

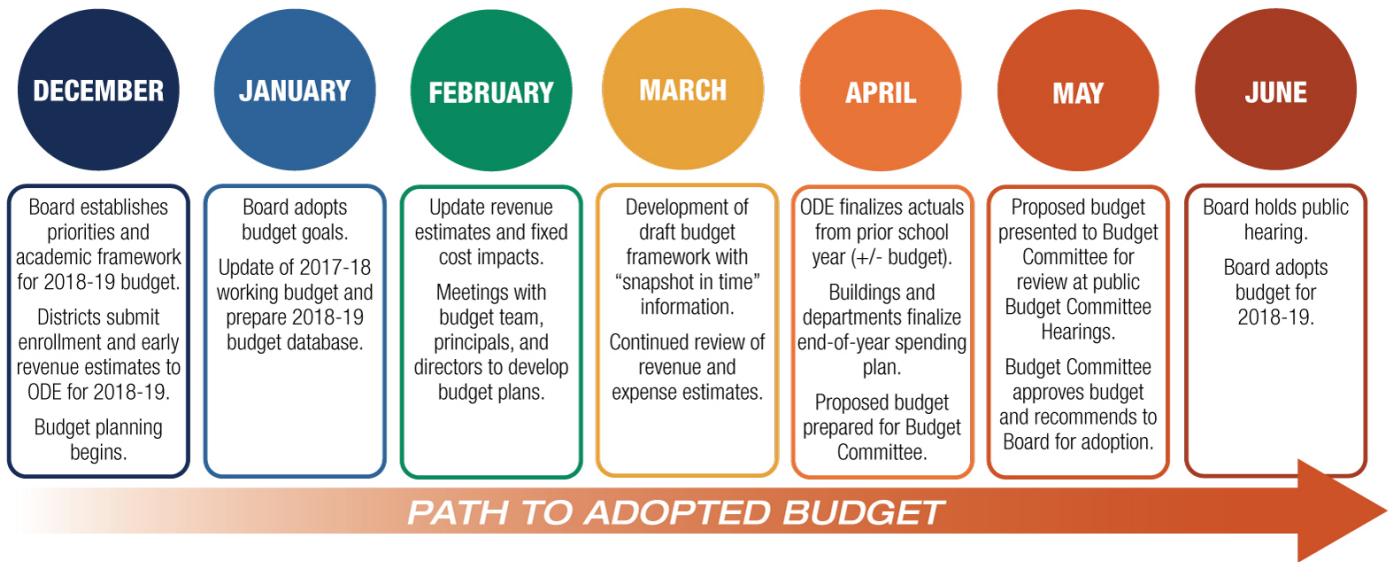


April 22, 2018 Budget Update

The District’s goal is to offer as much information as possible as it moves through budget season. The process is very fluid as things move and change over the months leading to a balanced budget for the 2018-19 school year.

The last budget communication shared the priorities of the Board and the areas that were impacting the draft budget framework for 2018-19. It also outlined budget reductions/shifts that would potentially be included in the proposed budget for 2018-19 to accommodate those priorities and impacts to the next budget with information received through March. To review the previous communication, please click here: <https://www.reynolds.k12.or.us/district/2018-19-budget-communications>

During the process of balancing the budget and presenting a proposed budget for the Budget Committee to review, “snapshots in time” are taken to help determine a working framework for the budget. Through the months of building the proposed budget, massive amounts of data from state, local, and internal sources filter in and impact that framework, sometimes daily. The information gathering process and related budget developments are reflected in the timeline below:



This communication is an update to that process and new proposed budget reductions/shifts using the information available to the District as of today. This information includes the following:

- Oregon Department of Education (ODE) issues final actual numbers for the prior school year (2016-17) in April of the following year, which results in revenue projection updates for additions or reductions for enrollment, transportation grants, and high-cost disability revenues that will impact the District in May of each year. This is often described as the “May Surprise.”
- Every year by April 1, building and department staff are required to finalize annual purchases with purchase orders and submit spending plans through June 30. These estimates are calculated mid-April. Additionally, in April all salary column adjustments are completed and an estimate of summer payroll (10-month employees

receiving payroll in June for the months of June, July, and August) is calculated. This process allows finance to update the estimate for end-of-year spending.

- With both of these processes complete, revenue and expense estimates have now been updated for the 2017-18 budget year which impacts the beginning fund balance for 2018-19. This has had a positive result for the 2018-19 budget, and, therefore, the budget framework is in the process of being updated to reflect the new total estimated expenditure cuts needed in order to balance the budget with roll up costs and decreased revenues due to lower enrollment.

New Total Estimated Cuts Needed to Balance Budget: **-\$2.7 Million** (previously estimated to be **-\$4.3 Million**)

As a result of new information gathered since the previous communication, the following budget reductions/shifts are being added to the proposed budget for 2018-19.

Teacher to student ratios have been recalculated as follows:

Grade Level	Previously Proposed Teacher to Student Ratio	Newly Proposed Teacher to Student Ratio
K-2	1:25	1:22
3-5	1:32	1:28
6	1:32	1:32
7-12	1:35	1:35

Updated April proposed budget reductions/shifts for the 2018-19 draft budget:

Administration (based on enrollment):

Previously Proposed Reduction	Newly Proposed Reduction
1 FTE – H.B. Lee Middle School Shift 1 FTE at RHS (two .5 FTE) from General Fund to Measure 98	0 FTE Administration No change to previously proposed

Licensed (based on ratios and enrollment):

Gen. Ed. Reduction	Previously Proposed Reduction	Newly Proposed Reduction
Elementary School	22 FTE	10 FTE
Middle School	11 FTE	10 FTE
High School	5 FTE	4 FTE

Classified Staff: **No change to previously proposed.**

- Utilize vacant positions still not filled from 2017-18 budget to fund custodial staff for increased square footage at new buildings (no increased cost to general fund).

Title IA Shifts: **No change to previously proposed.**

- Nine elementary schools, where rank and serve funding allows, will support 1.0 FTE certified direct service Title teacher and 1.0 FTE Restorative Practices Specialist.
- Two elementary schools will continue with best practices EAs
- Instructional coaching cadre will be reduced by 1.0 FTE.

Total Estimated Savings in Reductions/Shifts: **\$2.7 million** (previously proposed **\$4.3 Million**)

Updated data during the budget preparation process can affect the proposed budget as the District moves toward the final adopted budget for the 2018-19 school year. The finance department continues to monitor new data and makes recommendations continually up until the final “snapshot in time” when the proposed budget is made available to the Budget Committee. No other significant increases/decreases to the data are anticipated up to the point where the Budget Committee convenes to review the budget and hear public comment at the meetings listed below.

2018-19 Budget Committee Hearings

Thursday • May 3, 2018 • 6:00pm
Reynolds High School Multi-Purpose Room

Thursday • May 10, 2018 • 6:00pm
Reynolds High School Multi-Purpose Room

Thursday • May 17, 2018 • 6:00pm
Reynolds High School Multi-Purpose Room