

Worksheet to Help Board Members Understand Their Board's Financial Forecast

Section 1

Acquire your county board's five- or 10- year projection from your superintendent.

It may be helpful to have the superintendent and/or business manager attend the county board training to help guide you through the discussions outlined below. The discussions also reference county board rankings data, available [here](#).

Section 2

Discuss your county board's in-year variance (difference between revenues and expenditures) and ending operating cash balance.

Identify the in-year variance line. If any number is in red, it means expenditures exceed revenues for that year. Is the county board currently deficit spending? If not, when will it begin deficit spending?

How quickly is the county board's in-year variance deficit increasing over time?

Identify the ending cash balance line. Is the cash balance in the negative? If so, when? Do the negative amounts increase each year?

Identify the percent of ending cash balance projected compared with next year's expenses line. A percentage of 100% indicates the county board has one year's worth of expenditures in reserve. If the county board has a percentage greater than 100% at the end of five years, does the board plan to consciously spend down the cash balance in a way that does not create a structural imbalance?

Section 3

Discuss your county board's levy situation.

In the county rankings, locate "Per Capita Per Mill Yield" (Column D). This column divides the county board's per mill yield by its population to gauge its revenue-raising capacity. How does the county board rank relative to its peers?

Based on the county board's cash flow, how much new millage will the board need in order to sustain operations for five years, with all else equal? Ten years? (Hint: Identify the "In-Year Variance in Mills" line.)

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Consider different "what if" scenarios. How does the worst-case scenario affect the ending operating cash balance? What about the best-case scenario?

Will the county board request new millage? If so, will it be continuous or term-limited?

- a. If continuing, how long will the levy last until the county board needs to be on the ballot again?

- b. If term-limited, for how long? Do your projections allow the county board to still be sustainable at the end of your term-limited levy? If not, what is your plan to be sustainable during this time period?

- c. In general, does new money pass in the county?

What steps are you taking to engage your county commissioners and the tax commission to gain support for future levies?

What steps are you taking to engage the community to gain support for future levies?

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Does the county board website reflect the current financial realities? What financial information is available?

What information can you make available to gain support for future levies?

Is financial sustainability a pillar of the county board's strategic plan and annual report? If not, how are you going to incorporate it into your planning and review processes?

Section 4

Discuss your county board's expenditures.

Identify the personnel expenses line. Are costs increasing considerably? If so, why?

Do processes need to be undertaken to control future staffing costs (salaries, benefits, etc.)?

Identify the full-time equivalents line under "Demographics." Do personnel costs align with projected staffing needs?

Identify the waiver match line. Has waiver match increased or decreased in the past two years? What does the projection show?

In the county rankings, locate "% Local of Total HCBS" (Column M). ("HCBS" stands for "home and community-based services.") This column measures local waiver match support relative to other county boards. Where does your county board rank?

Section 5

Discuss your county board's waiver plan.

Identify the Individual Options, Level One, and Self-Empowered Life Funding waiver lines under "Demographics." What does the county board's recent waiver history look like? During the past two years, has the total number of waivers increased or decreased?

In the county rankings, locate "% Waiver of Individuals Served" (Column J) and "% Waiver of Active Adults" (Column L). Where does the county board rank relative to its peers? If the ranking is low, what factors may explain the low ranking?

What does the waiver plan for the next five years look like? Does the plan incorporate trends the county board is experiencing with its waiting list? Does the plan align with the waiver match expenditures line? Does it align with the county board's levy plan?

What steps are you taking to review current waiver costs and authorizations? Use the county rankings spreadsheet to identify the county board's rankings for Individual Options Waiver average cost (Column S) and percentage of enrollees over \$100,000 (Column W) to inform your discussion.

Section 6

Discuss your county board's non-operating cash balances.

How much cash is on hand at the council of governments (COG)? What is this money used for?

How much money is in a reserve account?