

STATE OF THE DISTRICT PRESENTATION

CHALLENGES AND OPPORTUNITIES

HILL CITY SCHOOL DISTRICT BOARD OF EDUCATION MEETING

DECEMBER 11, 2017

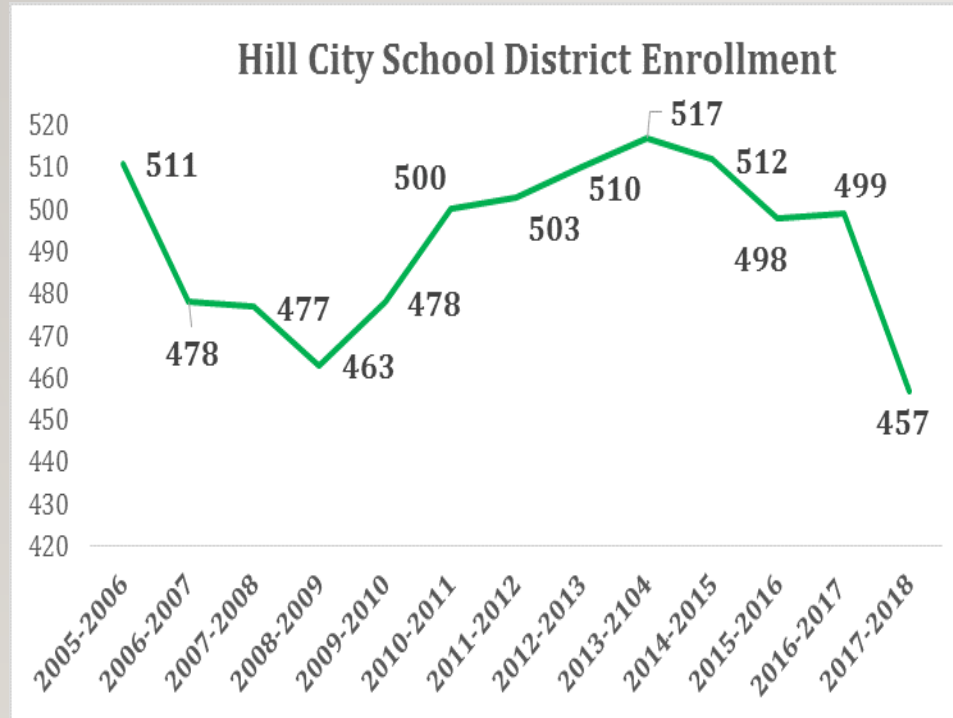
DR. CHARLES M. (MIKE) HANSON II

HCSO 51-2 SUPERINTENDENT

PRESENTATION HIGHLIGHTS

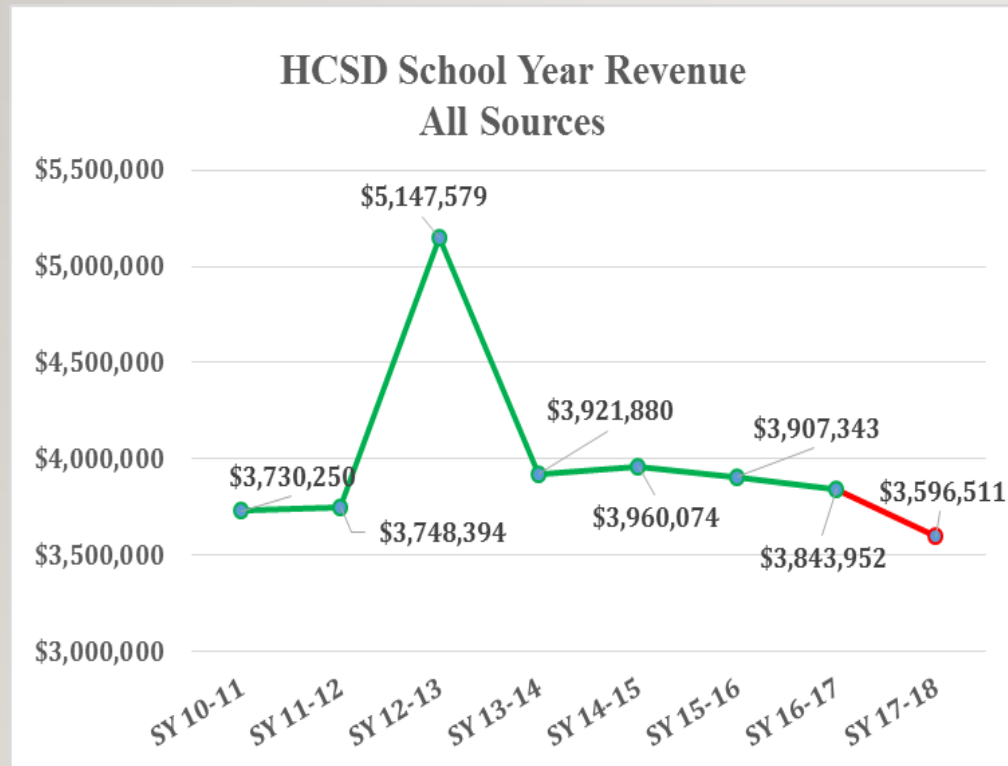
- District Demographic Review
- District Fiscal Position
- Challenges and Opportunities
- Question and Answer

DEMOGRAPHIC REVIEW (DOE VERIFICATION OF STUDENT ENROLLMENT DATA)



- Count Date last Friday in September
- Enrollment declined significantly Sept 2017
- Enrollment as of December 11, 2017
453
- District receives no state aid due to enrollment
- Revenue and Student Enrollment Cornerstones of District Structure
 - Positions, Salaries, Benefits, Operating Budgets that fund Educational Programs

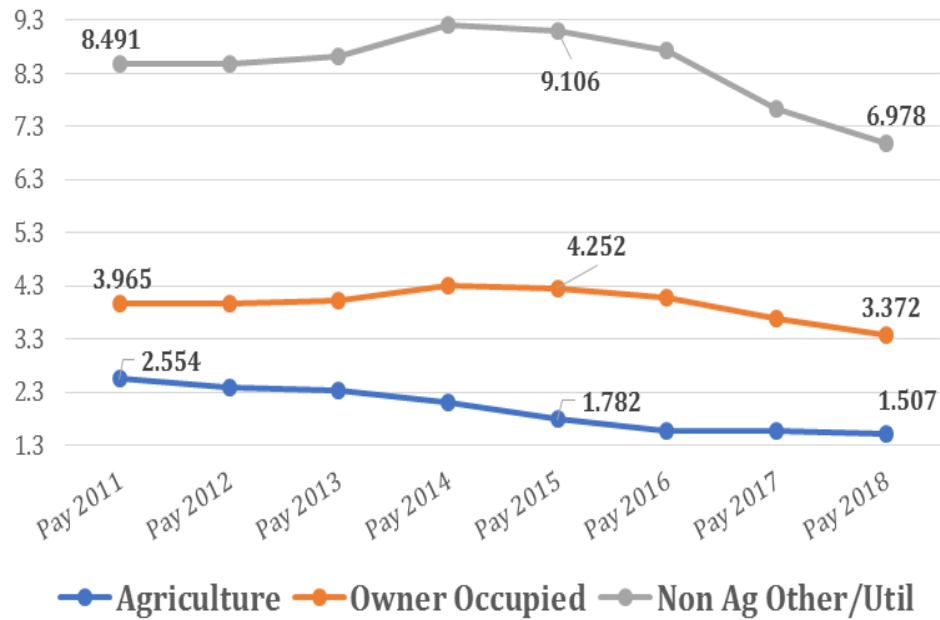
DISTRICT FISCAL OVERVIEW



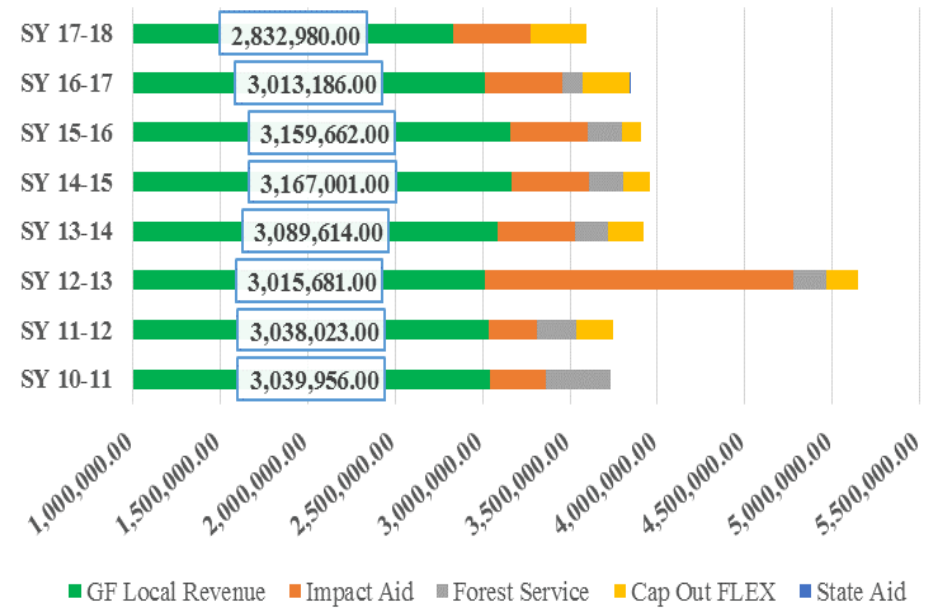
- New Teacher Funding Formula in place past two years (SY 16-17 and SY 17-18)
- Focus of Funding Formula was Property Tax Reduction and Teacher Salaries
- Impact on Hill City School District has been loss of \$326,000 in local tax revenue.
- Federal Revenue: Impact Aid flat funding. Secure Rural Schools (SRS) Funding reduced

DISTRICT FISCAL OVERVIEW

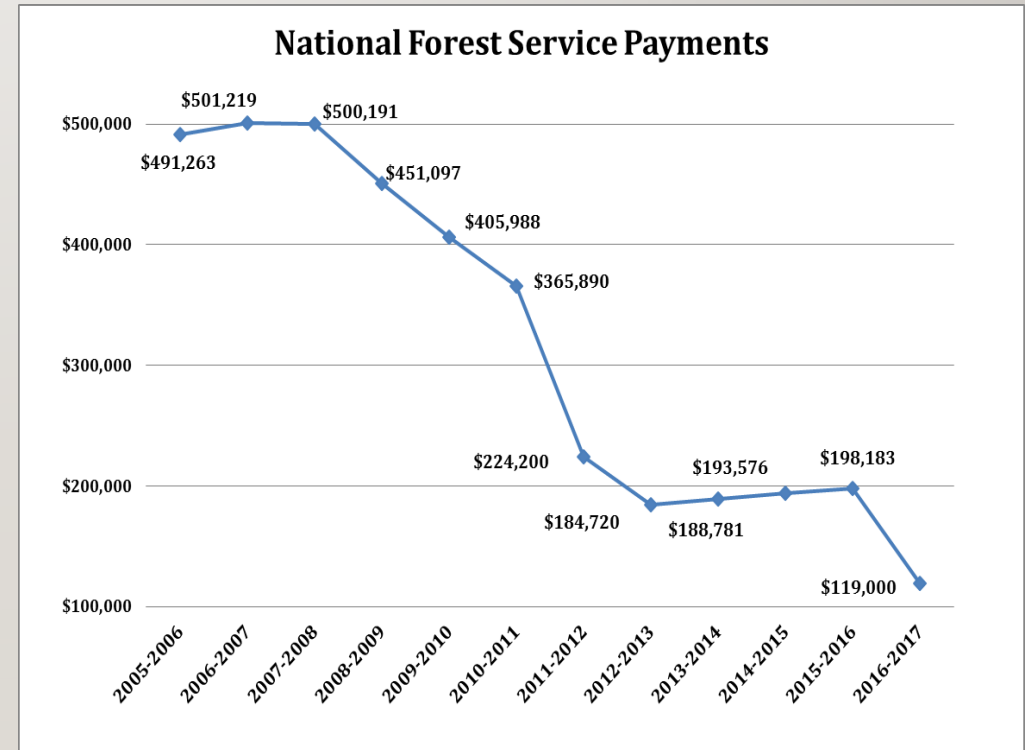
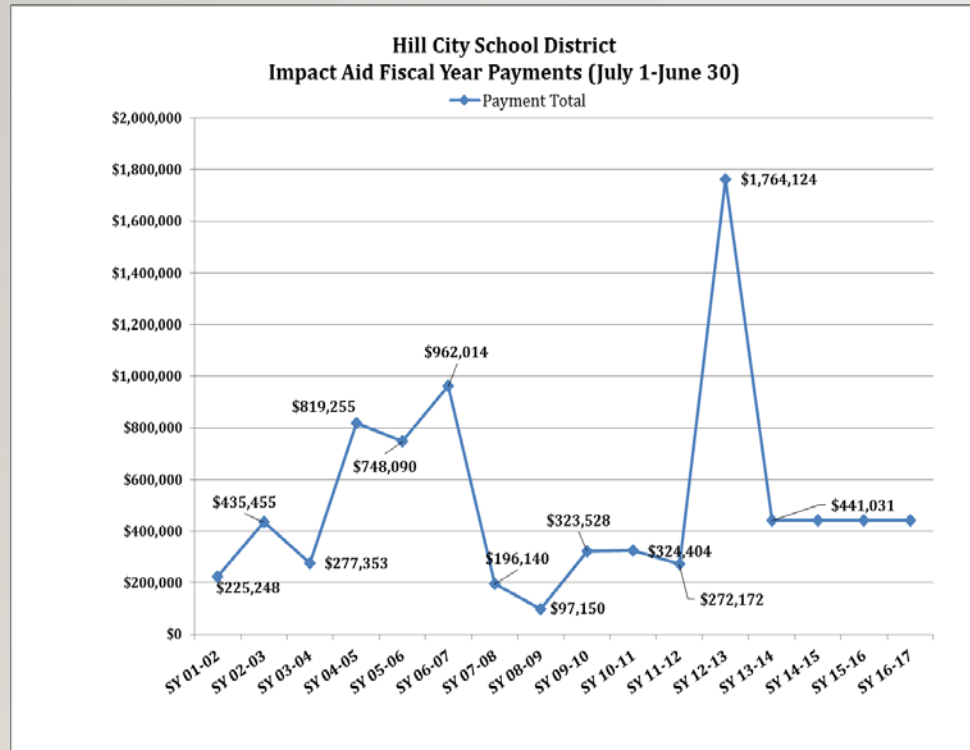
SD Tax Levy Trend: SD DOE Data



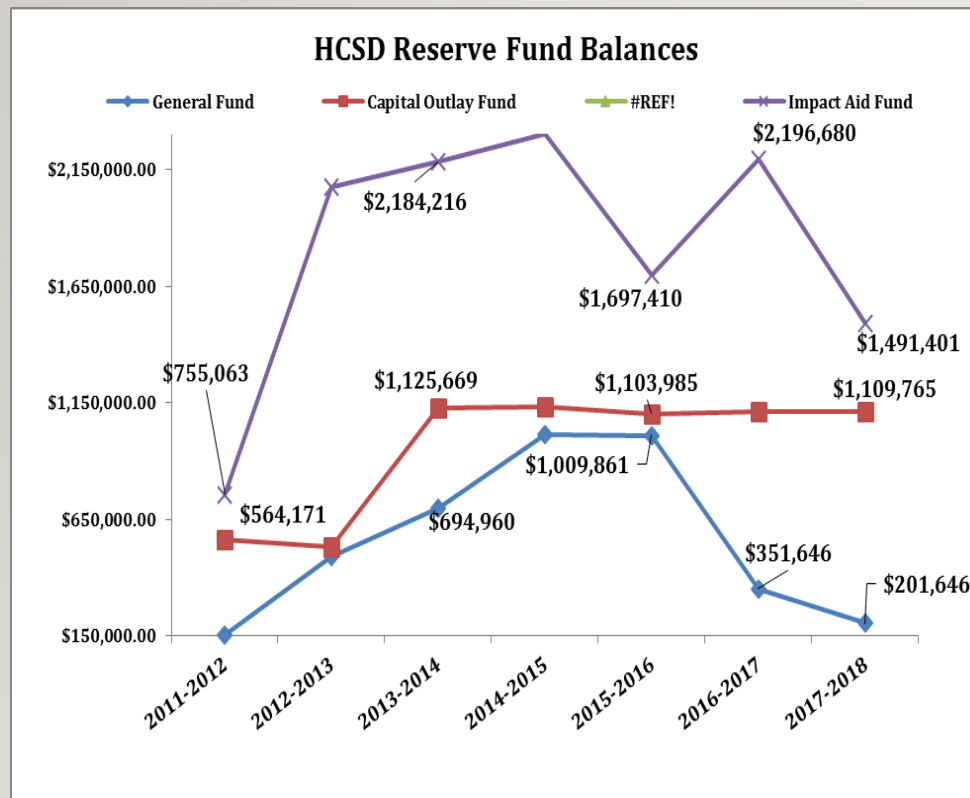
HCSD Sources of General Fund Revenue



DISTRICT FISCAL OVERVIEW



DISTRICT FISCAL OVERVIEW



- District reserve fund transfers approximately \$1 million for each year SY 2016-2017 and SY 2017-2018
- District budgets additional \$322,000 from Cap Outlay to Gen Fund (FLEX)
- Impact Aid Funding at \$441,000 per year and factored into current budget – No replenishment of Impact Aid Fund
- Reserve Fund transfers to the Gen Fund Budget unsustainable beyond 2018-2019 school year

FISCAL CHALLENGES AND RECOMMENDATIONS

- Fiscal Projections Indicate SY 2019-2020 in Current District Structure can not be Funded
- Declining enrollment significant factor
- Fiscal Leadership goal of Strategic Planning and not Crisis Planning to address Projected Budget Shortfall
- Fiscal Reduction Target - 16% of Gen Fund Budget or \$800,000
- District implements re-structuring activities prior to SY 2018-2019
- Activities through Multiple Sources:
 - Negotiations Process/Wage and Benefits
 - Position re-alignment to fit Enrollment and Budget Resources
 - Budget Code Analysis and Reductions
 - Leveraging Technology Platforms to increase productivity and Personalization of Instructional Opportunities
 - Maximize Federal Funds for teacher PD, supplies, student enrichment activities

DISTRICT LEADERSHIP OPPORTUNITIES

- District dedicated to highest quality delivery of programs to students and families
- District dedicated to high quality environment for professional employees
- Personalize the Educational Space through innovative instructional practices, classroom and building design, instructional day modifications, college/career readiness experiences
- Personalize faculty PD embedded with current instructional practices
- “Value added” Opportunities at all Buildings
 - Expand student enrichment opportunities
 - Increase high school course offerings at middle school
 - Increase university/tech school credits at HS
- EQUITY IN ALL WE DO! Accessibility and opportunity for all students at every level of learning along the educational journey.

QUESTION AND ANSWER

