

Informationsveranstaltung – DSW Budget 2012/2013

Informational Event – German School Budget 2012/2013



13. Februar 2012
February 13th, 2012



Übersicht / Overview

Themen:

- Entwicklungen von 2009-2011
- Schülerzahlenentwicklung
- Kennzahlen
- Budgetentwicklung
- Herausforderungen
- Optionen
- Budgetstrategie des Vorstandes
- Fragen & Antworten

Topics:

- Developments from 2009 – 2011
- Enrollment Trends
- Key Figures
- Budget Developments
- Challenges
- Options
- Board Budget Strategy
- Questions & Answers

Entwicklungen / Developments 2009 – 2011

Entwicklungen & Perspektiven:

- Sinkende Schülerzahlen
- Erweitertes Nachmittagsprogramm
- Begrenzte Öffentlichkeitsarbeit bis 2011
- Bessere Kostenkontrollen ab 2011
- Rechnungsprüfungsergebnis
- Annahmen für 2012/2013

Developments & Prospects:

- Decreasing Student Numbers
- Increased Afternoon Program
- Limited Outreach & Development until 2011
- Increased Cost Controls since 2011
- Audit Results
- Assumptions for 2012/2013

Schülerzahlenentwicklung / Enrollment Trends

Ausblick auf 2012/2013: Schülerzahlen

Outlook for 2012/2013: Enrollment

2012/2013 Enrollment Projections - Business Office

	Enroll From PY	Leave	NEW	Total
K0	3		13	16
Kiga	34	-12	22	44
SES	25	-3	10	32
1	42	-11	9	40
2	42	-7	7	42
3	41	-6	5	40
4	60	-10	5	55
5	30	-15	5	20
6	41	-7	8	42
7	40	-6	3	37
8	45	-12	3	36
9	34	-10	5	29
10	31	-10	7	28
11	39	-10	5	34
12	33	-2	0	31

Total: 526
KiGa/Preschool: 60
SES – 12th: 466

Kennzahlen / Key Figures

Rechnungsprüfung 2010/2011:

- Erfolgreiche Sparmaßnahmen bei -
 - Operationskosten
 - Verwaltungskosten
 - Lehr- und Lernmittelkosten
- Kosten stiegen weiter bei –
 - Personalkosten: um 6,2%
 - Personalnebenkosten: um 13%
- Personalkosten: ca. 75% d. Budgets

SCHLUSSFOLGERUNG:

- Verbesserte Kostenkontrolle bei Personalkosten ist unumgänglich

Audit 2010/2011:

- Ability to achieve cost savings in -
 - Operational Costs
 - Business Office Costs
 - Teaching Materials Costs
- Costs continued to increase in -
 - Personnel Costs: by 6.2%
 - Benefits: by 13%
- Personnel Costs: ca. 75% of Budget

CONCLUSION:

- Increased cost controls in the area of personnel costs are critical

Budgetentwicklung / Budgetary Development

Entwicklung bei Ausgaben: 2009 - 2011

Expenditure Trends: 2009 - 2011

Expenditure Ratios¹:

	2010/11	2009/10
Wages and salaries	63.1	62.6
Benefits and payroll taxes	10.8	10.1
Total wage bill	73.9	72.6
Operating costs	14.1	16.1
Administration	5.5	4.0
ex interest cost	3.3	4.0
Teaching materials	2.6	3.1
Other (ex depreciation)	1.0	1.1
Miscellaneous	2.9	3.0
Total	100.0	100.0

1/ Total expenditure minus in-kind contributions and depreciation.

Budgetentwicklung / Budgetary Development

Entwicklung bei Ausgaben: 2010 - 2012

Expenditure Trends: 2010 - 2012

	2010/11	2011/12
Salaries and wages	\$4,569,639	\$4,619,035
Increase in percent	6.2	1.1
Benefits, payroll taxes, and other employment-related expenditure	\$761,037	\$831,135
Increase in percent	13.0	9.2
Total	\$5,330,676	\$5,450,170
Increase in percent	7.1	2.2

Herausforderungen / Challenges

Ausgangslage: Finanzieller Engpass

- Rückgang bei den Schülerzahlen führen zu Defizit
- Eigenfinanzierung der Energetischen Sanierung ist notwendig
- Reserven vorhanden, aber nur begrenzt zugänglich (Schuldentilgung und Baumaßnahmen)
- Sparen bei Unterhaltskosten und Kapitalausgaben (schon ohne neue Maßnahmen)

Dreifache Herausforderung:

(bevor neuen Maßnahmen)

- Defizit des laufenden Jahres decken
- Inflation ausgleichen
- Tiefere Einnahmen wegen niedrigeren Schülerzahlen

Point of Departure: Financial Straits

- Decrease in student numbers lead to deficit
- Internal financing required for German School's share of Energy Renovation costs
- Reserves exist, but their accessibility is limited (loan payments, construction projects)
- Savings in maintenance and capital expenses (even without new measures)

Triple Challenge:

(prior to implementation of corrective measures)

- Make up for this year's deficit
- Adjust for inflation
- Cope with lower revenue due to lower student enrollment

Optionen / Options

SZENARIO I:

- Schulgelderhöhung: 22%
- Schülerzahlen: 466
- Unveränderter Langzeitrabatt

SCENARIO I:

- Tuition Increase: 22% to break-even
- Enrollment Projections: 466
- No Changes to Longevity Discount

Rechnerische, kostendeckende Resultate:
Durchschnittliche Schulgebühren

Tuition requirements (in absolute terms):
Average Tuition Amounts

Budget Scenario 1:					
Scenario 1 Assumptions					
	1 Tuition Increase of 22%				
	2 No Change to Longevity Discounts (LD)				
Projected Revenue:		\$ 7,029,640.00	(not including LD losses)		
	LD Losses at tuition increase of 22%	\$ (664,300.00)			
Total:	Total Revenue, Scenario 1:	\$ 6,365,340.00			
	Budget Needs	\$ (6,700,000.00)			
Total Budget Shortfall	Scenario 1	\$ (334,660.00)			

Optionen / Options

SZENARIO II:

- Schulgelderhöhung: 10%
- Vermehrtes Outsourcing im Nachmittagsprogramm (ca. \$300 pro Schüler & Semester)
- Reduzierung des LZR um 10%
- Einsparungen bei Personalkosten

SCENARIO II:

- Tuition Increase: 10%
- Partially Outsourced Afternoon Program (approx. \$300 per student and semester)
- Reduction of LD by 10%
- Personnel Cost Reductions

Budget Scenario 2:					
Scenario 2 Assumptions					
	1 Tuition Increase of 10%				
	2 Reduction of Longevity Discounts (LD) by 10% at each tier; no LD for new members at start of school year 2012/2013				
	3 Cost Savings, Afternoon Program & Personnel Costs				
Projected Revenue:		\$ 6,340,000.00	(not including LD losses)		
	LD Losses at 10% & 20% rates (instead of 20 & 30%)	\$ (300,000.00)			
	Cost Savings: Afternoon Program, Personnel Costs	\$ 300,000.00			
Total:	Total Revenue, Scenario 2:	\$ 6,340,000.00			
	Budget Needs:	\$ 6,500,000.00			
Budget Shortfall	Scenario 2	\$ (160,000.00)			

Optionen / Options

SZENARIO III:

- Schulgelderhöhung: 13%
- Vermehrtes Outsourcing im Nachmittagsprogramm (ca. \$300 pro Schüler & Semester)
- Reduzierung des LZR um 10%
- Einsparungen bei Personalkosten

SCENARIO III:

- Tuition Increase: 13%
- Partially Outsourced Afternoon Program (approx. \$300 per student and semester)
- Reduction of LD by 10%
- Personnel Cost Reductions

Budget Scenario 3:			
Scenario 3 Assumptions			
	1 Tuition Increase of 13%		
	2 Reduction of Longevity Discounts (LD) by 10% at each tier; no LD for new members at start of school year 2012/2013		
	3 Cost Savings: Afternoon Programs, Personnel Costs		
Projected Revenue:		\$ 6,511,060.00	(not including LD losses)
	LD Losses at 10% & 20% rates (instead of 20 & 30%)	\$ (325,000.00)	
	Cost Savings: Afternoon Programs, Personnel Costs	\$ 325,000.00	
Total:	Total Revenue, Scenario 3:	\$ 6,511,060.00	
	Budget Needs:	\$ 6,500,000.00	
Budget Surplus	Scenario 3	\$ 11,060.00	

PERSONALKOSTEN & BUDGETSTRATEGIE

- Kostenkontrollen weiterführen und auch auf Personalkosten ausweiten
- Lehrerstunden nicht unbedingt von Schülerzahlen abhängig
- Planung und frühe Wiederanmeldung
- Nachmittagsprogramm

PERSONNEL & BUDGET STRATEGY

- Maintain and expand cost controls to include personnel costs
- Teaching hours do not necessarily correlate to enrollment numbers
- Planning and early re-enrollment
- Afternoon Program

Strategie auf 4 Grundpfeilern:

1. Anpassung: Lehrerstunden und Lehrerbezogenen Personalkosten an die niedrigeren Schülerzahlen
2. Anpassung: Nachmittagsprogramm
3. Höhere Schulgelder
4. Sukzessive Abschaffung der Langzeitrabatte (LZR) bei gleichzeitiger Erhöhung des Finanzhilfe-Etats

NEU AN DIESER STRATEGIE:

- Ausdehnung des Kostenmanagement auf den Bereich Personalkosten
- Neuorganisation Nachmittagsprogramm
- Sukzessive Abschaffung des LZR für alle

Financial Strategy rests on 4 Pillars:

1. Adjustment of Teacher Hours and Teaching Staff Personnel Costs to correspond to lower enrollment
2. Adjustments to Afternoon Program
3. Increase Tuition
4. Gradual phasing out of Longevity Discounts (LD) while simultaneously increasing the Financial Aid budget

NEW ASPECTS OF THIS STRATEGY:

- Expansion of cost management to the area of personnel costs
- Re-Organisation of Afternoon Program
- Gradual elimination of LD for all members

FRAGEN & ANTWORTEN / QUESTIONS & ANSWERS

Fragen

Questions