



RIO RANCHO

PUBLIC SCHOOLS

Igniting Student Potential

# BUDGET CUTS

Monday, February 27, 2017



# 2016-17 TOTAL CUT: \$3.8 Million

## Actions:

### Level 1: 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
- Use some cash reserves
- Increased revenue

### Level 2: Board Approved February 13, 2017

- FREEZE on spending
- Cash reserves



# 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

## Level 3 Cuts:

• Reduce middle school schedule from 7 period day to 6 period day	\$646,000
• Roll over cuts from 2016-17	\$825,639
• Reduce positions through attrition and reassignment	\$1,499,600
• Additional department level cuts	\$392,770
• Program Reduction	<u>\$118,430</u>
	\$3,482,439

## Level 4 Cuts: If we are not able to keep our cash reserve at \$2.2M or we are cut further

- Eliminate programs
- Additional days
- Furlough days/shortened school year
- Reduce additional positions (goal: through attrition)
- Stipends



# WHAT WOULD BE THE IMPACT TO RRPS?

## PEOPLE AND PROGRAMS

### Level 5 Cuts (1-2%):

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

### Level 6 Cuts (3+%):

- Reduction in force likely
- Reevaluation of transportation services



THANK YOU!

