

**Request for Waiver - Teacher Compensation Accountabilities**  
**SDCL 13-13-73.6**

Name of School District: Garretson 49-4

School Year: 2017

FY2016 Total Teacher Compensation:	\$1,693,466		
FY2016 Average Teacher Compensation:	\$51,364		
FY2017 Total Teacher Compensation:	\$1,779,317	Difference Total TC:	\$85,851
FY2017 Average Teacher Compensation:	\$55,673	Difference Avg TC:	\$4,309
FY2017 Total Teacher Compensation Accountability:	\$1,866,678	Difference Accountability #1	(\$87,361)
FY2017 Average Teacher Compensation Accountability:	\$54,950	Difference Accountability #2	\$723

**Check the appropriate accountability:**

Request to Waive Accountability #1: Total Expenditures for Teacher Compensation

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Request to Waive Accountability #2: Average Teacher Compensation

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Please list all documents provided to the board supporting this request\*:

\* Documentation must include a copy of the report: Teacher Compensation Prior Year Current Year Comparison.

1. Teacher Compensation Prior Year Current Year Comparison
2. 2015-2016 Instructional Staff – spreadsheet (2 pages)
3. 2016-2017 Instructional Staff (before retirements and shared services grant) spreadsheet (2 pages)
4. 2016-2017 Instructional Staff (after retirements and shared services grant) spreadsheet (2 pages)
5. FY16/FY17 School Administrators / Admin Assistants
6. Classified Staff 2015-2016 to 2016-2017
7. FY 2017 Accountability Calculator – Garretson
8. FY 2017 Revenues: Projections vs. Actual

Please explain the reason(s) for this request:

Thank you for the opportunity to explain why we believe that the Garretson School District has followed the proper steps and is in compliance with the intent of the law passed by the South Dakota Legislature in 2016. There are a number of reasons that our District requests a waiver to accountability #1, the total expenditures for Teacher Compensation. To understand the present context, it is helpful to look at the recent past as well. For the past several years, the Garretson School District has actively and knowingly, budgeted more expenditures than revenue, understanding that we were spending down the general fund reserves. In the 15-16 school year, it became apparent that this pattern was not sustainable, and that the District would either need to make substantial reductions in programming or would need to garner the financial support of the community through an opt out in order to maintain reserves large enough for "cash flow," and also remain competitive in the regional market.

The Garretson Board of Education chose to opt out of the property tax limits, but only to the point where it would fill the revenue deficit in the budget. The Board sent the opt out to a vote of the community, where over 50% of registered voters in the District showed up at the polls, and approximately 57% of those people voted yes. Our public is well informed with respect to the financial condition of the District, and our Board takes very seriously the responsibility of stewardship for the public's money and trust.

Of the five factors that the SFAB shall consider when determining a recommendation for an accountability waiver, the Garretson School District has encountered three of them.

The first factor for consideration is the retirement of veteran staff, with replacement by less experienced, and therefore, less costly teachers. In the Garretson School District, we had two such retirements that impacted the total dollars spent on Teacher Compensation. Mr. Bob Bennet was replaced by Samantha Blake, a first year teacher. The difference between Mr. Bennet's total compensation and that of his replacement is \$19,837. The second retirement with significant impact was that of Mr. Ed Mueller, who was replaced by Alysha Kientopf. The difference between Mr. Mueller's total compensation and Ms. Kientopf's total compensation is \$15,566. The total financial impact of these two retirements on the District is \$35,403.

The second factor for consideration is the fiscal impact of declining enrollment from FY16 to FY17. The accountability numbers are based on 474 students for the Garretson School District. On the count date in FY 17, the Garretson School District had 463 students, K-12. We have included a summary of the projected versus actual State Aid Need for your review. The board was aware that the enrollment in the District would be less than the previous year, and did not feel comfortable obligating the District to pay expenses for which the revenue would not materialize. The difference between projected revenues and actual revenues is approximately \$48,202.

The third factor for consideration is an unanticipated change in teacher FTE, or other extenuating circumstances. As we ended FY16, our Spanish teacher resigned to work in the Sioux Falls School District. This afforded us the opportunity to evaluate this position, and by working with the Baltic School District, we were able to come up with an arrangement in which the two districts share a full-time Spanish teacher. We applied for, and were granted a Shared Services Grant from the SD Department of Education. In FY 17, the State reimbursed the districts for the entire cost of the shared Spanish teacher. In FY 18, the Districts will pay for half of the personnel costs and the State will pay for half of the costs. In FY19, the Districts will pay 75% and the State will pay 25%. In the FY 2017, this saved the District \$46,422. The board was fully aware that while the District was not obligated to pay this cost the first year, we would eventually be responsible for the entire cost of the 0.5 FTE position, and therefore, the board chose not to roll that \$46,422 into other on-going expenses for the district.

These three factors have had a financial impact in the district of \$130,027. In the case of having fewer students, we knew that revenue for those students would not be forthcoming, and the Board chose not to obligate funds that we did not believe would be available for expenditure. In the case of the Shared Services Grant, we knew that those expenses for the 0.5 FTE Spanish teacher would fully transfer to the District after three years, and so, the board chose not to roll that amount back into other teaching positions in order to ensure that we were not forced to consider cutting the program after the responsibility for the cost shifted back to the District.

The Garretson School Board is committed to doing the very best that can be done for our teachers, and negotiated in good faith with the Garretson Teacher's Association. The Board is also very cognizant of the fact that the decisions they make regarding recurring expenses have a significant impact as they look to the financial future of the school district. Long term budgeting has proved to be a challenge in the context of a changing process, but the Garretson School District is committed to following the intent of the law, to the best of our ability, while balancing the need to remain competitive in the region and maintain the long-term financial health of the District. Thank you for your time considering our District's unique story. We respectfully ask that you recommend a waiver to the accountability rules for the Garretson School District.

Contact Person:

Buy Johnson

Date:

10/31/17

Signature:



Title:

Superintendent

As per ARSD the board may consider a request to waive an accountability due to:

- 1) Retirement of a Teacher; or
- 2) Declining Student Enrollment; or
- 3) Change in Budgeted Costs for Benefits; or
- 4) An Unanticipated Change in Teacher FTE; or
- 5) Any Un-Foreseen or Extenuating Circumstances

**School Finance/Accountability Board Action**

Approved \_\_\_\_\_  
Denied \_\_\_\_\_  
Date: \_\_\_\_\_

**Appropriations Committee Action**

Approved \_\_\_\_\_  
Denied \_\_\_\_\_  
Date: \_\_\_\_\_