# Funding a New Era in Student Achievement




ROCHESTER CITY SCHOOL DISTRICT

Every child is a work of art.
Create a masterpiece.





## 2014-15 Budget Overview

### Budget Open House at Wilson Foundation Academy

Dr. Bolgen Vargas, Superintendent of Schools
William Ansbrow, Chief Financial Officer
February 12, 2014

# Agenda

1. How we used your input:  Feedback from the 2013-14 Budget community events – *10 minutes*

2. Review and discussion of the 2014-15 Fiscal Overview – *15 minutes*

3. Academic Priorities – *15 minutes*

4. Strategies to Close the Gap – *15 minutes*

5. Questions and Answers / Suggestions and Input – *1 hour*

6. Upcoming Parent/Community Input Events – *5 minutes*

# How We Used Your Input Last Year

***Feedback from participants at the 2013-14 Budget Open House and Parent Expo events was reflected in budgeting and administrative decisions***

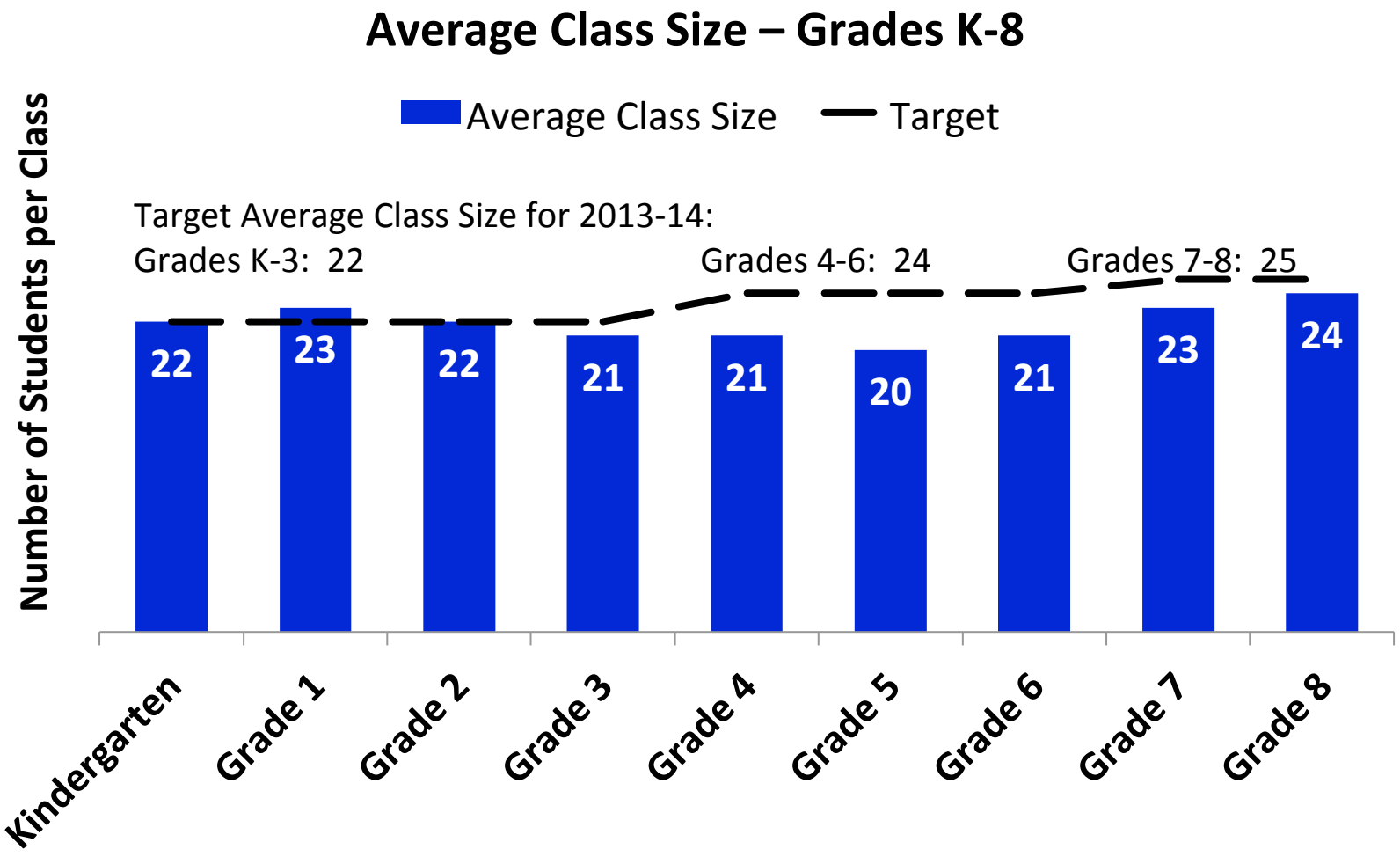
## Actions Taken

- Expansion of music, art, and athletics offerings
- Relocated Student Placement to the Central Office to provide better service to parents in the school selection and registration process
- Effective November 2013, ceased mailing paystubs to employees with direct deposit
- Achieved efficiencies by:
  - Reducing teaching and clerical substitutes and cashing-in of vacation time
  - Redesigning the In-School Suspension delivery model
  - Eliminating 84 non-classroom Teachers on Assignment
- Deliberately targeted class sizes by grade:
  - 22 for Kindergarten through third grade
  - 24 for fourth through sixth grade
  - 25 for seventh through twelfth grade

## Long-Term Planning / Suggestions Under Consideration

- Implementation of neighborhood schools / transportation pilot
- Developing a multi-year financial plan
- Optimizing use of space and facilities

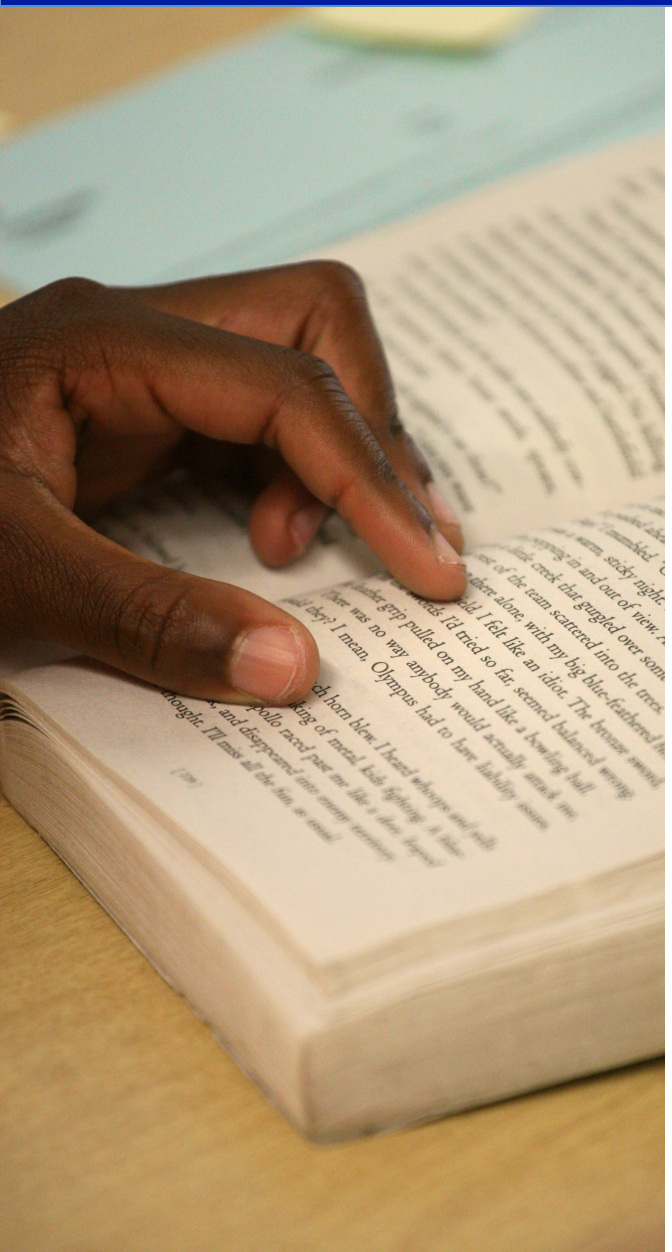
# Class Size


Average Class Size – Grades K-8
Average Class Size
Target
Target Average Class Size for 2013-14:
Grades K-3: 22
Grades 4-6: 24
Grades 7-8: 25
Number of Students per Class
22
23
22
21
21
20
21
23
24
Kindergarten
Grade 1
Grade 2
Grade 3
Grade 4
Grade 5
Grade 6
Grade 7
Grade 8

# How We Will Improve Student Achievement

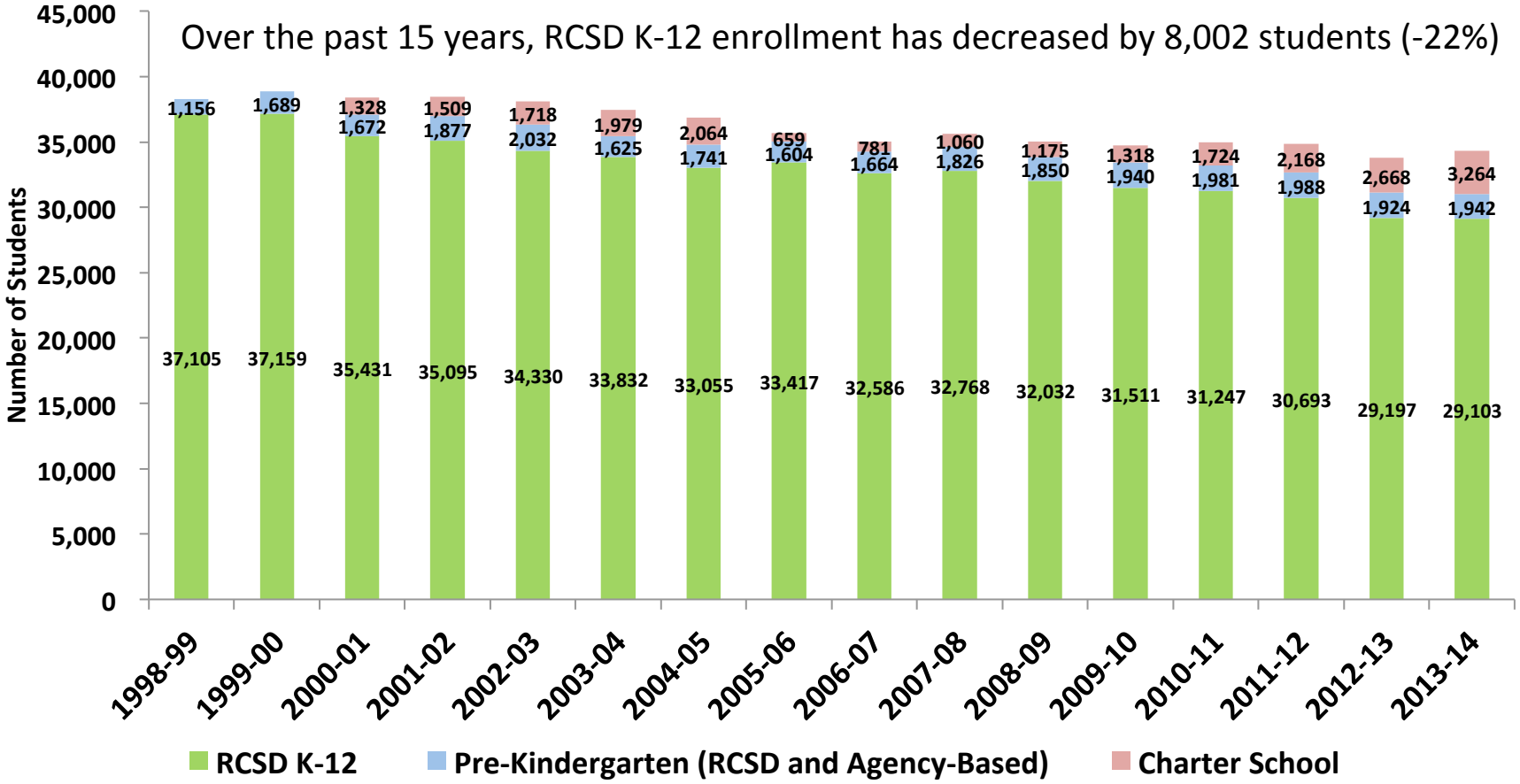
| District Goals | Academic Priorities | Administrative Actions |
|---|---|---|
| Student achievement/ growth<br><br>Parental, family and community involvement<br><br>Communication and customer service<br><br>Effective and efficient allocation of resources<br><br>Management systems | More and better learning time<br><br>Reading by third grade<br><br>Improved instruction | End annual budget crisis<br><br>Colleges will manage some schools<br><br>Revitalize CTE<br><br>Engage the community to improve student behavior<br><br>Eliminate summer learning loss for Pre-K–3 students |

# Budget Process Goals



- Maintain stability for students, families and staff
- Expand support for educational priorities
- Improve transparency
- End the structural budget gap

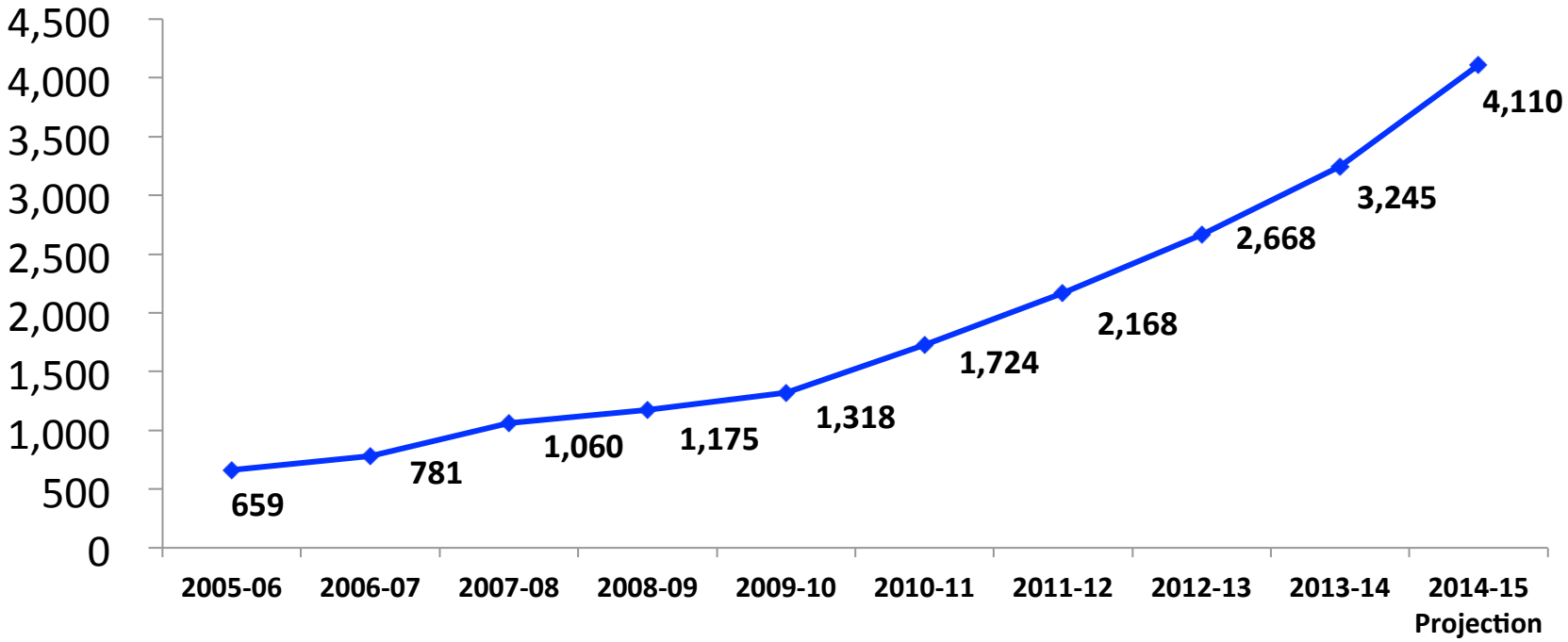
# Student Enrollment Trend (BEDS Data)




- Student counts do not include private and parochial schools
- 2013-14 enrollment is based on preliminary NYSED BEDS data—last updated Dec. 4
- Most Pre-Kindergarten students attend school for a half day; no adjustment is made for potential full-day Pre-K

# Charter Schools

**There are nearly five times as many charter school students in 2013-14 as in 2005-06**



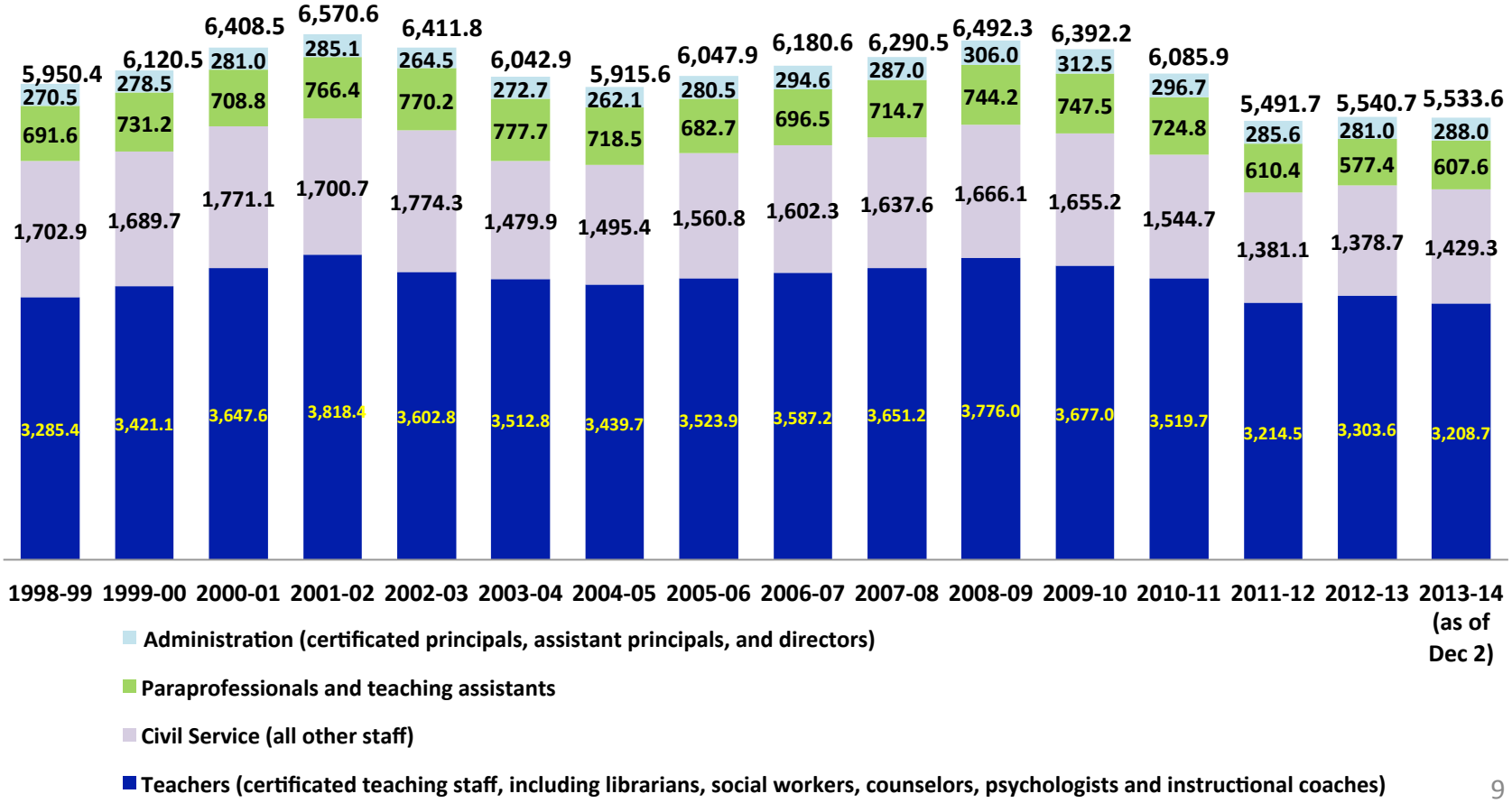

**The revised 2014-15 projection assumes that:**

- No existing charter schools close
- Six of the 10 existing charter schools add grade levels as planned
- Three new schools open (PUC Achieve, Renaissance Academy, and Vertus)
- 90% of the new charter school students come from the City

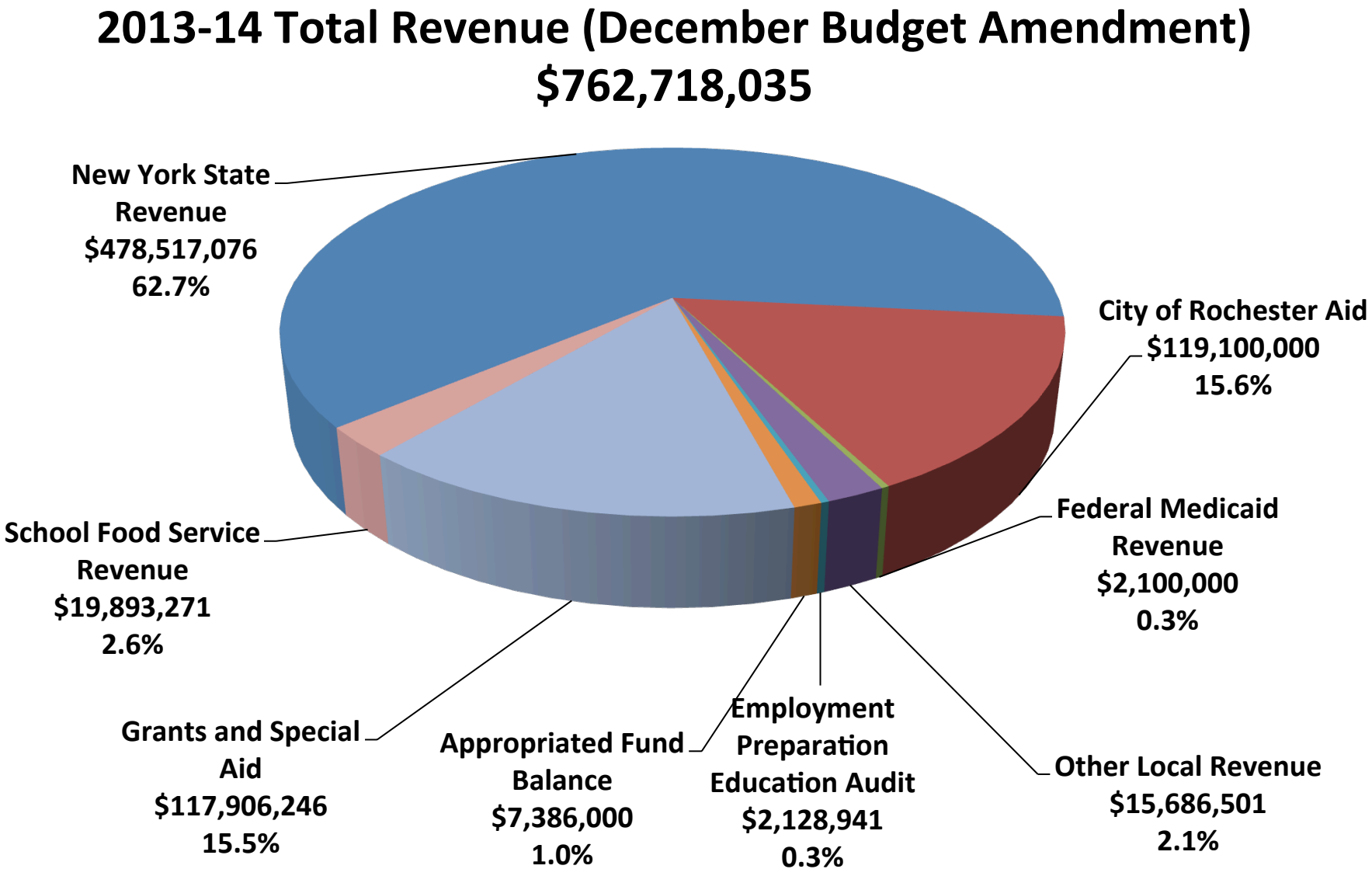
# District Staff: Full-Time Equivalents (FTE)

**Over the past 15 years, the number of District staff has decreased by 417 (-7 percent)**

- The number of certificated teachers, librarians, social workers, counselors, psychologists and instructional coaches has decreased by 77 **(-2 percent)**
- The number of civil service staff has decreased by 274 **(-16 percent)**
- The number of paraprofessionals and teaching assistants has decreased by 84 **(-12 percent)**
- The number of certificated principals, assistant principals and program directors has increased by 18 **(+6 percent)**

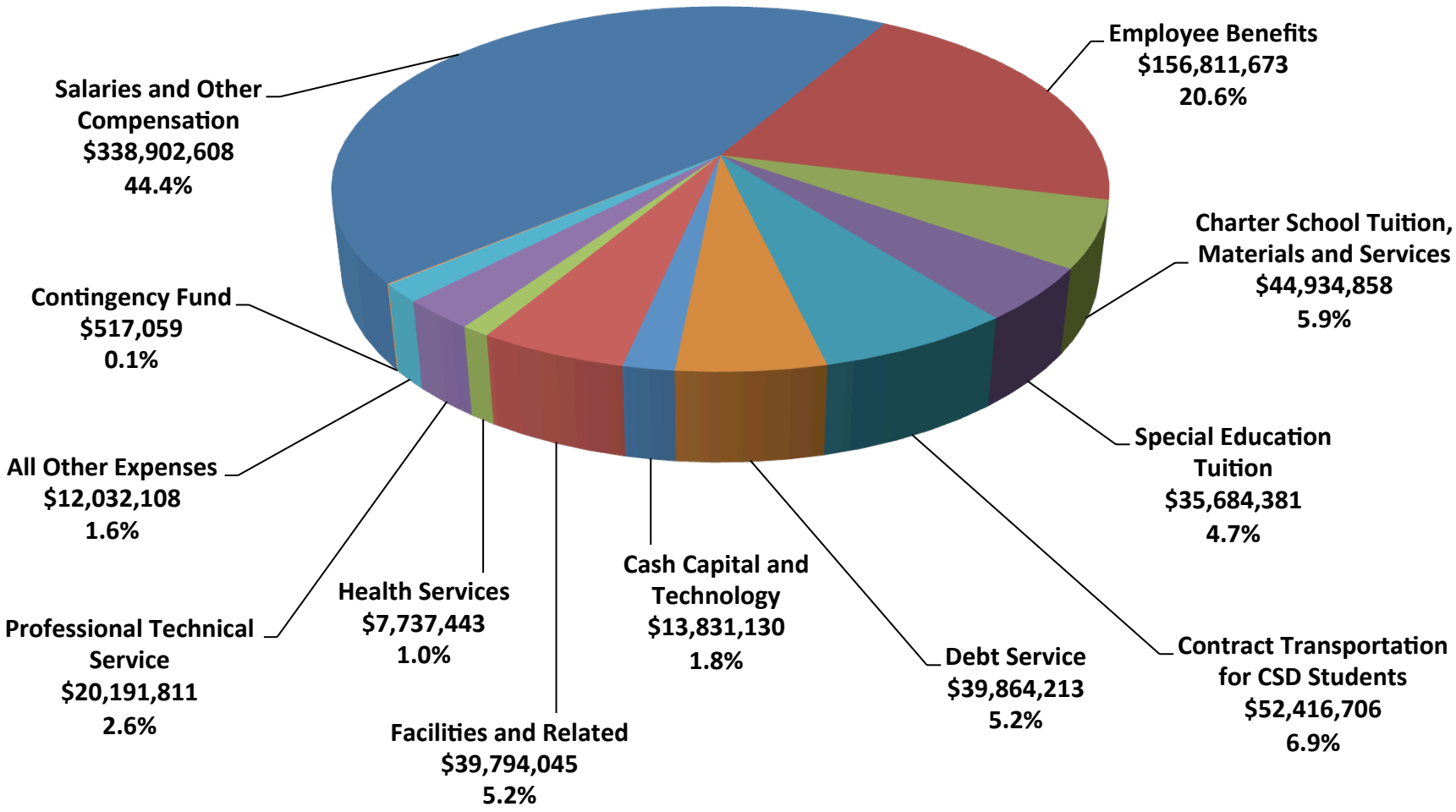


# 2013-14 Budget - Revenue



# 2013-14 Budget - Expenditures

## 2013-14 Total Expenditures (December Budget Amendment)
## $762,718,035



# 2014-15 Key Financial Assumptions

| Revenue | | Expenses | |
|---|---|---|---|
| NYS Foundation Aid: | +3% | Salaries: | +3% |
| NYS Formula Aid: | +4% | Retirement:<br>TRS - Stable Contribution Rate<br>ERS - Partial Amortization | +10% |
| NYS Building Aid:<br>Based on project schedule | | Health Insurance: | +4.75% |
| City of Rochester:<br>($119.1 M) | flat | Charter School Tuition: | +23% |
| Grant Funding:<br>Eliminated as grants conclude | | Grant Expenses:<br>Most grant-specific expenditures eliminated as grants conclude | |

# Key Drivers of 2014-15 Budget Gap

| | |
|---|---|
| **General Fund** | **$32.3 M** |
| Charter School Tuition (865 additional students) | $11.6 M |
| Retirement Benefits | $6.3 M |
| Health and Dental Insurance | $3.0 M |
| Debt Service | $0.4 M |
| Budget Contingency | $4.3 M |
| Governor's Proposed State Budget (lower than projected) | $6.3 M |
| Net of All Other General Fund Changes | $0.4 M |
| **Special Aid Fund** | **$9.3 M** |
| Reduction in Title I Funds (Rollover consumed) | $4.2 M |
| Net of All Other Special Aid Fund Changes | $5.1 M |
| **Lunch Fund** | **$0.4 M** |
| **Projected Gap** | **$42.0 M** |

# 2014-15 Budget Gap

**Governor's Proposed Budget**

- 2014-15 State Aid for Rochester totals $499.3 million (excluding UPK)
- This amount is $6.3 million lower than our projected revenue for 2014-15 – the budget gap will increase by this amount (we projected a 3.0% increase in Foundation Aid, but received 1.3%)

**Charter Schools**

- Three new charter schools are approved to open in Rochester in 2014-15: PUC Achieve, Renaissance Academy, and Vertus
- Six additional schools are continuing to expand by adding grade levels

**Academic Priorities**

- We are focused on aligning our spending with our priorities
- Proposed initiatives are under development for:
  - Reading by Third Grade
  - Expanded Learning Time
  - Instructional Excellence
  - More art, music, sports, and extracurricular activities

# Funding A New Era in Student Achievement

- Improved Special Education services
- Expanded summer school for Pre-K – 3rd grade
- Full-day Pre-K for most or all students
- Pilot neighborhood schools
  - Kindergarten in all non-citywide schools
  - All grades at two schools
- PD and data analysis tools to improve instruction
- Expanded learning time for up to 7 additional schools
- Maintain or expand art, music, sports, extracurricular activities
  - At least one full-time music teacher in every elementary school
  - We will not reduce music programs at any school
- Fix the broken textbook system once and for all

# Strategies to Close the Gap and Fund Our Priorities

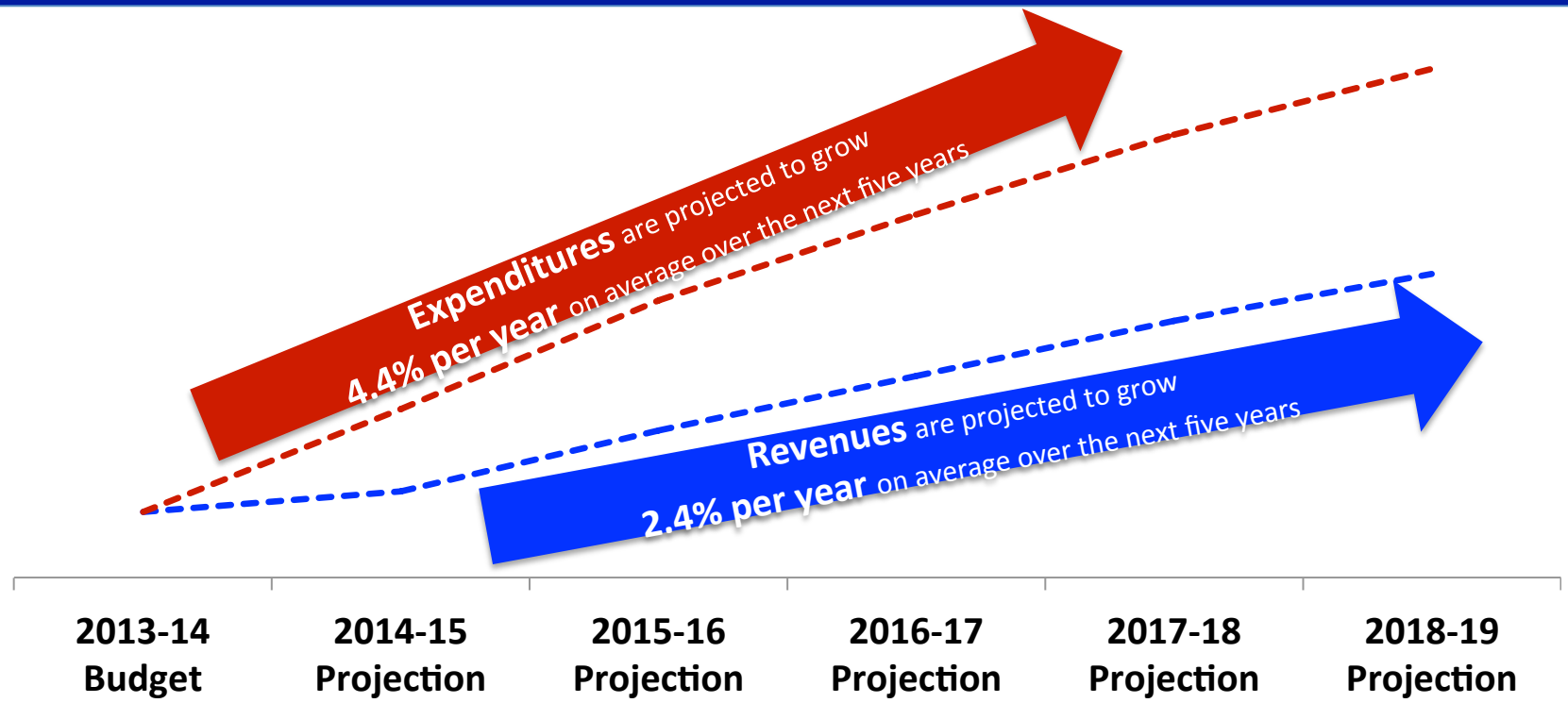
| Strategy | Preliminary Estimated Savings |
|---|---|
| Reduce Central Office and administrative costs | $8.0 – 9.0 M |
| Reduce employee travel, conferences, and overtime | $1.0 - $2.0 M |
| Reduce absenteeism and substitute costs | $1.0 M |
| Reduction in staff and programs to match lower enrollment<br>• Attrition / retirement / vacancies<br>• Considering a hiring freeze | $9.0 M |
| Reduce Title I expenses to align with Title I revenue | $4.2 M |
| Reduce professional services and contracts | $1 M |
| Reduce leased space | $0.1 - $0.5 M |
| Additional grant revenue and state aid | $2.0 - $6.0 M |
| **Total** | **$26.3 - 32.7 M** |

# Strategies to Close the Gap and Fund Our Priorities

## Policy Issues that Require Discussion and Board Action

| Strategy | Preliminary Estimated Savings |
|---|---|
| Restructure Special Education services to improve outcomes | $5.0 M - $8.0 M |
| Reduce employee vacation cash-out by 80% | $2.7 M |
| Reduce extra pay from General Fund | $2.0 - $4.0 M |
| Adjustments to transportation | $2.0 M |
| Expand online credit recovery to advance secondary students with their cohort | $1.0 M |
| Increase utilization rate for Advanced Placement courses | $0.5 - $1.0 M |
| **Total** | **$13.2 – 18.7 M** |

# Long-Term Budget Planning




## We Must Re-Align Our Spending

- Continue to find efficiencies
- Match staffing costs to revenue growth
- Match outside service contracts to revenue growth
- Carry out school closure plans to align with declining enrollment

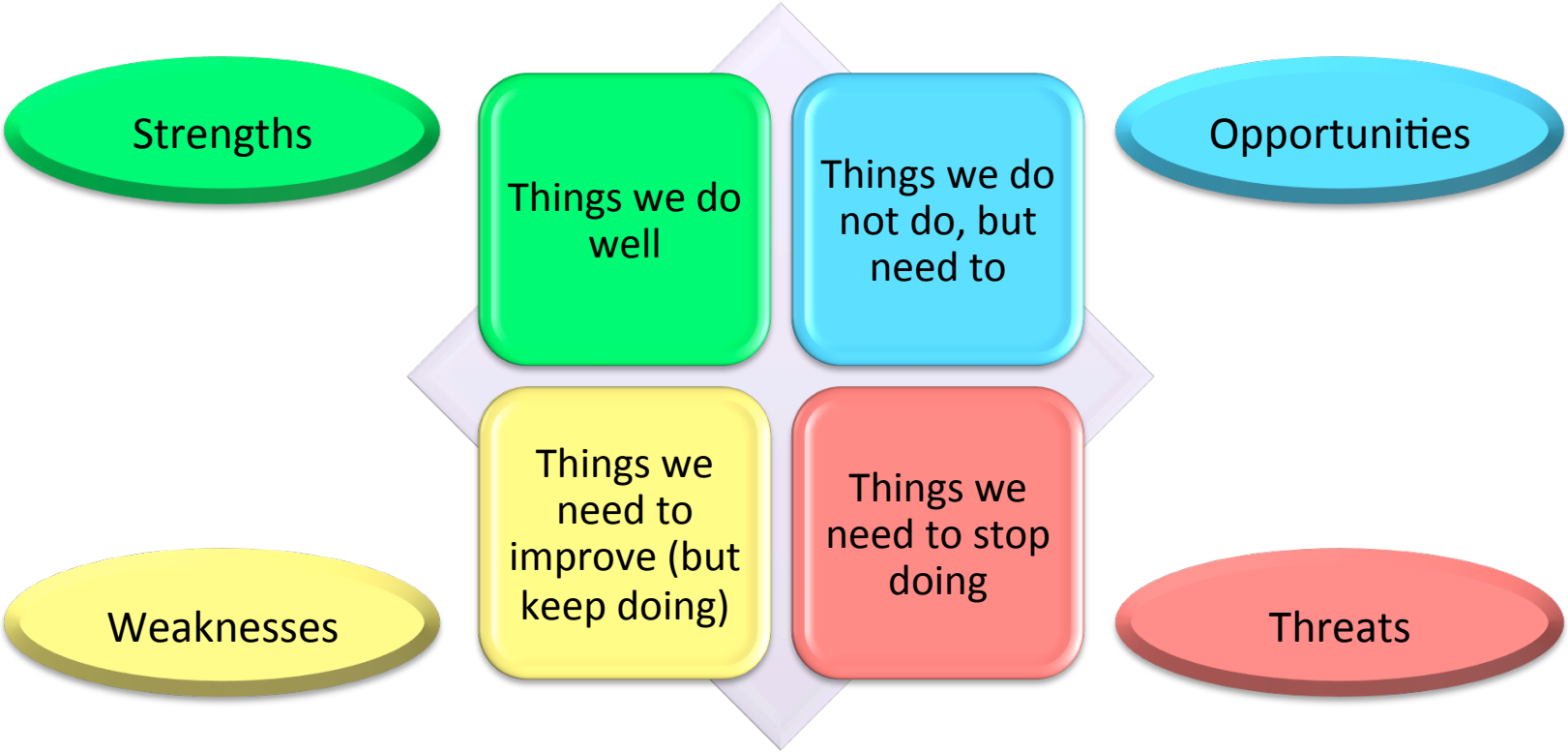
# Proposed 2014-15 Budget Timeline

| | |
|---|---|
| October-November 2013 | • Initial guidance provided by Superintendent<br>• 2014-15 projections and budget targets developed by Budget Office |
| December 2, 2013 | • CFO updated District leadership and shared Cabinet budget targets |
| December 16, 2013 | • Superintendent presented update to Board of Education |
| December 2013 | • Budget staff worked with Cabinet to develop budget proposals<br>• Cabinet budget submissions submitted to CFO |
| January - February 2014 | • **Community engagement / Board sets budget priorities**<br>• **Review Cabinet proposals with CFO and Superintendent** |
| February - March 2014 | • Leadership finalizes decisions<br>• Staff prepares draft budget for Board review with five-year plan |
| March 24, 2014 | • Superintendent presents draft budget to Board of Education |
| April 2014 | • Board of Education conducts budget deliberations |
| May 2014 | • Board of Education scheduled to adopt 2014-15 Budget, then transmit adopted budget to City Council and Mayor |
| June 2014 | • City Council scheduled to approve 2014-15 Adopted Budget |

# Your Input

We welcome your suggestions and input:

- Suggestion box
- Call (585) 262-8682
- E-mail balancedbudget@rcsdk12.org



# Upcoming Parent and Community Event

Budget Open House / Meet and Greet with Parent Groups

Monday, February 24, 6:00 pm

Helen Barrett Montgomery School #50

301 Seneca Avenue