

2015-2016 Budget Development Town Hall Meeting #2

DR. TIMOTHY MITCHELL
RAPID CITY AREA SCHOOLS
1/29/15

Tonight

Discuss Current Fiscal Situation

Present a Updated Proposed Plan for reduction and reprioritizing of funds

Answer Questions

Gather Input



Budget Development



Did You Know?

South Dakota law requires the preparation and approval of a proposed budget not later than the **1st regular May meeting**.



RCAS School Board approves the proposed budget at the **1st meeting in May** and sets a public hearing the **2nd meeting in May**.



The final budget is approved during the annual meeting in **July**. The final budget must be approved by **Oct. 1** of each year by law.

Doing Differently

The type of district that I envision as we move forward embraces the current research as to what is the best way for leaders and teachers to act.

They are also fiscally responsible and committed to our mission, vision and priorities as established by the community.

Talking Points



Did You Know?

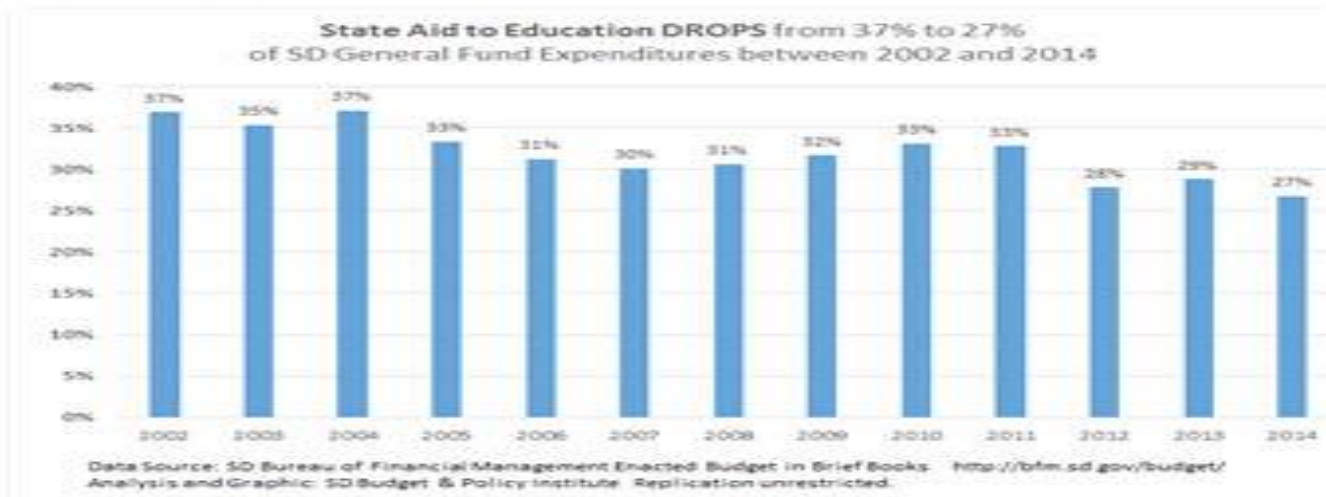
For Every **\$1**
The District Spends...

-  \$0.49 is spent on **Instructional Salaries**
-  \$0.11 is spent on **Other Salaries**
-  \$0.11 is spent on **Health Insurance**
-  \$0.09 is spent on **Other Benefits**
-  \$0.07 is spent on **Other Services**
-  \$0.05 is spent on **Admin Salaries**
-  \$0.04 is spent on **Supplies**
-  \$0.03 is spent on **Utilities**

State Aid to Education



Did You Know?



“The state investment in K-12 education has been decreasing as a portion of the general fund for the last 10 years.” - Joy Smolnisky

Talking Points

The proposed increase to the per student allocation (PSA) being considered at the legislature is not enough to cover increased costs of operation and enhance compensation.

The PSA is less for 2014-2015 **(\$4,781.14)** then it was for 2011-2012 **(\$4,804.60)**.

PSA History

***FY 2010-\$4,804.60**

FY 2011-\$4,804.60

0% increase

FY 2012-\$4,389.95

-8.6% decrease

FY 2013-\$4,490.92

2.3% increase

FY 2014-\$4,625.65

3.0% increase

***FY 2015-\$4,781.14**

3.36% increase

FY 2016-\$4,876.76*

2.0% increase

***Proposed**

Talking Points

Since 2011-2012 school year the revenue the district has received for the General Fund has been flat.

Enrollment has fluctuated up and down overtime which does not make for a consistent revenue stream.

Talking Points

We have spent our General Fund Reserve. The current General Fund Budget is projected to spend \$5.7 million dollars out of Reserve and would leave it at 9.6% of the General Fund Budget. It is recommended to be at 12%.

We utilized General Fund Reserve for ongoing expenditures for the 2013-2014 and 2014-2015.

Talking Points

Of the \$5.7 million projected to be spent from reserve \$3.7 million is ongoing and \$2.0 million is one-time. This means we have a \$3.7 million structural deficit.

We need at least \$3.7 million to balance and the additional reduction amount will be used to enhance compensation.

Talking Points

We do not have the ability to increase revenue as other schools across the state. A number of unique factors that aide other districts are not available for the RCAS.

If the opt-out was passed tomorrow, the dollars from it would not be available until the 2016-2017 Budget.

What are other schools doing?

Increased Enrollment/Increased Assessed Evaluation

Opt Out

2014-2015-46%

2015-2016-25% additional

Spending General Fund Reserve

2013-2014-71%

2014-2015-87%

Capital Outlay Flexibility

2014-2015-65%

Unique Revenue Sources:

Other Revenue- EX: Impact Aid-Small School Factor

Spending Reduction Goals

- *Balance Revenue with Expenditures
- *Create Long-Term Stability
- *Free up Resources for Compensation**
- *Find and Implement any and all areas of Reduction as possible

Final Decision

Four Factors Guide Evaluation:

Financial Benefit

Impact on Student Achievement

Political Feasibility

Complexity of Implementation

Update

Two proposals suggested are subject to negotiations and the School Board and I are concerned and understand the negative impact of dealing with **early retirement** and **health insurance**.

Staff should not make decisions based upon misinformation and the unknown. Much will need to transpire as negotiations get underway. The plan is to as always negotiate in good faith and come up with solutions that are workable for both sides.

Timeline

Town Hall Meetings:

February 5-North Middle School **6:30 PM**

February 17-Board Action-Rapid City High
School **5:30 PM**