



RUDOLF  
STEINER  
SCHOOL  
OF ANN ARBOR



State of the School  
November 2021

RUDOLF STEINER SCHOOL  
OF ANN ARBOR

# Agenda for Tonight

Update the community in key areas:

- Current State of our School
  - School Events and Activities – a lot is happening!
  - Results of October 2021 Accreditation Visit
  - COVID-19 Context – Looking Forward
  - Faculty and Staff Workload
- Current Finances for the 2021-22 School Year
- Looking Ahead to the Financial Challenges of the 2022-23 School Year

# School Events and Activities

- Early Childhood Program
  - Michaelmas Celebration with parents on a Saturday
  - Halloween celebration with support from the 8<sup>th</sup> Grade
  - Upcoming Lantern Walk
- Grades One to Eight
  - Michaelmas Celebration in classes
  - 8<sup>th</sup> Grade Bicycle Block at the High School
  - Fall Soccer team for the Middle School
  - Diwali Celebrations
  - Upcoming spiral of light, Thanksgiving
  - Lower School Work-Day
- High School
  - Fall Volleyball Season
  - Fall Boys Soccer Season
  - Fall Cross Country Season
  - 12<sup>th</sup> Grade Trip to Maine
  - Michaelmas Speaker, Peter Boykin
  - Hiking Club trip to Manistee River Trail
  - Homecoming Dance
  - Upcoming Drama Club performances, Spiral of light, Choir Concert, Basketball
- All School
  - Coffee Hours, Craft mornings, Waldorf 101,
  - Upcoming Virtual Winter Festival

# October Accreditation Visit

Accreditation Visit took place from Sunday, October 24 to Wednesday, October 27

- Seven Team Members examining all parts of the school
- They shared 10 Strengths and 5 Priorities for Future Work back with us – Shared through ParentSquare last week
  - Ten Strengths focused on all areas of our school – especially our dedicated faculty and staff, the support of community members, particularly parents, and the capacities of our Board of Trustees
  - The Five Priorities for Future Work were
    - Develop a strategy to recruit, support and retain faculty of color
    - Develop and implement a plan to create a competitive overall compensation structure for both full and part time faculty and staff
    - Commit to achieving and maintaining full enrollment
    - Strengthen our Middle School experience to attract and retain students
    - Prioritize student programs and services to meet the learning needs of all student
- Next Steps in this process – when will we hear back from our accrediting agencies?

# COVID -19 Context – Looking Forward

- November – January 15 COVID Plan released on October 29 – on ParentSquare and web page
- Cases are still high in the county, so it is a continuation of the September – October plan
- Maintain multi-layered precautions to reduce in-school transfer.
  - Masks
  - Distancing when possible
  - Vaccination
  - Symptom tracking and staying home when ill
  - Cohorting of students to reduce exposures
  - Use of quarantine and testing out of quarantine for exposures
  - Regular testing of faculty/staff, sports teams and for field trips
  - Healthy environment through cleaning, ventilation, etc.
- We've had five cases in the school community since school started – two in teachers and three in students.
- Currently talking through next steps for January – we know that there are questions about when masking will end and test out of quarantine in the grades 1 – 6 – we are scrutinizing these questions right now in our meetings.

# Faculty and Staff Workload

The ongoing COVID-19 pandemic is placing ongoing strain on all areas of the school

- Faculty members have returned to delivering a full curriculum but there are additional challenges
  - Students need more support and care as we come out of this pandemic
  - No substitutes – so everyone has to cover for everyone else
    - This makes people reluctant to take needed time off
    - This means that people lose the little amount of planning time they have in the day
  - Quarantining and Test out of Quarantine creates an additional burden because hybrid teaching is the hardest
- Administrative Staff are stretched extremely thin also
  - Acting as subs almost everyday
  - We're low on staffing in the administrative area as we are having trouble hiring
  - Planning and administration of almost everything is complicated by COVID
  - Responsible for implementation of all the COVID precautions and testing
  - Frankly, everyone is tired and more emotional and reactive than usual – this is an administrative burden

We're working out how to address this but want parents to know just how stretched everyone is – and we're all doing our best and putting the children first.



# How Can We Act Together, As a Community?

- A. Support the school in as many ways as possible – financial, outreach to prospective families, outreach to prospective donors, sharing your skills
- B. Exhibit patience – be a model for your children while they navigate the world during this challenging time – generally this has been wonderfully done this fall
- C. Join Parent Council or the DEI Committees – find ways to build a stronger parent base and explore the goals we have around a more diverse school community
- D. Talk with a Coordinator if you are interested in subbing, working at the front desk, or other regular role – to make it manageable we need consistency not drop in help

Questions?



# Current School Financials – 2021-22

# Budgeted School Revenue 2021-22

Income Source	Amount	Comments
Tuition Revenue	\$ 5,120,000	314 Students = 66 EC, 168 Grades, 80 HS
Tuition Assistance	(\$ 966,100)	120 Students, 91 Families
Tuition Grants	(\$ 237,500)	77 Students, 67 returning from 2020-21
Tuition Remission	<u>(\$ 569,200)</u>	Full-Time Faculty: 90% oldest child, 100% younger
<b>Net Tuition</b>	<b>\$ 3,939,000</b>	
Annual Fund	\$ 195,000	Donations for Tuition Assistance and Faculty Dev.
Fees, Camp, etc.	\$ 110,700	Camp, Aftercare, Sports Fees
Fundraising	<u>\$ 0</u>	Primarily Winter Festival – no expectation this year
<b>Total Revenue</b>	<b>\$ 4,244,700</b>	

# Budgeted School Expenses 2021-22

Expense	Amount	Comments
Salaries, Payroll Taxes	\$ 2,914,000	Average FT salary is \$45,600; Range \$36,200 - \$61,800
Salary Restoration, Use of Gift	\$ 112,400	FT salaries to 6% cut, gift returned FT to 2020-21 levels
Benefits	\$ 336,700	FT Health – 80% paid by school, no retirement contribution
Teaching Supplies, Program Exp.	\$ 238,800	Classroom supplies, books, camp, computers
Association Memberships	\$ 34,000	AWSNA, WECAN, ISACS – training, accreditation, resources
Insurance, Technology, Office	\$ 209,400	Workers Comp and umbrella insurance, IT, phones, etc.
Marketing, Printing, Ads, Web	\$ 84,200	Not staffing, only 2% of total budget spent on marketing
Building and Grounds	\$ 275,900	Heat, water, electricity, repairs, furniture, lawn, snow
Bond (Mortgage)	\$ 307,600	\$147,000 interest + \$160,600 principal, \$4.5m at 3.24%
Development Expenses	\$ 30,900	Donation processing, events and software, not staff
COVID-19 Expenses	\$23,000	Estimated supplies to address pandemic
Contingency, Replacement Fund	<u>\$ 104,300</u>	Savings for large future repairs, contingency
<b>Total Expenses</b>	<b>\$ 4,671,200</b>	

# Balancing Our Budget 2021-22

Expense	Amount	Comments
Total Revenue	\$ 4,244,700	
Total Expenses	<u>\$ 4,671,200</u>	
Gap	(\$ 426,500)	Deficit for the 2021-22 year
Funds to Address Gap		
COVID Reserves	\$ 290,500	Part of PPP Loan
COVID Recovery Fund Donations	\$ 50,000	Generous gifts from our community
Anonymous Gift for Wages	\$ 86,000	First year use of gift for wages
Result is a Balanced Budget for 2021-22		

## Other School Resources 2021-22

Source	Amount	Type	Comments
Remaining COVID Reserves	\$ 316,000	Unrestricted	Remainder of PPP loan
Capital Campaign Checking	\$ 535,400	Restricted	For bond balloon (2024); in savings acct
Capital Campaign Pledges	\$ 74,000	Restricted	Will be collected over the next 2 years
Contingency Fund	\$ 200,000	Unrestricted	
Replacement Fund	\$ 600,000	Board Designated	Reserved for major building repairs
Endowments	\$ 313,600	Partially restricted	Conservatively invested

Questions?

# Looking Ahead to the 2022-23 School Year Financials



# Looking Ahead to 2022-23 – Increases in Expenses

Increases to the Budget	Amount	Comments
Salary Restoration, Use of Gift	\$ 64,800	Year 3 – brings everyone to 4% max pay cut
Regular Salary Increase	\$ 64,800	\$1,000 for Full-Time, \$.50/hour for Part-Time
PT Wage Increase	\$ 75,000	Retaining employees in an extremely tight labor market
Benefits	\$ 97,800	403b reinstated, 20% on health insurance
Commercial Insurance	\$ 0	Other budgets will absorb normal increases
Buildings and Grounds, Assets	\$ <u>23,100</u>	Contracted maintenance of grounds
<b>Total Increase in Expenses</b>	<b>\$325,500</b>	
Gap in 2021-22 School Year	\$ <u>426,500</u>	Future budgets cannot rely on reserves and we want to save contingency
<b>Total Needed for 2022-23</b>	<b>\$ 752,000</b>	To stay consistent in curriculum offered, faculty and staff employment, with flat enrollment levels

# Looking Ahead to 2022-23 – Enrollment

We work with a complex set of data-based predications as we look at enrollment for the coming years. Strong Grade 1, Grade 6 and Grade 9 enrollment is needed.

	2018-19 (actual)	2019-20* (actual)	2020-21 (actual including Flexible)	2021-22 (actual)	2022-23 (projected)	2023-24 (projected)
Early Childhood	63	65	65	65	65	65
Grades	150	141	164	171	175	179
High School	103	93	80	80	71	72
	316	299	309	316	311	316

\*Drop in enrollment was due to graduation of large Grade 12 classes and smaller incoming Grade 1 class.

# Looking Ahead to 2022-23 Enrollment

## Variables:

- A. Retention of current students – depends on tuition assistance needs (family finances), challenges as we continue to hold school during a pandemic, small classes at key transition points, other normal retention challenges
- B. Retention of new 2021-22 students – challenge of building relationships with parents while COVID continues
- C. Recruitment of new 2022-23 students – hard to give people a sense of what we offer without full school-day tours, uncertainty about family economic situation
- D. Recognizing that current Tuition Assistance levels are not sustainable – but also essential for our community – this is a challenge for the Board and Finance Committee

# Inflation, Cost of Living and Salary Cost Changes and Uncertainty

A. Cost of Living increase will be 5.9% in 2022, reflects the increase of all household expenses. Our expenses will rise in 2022-23.

B. Hiring challenges – we face the same hiring challenges as any other business in the area. Entry level workers are demanding higher starting rates than we have budgeted.

C. Retention of part-time staff – hiring new part-time employees at a higher rate requires us to equalize wages for returning staff, some who have been with the school over 15 years.

D. This makes planning eighteen months ahead really challenging!

# Challenge of Setting Tuition for 2022-23

We need to balance the needs of the school and needs of families – many families continue to be impacted by the pandemic, but we are not sure how many or what this will look like next year.

	2021-22 tuition		4% increase	5% increase	7% increase
Early Childhood – 5 full days	\$15,500		\$16,120	\$16,300	\$16,550
Grades 1-8	\$19,000		\$19,760	\$20,000	\$20,330
Grades 9 – 12	\$23,500		\$24,440	\$24,700	\$25,150
Increase in revenue on enrollment of 311			\$224,800	\$281,000	\$396,300
Less Tuition Assistance on Increase			<u>\$27,000</u>	<u>\$33,700</u>	<u>\$47,200</u>
Net Increase			\$197,800	\$247,300	\$349,100
Use of Remaining COVID Reserve			\$316,000	\$316,000	\$316,000
Remaining Deficit			\$238,200	\$188,700	\$86,900

# What will help make 2022-23 a strong financial year?

What can we all do to ensure that the 2022-23 School Year is a financially strong year for the school?

- Finance Committee and Board need to finalize on the best tuition increase – what is manageable for the community, and keeps our deficit to a minimum
  - We're considering a 5 – 8 % increase, with additional tuition assistance dollars.
  - If you have ideas, concerns or questions please email me at [sowen-cruise@steinerschool.org](mailto:sowen-cruise@steinerschool.org)
- Enrollment – this is always the key to our budgets
- Retention of current families – please reach out if you have any challenges or concerns, we want to support you!

# Relaunch of Our Enrollment Initiatives

We know that families are our strength, that they value our school, and that word of mouth is our best recruiting route! We had a set of new initiatives underway in March 2020 and we are revitalizing them

- Open, age-specific community events with an emphasis on familiarizing new families with our program
- Relaunching Student and Parent Ambassadors – there will be a chance for you to volunteer to be part of this
- More educational events and films with other schools are coming this year
- Do you have ideas? Reach out to Sian or a Coordinator if you do!
- Yard signs will return!





Questions?



Thank You.

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