

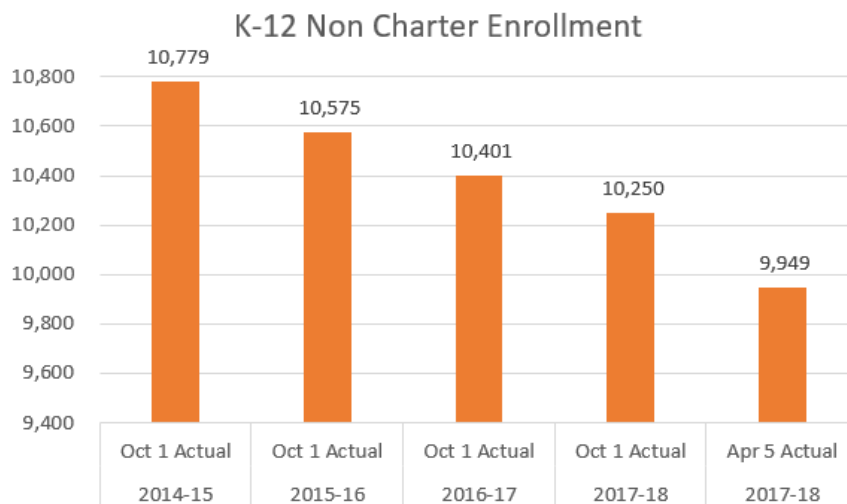
April 11, 2018

Budget season is here, and the district is in the process of developing balanced budget for the 2018-19 school year. To learn more about the budget process, two workshops are scheduled which you are welcome to attend:

- Budget 101, Thursday, April 12, 6pm at the Professional Development Center, Edgefield
- Budget 102, Thursday, April 19, 6pm at the Professional Development Center, Edgefield

The budget process can be confusing to students, parents, and staff alike. To help make the process clearer, the following information communicates how the district is moving forward in balancing the 2018-19 budget.

General fund budget is determined and driven by enrollment numbers. If enrollment is up, the “per student” (or ADMw, Average Daily Membership weighted) funding increases. If enrollment declines, the “per student” (ADMw) funding decreases. Enrollment at Reynolds School District has been declining for the past three years from an all-time high in 2014-15.



Each December the school board reviews finances and discusses budget goals and priorities, and each January the board adopts the goals and priorities for the following budget year. In December 2017, the board reviewed lists of possible cuts and addbacks to the 2018-19 budget. After a great deal of discussion, the Board chose six priorities that directors felt most impacted student learning, and these were adopted at the January school board meeting:

Priorities included:

- Funding for 30 days of Kinder EAs
- Funding of 11 EAs, one K-2 grade level at each elementary
- A full school year (2017-18 included five furlough days)
- Completion of the reading curriculum adoption
- Purchase of half of the science curriculum adoption

- An increase to custodial services to meet the additional square footage in four buildings with new construction

With priorities adopted by the Board, the district leadership was tasked with balancing the budget.

Some areas that impact the revenue for 2018-19:

- Decreased funding because of lower enrollment
- Addbacks requested by the Board
- Declining poverty calculations by the state
- Slight increases in the “per student” (ADMw) funding
- Roll-up expenses on fixed costs and contracted services
- An increase to the ending fund balance for 2017-18 due to successfully decreasing spending across all departments and buildings.

All these factors and others are determined while the budget framework increases or decreases until a final number is determined – a positive number indicating how much can be added back to the budget or a negative number indicating how much needs to be reduced from the budget. The budget framework for 2018-19 indicated a negative final number of minus \$4.3+ million, indicating reductions but not as severe as originally anticipated.

Unfortunately, as you are already aware, that final number has been negative for three years and the district has had to reduce the budget to balance. This translated into reductions in many areas, including deep decreases in classified and administrative FTE and non-labor cuts of 15% by building and department.

This leaves the district with the difficult task of finding other areas to be adjusted to balance the budget within the confines of available resources. As enrollment declines, many classes are shrinking thus impacting teacher-to-student ratios. The question considered was how many teachers are required to serve the number of students enrolled. Then FTE and numbers of classes were adjusted according to the teacher-to-student ratios.

Enrollment projections for 2018-19 were estimated in December 2017. The estimates from that snapshot in time are the basis of the budget and FTE estimates. Enrollment has declined since then and Fall 2019 staffing will be adjusted where necessary.

With that framework in mind, the district received input from licensed staff and administrators, as well as solicited advice from other districts regarding their teacher-to-student ratios in relation to their own budget constraints. This helped to establish a ratio per level allowing district leadership to “reset” the number of FTE needed for licensed general education staff. These ratios are depicted in the following:

Grade Level	Teacher:Student Ratio
K-2	1:25
3-6	1:32
7-12	1:35

Reviewing these ratios against the current enrollment model indicates that some classes in each of these levels at various buildings are currently at these ratios, while many are much smaller, and only a few are slightly larger. Therefore, leadership determined that a reset is critical to ensure the district is using the resources available in the most efficient manner.

Once these figures were set, comparability reports for elementary and middle schools were determined. The budget framework was shared with department and building leadership. Cabinet then met with union leadership to share the framework and gather feedback. The board reviewed the framework and feedback and directed staff to move forward with the ratios and the reset of licensed FTE distribution based on the declining enrollment numbers.

Through careful examination, it was determined the following proposed reductions/shifts would be proposed in the framework for the 2018-19 draft budget:

Administration (based on enrollment):

- Remove 1 FTE at H.B. Lee Middle School.
- Shift 1 FTE at RHS (two .5 FTE) from General Fund to Measure 98.

Licensed (based on ratios and enrollment):

- Reduction of Elementary School General Education: 22 FTE
- Reduction of Middle School General Education: 11 FTE
- Reduction of High School General Education: 5 FTE

Classified Staff:

- 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:

- 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: \$4.3+ million

As the board instructed, the draft budget for 2018-19 is currently being developed using these reductions. REA and OSEA leadership were apprised of the budget framework in March and asked for feedback. Budget meetings that allow for public comment have been scheduled and can be seen at the end of this communication. We plan to keep you fully informed as we move through the process of getting to an approved and adopted budget for 2018-19.

Some of you may be concerned, specifically if you are currently in one of the potential reduction areas above. We anticipate most of the recommended reductions to licensed staff will occur naturally through retirement, balance of the year positions, and/or resignation.

Special note: If you are in one of the potential cut positions and are looking to retire in the near future, we encourage you to have that discussion with Human Resources as soon as possible so we can take that into consideration moving forward.

As has been district practice in the last three years, staff who may be impacted will continue employment through the district substitute pool, while maintaining their current salaries and benefits. Therefore, district leadership is highly confident that most, if not all, licensed staff in positions reduced who desire to stay with the Reynolds School District will have a position for the 2018-19 school year.

This can be stressful for everyone as we maneuver through budget season facing these reductions due to declining enrollment. Reynolds School District is not alone as districts around us struggle with these same issues of decreased funding and finding ways to balance their own budgets. We appreciate your strength as we move forward in the task of balancing the budget with available resources.

2018-19 Budget Committee Meetings

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 (if needed)
Reynolds High School Multi-Purpose Room