

**CITIZENS FINANCE
COMMITTEE REPORT**

FOR

*RAPID CITY AREA SCHOOL DISTRICT
BOARD OF DIRECTORS*

JANUARY 22, 2009

INTRODUCTION

The Rapid City Area School District (RCASD) Board of Education (Board) appointed a Citizen Finance Committee (Committee) to assist in assessing the financial position of the RCASD from a community perspective. The Committee commenced its meetings on July 8, 2008, and was presented with the RCASD Budget and a variety of documents and reports for review. See (Attachment A) for Committee membership and description of documents reviewed.

The overall task of the Committee was to review the information to make recommendations in the four following areas:

1. The budget document – How can it be made into a more user-friendly communication tool?
2. District budget capacity – Can the RCASD sustain its existing and forecasted expense structure?
3. Fund balance – What is the Committee's recommendation as to the ratio for the fund balance to the General Fund expenses?
4. What other opportunities exist for the RCASD for revenue generation?

The Committee met with a variety of school administrators, state legislators, and the RCASD independent auditor. Informally, members of the Committee gathered input from previous school board members and staff, current teachers, parents, and others from the community. All of these contacts led to additional questions and the requested information was received. The Committee wants to thank everyone who developed and presented the massive amounts of information that was provided.

We learned about a variety of issues faced by RCASD and South Dakota K-12 education funding. The Committee spent a substantial amount of time reviewing the expense structure of the budget. The Committee reviewed comparative data from the National Education Association (NEA), South Dakota Department of Education (SDDOE) and other school districts. Personnel costs represent 85% of the General Fund budget so extensive effort was placed on reviewing staffing. See (Attachment B) for a pie chart describing General Fund expense categories.

Funding of K-12 education in South Dakota (State) is complicated. In essence, the State controls revenues available to local districts through a comprehensive formula that determines how State funds are allocated and county mill levies are established. The law establishes a per student amount that is \$4,664 for the 2008-2009 year. Each school district is supposed to receive 54% of the \$4,664 per student amount with the counties funding the difference (46%). However, RCASD receives only 45% and Pennington County funds the 55% difference. In essence, Pennington County tax payers subsidize some of the other South Dakota counties by approximately \$5,500,000 per year.

The following list briefly describes the reasons for the variance in percentage of funding. See South Dakota Department of Education Issue Brief entitled "State Aid to K-12 General Education Funding Formula" revised July 9, 2008 for detailed discussion:

1. Larger communities such as Rapid City have more improved/developed property to assess property tax on than smaller communities. Therefore, local property taxes pay a greater proportion of the school funding. The school portion of the mill levy is also controlled by the State.
2. The State distributes some of its State Aid monies through a small school subsidy. There are 119 districts with enrollments below 200 students that qualify for an additional \$847 per student. Districts with enrollments between 200-600 students receive a smaller subsidy that decreases to zero at 600 students.
3. Locally generated fines and taxes, such as bank franchise taxes, stay within the local district instead of being put into the formula. If the State-wide total amount of these fines and taxes for the 2006-2007 school year were divided by total students in the State, this would be \$1,370 per student. RCASD has limited sources for these additional revenues compared to other districts so the RCASD average per student allocation was only \$117 per student for the same time period.
4. Sparsely populated districts can receive an additional state grant up to \$165,000.

In the RCASD, State Aid makes up only 36% of total revenue while local property taxes are 51% and the remaining 13% comes from grants, various fees and fines. See (Attachment B) for a pie chart describing General Fund revenue sources. Due to the factors and inequities listed in 1-4, districts look to other sources for revenue such as grants from Federal, State and Foundation entities. Another available option is that districts can vote to "opt out" of the state mandated mill levy and increase the local property tax mill levy. At the present time 77 of 165 districts in the State of South Dakota have "opted out". Given the difficulty of increasing available revenue, the Committee decided to first analyze the RCASD 2008-2009 Annual Budget based upon present conditions.

COMMITTEE RESPONSE TO SPECIFIC QUESTIONS

1. The budget document – How can it be made into a more user-friendly communication tool?

The RCASD 2008-2009 Annual Budget is a complex, detailed, 60 page document made up of seven funds including the General, Capital Outlay, Food Service, Pension, Health Insurance, Special Education and Post Secondary (Western Dakota Technical Institute) Funds. An explanation of the purpose of each fund is included as (Attachment C), however, the General Fund will be the primary concentration of this Report.

The purpose of the General Fund is to provide the overall operations of the RCASD. There are three primary sources of revenue; local property taxes, State Aid and Federal funds. Approximately 87% of the revenue portion of the budget is generated from local property taxes and State Aid of which the combination of these sources is capped by state statute in the funding formula. The additional 13% comes from miscellaneous revenues such as bank franchise taxes, fines and Federal grants.

Salary and benefits make up 85% of the expenses in the categories of:

- Classroom teachers, other instructional staff and other specialists; (counselors, librarians, therapists, aides) (50%)
- Support services; (technicians, paraprofessionals, custodial/maintenance, clerical, food service, psychologists) (11%)
- Administrators; (Superintendent, Directors of various areas and Principals) (6%)
- Benefits; (18%)

The remaining 15% of expenses include costs of operating facilities and other services.

The format of the budget provided to the Committee by the RCASD is dictated by the State. The budget is very detailed and is presented with over 200 school functions. While this may be an important tool for in depth review and discussion, modifications to this complex document could be made to be more user friendly to the general citizen.

1. The budget document – How can it be made into a more user-friendly communication tool?, continued

Recommendations:

a. The budget made available for public comment should be prepared in a manner that is easy to understand in order to communicate a “clear picture” of the RCASD. We recommend a consolidated budget comparing historical revenue and expenses to projected for each fund with natural classifications of broad categories or subtotals of the functions rather than a detailed functional budget. Columns should include prior year actual, prior year budget, current year budget and variance in budget line items. A written narrative on major variances from the previous year should be reported.

b. Since 85% of the General Fund Budget is made up of salaries and benefits, there should also be a budget that tracks all staff by full time equivalents (FTE's), by building and employee category. Building enrollment should also be factored to show appropriate staff/student ratios. Employee categories include teachers, clerical, custodial/maintenance, counselors, etc.

c. The budget could also be displayed graphically as described in the preceding paragraphs for the reader who does not want to read line items of financial information. Variances can be quickly reviewed and the reader can choose what details to further investigate. An Executive Summary with graphical and condensed versions should be included on the RCASD website with a link to more detailed versions.

2. District budget capacity- Can the RCASD sustain its existing and forecasted expense structure?

RCASD **can not** sustain its existing and forecasted expense structure without reducing expenditures or increasing revenue. Budget forecasts at the time this Committee began its work showed continued deficits for the operation of the district. (See Attachment D) We recognize the administration and Board have already begun to address this problem and as a result, some of our suggestions may already be under consideration.

Personnel costs (salaries and benefits) comprise 85% of the General Fund Budget. Reserves were used for General Fund expenses in the 2007-2008 school year to fund ongoing rather than one-time expenses in two primary areas; additional staff and adjustments to pay scales.

Teachers and other staff were added to the General Fund either through retention of positions previously paid through grants or through new positions. Attachment E lists the hiring of 46 additional personnel in the 07-08 school year while enrollment increased only 199 students. The RCASD also increased the pay scale for all staff during the 07-08 school year as the existing staff received percentage, step or market adjustments and the base salary for an entry level teacher was increased by \$3,000.

The SDDOE annually compiles profiles of each school district. Sioux Falls is the largest district in the State with 20,000 children enrolled in K-12 for the 07-08 school year while RCASD is the 2nd largest district with 13,379 students. The next largest district is Aberdeen with enrollment of 3,724 so it is difficult to show comparative information with the vast differences among districts. The Committee offers the following comparative information as explanation of the budget deficit for 07-08 and the effect on future year's budget, not as a discussion to adequacy or inadequacy of RCASD salaries.

	State	Rapid City	Sioux Falls
Average Teacher Salary	\$36,697	\$42,311	\$40,579
Avg Years of Experience	15.0	14.1	15.1
% with Advanced Degrees	27%	34.1%	58.2%
Student to staff ratio	13.4	16.1	15.0

The RCASD average teacher salary is ranked 2nd in the State only to the Douglas School District. Administrative salaries are not averaged in the same way as teachers in the SDDOE Profile. However, data supplied by the RCASD indicate RCASD administrative salaries range from 2nd to 7th in the State depending on position.

2. District budget capacity- Can the RCASD sustain its existing and forecasted expense structure?, continued

School districts are forced to look at finding ways to meet their educational demands more efficiently. The SDDOE data also lists Expenditure Efficiency Ranking by School. Overall, the RCASD is in the upper 26% in the State for efficiency with its Expenditure Efficiency Ranking for the General Fund at 122 out of 165 school districts. However, this ranking is down from the 06-07 school year from 138 out of 168 school districts, which means RCASD efficiency decreased. When 85% of the General Fund expenditures are for staff, the most efficient and effective use of the staff is necessary to balance a budget. To examine a comprehensive analysis of staffing see (Attachment F).

There are many variables to staffing other than simply comparing the student to staff ratio. The analysis becomes more complex when adding the varying needs of students and external quality standards. The South Dakota Department of Education (SDDOE) not only sets the amount of State funds and local tax funds that the RCAS receives, but it also sets State educational standards, implements Federal standards such as No Child Left Behind (NCLB) and enforces these standards. The local school board and administrators have the responsibility of meeting these standards and requirements based on the controlled revenues from the State.

The RCASD has received accolades for exceptional teachers and innovative programs. For example, the General Beadle Community School concept is considered a Best Practice for promoting successful outcomes for communities in poverty. The RCASD has developed a wide array of programs to meet unique needs of children. These programs improve the quality of education through staff development, training and innovation. This information is included in the RCASD Annual Improvement Plan.

One indicator of the quality of education provided is through a standardized test called ACT. According to the most current SDDOE data, the 2007-2008 school year, Rapid City scored higher than the State average on the ACT test.

	State ACT scores	RCASD ACT Scores
English	21.1	21.5
Math	21.9	22.2
Reading	22.2	22.9
Science	22.0	22.2
Composite	21.9	22.3

2. District budget capacity- Can the RCASD sustain its existing and forecasted expense structure?, continued

Any effort to reduce expenditures will require reducing FTE's at all levels as well as combining positions to work towards balancing the budget. The district has already started this process by not filling various positions from the 08-09 Budget and will need to continue to do so. Budget constraints may require the district to look at increasing class sizes at all levels and limit class/subject offerings which do not meet minimum student numbers per class.

Savings can be achieved by consolidation of schools, phasing out those that are costly to operate, and redrawing attendance areas within the district. At the same time, the district needs to deal with overcrowding and scheduling problems in Central High School along with attendance problems at the high school level. They must also plan for a potential increase of 200-400 students resulting from the compulsory attendance law change from age 16 to 18. These issues call for consideration of non-traditional or innovative solutions.

Recommendations:

Reduce staff FTE's.

a. As previously stated, 85% of the RCASD Budget is staff salaries and benefits. While it may be obvious that a means to control expenses for the school district is to simply cut employees, the Committee recognizes the need for qualitative measures to ensure the least disruption to the students as well as standards required through mandates such as No Child Left Behind (NCLB). We encourage a reduction at all levels and combining positions where practical. The increased staff levels of 46 FTE's in the 07-08 school year were not supported by an increase in students. The number of FTE's hired to fulfill NCLB or other mandates may be more difficult to measure. See the detailed staffing analysis and recommendations at (Attachment F).

b. RCASD states the average cost per FTE is \$55,000. To do a simple math calculation rather than analyzing staffing and programming, assuming student count remains flat, it would take a reduction of 39 FTE's to balance the 09-10 Budget. (See Attachment D)

2. District budget capacity- Can the RCASD sustain its existing and forecasted expense structure?, continued

Review Benefits Package.

- a. Perform a comprehensive survey of other employers' employee benefits to determine how the RCASD employee benefits compare to private industry. Inform participants on the value of their total compensation.
- b. Determine the most cost effective manner of obtaining benefits. A complete review of the health insurance plan should be done. Solicited competitive bids of private plans where there is multiple co-payment and deductible options, controlled pharmacy benefits and other cost controlling measures should be compared to the existing plan. RCASD also needs to plan for future insurance increases and how to minimize additional cost to the district.

Explore other efficiency or cost-saving opportunities.

- a. Consider outsourcing for all possible areas, examples include but are not limited to; custodial/maintenance, food service, truancy and security enforcement.
- b. Co-op with other districts in the purchase of supplies, equipment, food and any other items purchased that are common to all school districts or request the use of State of South Dakota purchasing contracts.
- c. Investigate consolidating or coordinating the information system technology infrastructure and personnel with State and Local Governments.
- d. Create a community wide task force to study the fiscal ramifications of all extracurricular activities.
- e. Explore an expanded role of the Rapid City Public School Foundation and the use of volunteers at all levels of the RCASD.
- f. Request the State of SD provide financial support for consultants, technical assistance, or tools to enhance the quality of the education system.

Review Negotiated Agreements.

- a. Explore early out/retirement options.
- b. Negotiate multi-year contracts tied to revenue streams to eliminate the yearly negotiations.
- c. Explore merit based teacher compensation.

2. District budget capacity- Can the RCASD sustain its existing and forecasted expense structure?, continued

Reduce Administration Expense.

- a. Reduce administration expenses by up to 10% by the 10-11 school year.
- b. Improve the use of technology to save teacher time or reduce administrative staff time.

Perform Classroom Staffing Ratio Analysis.

- a. Review Attachment F for recommendations that outline a comprehensive analysis of classroom staffing ratio for elementary, middle and high school to utilize staff and facilities more efficiently.
- b. Identify schools within the RCASD to consolidate or close to enhance facility efficiencies based on the recommendations included in the RCASD Facilities Master Plan.

3. Fund Balance amount - What is the Committee’s recommendation as to the ratio for the Fund Balance to the General Fund expenses?

School districts maintain reserves called fund balance to be utilized for one-time expenses, or occurrences such as an unanticipated shortfall in revenues or an increase in expenses over budget. For example, revenues don’t necessarily arrive at the same time as the bills so reserves are used until the funds are received. Unforeseen or unbudgeted expenses happen such as increases in fuel, utilities or insurance premiums. Rather than incurring debt expense, RCASD is able to use the fund balance for the temporary monetary shortfall.

HISTORY:

The RCASD has historically maintained Total Fund Balances near or above 12%. The 2008-09 Budget and new projections indicate a Total Fund Balance at much less than 12% as shown in the following table:

	<u>Total Fund Balance</u>	<u>Percentage Of Expenditures</u>
2005-06	\$ 12,587,683	18.44%
2006-07	\$ 11,649,566	16.38%
2007-08	\$ 8,861,774	11.38%
2008-09	\$ 4,665,498 Budgeted	5.8% Budgeted
2008-09	\$ 7,088,801 Projected*	9.05% Projected*

Recommendation:

The Committee recommends the Fund Balance be replenished to a targeted level of 12%.

Comments:

The percentage of Fund Balance by school district varies greatly across the State. Perhaps the State Aid formula should discourage districts carrying reserves beyond what is needed to cover two months of expenses (16%).

*See Attachment D

4. What other opportunities exist for the RCASD for revenue generation?

Opportunities for revenue generation are limited by statute. As stated earlier, education funding is controlled largely by state law. Local school district boards have only one method to increase revenue, vote to “opt out” by increasing the local tax mill levy. An “opt out” is limited to a three year period at the end of which the Board must again vote to continue the increase. Each vote may be subject to referendum election.

Other sources for revenue are federal grant applications and foundation grants. Grants usually have limited terms that require the District to absorb or terminate the program at the end of the grant period.

Due to the inherent problems of both of these methods, the Committee felt the RCASD must first look to solutions using its present revenue sources, before seeking approval of an “opt out”, due to the increased State pressures on property taxes and the current economic climate.

Recommendations:

- a. Continue to apply for innovative Federal or Foundation grants to develop and continue effective education programs while planning for sustainability.
- b. Recruit students who are home schooled to public school.
- c. Continue existing and explore new City/School partnerships, such as the historical use of 2012 funds.
- d. Ensure all possible efforts to economize while maintaining a “Quality Education” are undertaken. If these efforts are not sufficient for RCASD to operate in the “black,” implement an “opt out” strategy.

Comments:

The preceding recommendations offer only a short-term fix to a larger problem. The annual per student State Aid funding currently at \$4,664 may be too low as evidenced by over 100 of 165 school districts voting to opt out and 77 currently in an “opt out”. State and Federal laws, rules and regulations are mandated without necessary revenue increases. Additionally, if only 87% of RCASD revenue is subject to the per student State Aid formula and the remaining 13% has limited sources, the RCASD continually remains at a funding disadvantage or deficit of approximately \$550,000 per year which may amount to 10 FTE per year.

4. What other opportunities exist for the RCASD for revenue generation?, continued

The State of SD is shifting more costs onto local property taxes. Current State law sets State Aid at 54%, yet Rapid City only receives 45%. The Committee suggests the RCASD take a leadership role to work with other school districts and the State Legislature to come together and eliminate inequities that exist between individual school district funding for the following State revenue measures:

1. Ensure State funding of each school district is a minimum of 50% of the annual State formula per student.
2. Ensure additional State funds are provided for State/Federal mandates such as No Child Left Behind, mandatory attendance to age 18, etc.
3. Ensure uniform assessment of property in each county.
4. Equalize the State Aid formula through consolidation of special revenue sources such as bank franchise taxes, fines, etc.
5. Mandate more school district consolidations.
6. Reduce the small school subsidy.
7. Seek legislative approval of a State funding source for education (K-12, Technical and Higher Ed) such as an additional one cent sales tax. (A Penny for Their Thoughts).

CONCLUDING COMMENTS

The Citizen Finance Committee was formed to provide a perspective on the operations of the RCASD. The RCASD faces a significant challenge in that current and future revenues do not match estimated expenditures. The RCASD Board of Education has a fiduciary responsibility to effectively manage the finances of the District. Immediate action is necessary in a number of areas. A summary of the Committee's findings are:

1. Reduce staff and/or programs.
2. Increase teacher to student ratio efficiencies.
3. Consolidate or close schools.
4. Consider an interim "opt out" if 1-3 do not balance the budget.
5. Change the State Aid funding formula through the Legislative process.

The Committee encourages the RCASD Board of Education and Superintendent to be pro-active in exercising leadership by re-engaging the entire community in support of public education. The RCASD should invite all stakeholders; taxpayers, students, parents and teachers to participate in a strategic planning process with the ultimate goal: to ensure a quality education system.

Respectfully Submitted,
Citizen Finance Committee
January 22, 2009

Attachment A

CITIZEN FINANCE COMMITTEE MEMBERS

Sam Benne, *First American Title*; Business Owner

Patrick Burchill, *US Bank*; Banking

Sandy Diegel, *John Vucurevich Foundation*; Non-profit Administrator, former CPA

James Olson, *Wilson Olson Nash*; Attorney and former RCASC Board member

Jeff Partridge, *Partridge Financial*; Investment Advisor, former Rapid City Councilman

Dennis Popp, *Black Hills Workshop Foundation*; Non-profit Administrator

Jim Preston, *Rapid City Finance Officer*; Fiscal Administration

Bruce Rampelberg, *First Western Bank*; Banking

Tom Timmons, Retired Douglas School District Superintendent

Verine White, *Oglala Lakota College*, Instructor

DOCUMENTS REVIEWED

RCASD Budgets for Fiscal Years 2008 and 2009

RCASD Audits for Fiscal Years 2007 and 2008

RCASD Annual Financial Report Fiscal Year 2008

RCASD Facilities Master Plan June 2008; and Facilities Master Plan Brief of Key Issues July 2008

RCASD Negotiated Agreement Administrators/Technicians Association 07/08

RCASD Negotiated Agreement Rapid City Education Association 07/08

RCASD Negotiated Agreement General Drivers and Helpers 07/08

RCASD Negotiated Agreement Secretarial and Clerical Unit 07/08

RCASD Agreement Rapid City Education Assn for Paraprofessionals 07/08

RCASD Policies Relating to the Food Service Staff 07/08

RCASD Grants Detail and Positions Funded through Grants 07/08

RCASD Detail of Hiring Increases for 07-08

RCASD Revenue, Fund Balance and Expenditure Trends since 2005-2006

RCASD Enrollment/Staff Ratios and Salaries 2003-2008

RCASD School Improvement Plan Overview 2007-2008

South Dakota Department of Education Issue Brief entitled "State Aid to K-12 General Education Funding Formula" revised July 9, 2008

Sioux Falls Chamber of Commerce Partnership for Economic Growth for Business and K-12 Education August 2008

National Education Association Statistics 2006

South Dakota Department of Education Statistical Digest 2007 and 2008

<http://doe.sd.gov/ofm/edudir/>

South Dakota Department of Education State Aid Study Task Force Interim Report January 2006

How to Create a Community Guide to Your School District's Budget

Various South Dakota Codified Laws

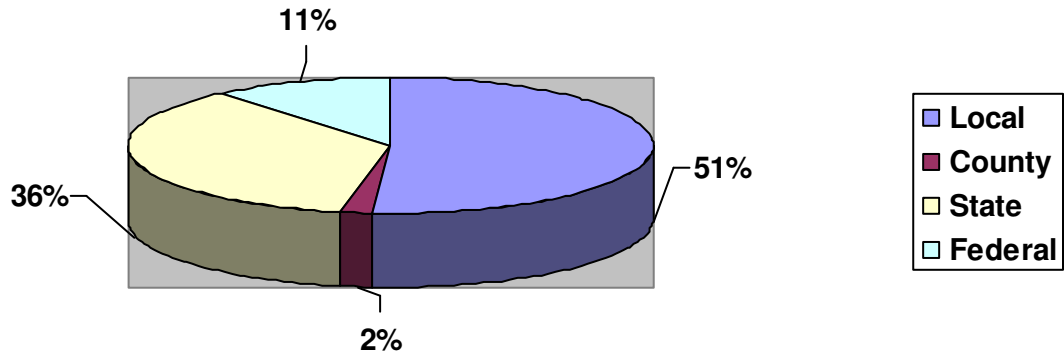
Attachment B

GENERAL FUND REVENUE AND EXPENSE CHARTS

Revenue

There are four sources of General Fund Revenue, Local (Property Taxes), County, State, and Federal. The chart below describes how each \$1 of revenue is divided by source.

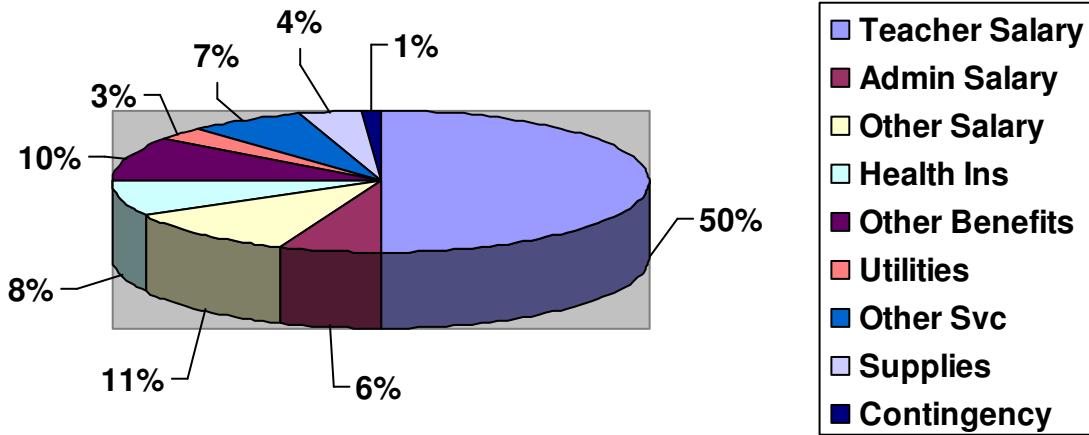
\$1 General Fund Revenue



Expenses

The chart below describes how each \$1 spent in the General Fund is divided.

\$1 General Fund Expense



Attachment C

DESCRIPTION OF MAJOR FUNDS

General Fund – The General Fund is established by South Dakota Codified Laws (SDCL) 13-16-3 to meet all the general operational costs of a district, excluding Capital Outlay Fund and Special Education Fund expenditures.

Capital Outlay Fund – A fund established by SDCL 13-16-6 to meet expenditures which result in the lease of, acquisitions of or additions to real property, plant or equipment, textbooks and instructional software. This fund is financed by property taxes.

Special Education Fund – A fund established by SDCL 13-37-16 to pay the costs for the special education of all children in need of special assistance and prolonged assistance who reside within a district. This fund is financed primarily by property taxes and state and federal grants.

Pension Fund – A fund established by SDCL 13-10-6 for the purpose of continuing a fund for the payment of pensions to retired employees for school districts, which have established such systems, paying school district's share of retirement plan contributions, and for funding early retirement benefits to qualifying employees. This fund is financed by a separate property tax levy.

Post Secondary Fund – A fund established by SDCL 13-39-36 to pay post secondary education for training to upgrade or update the occupational skills of persons to prepare them for the labor market or to assist those who have already entered the labor market. This fund is financed by student tuition and fees as well as state and federal grants.

Food Service Fund – A fund used to record financial transactions related to food service operations. This fund is financed by user charges and grants.

Note: the Health Insurance Fund is not a major fund, however, it is part of the RCASD budgeted funds. This fund is used to account for the financing of health insurance on a cost-reimbursement basis.

ATTACHMENT D

**RCASD
General Fund Forecast**

Projected Total Fund Balance	<u>08/09 year</u>	<u>09/10 year</u>
6-30-2008 Total Fund Balance	\$ 8,861,774	
Student Population	13,115	13,151
Per Student Allocation (Inflated 3% 09/10 year)	\$ 4,664	\$ 4,804
State Controlled Revenue Population x Allocation	\$ 61,168,360	\$ 63,177,404
Additional Other Revenue	\$ 15,412,125	\$ 15,412,125
Projected Revenue	\$ 76,580,485	\$ 78,589,529
Projected Expense per Budget	\$ 80,776,761	
RCASD Projected Savings 08/09	\$ (2,423,303)	
Revised Budget Expense 08/09	\$ 78,353,458	
Projected Budget Expense 09/10 (78,353,458 x 1.03=80,704,062)		\$ 80,704,062
Revised Projected (Loss)	\$ (1,772,973)	\$ (2,114,533)
<u>Means to Break Even</u>		
FTE Reductions		39
FTE x \$55,000 average cost per FTE		\$ 2,145,000
Revised Expense after FTE reduction		\$ 78,559,062
Projected Profit after FTE reduction		\$ 30,467
Projected Total Fund Balance	\$ 7,088,801	\$ 7,119,268
Fund Balance % of Expenses	9.05%	9.06%
Fund Balance Targeted Level @12%	\$ 9,402,415	\$ 9,427,087
Fund Balance Shortfall	\$ 2,313,614	\$ 2,307,819

Attachment E

Staff New Hires 07-08

RAPID CITY AREA SCHOOL 51/4

300 6th Street
Rapid City, SD 57701

Assistant Superintendent
Student Achievement
(605) 394-4037, (605) 394-5147
Fax (605) 394-4062



Date: September 26, 2008
To: Business Finance Committee
From: Katie Bray
Cc: Steven Hengen; Dave Janak; Dr. Peter Wharton
Subject: Explanation of Staffing Increases

Attached are the staffing increase explanations asked for in the September 25, 2008, Business Finance Committee meeting.

Break Down of Classroom/SPED Teachers	Full Time Equivalency	Explanation
Middle School Gifted Ed	1.76	Expansion of Gifted Ed Program
Elementary Gifted Ed	2	Expansion of Gifted Ed Program
Elementary Sections	4.5	Enrollment Increase/Shift in Specific Boundary Areas
Elementary Math Coaches	3	Moved from Prime Grant to Gen Ed. (Grant Ended)
Special Education	3	Enrollment Increase in Special Education Population
Reading @ North	1	No Child Left Behind/North Middle in Level 5 School Improvement/Restructuring
Spanish, Math, Language Arts @ SHS	.51	.17 added to each Subject to meet section needs
Foreign Language @ CHS	1.33	Hired from unfilled 2006-2007/Increased enrollment Increased Grad requirements
Science @ CHS	1	Hired from unfilled 2006-2007/Increased enrollment Increased Grad requirements
Music	1	Hired from unfilled 2006-2007
Total	19.1	
Counselors	1	Unfilled from 2006-2007 @ Central High Need
Speech Pathologist	1.3	Unfilled from 2006-2007

		SPED Budget/IDEA Requirements
Occupational Therapist	.2	Unfilled from 2006-2007 SPED Budget/IDEA Requirements
Physical Therapist	1.	Unfilled from 2006-2007 SPED...
Other Educational Staff Breakdown	Full Time Equivalency	Explanation
Standards Support Specialists	15	Facilitates Elementary Plan Time/Supports Classroom Reading/Math Initiatives
Student Career-Partnership Rapid City –Internship Coordinators @ SHS and CHS	2	Facilitates Internships (Grant Funded)
Secondary Math Coaches	5.5	Moved from Prime Grant to Gen Ed
Total	22.5	

Support Services	Full Time Equivalency	Explanation
Psychologists	1	Unfilled from 2006-2007 SPED Budget/IDEA Requirements
Technicians	3	(1) New Position-Community Partnership Coordinator (reclassified from teaching position) (2)Technology Help Desk (3) Level 1V Clerical reclassified to Technician
Para Professionals (Special Ed)	9.44	SPED Budget/IDEA Requirements
Para Professionals for SSS	2.59	Support for SSS positions in large elementary schools
Custodial/Maintenance	2.14	(1)Communications Repairman (1.14) Bus Drivers (Seasonal positions)
Total	18.17	
Total	63.27*	*16.9 SPED budget *46.37 General Fund Budget

Attachment F

RCASD CLASSROOM AND STAFFING ANALYSIS

Part I Elementary Schools

There are a number of variables the Committee recognized when analyzing student to staff ratios: first, the grade level of the student; second, the needs and or the ability of the students, and third, the program/class offering. The Rapid City School Board policy establishes a maximum classroom size of 25 in grades K –3 and 30 in grades 4 through 5.

Distribution of elementary students for the 2008-2009 school year is as follows:

Grade	Minimum Students	Maximum Students	Current Average	Total Students	Number of Classrooms
K	17	26	23.1	1066	46
1	18	26	22.5	1081	48
2	15	25	21.6	996	46
3	15	26	22.6	1018	45
4	21	30	27.0	1030	38
5	17	30	24.7	993	40

The efficient utilization of the facility is as important as classroom size. The “Facilities Master Plan, Brief of Key Issues, July 8, 2008” provided the functional capacity for each attendance center. The capacity numbers are compared in the chart below with the actual student enrollment numbers as of September 26, 2008.

School	Functional Capacity	Actual Enrollment	Actual Capacity
Black Hawk	428	352	82%
Canyon Lake	204	250	123%
Corral Drive	442	448	101%
General Beadle	551	341	62%
Grandview	584	584	100%
Horace Mann	323	281	87%
Knollwood	575	568	99%
Meadowbrook	565	541	96%
Pinedale	442	403	91%
Rapid Valley	632	530	84%
Robbinsdale	475	377	79%
South Canyon	323	257	80%
South Park	342	368	108%
Valley View	561	516	92%
Wilson	380	368	97%

Part I Elementary Schools, continued

The following data reflect average number of students in each classroom. The chart indicates an opportunity for improved efficiency within certain elementary buildings.

School	Actual Enrollment	Classrooms	Average
Black Hawk	352	15	23.5
Canyon Lake	250	12	20.8
Corral Drive	448	18	24.9
General Beadle	341	14	24.4
Grandview	584	24	24.3
Horace Mann	281	12	23.4
Knollwood	568	23	24.7
Meadowbrook	541	23	23.5
Pinedale	403	17	23.7
Rapid Valley	530	23	23.0
Robbinsdale	377	17	22.2
South Canyon	257	12	21.4
South Park	368	16	23.0
Valley View	516	22	23.5
Wilson	368	13	28.3

Part I Elementary Schools, continued

The following chart shows the ratio of administrator to students at each elementary school. The chart indicates an additional opportunity for improved efficiency at certain elementary buildings.

School	Actual Enrollment	Classrooms	Administrators
Black Hawk	352	15	1
Canyon Lake	250	12	1
Corral Drive	448	18	1
General Beadle	341	14	1
Grandview	584	24	1
Horace Mann	281	12	.5P+.5AP(1)
Knollwood	568	23	.5P+.5AP(1)
Meadowbrook	541	23	1
Pinedale	403	17	1
Rapid Valley	530	23	1
Robbinsdale	377	17	1
South Canyon	257	12	1
South Park	368	16	1
Valley View	516	22	1
Wilson	368	13	1

The following chart tracks the enrollment of six grades from September 2004 through September 2008. During that four-year period the District gained 392 students. This translates to a 6.8% growth in elementary student population during this time period.

Grade	2004	2005	2006	2007	2008
K	1013	983	1018	1098	1070
1	961	1020	996	1003	1082
2	960	970	1034	1001	996
3	946	949	988	1016	1019
4	968	956	970	1014	1030
5	950	972	996	973	993
Totals	5798	5850	6002	6105	6190

Part I Elementary Schools, continued

During the 2007-08 school year, the total enrollment increased by 85 students. During that same time period, the District added 27 staff members for the elementary schools. According to District administrators, these positions were added to expand the gifted program, accommodate increased or shifted enrollments, facilitate elementary plan time, and support classroom reading and math initiatives.

Comments:

In 1997, the State of South Dakota passed an open enrollment law that allowed students in one district to attend school in another. The Rapid City School District uses this law to allow students to transfer from one attendance center to another within the Rapid City District. The District policy allows parents and students to select the school of their choice. The School Board has the right to deny requests for transfer when there are adverse effects upon the educational program.

The District has established maximum class sizes based on a best practices model. However, there is a noted variance of actual number of students in each classroom. The student population of the school's attendance area and the open enrollment policy are contributing factors to the variances as follows:

- A variance exists in the student to staff ratio within the elementary classrooms.
- The District utilization of its elementary building is as follows:
 - a. One elementary building is utilized below 70% of its functional capacity,
 - b. Six buildings are below 90% of functional capacity,
 - c. Three buildings are over 100% of functional capacity,
 - d. Of the 15 elementary schools, 9 are occupied above 90% capacity,
- Some building enrollments may not justify a full-time principal.
- In-District student transfers may contribute adversely to building utilization and staffing efficiency.

Recommendations

1. Establish minimum as well as maximum class size at the elementary level.
2. Stop in-District transfers out of schools with occupancy levels below 95%.
3. Stop in-District transfers in schools with occupancy levels above 95%.
4. All schools should have a target student enrollment above 300 students before it has a full-time principal. The District should consider hiring a teacher with administrative credentials to work as a part-time dean of elementary students.
5. The District should develop a policy that addresses staffing criteria based on enrollment.

Part II Middle Schools

The Rapid City School District has five middle schools, for students in grades six through eight.

	Dakota	North	South	Southwest	West	Total
Enrollment	700	516	645	435	651	2,947
Capacity	834	981	752	794	911	4,272
% of Capacity	84%	53%	86%	55%	71%	69%

The total enrollment for all middle school students is 2,947; whereas the capacity of the five buildings is 4,272. It appears there is capacity for 1,330 students provided annexes continue to be used.

The following summary of differences was noted between the five middle schools:

- The length of the school day varied
- The number and length of class periods varied
- One school used block schedule for core academic classes
- The per pupil teacher load varied greatly from school to school
- The number of classes taught varied
- Some schools required Prime Time/study hall while others didn't

Working towards uniformity in these areas could improve staff utilization.

District policy caps middle school class size at 30 students. Only South and West approach the target maximum class sizes. Omitting Southwest, which is using a block schedule rather than a traditional core schedule and can't be used comparatively, the following data are the average classroom enrollment for the other four middle schools.

Dakota	North	South	West	Average
18	18	23	25	21

Many of the core academic classes at both South and West had 27 and 28 students in them. It was common for most core academic classes at Dakota and North to have student numbers in the high teens or low twenties. In addition to having small classes, many teachers at Dakota only taught four classes.

When student numbers are extended for the teaching day, they become significant. A teacher at Dakota is responsible for preparing, instructing, grading, remediating, and contacting parents of approximately 91 students. A teacher assigned to West has the same responsibilities for approximately 124 students.

Part II Middle Schools, continued

Southwest uses a block schedule. The core academic classes are an hour and thirty-five minutes. All other classes meet for 45 minutes. Teachers in the core have an average of 22 students per block. They teach two blocks each day giving them an average total student load of 44 students.

In addition to the regular classroom teaching periods, teachers have responsibility for monitoring students during Prime Time (PT) or study hall. There is no District policy and thus no consistency between buildings as to how PT time is used. In all the middle schools, teachers have one period for personal planning and one period for team planning.

Comments

The disparity in class size and teacher load between the middle schools is an equity issue that equally impact student and teacher. The data indicates that the Rapid City School District may be over-staffed in some middle schools. Two schools are less than 60% of capacity. With target class sizes in the mid to upper twenties, three of the five middle schools have allowed many classes to remain open even though the student numbers failed to justify this action.

Recommendations

1. All middle schools should use a uniform scheduling approach rather than a combination of block and core scheduling to improve equity and enhance efficiency.
2. A minimum class size should be established for all classes, both core academic and elective.
3. Consider consolidating middle school campuses.

Part III High Schools

The high school program is for students in grades 9 through 12. The Rapid City District has two traditional high schools, and five non-traditional or alternative secondary programs. One high school building is over capacity. The functional capacities of the alternative sites are not addressed in this report.

	Stevens	Central
Enrollment	1503	2178
Capacity	1525	1841
% of Capacit	99%	118%

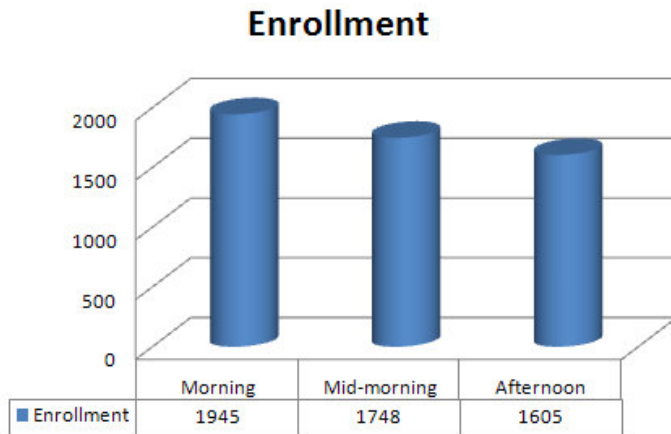
Stevens and Central high schools offer very different programs. Stevens uses a traditional eight period class schedule with each class meeting for 47 minutes. Students have five minutes between classes. Central uses a block schedule. The school day consists of four blocks with each instructional block meeting for one hour and thirty-five minutes. Students have seven minutes between blocks.

The schedule affects the length of the school day. Stevens begins classes at 8:31 am and ends classes at 3:20 pm. Central begins classes at 8:00 am and ends classes at 3:20 pm.

Teachers at Stevens teach six classes with one period available each for personal planning and lunch. Teachers at Central teach three blocks per day with one block available per day for personal planning. The duty hours for teachers at both schools are the same.

Comparisons between a traditional and block schedule are not exact. One obvious disparity that relates directly to the scheduling model is the number of students with whom a teacher interacts each day. Teachers at Central teach half the number of students as a teacher at Stevens; however, the Central teacher spends twice the time with each student as a Stevens' teacher. This creates a disparity in class loads that is an unavoidable result of scheduling choice.

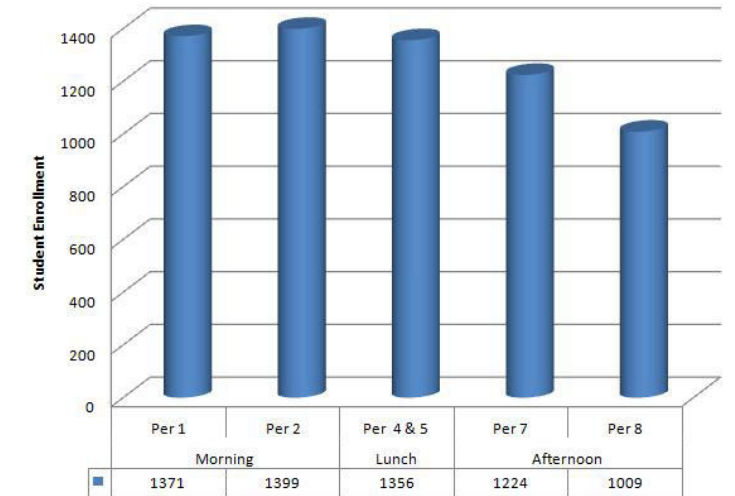
The Master Schedule and student-scheduling practices directly relate to financial issues. As noted in the opening to this section, the total enrollment of Central on the official count day of September 26, 2008, was 2,178 putting it 18% over capacity. However, when the Committee examined the class enrollment numbers in detail, the 18% over-capacity number is an over simplification of the problem Central is facing. The Committee divided the Central school day into 3 time blocks: morning (8:00-11:30), mid-day (11:30-1:30), and afternoon (1:30-3:20). The following chart shows the number of students enrolled in classes during each of these time blocks.



Only during the morning block is Central exceeding its capacity. Instead of being over capacity by 337 students, the school is actually only over capacity by 104 students. The afternoon block is utilizing Central at approximately 87% of its maximum capacity. Additionally, senior students impact the daily schedule because they may need only two or three classes to complete their graduation requirements. Many senior students may not take an afternoon class.

Because Central and Stevens are the only diploma granting institutions, students attending any of the alternative schools must remain enrolled in either Central or Stevens. Alternative schools are considered branch campuses and earned credits are recorded no differently than if the class had been taken at Central or Stevens. Depending on a students' need, they would attend one of the following alternative schools: Jefferson, Career Learning Center, 9th Grade Academy, 10th Grade Academy, or Rush Oyate. Student attendance at the alternative schools accounts for the 233 students enrolled but not taking a full schedule of classes at Central.

Another issue that emerged when examining the high school schedule is an imbalance in the Master Schedule. Master Schedule balance refers to how well students are distributed in classes throughout the day. Ideally, there would be the same number of students in every English 9 class every period of the day. When a schedule is out of balance, there may be 29 students in one class and 14 in another. The lack of balance in the Master Schedule creates crowding in the morning block classes and inadequate student numbers in the afternoon block classes. Stevens had better balance in the Master Schedule throughout the day. Teacher class loads at Stevens in the morning and afternoon were generally equal.



Stevens has 1,525 students enrolled with a maximum of 1,399 students on campus for classes at any one time. As is the case at Central, there is a steady decline in student numbers during the school day. However, Stevens's core academic class load remains balanced.

Comments

An efficient Master Schedule could resolve some of the over crowding problems at Central. The core academic classes should have similar numbers of students enrolled in all sections. Some of the variations in scheduling and attendance may result from the Central building design and infrastructure in that is not functionally efficient for the number of students and programs provided.

Currently 233 students who are on the enrollment roster of RC Central attend alternative high schools which helps mitigate the crowding situation. However, in the 2009-2010 school year, the Rapid City secondary schools may be faced with a significant challenge when it is projected that up to 400 students could return to school because of the change in the State's compulsory attendance law from age 16 to 18.

Recommendations

1. Consider an additional classroom building on Central Campus to alleviate crowding in main building similar to the 9th grade wing at Stevens.
2. Consider a cost benefit analysis of a third high school.
3. Identify space for alternative school(s).
4. Establish minimum class size for all classes (core academic and electives) before a class will be offered.
5. District should reserve the right to assign students to a secondary site based upon educational and financial considerations. Program and staffing needs should outweigh individual student wishes.