

Long Range Plan for RSD

Solution to Address Some of the Needs in the Richland School District

August 16, 2021

Challenges Facing the District

- **Problems identified over past years:**
 - **From Administrators**
 - **From Staff**
 - **From Parents**
 - **From Students**
 - **From Business Owners**
- **Narrowed down to 6 Problems**

What Are Those Challenges?

1. Lack of Trust

- 2016 Referendum and A/C
- Perception of Miscommunication
- Perception of Lack of Communication

2. Negative Perception of RSD

- We Focus on Negatives and Not what We do Well

What Are Those Challenges?

3. Open Enrollment Out vs. In

- Continue to hear about WHY we lose so many students to other Districts
- What are we doing about it?

4. Communication

- Lack of Communication in timely manner
- Miscommunication

What Are Those Challenges?

5. Lack of a Long-Term Plan

- Why didn't we have a plan to fix the roofs?
- How will we fix other needs in the future?

6. Low Wages for Staff

- Why do we pay teachers so much lower than other districts?
- Support staff can get paid more at Walmart than RSD

Please Keep the Following in Mind

- This is ONE plan, not the only plan
- In this plan, the components are interdependent/connected upon each other
- Respectfully ask you to hold all questions until the end

Goals to Accomplish With This Plan

FIVE (5) Goals we are looking to accomplish

What are the FIVE (5) Goals?

1. Improve Communication, Perception, and Culture of the District

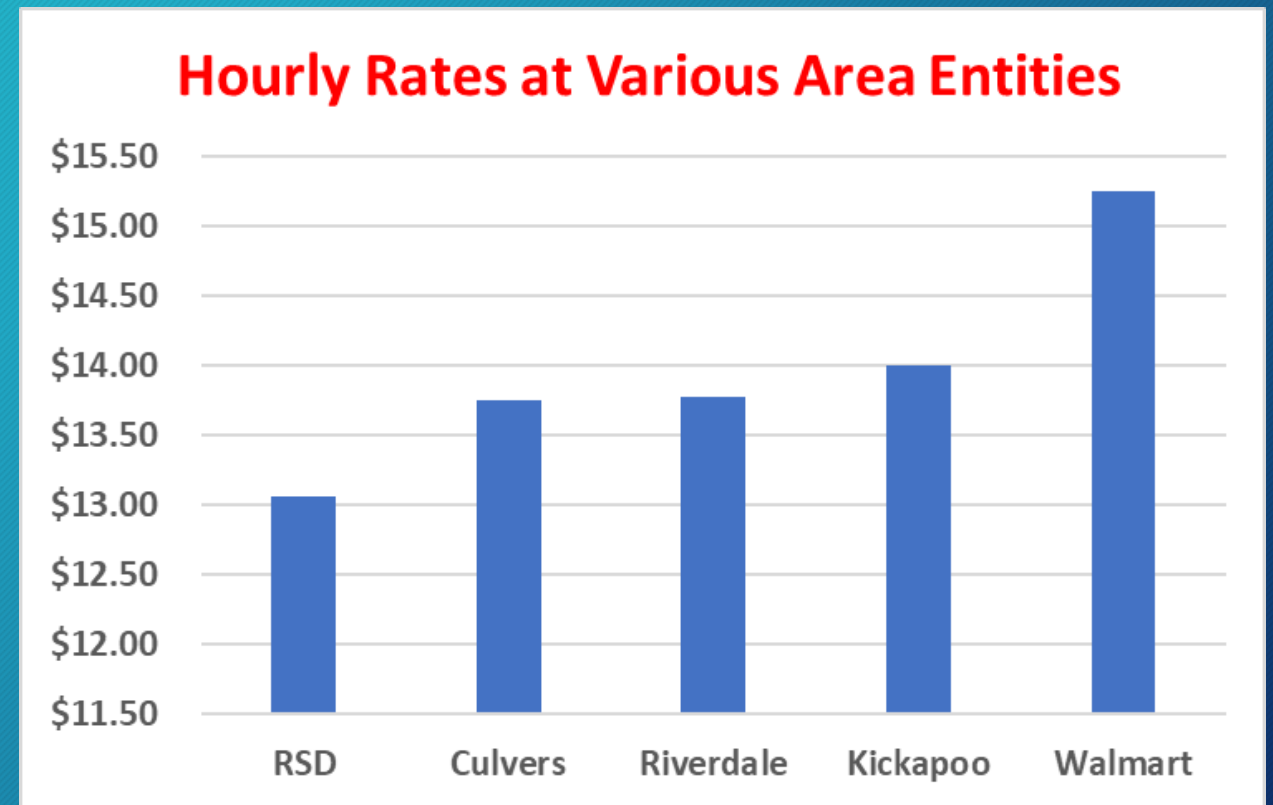
- Attract and Retain Students
- Attract and Retain Staff

Goal 10: The District will improve the culture and/or positive perception of the Richland School District to attract and retain students and staff by the 2020-21 school year.

What are the FIVE (5) Goals?

2. Improve Wages for Hourly Employees

- We have candidates walking out of interviews when the hourly wage is discussed
- **Already established a plan for teachers and administrators**



What are the FIVE (5) Goals?

3. Find Sustainable Plan to Address Capital Improvements

- How do we pay for “Big Projects” in future?
- Public told us “We need to have a plan for this.”
- *EX: Roofs, Boilers, HVAC, Parking Lots, etc.*

What are the FIVE (5) Goals?

4. Prepare District for Financial Stability

- Decrease District Debt
- Lowering Annual Payments will Increase funds available for other items

What are the FIVE (5) Goals?

5. Do #1-4 in a Fiscally Responsible way Without Putting Burden on the Taxpayers

- Told Taxpayers **\$9.12** in November and again at Annual Meeting in July

ANNUAL TAX IMPACT	Q1: \$1.25M - Operational	
FAIR MARKET PROPERTY VALUE	TAX INCREASE ANNUALLY	MONTHLY
\$100,000	\$97.00	\$8.08
\$125,000	\$121.25	\$10.10
\$200,000	\$194.00	\$16.17
\$8.15 + .97 = \$9.12	\$.97 / \$1,000 PROPERTY VALUE	

Assumptions: Long term debt borrowing amortized over 20-years at estimated planning Tertiary Aid Impact: 23.57% (2020-21 July 1 estimate). Mil rate based on the 2019 Equal

Impact represents the estimated change in mil rate over the 2019-20 levy mil rate. Without

ESSER Funds

Funds Available to RSD

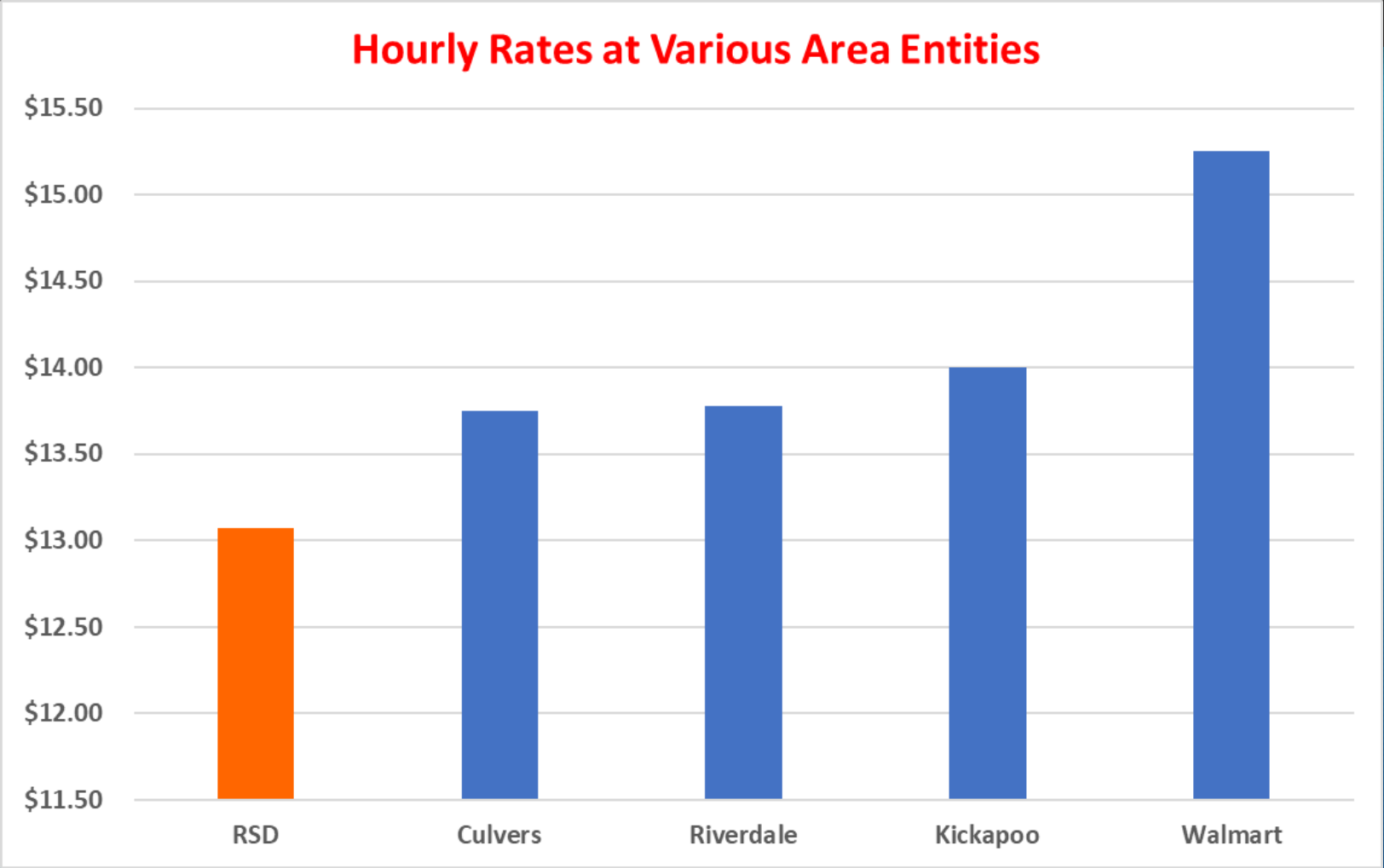
- \$4,474,410 total funds allocated
- Subject to certain Allowable Costs as determined by DPI

Some of the Allowable Costs

- Offset Costs Incurred due to COVID-19
 - Improve Air Quality/Systems
 - Personal Protective Equipment
 - Technology Costs
-
- Costs can be incurred from Present - 2024

Proposal of ESSER Spending

Hourly Employee Wages



Employee Wages

- Add \$3.00 to every hourly employee's pay
 - ≈\$300,000 annually x 3 Years
- Increase Sub Pay to \$150/day (\$225 Long Term Subs)
 - ≈\$26,000 annually x 3 Years

HVAC Upgrades

UPDATE: On February 21, 2022, the Board of Education approved the to add 14.0 FTE over two years and eliminate the HVAC upgrades as part of this original proposal.

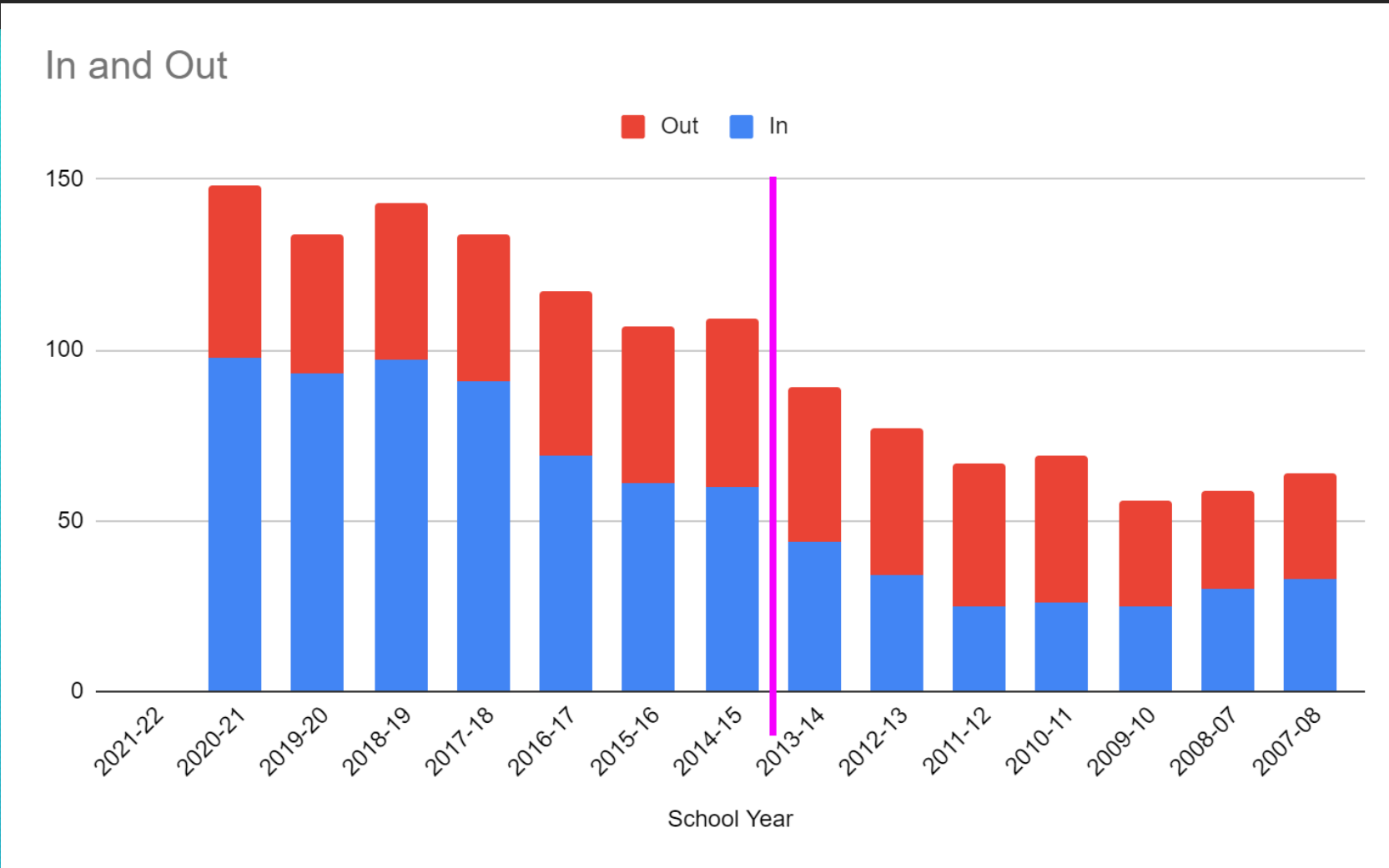
- HVAC Upgrades (including A/C) to Doudna and RMS
 - 75.7% of Community Survey (828 Respondents) supported this in 2020
 - Still Lack of Trust From 2016 Referendum (Mis)Communication
- ≈\$2.1M for HVAC Upgrades

Marketing & Communication Director

Goal 10: The District will improve the culture and/or positive perception of the Richland School District to attract and retain students and staff by the 2020-21 school year.

- Hire a professional who can help improve communication and perception of our District

Mineral Point Marketing & Communication's Director



Marketing & Communication Director

Goal 10: The District will improve the culture and/or positive perception of the Richland School District to attract and retain students and staff by the 2020-21 school year.

- ≈\$100,000 (Salary/Fringes) annually x 3 years (Teacher scale prorated over 260 days)
- Evaluate effectiveness after three years

\$4,474,410 ESSER Funds Summary

Description	3-Yr Total Amount
Hourly Employee Wage Increase	\$900,000
Substitute Pay Increase	\$78,000
HVAC Upgrades (Incl. A/C) at RCPS/RCIS	\$2,100,000
Staffing was added and HVAC Upgrades were eliminated Marketing & Communications Director	\$300,000
TOTAL ESSER ALLOCATIONS	\$3,378,000
ESSER Funds Remaining	\$1,096,410

Applied Financial Tools

Consulting with Baird to Determine Best Financial Plan

F46 - Capital Improvement Trust Fund

Long-Term Capital Improvements

What is a Fund 46?

- A “trust” account that is funded with a transfer from the General Fund (F10)
- Used for long-term capital improvement projects approved by BoE

Stipulations of F46

- BoE approves a 10-year Capital Improvement Plan
 - Annually approved by the BoE
- Initial Investment can NOT be accessed for Five (5) Years

Proposal for Fund 46

- Take Necessary Steps to Establish the Trust Fund and Long-Range Capital Plan
- Place \$25,000 into Established Trust Fund
 - Start the “clock” on the Five-Year window, allowing flexibility down the road

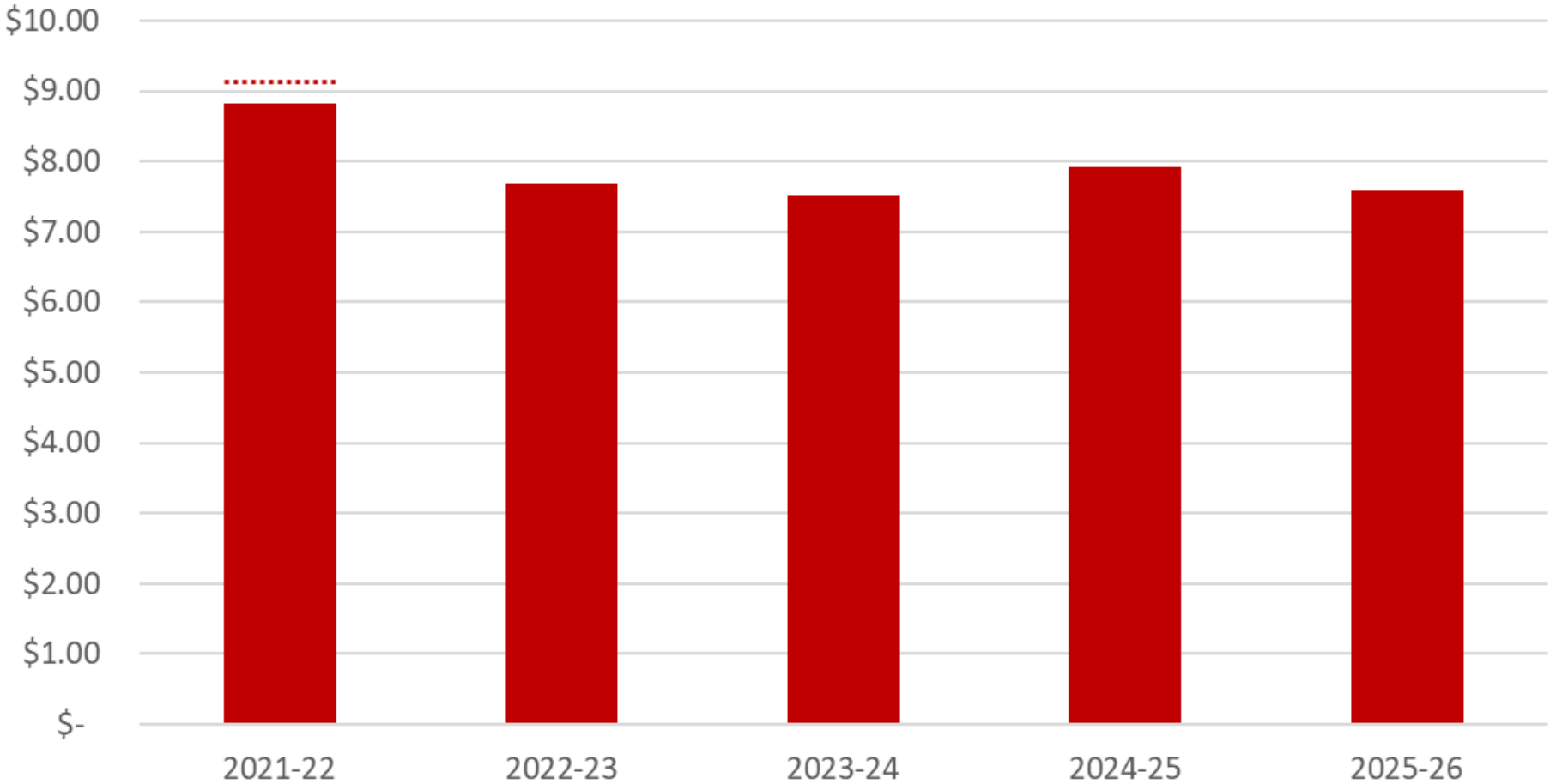
District Debt and Mil Rate

Use of Defeasance

What is Defeasance

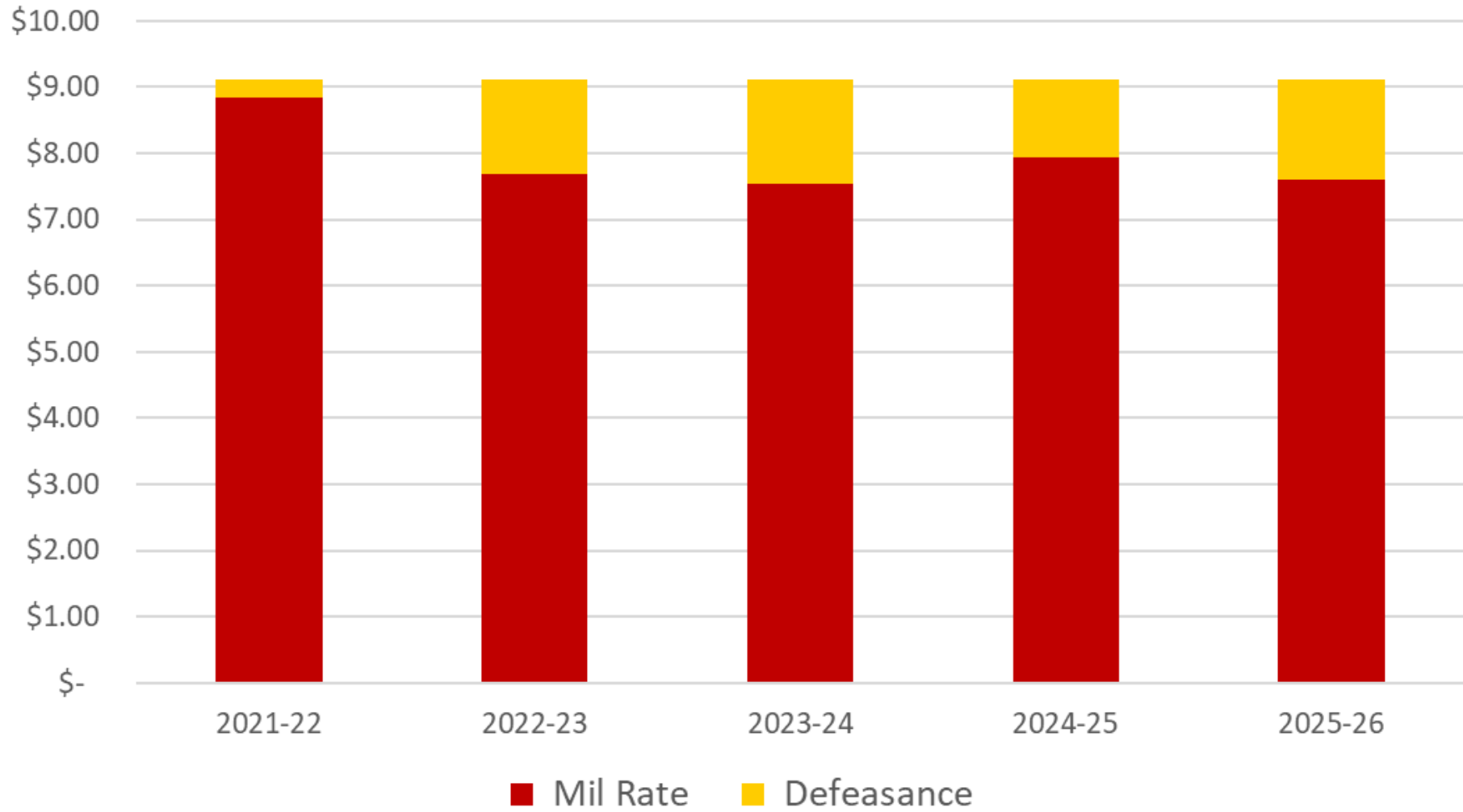
- Defeasance allows a district to levy an amount in order to prepay debt
 - Used to Stabilize Mil Rate
 - Used to Pay Down/Pay Off Debt Early
 - Used to Save on Interest Payments

Expected Mil Rate

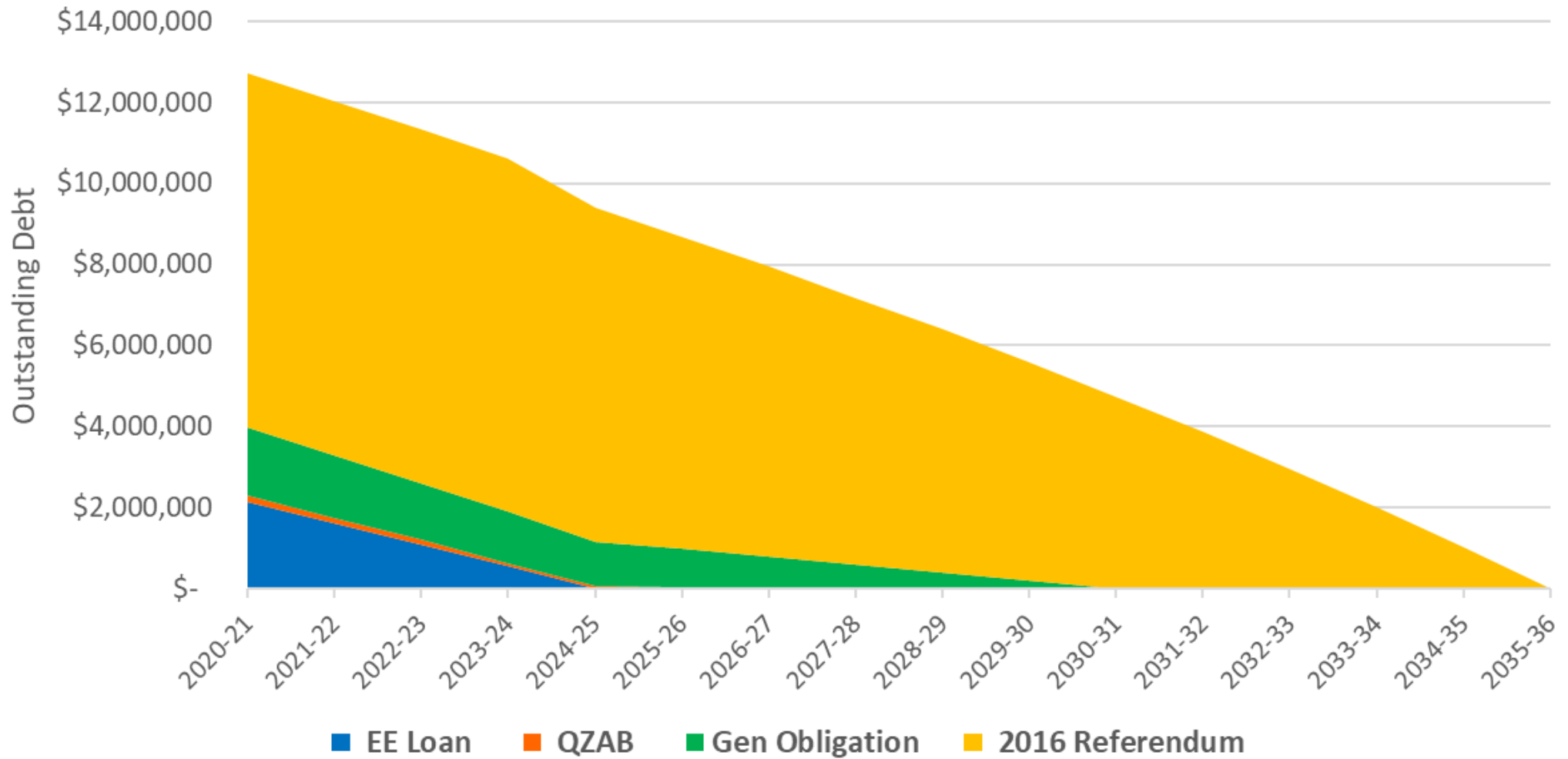


■ Mil Rate

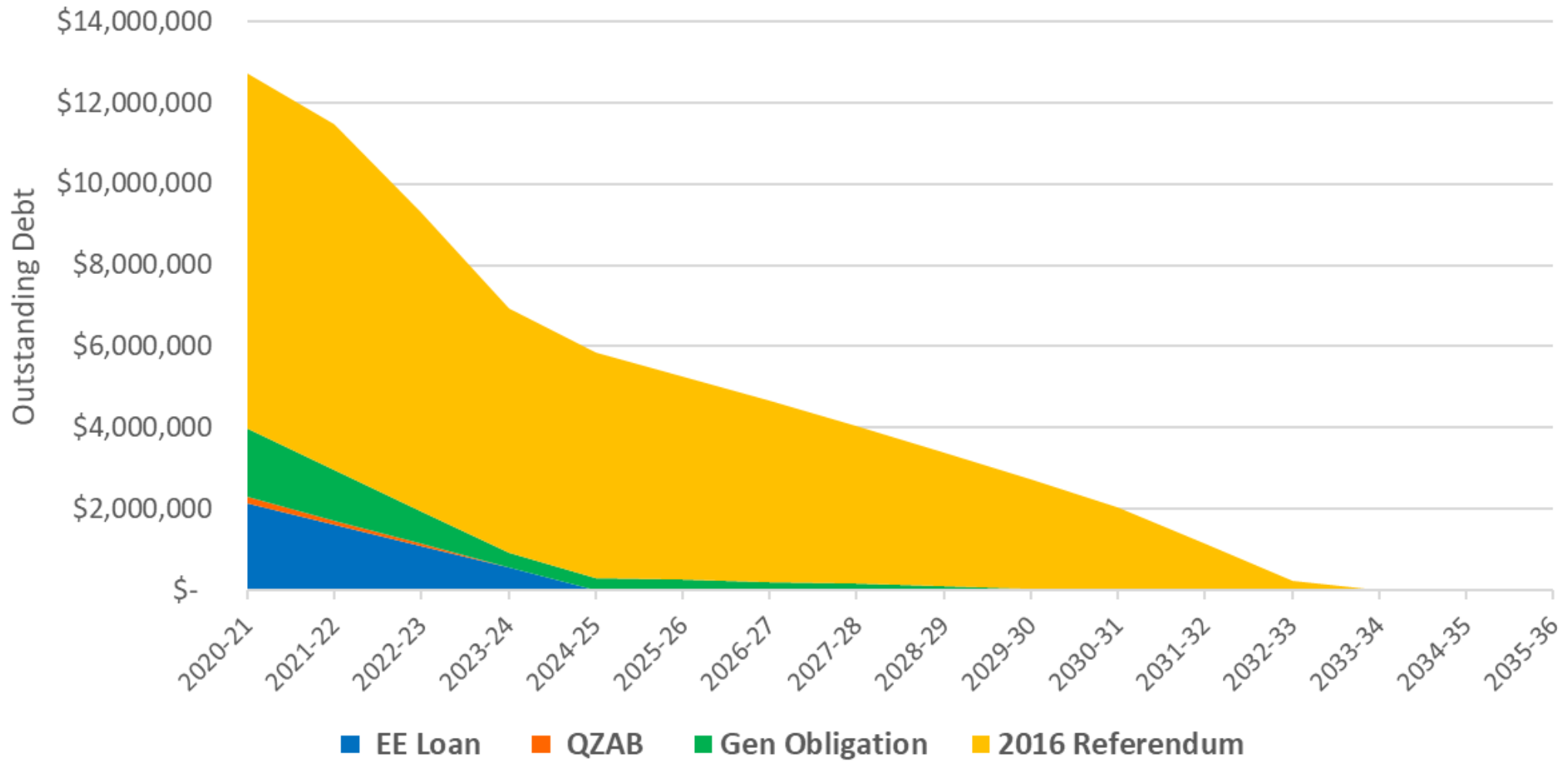
Expected Mil Rate With Defeasance to \$9.12



DISTRICT OUTSTANDING DEBT



DISTRICT OUTSTANDING DEBT WITHIN PLAN

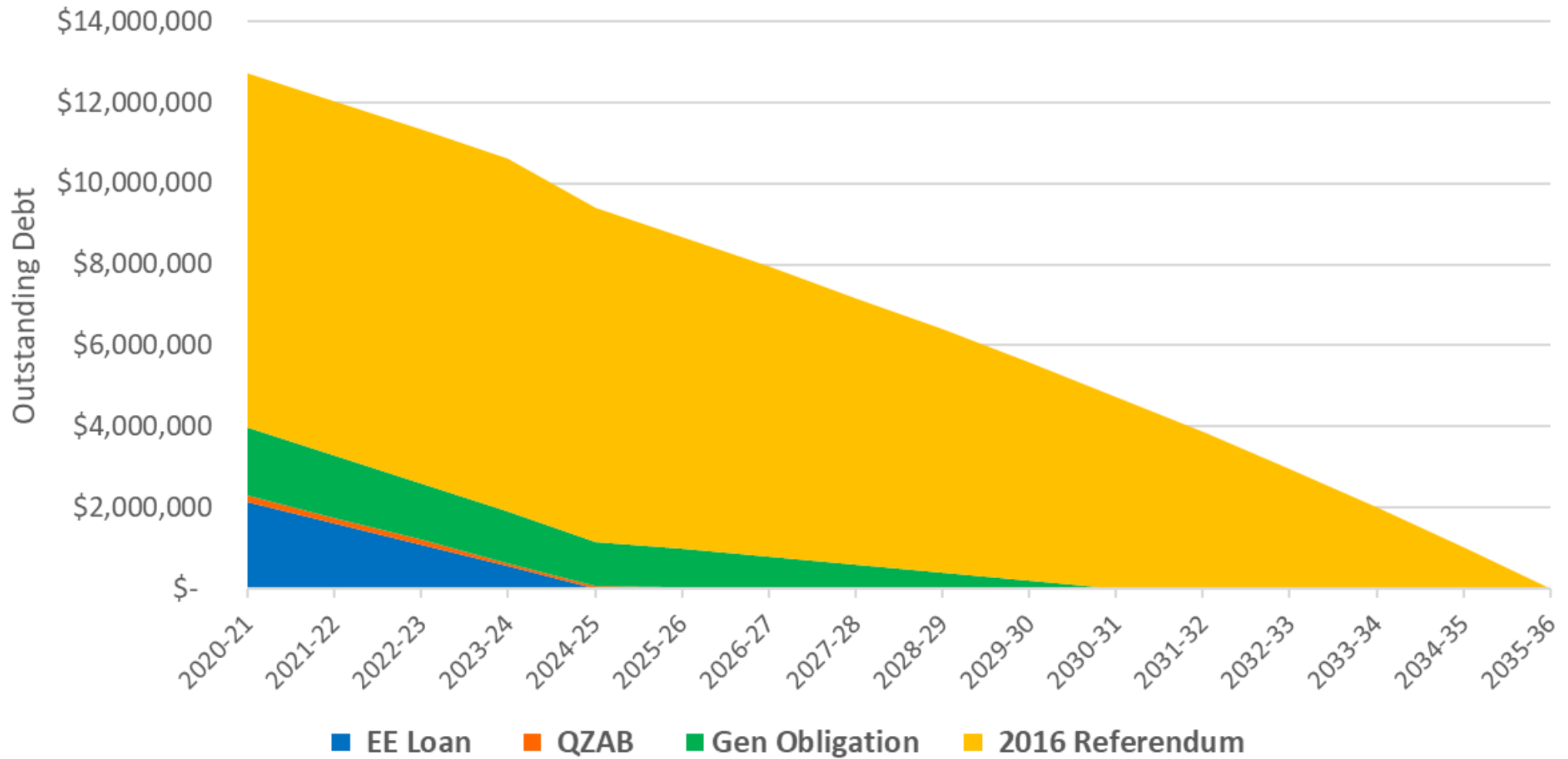


Look Ahead to 2024

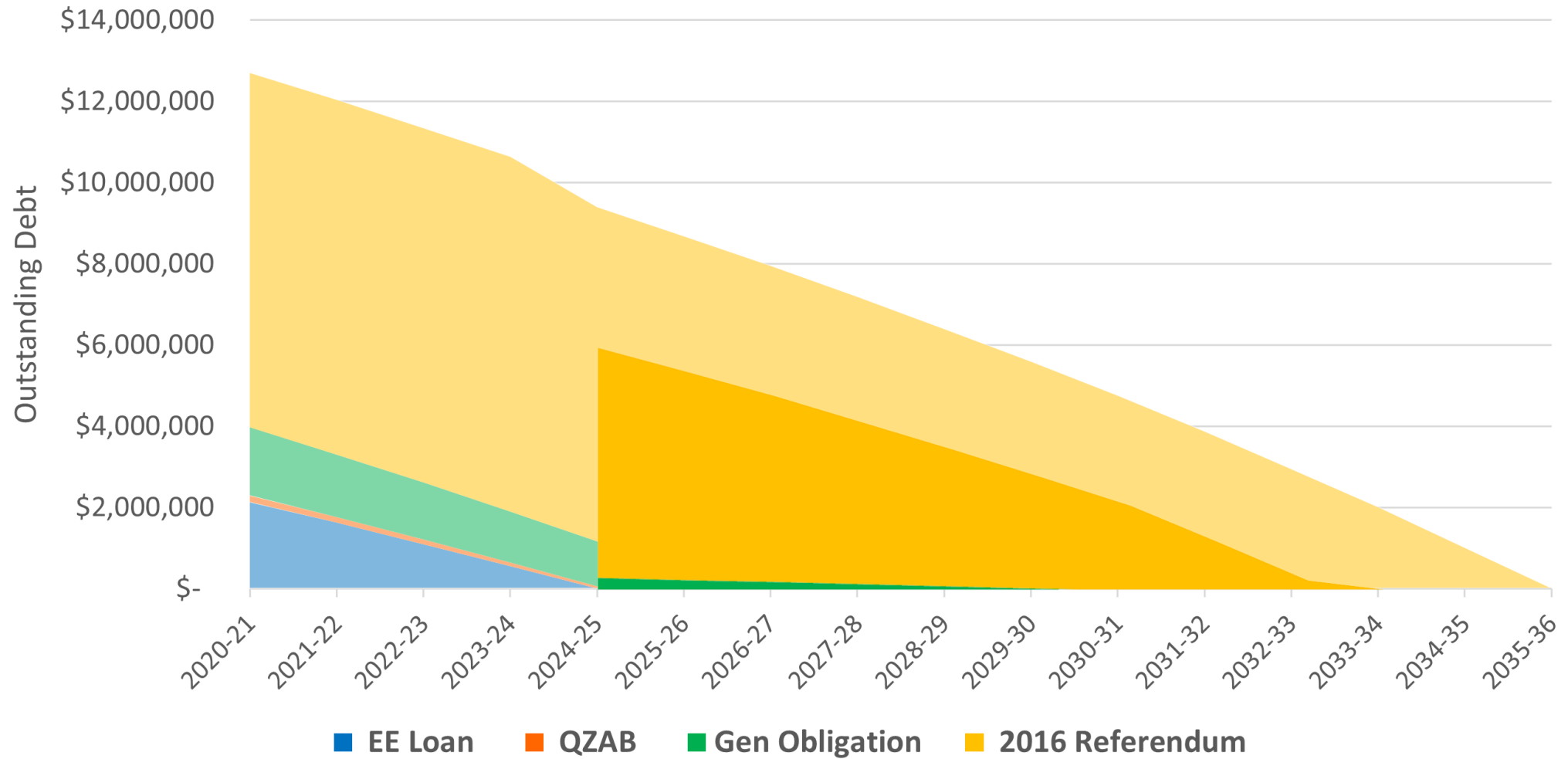
By Taking Action Now, We...

1. Increased Hourly Employee Wages to Competitive Rates
2. Increased Substitute Pay to Competitive Rates
3. Paid off/Restructured Debt by 2024-25
 1. Frees up General Operating Funds

DISTRICT OUTSTANDING DEBT



DISTRICT OUTSTANDING DEBT



By Taking Action Now, We...

4. Improved Culture and Communication of District through a M&C Director
5. Have Established a F46 Trust Fund (Year 3 of 5)
6. Stabilized the Mil Rate at \$9.12 (Still More than \$1.50 LESS THAN Area Schools)

By Taking Action Now, We...

7. Put the District in Position for a November 2024 Referendum
 - Gives us the flexibility to:
 - Ask for Recurring Referendum
 - Ask for a Capital Referendum
 - Continue to Use Defeasance and Pay Down 2016 Referendum Debt
 - Do Any of These WITHOUT Raising Tax Rate Over \$9.12

Thank You

Questions?