

Average age of bus fleet.

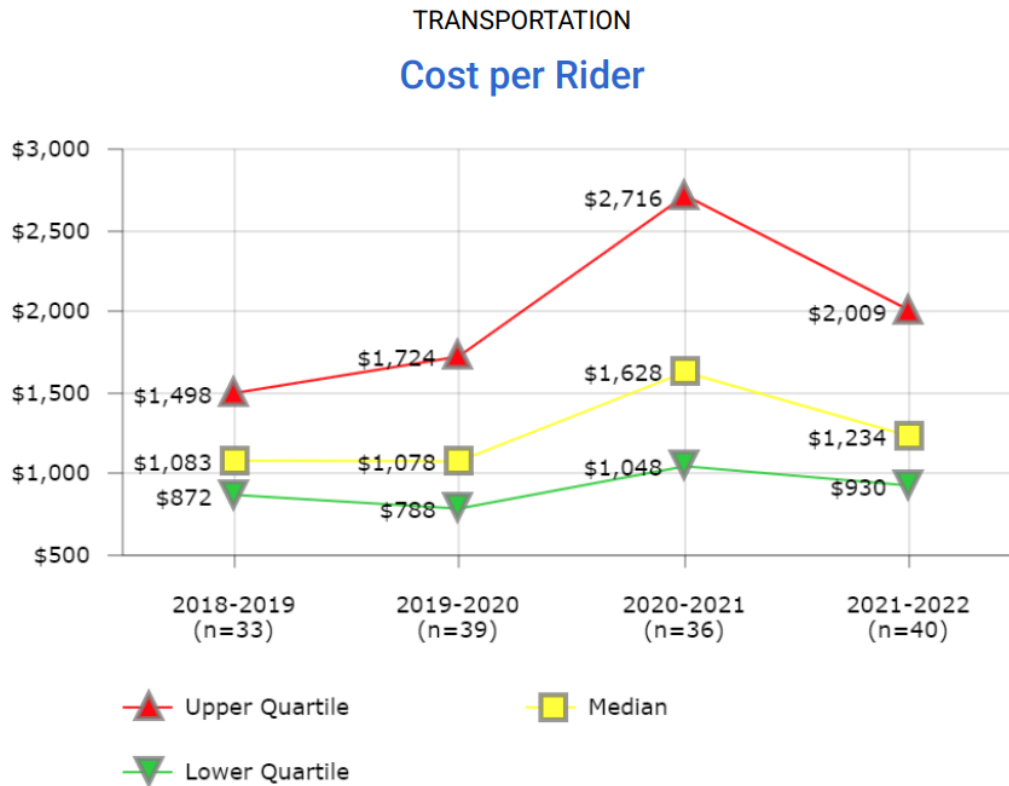
Importance of Measure

- Fleet replacement plans drive capital expenditures and on-going maintenance costs
- Younger fleets require greater capital expenditures but reduced maintenance costs
- A younger fleet will result in greater reliability and service levels.
- An older fleet requires more maintenance expenditure but reduces capital expenses.

Factors that Influence

- Formal district-wide capital replacement budgets and standards
- Some districts may operate climates that reduce bus longevity
- Some districts may be required to purchase cleaner burning or expensive alternative-fueled buses
- Availability of state or local bond funding for school bus replacement

Bus Cost per Rider



Description of Calculation

Total direct cost plus total indirect cost plus total contractor cost of bus services, divided by number of riders.

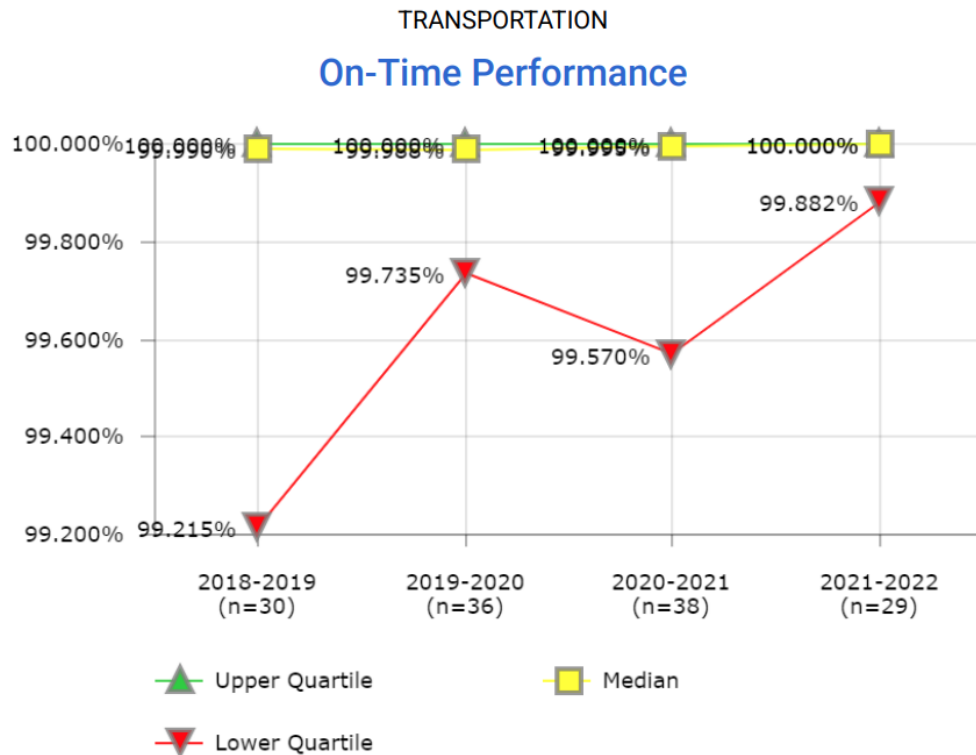
Importance of Measure

This is a basic measurement of the cost efficiency of a pupil transportation program. It allows a baseline comparison across districts that will inevitably lead to further analysis based on a district's placement.

Factors that Influence

- Driver wage and benefit structure; labor contracts
- Cost of the fleet, including fleet replacement plan, facilities, fuel, insurance and maintenance also play a role in the basic cost
- Effectiveness of the routing plan
- Ability to use each bus for more than one route or run each morning and each afternoon
- Bell schedule
- Transportation department input in proposed bell schedule changes
- Maximum riding time allowed and earliest pickup time allowed
- Type of programs served will influence costs

On Time Performance



Description of Calculation

One, minus: the sum of bus runs that arrived late (contractor and district), divided by the total number of bus runs (contractor and district) over two.

Importance of Measure

- This measure refers to the level of success of the transportation service remaining on the published arrival schedule.
- Late arrival of students at schools causes disruption in classrooms and may preclude some students from having school-provided breakfast.

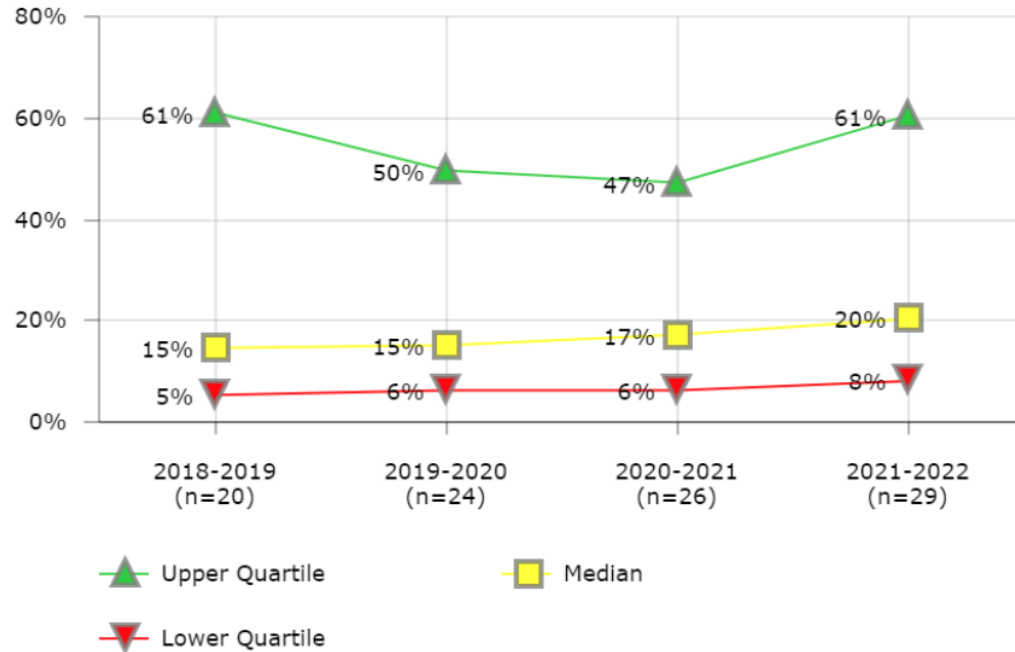
Factors that Influence

- Automobile traffic
- Accident
- Detour
- Weather
- Increased ridership
- Mechanical breakdown
- Unrealistic scheduling

Alternatively Fueled (Green) Buses

TRANSPORTATION

Bus Fleet - Alternatively-Fueled Buses



Description of Calculation

Number of alternatively-fueled buses, divided by total number of buses.

Importance of Measure

Bus fleets using alternative fuels tend to be more eco-friendly, and depending on fuel prices they can be a cheaper alternative.

WASBO University

School Finance for Facilities
Directors

April 2024

