



RUDOLF  
STEINER  
SCHOOL  
OF ANN ARBOR

State of the School  
November 2020

# Agenda for Tonight

Update the community in key areas:

- Ongoing Continuing at School work and COVID-19 context
- Anti-Racism and Overcoming Implicit Bias Task Force work
- Current Finances for the 2020-21 School Year
- Looking Ahead to the Financial Challenges of the 2021-22 School Year

# COVID-19 Response

# Continuing at School Plan 2020-21

Updated Plan released October 30 – available on the COVID-19 page on school website

- Updates all COVID-19 precautions and behaviors from EC to High School
- Highlights how we are handling positive cases in the immediate school community
  - Currently have one pod in the High School on quarantine because of a case
  - All students on quarantine are receiving remote learning for the 14 days
- Explains that all data is being shared immediately through ParentSquare and on the website
- Outlines how we will make decisions to change the mode of operation for the school

# Continuing at School Plan 2020-21

- How are we balancing in-person instruction and remote education decision?
  - Listening to all advice from Health Department and WISD
  - Watching what is happening in our own community
  - Paying very close attention to faculty quarantines and absences
  - We are fully ready to continue in both modes, and are reviewing and talking daily and weekly about what is the right thing for our students and parents
- Also working with the input from the Parent Survey – Coffee Hours, increased information from teachers, book study – all being worked on.

# Anti-Racism and Overcoming Implicit Bias Task Force

# Anti-Racism and Overcoming Implicit Bias Task Force

Task Force met all summer and developed a set of initiatives that were approved by the Board and College in October

The initiatives fall into three areas:

- Immediate curriculum and classroom experience for all students – expanding our curriculum and ensuring that there is never just one story in our classrooms
- Creating a welcoming and affirming community at RSSAA – including developing recruitment plans for students and faculty from diverse communities, continuing to develop faculty and staff capacities in this area and examining Waldorf Education, Steiner and RSSAA for challenges to creating the community we would like to be
- Actively working to ensure that our public presence, communication, marketing and social media presence all forward our commitment to this work and support full community engagement

# Anti-Racism and Overcoming Implicit Bias Task Force

The next step is to fully populate the committees who will be working on achieving these initiatives.

- Approximately 20 community members have already signed up, and we are currently scheduling the first meetings of the new committees and the expanded Diversity, Equity and Inclusion Committee
- Please let Siân Owen-Cruise know this week if you would like to be engaged in this work – [sowen-cruise@steinerschool.org](mailto:sowen-cruise@steinerschool.org)
- All meetings will be by Zoom for the coming few months at least



# Current School Financials – 2020-21

# School Revenue 2020-21

Income Source	Amount	Comments
Tuition Revenue	\$ 5,120,000	308 Students = 64 EC, 160 Grades, 84 HS
Tuition Assistance	(\$ 880,000)	113 Students, 71 Families
Tuition Grants	(\$ 228,700)	66 Students, 48 returning from 2019-20
Tuition Remission	<u>(\$ 539,700)</u>	Full-Time Faculty: 90% oldest child, 100% younger
<b>Net Tuition</b>	<b>\$ 3,471,600</b>	
Annual Fund	\$ 160,000	Dedicated to Tuition Assistance and Faculty Dev.
Fees, Camp, etc.	\$ 52,000	Assuming we have camp this coming spring/summer
Fundraising	<u>\$ 0</u>	Primarily Winter Festival – no expectation this year
<b>Total Revenue</b>	<b>\$ 3,683,600</b>	

# School Expenses 2020-21

Expense	Amount	Comments
Salaries, Payroll Taxes	\$ 2,663,300	Average FT salary is \$43,200; Range \$35,000 - \$55,400
Benefits	\$ 333,700	FT Health – 80% paid by school, no retirement contribution
Teaching Supplies, Program Exp.	\$ 249,700	Classroom supplies, books, camp
Association Memberships	\$ 34,000	AWSNA, WECAN, ISACS – training, accreditation, resources
Insurance, Technology, Office	\$ 193,400	Workers Comp and umbrella insurance, IT, phones, etc.
Marketing, Printing, Ads, Web	\$ 81,600	Not staffing, only 2% of total budget spent on marketing
Building and Grounds	\$ 283,900	Heat, water, electricity, repairs, furniture, lawn, snow
Bond (Mortgage)	\$ 307,600	\$121,000 interest + \$186,600 principal, \$4.5m at 3.24%
Development Expenses	\$ 30,900	Events and software, not staff
COVID-19 Expenses	\$75,000	Estimated supplies, tech and staffing to address pandemic
Transfer to Replacement Fund	<u>\$ 0</u>	No savings for large future repairs and replacements
<b>Total Expenses</b>	<b>\$ 4,253,100</b>	

# Balancing Our Budget 2020-21

Expense	Amount	Comments
Total Revenue	\$ 3,683,600	
Total Expenses	<u>\$ 4,253,100</u>	
Gap	(\$ 569,500)	Deficit for the 2020-21 year
Use of Reserves (PPP Loan, other)	\$ 519,500	PPP remainder, reserves, Child Care grants, designated gifts
Contingency Transfer	\$ 50,000	Approved by the Board and College to balance budget

**Result is a Balanced Budget for 2020-21**

## Other School Resources 2020-21

Source	Amount	Type	Comments
Capital Campaign Checking	\$ 454,600	Restricted	For bond balloon (2024); in savings act
Capital Campaign Pledges	\$ 149,000	Restricted	Will be collected over the next 2 years
Contingency Fund	\$ 120,000	Unrestricted	\$50,000 used in 2020-21 year
Replacement Fund	\$ 443,200	Board Designated	Reserved for major building issues
Endowments	\$ 260,700	Partially restricted	Conservatively invested

# Looking Ahead to the 2021-22 School Year Financials

# Looking Ahead to 2021-22 – Increases in Expenses

Increases to the Budget	Amount	Comments
Salary Restoration per Plan	\$ 26,400	Year 2 – brings everyone to 6% max pay cut
Salary Increase per Plan	\$ 32,400	\$500 for Full-Time, \$.25/hour for Part-Time (50% of normal)
Benefits	\$ 51,600	No 403b, 20% on health insurance, 5% on all other benefits
Insurance	\$ 0	Other budgets will absorb normal increases
Buildings and Grounds	\$ 0	Other budgets will absorb normal increases
Remove COVID-19 Expenses	(\$ 75,000)	Most technology and supplies already purchased
Replacement Fund	<u>\$ 0</u>	No transfer in 2021-22
<b>Total Increase in Expenses</b>	<b>\$ 35,400</b>	
Gap in 2020-21 School Year	\$ <u>569,500</u>	We no longer have significant surplus and want to save contingency
<b>Total Needed for 2021-22</b>	<b>\$ 604,900</b>	To stay consistent in curriculum offered, faculty and staff employment, with flat enrollment levels

# Looking Ahead to 2021-22 – Enrollment

We work with a complex set of data-based predications as we look at enrollment for the coming year – this is much more complicated this year.

	2017-18 (actual)	2018-19 (actual)	2019-20 (actual)	2020-21 (actual including Flexible)	2021-22 (Pre-COVID)	2022-23 (Pre-COVID)
Early Childhood	74	63	65	64	65	65
Grades	160	150	141	160	140	141
High School	105	103	93	84	85	76
	339	316	299	308	290	282

Note that this drop is due to graduation of large Grade 12 classes and smaller Grade 1 classes



# Looking Ahead to 2021-22 Enrollment

## Variables:

- A. Retention of current in-person students – depends on tuition assistance needs (family finances), challenges the pandemic puts in our way, normal retention challenges
- B. Retention of current flexible classroom link students – currently home-schooling, unknown whether all will want to come back to school
- C. Retention of new 2020-21 students – challenge of building relationships with parents remotely, some will likely return to their previous schools when they reopen, is likely not to fit our normal patterns
- D. Recruitment of new 2021-22 students – hard to give people a sense of what we have to offer without school-day tours, uncertainty about family economic situation

# Enrollment Scenarios for 2021-22

In order to set a budget for the 2021-22 school year – we need to have an estimate of enrollment – we have three potential scenarios

	EC	Grade 1-8	High School	Total Enrollment
<b>Worst Case</b> – low new enrollments, higher attrition, no flexible link returning students below Grade 6	54	134	84	272
<b>Middle Case</b> - some new enrollments, some attrition, some flexible returns, all Grades 6 – 12 remote return	58	150	90	298
<b>Best Case</b> – normal new enrollments, low attrition, all flexible link returns in Grades 1 – 12, 3 EC returns	61	154	94	309

# Budget Scenario A for 2021-22

Worst case – same level of tuition assistance needed this year, enrollment of 272, and loss of tuition from the 2020-21 school year

	2020-21
Increase in Basic Costs	\$ 35,400
Additional Budget Gap Managed This Year	\$ 569,500
Loss from Reduced Enrollment	\$ 593,800
Tuition Not Paid in 2020-21 (2%)	\$ 100,000
10 Weeks of Lost EC Tuition	<u>\$ 177,000</u>
Total Deficit for the 2021-22 School Year	<b>\$ 1,475,700</b>

# Budget Scenario B for 2021-22

Middle case – Enrollment of 298, less need for tuition assistance, no extra costs from 2020-21 school year

	2020-21
Increase in Basic Costs	\$ 35,400
Additional Budget Gap Managed This Year	\$ 569,500
Loss from Reduced Enrollment	\$ 118,200
Reduced Tuition Assistance (20% less)	<u>(\$ 220,700)</u>
Total Deficit for the 2021-22 School Year	<b>\$ 502,400</b>

# Budget Scenario C for 2021-22

Best case – Enrollment of 309, no loss from 2020-21, and reduced need for tuition assistance

	2020-21
Increase in Basic Costs	\$ 35,400
Additional Budget Gap Managed This Year	\$ 569,500
Loss from Reduced Enrollment	\$ 0
Reduced Tuition Assistance (30% less)	<u>(\$ 331,000)</u>
Total Deficit for the 2020-21 School Year	<b>\$ 273,900</b>

# What Do We Think Is Most Likely?

Without a crystal ball, we must weave a middle path both so that we can plan and so that we can set a tuition level for you, the families, in a reasonable time.

- Enrollment – working with 298 as a starting place for the 2021-22 year
- Tuition Assistance Need for 2021-22 – unknown, we need more information about how families are doing and what you anticipate
- Additional tuition loss from this current school year – will only become clear as the school year continues and will have a direct impact on available reserves for 2021-22

# Challenge of Setting Tuition for 2021-22

We need to balance the needs of the school and needs of families – many families have taken an impact because of the pandemic and lockdown, but we are not really sure how many or what this will look like next year. This example is done on the middle scenario of a \$ 502,400 deficit.

	2020-21 tuition		2% increase	3.5% increase	5.0% increase
Early Childhood – 5 full days	\$14,900		\$15,200	\$15,420	\$15,650
Grades 1-8	\$18,300		\$18,700	\$18,950	\$19,220
Grades 9 – 12	\$22,600		\$23,100	\$23,400	\$23,750
Increase in revenue on enrollment of 298			\$95,100	\$166,500	\$237,800
Less Tuition Assistance on increase			<u>\$11,400</u>	<u>\$20,000</u>	<u>\$28,500</u>
Net Increase			\$83,700	\$146,500	\$209,300
Remaining deficit on middle scenario			\$418,700	\$355,900	\$293,100

# How Can We Act Together, As a Community?

Challenge of setting tuition for the coming year – we have choices to make – they include:

- ❖ Should we set a standard tuition increase of 2-5%? Will this over stress too many families?
- ❖ Should we set a very low tuition increase and ask for gift money from those who can give? And what if we do not receive it?
- ❖ Should we move to an “accessible tuition” approach for one year – conversations with **everyone** – with the needs of the school on the table, and the needs of families?

Once we have settled on a tuition level for the 2021-22 school year, we can then address the rest of the budget questions – use of reserves, cuts, etc.



# What are our next steps?

We are strongest as a community when we are talking to each other and working collaboratively to make decisions. Over the next three weeks of school we will be offering a series of smaller meetings – max 25 people. All will be on Zoom and announced through ParentSquare with links etc.

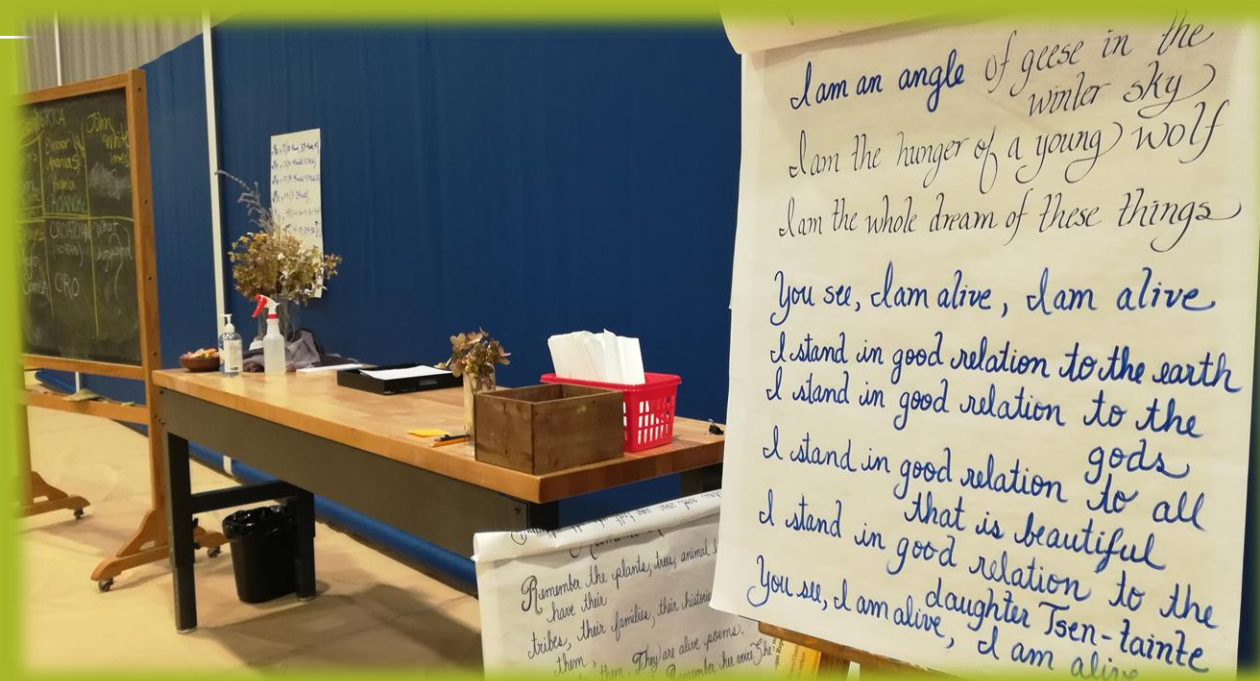
In these meetings we will discuss approaches to setting tuition for the coming year – your input, ideas, and thoughts. If they fill, we will add more meetings.

Each meeting will have Siân, a Board member, and a College member present.

- Tuesday morning, November 17 at 10 am
- Wednesday evening, November 18 at 7 pm
- Monday evening, November 30 at 7 pm

We also need your continued help with our outreach and enrollment – Increased enrollment is the best way to address the gap!

Questions?



THANK YOU.