



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 8th Grade
 - Upcoming Lantern Walk
- Grades One to Eight
 - Michaelmas Celebration in classes
 - 8th 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
 - Middle School Sexual Health and Teen Resilience
 - Halloween parade
- High School
 - Fall Volleyball Season
 - Fall Boys Soccer Season
 - Fall Cross Country Season
 - 12th 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, Coat Drive, Snow Gnomes Ski Club,
 - 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

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 |
| Net Tuition | \$ 3,939,000 | |
| | | |
| 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 |
| | | |
| Total Revenue | \$ 4,244,700 | |

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 |
| Total Expenses | \$ 4,671,200 | |

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 |

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 |
| Total Increase in Expenses | \$325,500 | |
| | | |
| Gap in 2021-22 School Year | \$ <u>426,500</u> | Future budgets cannot rely on reserves, and we want to save contingency |
| Total Needed for 2022-23 | \$ 752,000 | 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
- 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!





Thank You.

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