



RIO RANCHO

PUBLIC SCHOOLS

Igniting Student Potential

BUDGET CUTS

Monday, February 20, 2017



2016-17 TOTAL CUT: \$3.8 Million

Actions:

Board Approved November 14, 2016

- Growth Funding
- Hold on Vacant Positions (with the exception of classroom and transportation positions)
- Reduce Department Budgets
- Reduce Remaining Staff Travel
- Reduce Contract Services
- Reduce Remaining Professional Development
- Reduce Legal Budget
- Transfer SE Position to IDEA/Medicaid
- Personnel Additional Compensation
- Use some cash reserves
- Increased revenue

Board Approved February 13, 2017

- FREEZE on spending
- Cash reserves



IMPLICATIONS OF CUTS THIS YEAR

- Cuts to professional development have impacted the support departments can provide to teachers
- Cutting the Tales of J.O.Y. program has taken away an opportunity for students to interact/read to therapy dogs in the school setting—a program that has truly encouraged reading in some of our students who struggle with reading
- Cuts to the travel line have forced departments to redirect funding from other projects so staff members can be reimbursed mileage as they travel from school to school using their personal vehicles
- Cuts, along with rate increases, have made it necessary to reduce consumption of irrigation water, power and external use of facilities
- Positions are not being filled including custodial, secretarial, security and administrative
- Typically, the substitute budget is made up of budgeted funding and vacancy savings. As vacancy savings are being diverted to cover other cuts this year, the substitute budget has already been depleted requiring the district to pull from other resources



BREAKING DOWN THE 2016-17 CUTS

2016-17 ESTIMATED ADJUSTED BUDGET: \$127,705,885 (with est. growth)

CUTS:

1.5% SEG Cut: \$1,805,821

Transportation Cut: \$395,679

Instructional Materials Cut: \$136,569 (after recapture, an additional \$102,513)

Cash Balance Cut: \$1,501,579

TOTAL DEFICIT: **-\$3,839,648**

Best Case Scenario: End the school year with a positive cash flow based on November 14th and February 13th Board actions (Goal: \$2.2M)



WHAT DOES THIS MEAN FOR 2017-18?

**BEST CASE SCENARIO: Start year with \$2.2 million cash balance
(1.8%-dangerously low)**

Why are cash reserves important?

- It is necessary to sustain a certain level of cash reserves as emergency situations may arise. In addition, many federal and state programs are funded only after requests for reimbursements are submitted. This means that the district must pay for these programs prior to receiving the money for the programs. Cash reserves allow a district to make these payments.

CUTS FROM 2016-17 THAT CONTINUE IN 2017-18: \$2,338,069



2017-18 CUTS

AREAS OF CONSIDERATION TO MEET THE CUTS FROM THIS YEAR THAT ROLL OVER INTO NEXT YEAR:

- Roll over cuts from 2016-17 (departments, travel, professional development, legal, contract)
- Reduce positions through attrition and reassignment
- Additional department level cuts
- Change middle school schedule
- Eliminate programs
- Additional days
- Furlough days/shortened school year
- Stipends



**IF RRPS RECEIVES
ADDITIONAL CUTS....**



ADDITIONAL CUTS: Putting it Into Perspective

What would additional cuts mean for 2017-18?

Percent	Cut from FY17	Additional Cut	Total for FY18	Positions	Furlough
1%	\$2,338,069	\$1,207,835**	\$3,545,904	57	7
2%	\$2,338,069	\$2,415,670**	\$4,753,739	77	10
3%	\$2,338,069	\$3,623,505**	\$5,961,574	96	12

** Calculated based on estimated changes to T&E and MEM numbers.

This does not take into account any effort to rebuild the cash reserve.



WHAT WOULD BE THE IMPACT TO RRPS? PEOPLE AND PROGRAMS

If 1-2%:

- Electives
- Shortening the school year/furlough days
- Reducing positions (goal: through attrition)
- Larger class sizes
- Athletics & activities
- Program elimination
- Voluntary cutbacks
- Outsourcing

If 3+%:

- Reduction in force likely
- Reevaluation of transportation services

Other Challenges/Concerns:

- Expansion of walk zone
- ERB cost transfer to employees
- Minimum wage bill
- Bus replacement cycle bill
- Unfunded mandates



THANK YOU!

