# Quick Reference — Three-Scenario Framework

*Budget Development & Scenario Planning in an Uncertain Environment*

Use the same model structure for all three scenarios. Change only the assumption set, never the formulas so results stay comparable and reviewable.

| Element | Base Case | Conservative Case | Downside Case |
|---|---|---|---|
| **Purpose** | **Plan of Record** | **Planning Discipline** | **Stress Test** |
| **Enrollment** | Most likely/realistic count | 95% of planned enrollment | 90% of planned enrollment |
| **Funding** | As adopted by the legislature, known rates | No new discretionary revenue | Possible reduction or delayed payment |
| **Cost Assumptions** | Known/contracted increases only | High end of the expected range | High-end costs + one unbudgeted event |
| **What You Do with It** | Present & manage this budget | Identify specific items to defer or freeze | Confirm solvency & reserve-floor compliance |
| **Board Conversation** | Adopt this as the official budget | Pre-approve contingency actions | Confirm the school stays above the policy floor |

## Four Disciplines That Make Scenarios Useful

### 1. Document Every Assumption

Make every major rate an input cell and note its source. The model becomes institutional memory.

### 2. Define Trigger Points Early

Write the enrollment or revenue level that activates each contingency before the October count.

### 3. Sequence to the Budget Calendar

Spring staffing, summer re-enrollment, October count, mid-year revision, and supplemental each have their own decision window.

### 4. Anchor to Reserve Policy

State the fund-balance floor and days of cash the board expects, then test every scenario against it.

## Sample Trigger Language (adapt to your school)

*"If confirmed enrollment on August 15 is below 410 students, the school will freeze the third specials position and move to a shared-specials model. If the October count is below 395, the board authorizes the Executive Director to implement the pre-approved contingency list (deferred coach hire, freeze non-essential travel, and reduce extracurricular stipend pool)."*

Board approval of this language in June means the hard decisions are already made before the count arrives.

**Budget the plan. Model the range.**