

**MONITOR OF THE ROCHESTER CITY
SCHOOL DISTRICT PUBLIC HEARING**

July 22, 2020

WELCOME AND INTRODUCTIONS

- Moderator:
 - Kevin MacDonald, District Superintendent, Genesee Valley Educational Partnership
- State Monitor:
 - Shelley Jallow
- Rochester City School District Representative:
 - Lesli Myers-Small
- New York State Education Department Representative:
 - Christina Coughlin

AGENDA

- Virtual Meeting Protocols
- Presentation on the NYS legislation regarding school district fiscal performance and desired outcomes (Shelley Jallow)
- Opportunity For Public Comment
- Next Steps in Process

VIRTUAL MEETING PROTOCOLS

- After the monitor has finished her presentation, we will open the meeting up for questions.
- Anyone who submitted a request to speak will be given 3 minutes to talk and will be called upon by name when it is his or her turn.
- Anyone who did not submit a request to speak prior to the hearing can submit comments to

statemonitor@rcsdk12.org

STATUTORY AUTHORITY OF THE ROCHESTER MONITOR

Chapter 56 of the Laws of 2020 requires the Commissioner to appoint a Monitor to the Rochester City School District to provide oversight, guidance and technical assistance related to the academic and fiscal policies, practices, programs and decisions of the District, the Board of Education, and the Superintendent.

APPOINTMENT OF MONITOR

On May 26, 2020, I was appointed by Interim Commissioner Tahoe to be the monitor of the Rochester City School District.

REQUIREMENT FOR PUBLIC HEARINGS

- Chapter 56 of the laws of 2020 requires that the Monitor of the Rochester City School District hold three public hearings within 60 days of his appointment.
- The first hearing, which focused on governance and intervention issues and the role of the State Education Commissioner, the NYS Education Department, and the Board of Regents, was held on June 25. The second hearing, which focused on the academic performance of the district was held on July 8.
- The minutes of the first two public hearings are available on the school district website, as is the PowerPoint presentation.

REQUIREMENT FOR PUBLIC HEARINGS

The purpose of this third hearing is to explain the role of the Monitor in providing oversight and assistance in financial matters of the Rochester schools and to take public comment on the fiscal performance of the school district.

SCHOOL DISTRICT FISCAL RESPONSIBILITY

- Every NYS school district, with the exception of the Big Five cities of New York, Yonkers, Rochester, Syracuse, and Buffalo, operates on an annual budget that must be approved by the voters of that community.
- The Big Five districts operate as a branch of local government, with no taxing authority.
- Rochester's annual budget must be approved by the Rochester City Council.
- While the Rochester School Board does not control how much tax levy funding is raised for education, the board is primarily responsible for deciding how the school district's funds are spent

SCHOOL DISTRICT FISCAL RESPONSIBILITY

- The Chief Executive Officer of the school district is the Superintendent of Schools, who manages the day-to-day operations of the district schools. In turn, the Board of Education appoints the Superintendent and is responsible for the management and operations and policy-making for the school district.
- School boards are elected by the voters of the community. The Rochester school board has seven members, each of whom is elected to a three-year term.

ROCHESTER BUDGETS FOR THE 2020-21 SCHOOL YEAR: INITIAL OBSERVATIONS

Due to the fact that I was appointed on May 26th, I did not have any input into the development of the 2020-21 school budget.

Last year due to the budget shortfall, the following actions were initiated:

- ❖ Staff reductions
- ❖ Building closures
- ❖ New directives on the use of substitute staff
- ❖ Modification of federal funding

My role in the financial condition of the school district will begin with the 2020-21 year-end condition and the 2021-22 budget.

ROCHESTER 2019-20 BUDGET FACTS

The 2019-20 budget is \$931,299,075

The revenues supporting this budget arise from:

State Aid	\$650,338,042	69.8 %
City	\$119,100,000	12.8 %
Miscellaneous	\$161,861,033	17.4%

ROCHESTER 2019-20 BUDGET FACTS

Original Budget	All Funds	% Change
2017 – 2018	\$883,356,377	2.2 %
2018 – 2019	\$915,945,579	3.7 %
2019 – 2020	\$931,299,075	1.7 %
2020 – 2021	\$927,587,824	-0.4%

RESPONSIBILITIES OF THE MONITOR

- Serve as a non-voting ex-officio member of the Board.
- Assist the Board in adopting a conflict of interest policy that ensures board members and administrators act in the District's best interest.
- Work with the Board to develop proposed academic and financial plans for the District no later than November 1, 2020 for the 2020-2021 school year and the four subsequent school years.
- Beginning with the 2021-22 school year budget, ensure that the budget is balanced and consistent with the District's long-term financial plan.

MONITOR RESPONSIBILITIES - DETAILS

- *Serve as a non-voting ex-officio member of the Board*
 - The Monitor will, by virtue of her position, serve as a member of the school board, with the right to attend all meetings - both public and executive sessions - and to participate in discussions on all matters coming before it.
 - The Monitor is not entitled to vote on matters coming before the Board of Education, nor is his presence considered in determining a quorum of the BOE.

MONITOR RESPONSIBILITIES - DETAILS

- *Assist the Board in adopting a conflict of interest policy that ensures board members and administrators act in the District's best interest.*
 - Ensuring that no employee or Board member has a conflict between their official duties for the school district and their outside interests is critical to maintaining the fiscal and operational integrity of the Rochester schools.
 - The development of a comprehensive ethics / conflict of interest policy, in accordance with Article 18 of NYS General Municipal Law, will assist greatly in attaining compliance.

MONITOR RESPONSIBILITIES - DETAILS

- *Work with the Board to develop proposed academic and financial plans for the District no later than Nov. 1, 2020 for the 2020-2021 school year and the four subsequent school years.*
- It is crucial to the academic and fiscal stabilization of the school district that a long-term academic and financials plan be developed to guide the Rochester schools into the future.
- Remember, a plan is just that - a plan. It consists of best estimates, fact sets and decision-making at a given point in time. Plans are subject to alteration as conditions change and must be updated to correspond with present conditions.

MONITOR RESPONSIBILITIES - DETAILS

- *District's long-term financial plan*
 - In developing the financial plan, the Monitor and the Board will examine the impact of contractual salary increases, the long-term outlook on the costs of providing outside services, trends in benefit costs, changes in debt service and the future needs of the school district in terms of enrollment, staffing, and capital projects.
 - The draft financial plan will be subject to public review and comment prior to being finalized.
 - Should there be a disagreement between the Monitor and the Board on aspects of the plan, such matters will be brought to the attention of the Commissioner for resolution.

MONITOR RESPONSIBILITIES - DETAILS

- *Beginning with the 2021-22 school year budget, ensure that the budget is balanced and consistent with the District's long-term financial plan.*
 - Beginning with the 2021-22 school year budget, the Monitor will be responsible for conducting a comprehensive analysis of the district's proposed budget.
 - A comprehensive review of all budgets going forward will be conducted by the Monitor, in conjunction with the administration and BOE, as well as outside parties, such as NYS OSC, to ensure that assumptions and projections are reasonable and the budget appears balanced.

RESPONSIBILITIES OF THE MONITOR- CONTINUED

- Provide semi-annual reports on the academic, fiscal and operational status of the District.
- Assist in resolving any disputes and conflicts between the Superintendent and the Board and among members of the Board.
- Disapprove travel outside the State paid for by the District;
- Recommend cost saving measures including, but not limited to, shared service agreements; and;
- Notify the Board in writing regarding violations of the financial plan.

MONITOR RESPONSIBILITIES - DETAILS

- *Provide semi-annual reports on the fiscal and operational status of the District.*
 - The legislation requires that a report be provided twice a year to The Governor, NYS Legislature, Board of Regents, and the Commissioner of Education on the academic, fiscal and operational status of the Rochester schools. The report shall include copies of all contracts entered into by the school district.
 - The Monitor will have access to documents and records of the school district, including databases. The Monitor currently has the ability to generate a wide variety of financial reports independently.

MONITOR RESPONSIBILITIES - DETAILS

- *Assist in resolving any disputes and conflicts between the Superintendent and the Board and among members of the Board.*
- Overwhelmingly, when disagreements arise between the Superintendent and board members, or among board members themselves, such disputes are able to be resolved internally. For such cases when these disagreements cannot be resolved, the Monitor will make every attempt to amicably bring the parties together.

MONITOR RESPONSIBILITIES - DETAILS

- *Authority to disapprove travel outside the State paid for by the District.*
 - In the past, there have been questions raised regarding the travel of employees, administrators, and board members to out-of-state conferences. Due to the fact that the school district is operating under very tight budgets, these are expenses that must be controlled. The Monitor is empowered with final decision-making on the necessity and benefit of travel outside of the State for meetings and conferences.

MONITOR RESPONSIBILITIES - DETAILS

- *Recommend cost saving measures including, but not limited to, shared service agreements.*
 - In recent years, the State of New York has made it increasingly easier for school districts to seek out economically-efficient ways to procure goods and services, with the goal being to save money through bulk purchasing in conjunction with other governmental entities.
 - The avenues to do so include buying cooperatives, NYS, County, and BOCES purchasing contracts, Federal contracts, as well as businesses receiving Minority and Women-Owned Business Enterprise (MWBE) certification from the State of New York.

MONITOR RESPONSIBILITIES - DETAILS

- *Notify the Board in writing regarding violations of the financial plan.*
- A violation of the five-year financial plan might exist where the administration or school board attempts to spend funds on questionable items, or to spend funds when funds are not available for the intended purpose.

MONITOR RESPONSIBILITIES - DETAILS

- Another example of a violation of the plan would be where the school district is forced to make cuts mid-year due to changes in revenue projections, but refuses to do so, thereby jeopardizing a balanced budget at year-end.
- In both cases, the monitor would notify the BOE of the violation, and request corrective action. If a correction is not made, the Monitor would advise SED for possible action.

COMMENTS AND QUESTIONS

Next we will allow persons who have signed up to speak a maximum of three minutes to make their comments and/or ask their questions.

NEXT STEPS

- A record of this public hearing will be made available on the district's website at <https://www.rcsdk12.org/>.
- Answers to any questions that were not addressed in this hearing that are relevant to the topic will also be available in the public record.
- We thank you for your participation in this evening's hearing and look forward to working together with the administration, school board, and the community, to stabilize and improve upon the academic and fiscal performance of the Rochester public schools.