

Rapid City Area Schools
2009-2010 Administrative Budget Recommendation
As of 2/5/2009

Presented by Rapid City Area School District Administrative Team

Purpose

This document is intended to provide the board of education with the background, process, and initial expense reduction recommendation from the district administrative team.

Background

In August of 2008, the Rapid City Board of Education voted on and approved the budget calendar for the 09-10 fiscal year. Included in that calendar were the assumptions that district staff and administration were to use in preparing this budget. Those assumptions for the general fund are:

- 1) Maintain a \$5,000,000 fund balance in the General Fund.
- 2) Allow for steps on the various salary schedules.
- 3) Priority will be given to:
 - a. Core graduation requirements
 - b. Programs with the greatest impact on student achievement
 - c. Programs that align with district mission and philosophy

At the administrative retreat these items were shared with all building principals, along with the goal to reduce the general fund budget for 09-10 by 5% or \$4,000,000.

Process

The next step was to obtain recommendations from district staff. This was done by holding building level meetings. The building level teams were open to all staff, teachers, clerical, custodial, para-pros, security, and principals. The ideas from these meetings were shared at a series of working meetings with budget managers. The ideas had to align with the assumptions approved by the Board of Education. The recommendations were then filtered using the decision matrix found in Appendix 1.

The next step was to obtain ideas from the general public. This was achieved in two ways. First, last spring the Board of Education appointed a committee of community leaders to study the district budget and make recommendations. This committee delivered its report to the Board of Education on 1/22. In addition, public input meetings were held at three middle schools during the week of 1/12 to 1/16. While all of this input has not worked its way through the process, the proposed budget will not be considered by the Board of Education until May of 2009. Additional adjustments are expected.

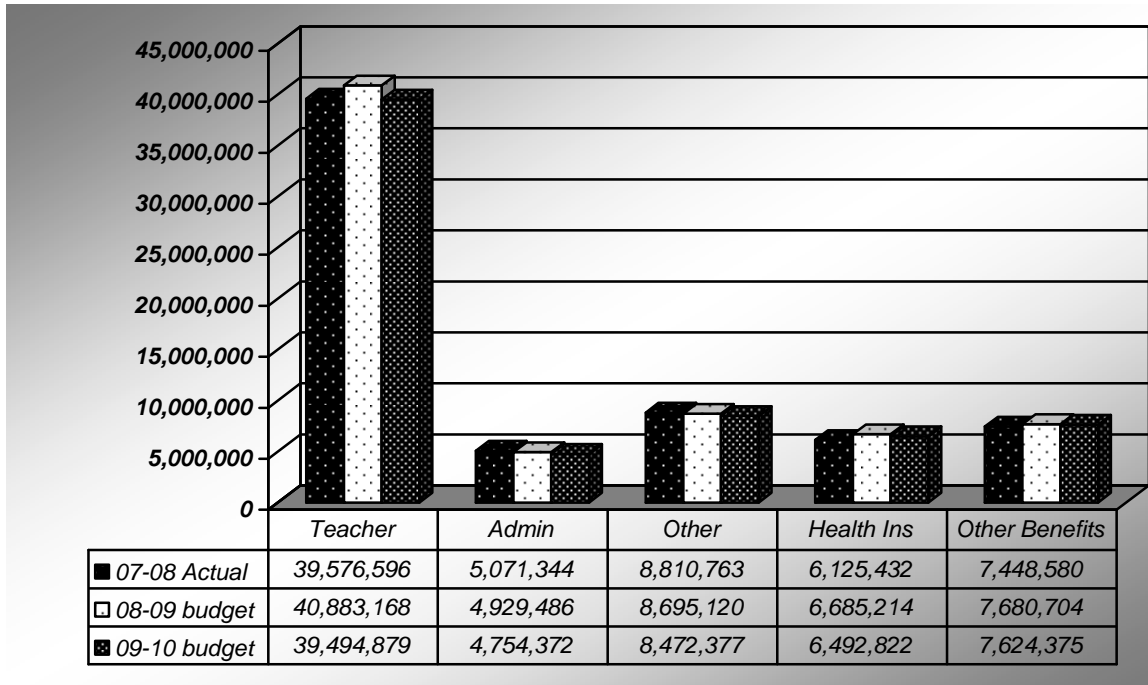
This recommendation will continue to evolve over the next several months. There are several items that remain in process:

- 1) Public input will be accepted until 1/31/09.
- 2) An RFP for the district health insurance program is out until 3/2/09.
- 3) Contract negotiations with all bargaining groups have not yet begun.
- 4) Consideration of the Community Finance report has just begun.
- 5) District staffing does not begin until February.
- 6) The State of South Dakota Legislative session is not complete until mid-March.

Each of the items above will have an impact on the 09-10 school budget and will be factored into the proposed budget presented to the Board of Education in May.

Recommendation

The efforts by all district staff and the community have resulted in a reduction of \$2,923,087 or 3.61% from last year’s general fund budget. This reduction has met all of the criteria approved by the Board of Education. The chart below shows the reductions in the Salary and Benefits areas.



Overall salaries and benefits have been reduced by approximately \$2,024,867 or 2.95% compared to the 08-09 budget. Teachers’ salaries were reduced by 3.4%, administrators’ salaries by 3.5%, and other salaries by 2.5%. Health insurance was reduced by 2.8% and other benefits by .7%.

This reduction was obtained through the elimination of a total of 41.95 FTE. These FTE have been realized through retirement and attrition. The programs affected by this reduction are as follows:

- Technology Network Administration (1)
- Nursing Services (.5)
- Elementary Instruction (16.5)
- Middle School Instruction (9.45)
- Senior High Instruction (5.5)
- Custodial, Maintenance, Security, & Clerical Services (7)
- Administrative Services (2)

These reductions can be achieved with minimal impact on student instruction. 13.5 of the Elementary & Middle School FTE reductions are the result of enrollment trends. As the district population changes instructional needs change. Over the last 10 years the district has seen a decline of over 1000 students. As we continue to enforce our current school boundaries, we are able to create efficiencies.

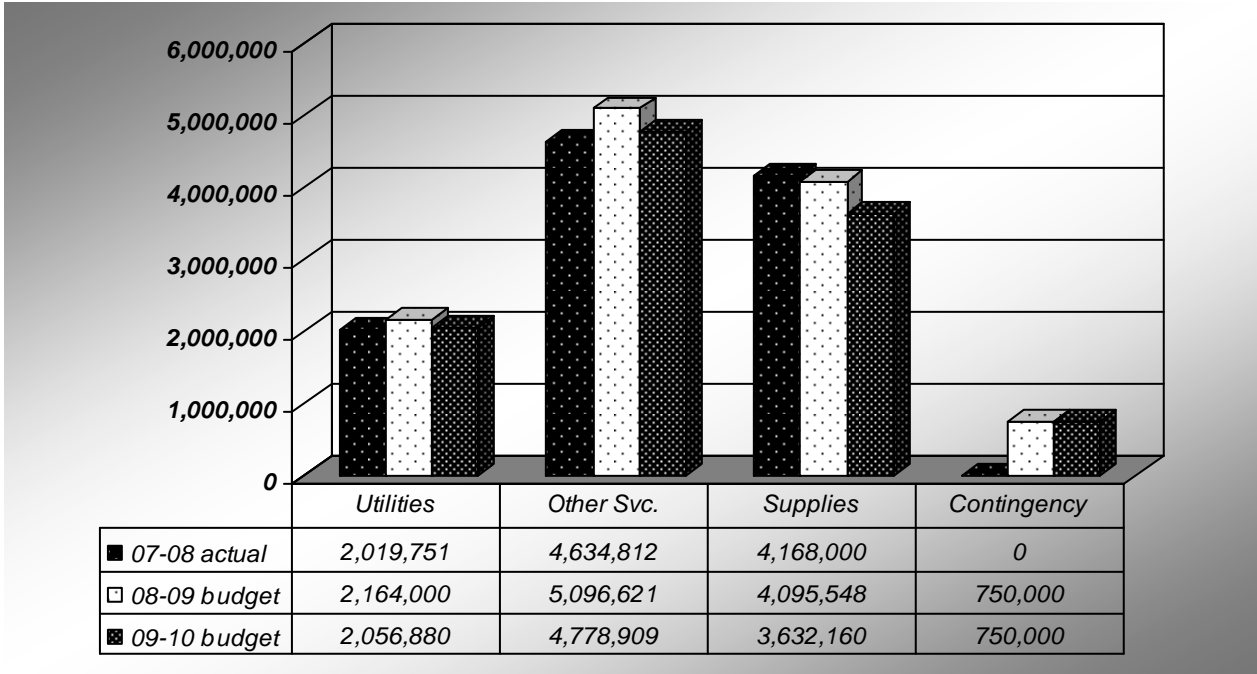
We have also reviewed several programs that have been offered in the district for many years. During this review it has been determined that by reorganizing the delivery of the program, student achievement needs are met, and expenses can be reduced. The specific programs to be reorganized are:

1. CSAC Administration/Curriculum, Instruction, Assessment, and Gifted Education Director
2. High School Administration/Activities
3. Support Services/Custodial, Maintenance, Clerical Services, Security
4. High School Debate
5. Middle School Self Contained Classroom
6. Elementary Standard Support Specialists
7. Middle & High School Math Coaches
8. Elementary PE
9. Elementary Reading Recovery/Literacy
10. High School Rushmore Academy
11. Middle School Gifted Education

In the support service area, custodial, maintenance, clerical, and security services were reviewed. All of the reductions in these areas are achieved by reorganizing the way we are currently doing business. The timeliness of services may not be the same as in the past, but services will continue to be provided. Service and repair contracts will be evaluated to determine if in house or outsource contracts are in the districts best interest. At this time we have not investigated the outsourcing of these functions; this was however, recommended by the Citizens Finance Committee.

The reductions in FTE are consistent with the recommendations from the Citizens Finance Committee. Their report recommended the reduction of 39 FTE at all levels for the 09-10 budget.

The balance of the savings is found on the chart below.



The reductions in this portion of the recommendation cover a wide variety of functional areas. The total savings is \$888,220 or 7.33%. Compared to the 08-09 budget, utilities were reduced by 5.06%, other services reduced by 7.3%, supplies were reduced by 11.4%, and contingency has no reduction.

Conclusion

This report is submitted to the Board of Education as an interim report. As mentioned above, a wide variety of factors can still impact the preliminary budget that will require action in May.

We would like to thank the Board, the public, and all of the staff and administration that have assisted to date. We anticipate additional discussion of this and other proposals. Our next step is to complete the other fund budgets, and wait for the State Legislature to define the revenue parameters.



2009-2010 Administrative Budget Recommendations

Prepared by the Rapid City Area
Schools Administrative Team

Presented 2/5/2009



Process

- Budget Calendar Approval
- Administrative Announcement
- Building Level Meetings
- Budget Manager Meetings
- Citizens Finance Committee
- Public Input Meetings

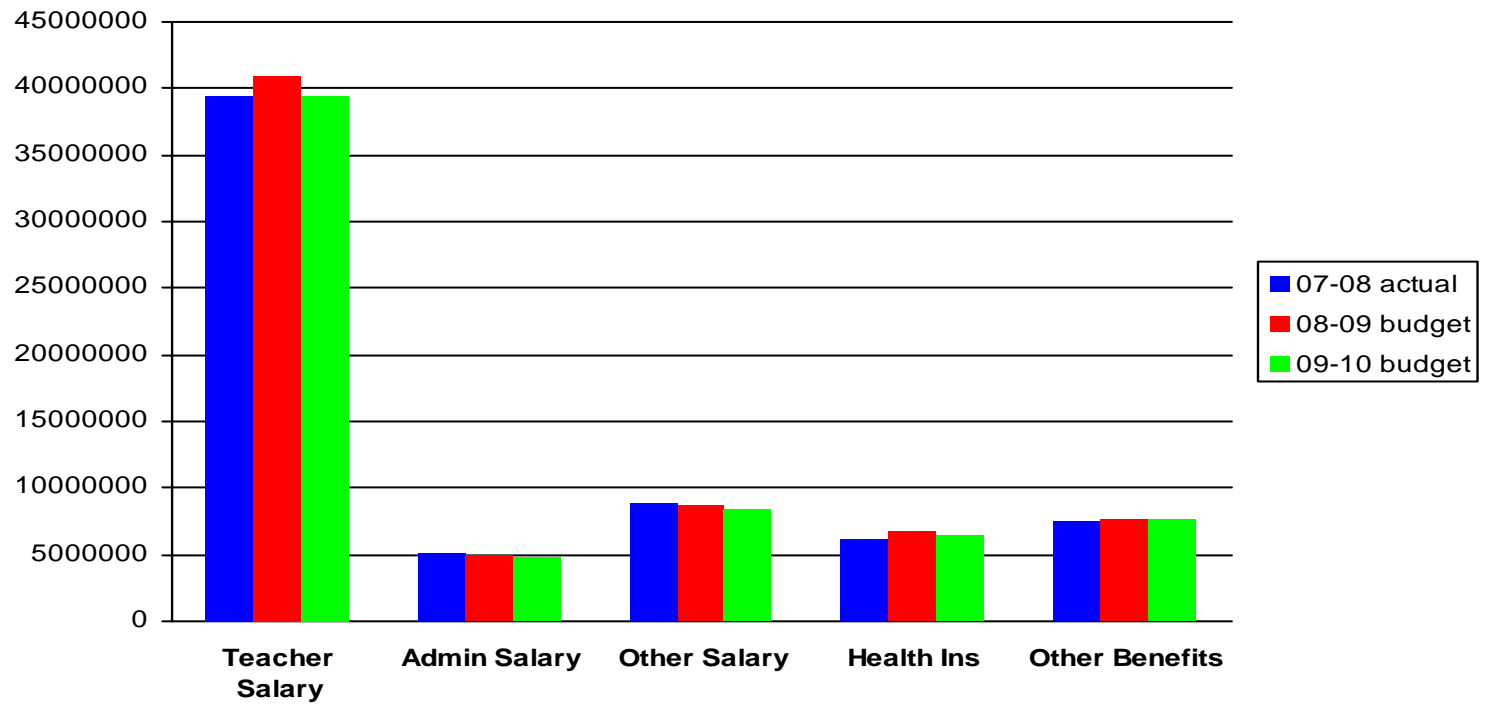


Recommendation

- \$2.9 million in total reductions 3.6%
- 41.95 FTE \$2.0 million salary & benefits
- \$900,000 in other areas
- Consistent with Community Finance Committee

Salaries

Salary Comparisons





Restructured Areas

- CSAC Administration/Curriculum, Instruction, Assessment, and Gifted Education Director
- High School Administration/Activities Coordinator
- Support Services/Custodial, Maintenance, Clerical Services, Security
- High School Debate
- Middle School Self Contained Classroom

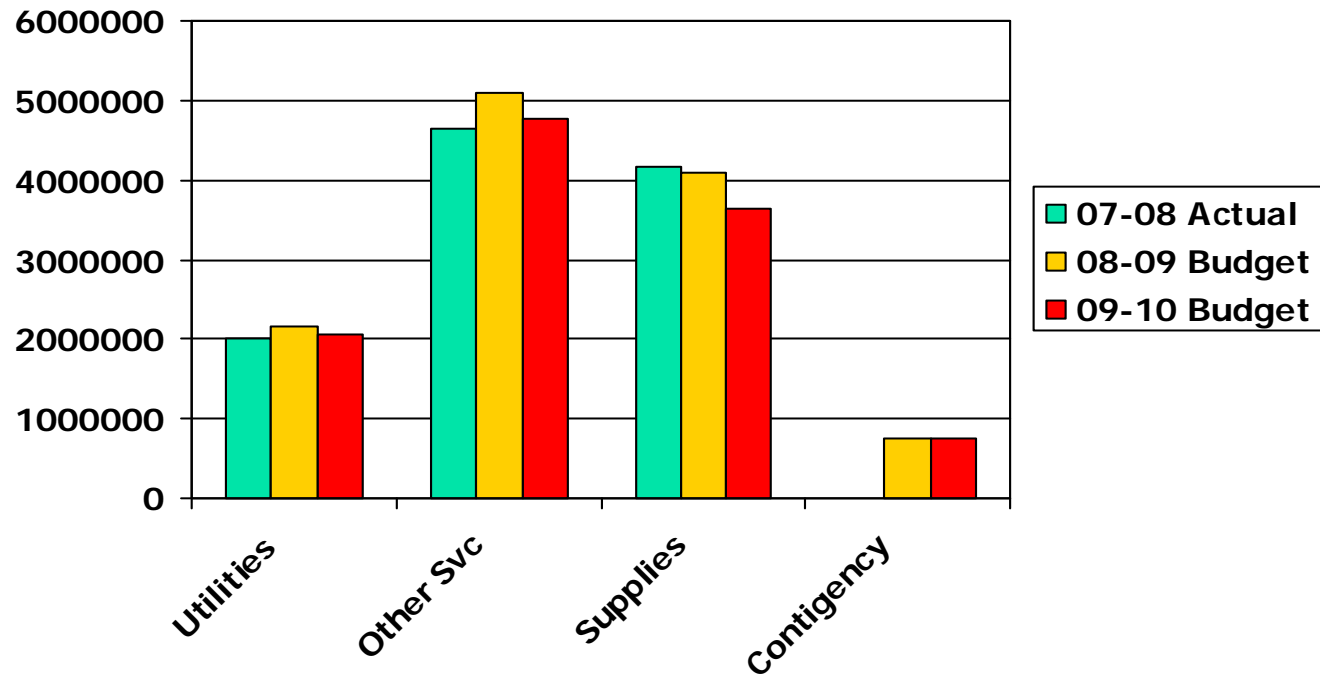


Restructured Areas

- Elementary Standard Support Specialists
- Middle & High School Math Coaches
- Elementary PE
- Elementary Reading Recovery/Literacy
- High School Rushmore Academy
- Middle School Gifted Education

Other Reductions

Non Salary Comparisons





Other Areas Considered

- Extra Curricular Activities
- Number of School Days
- Additional Staff Reductions
- Fees for Classes and/or Activities
- School Closures
- Services Outsourced



Additional Factors

- SD State Legislature
- Citizens Finance Report
- Public Input
- Health Insurance Request For Proposal
- Negotiations
- District Staffing



Next Steps

- Other Fund Budgets
- Revenue Calculations
- Preliminary Budget Approval May 2009
- Public Hearings by August 2009
- Final Budget by October 2009



Questions

