



Funding Our Priorities



2013-2014 Budget Overview

Dr. Bolgen Vargas, Superintendent of Schools
December 13, 2012

Tonight's Topics

- Challenges we face and our strategy to transform the District
- 2012-2013 budget overview
- 2013-2014 assumptions and projections
- How we will fund our priorities and balance the budget

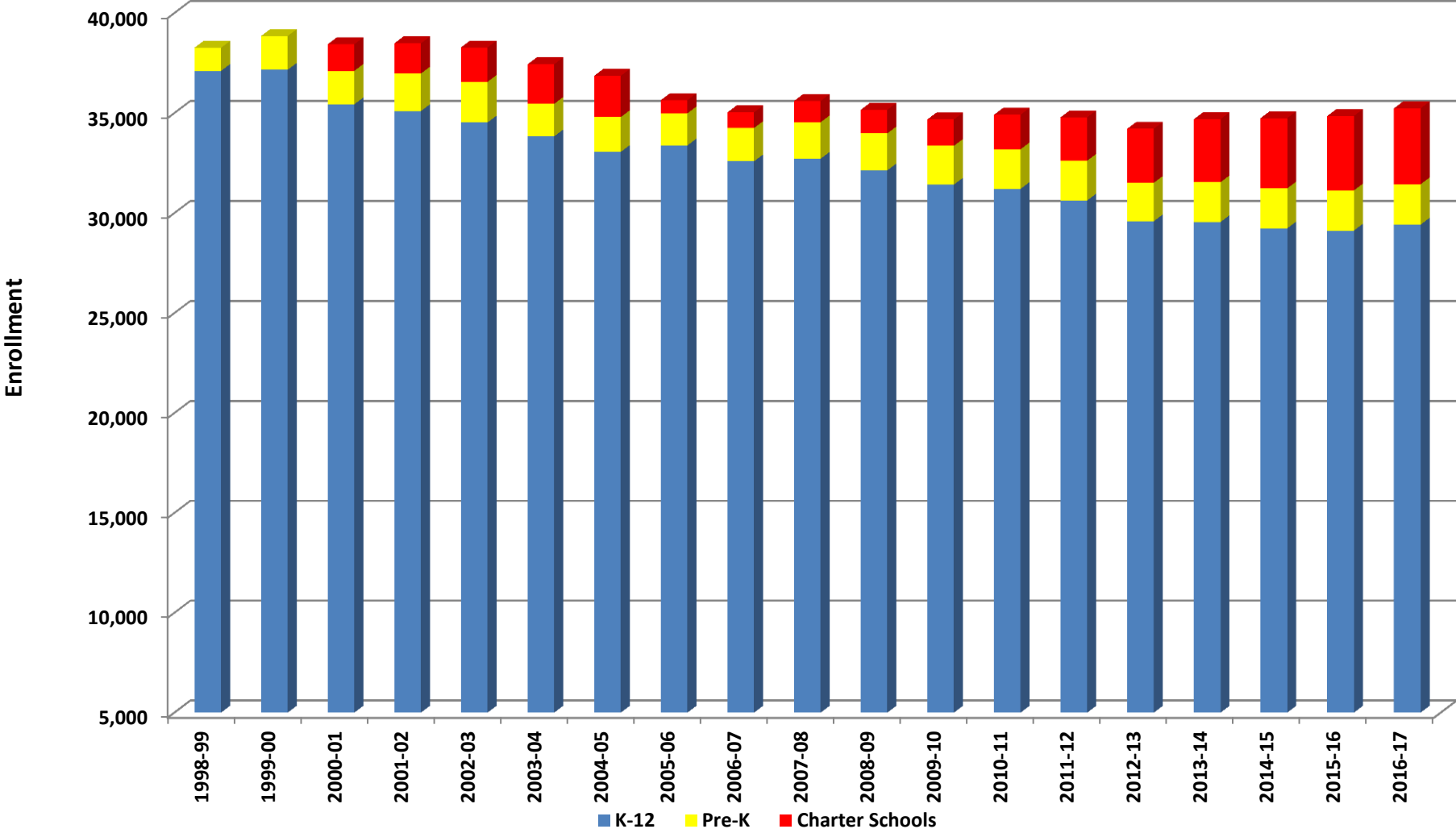
A budget is a statement of values and priorities

Challenges Facing Our District

- **55 out of 60 schools** on NYSED priority and focus lists
- **Lowest test scores** in the state
- **48 percent graduation rate**
- **30 percent dropout rate** after four years
- **Uncertain revenues** and rising costs
- **Enrollment shift** to charter schools

Student Enrollment 1999-2013

Pre-K through 12 including Charter Schools



Source of Data: Actuals - Pre-K thru 12-BEDS Data, Charters-School Operations Dept. ; Projections Facilities & Pre-K Depts.

Our Long-Term Strategy For Transformation

- Core instructional program
 - Implementation of common core curriculum
- Consistent master schedules
- Expanded day in more schools
- Annual Professional Performance Review (APPR)
- By 2023, get 90 percent of students reading at grade level by the end of the third grade

Goals of Our District

Student Achievement and Growth

We will ensure that each of our students is academically prepared to succeed in college, life and the global economy.

Parental, Family Involvement

We will engage and collaborate with all our stakeholders, to hold ourselves collectively accountable for our students' success.

Communication and Customer Service

We will continually inform and seek input from parents, students, staff and the Rochester community to continuously improve the quality of instructional programs and operations.

Effective and Efficient Allocation of Resources

We will stabilize our finances, fund our priorities, and focus resources on significantly improving student achievement.

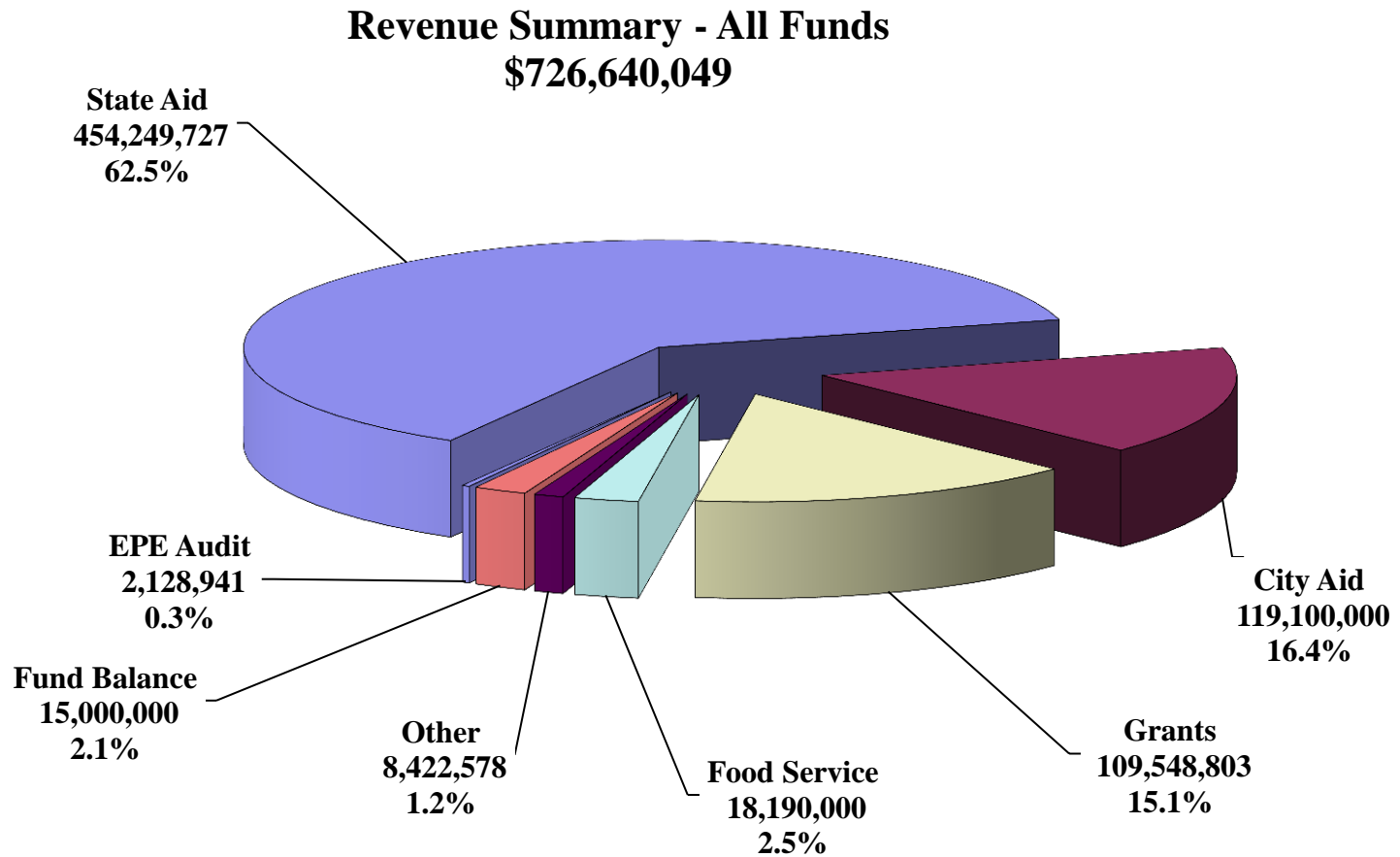
Management Systems

We will improve the efficiency and effectiveness of management systems that impact operations of Central Office and our schools, to facilitate the accomplishment of all goals and objectives.

Our Budget Strategy Reflects These Goals

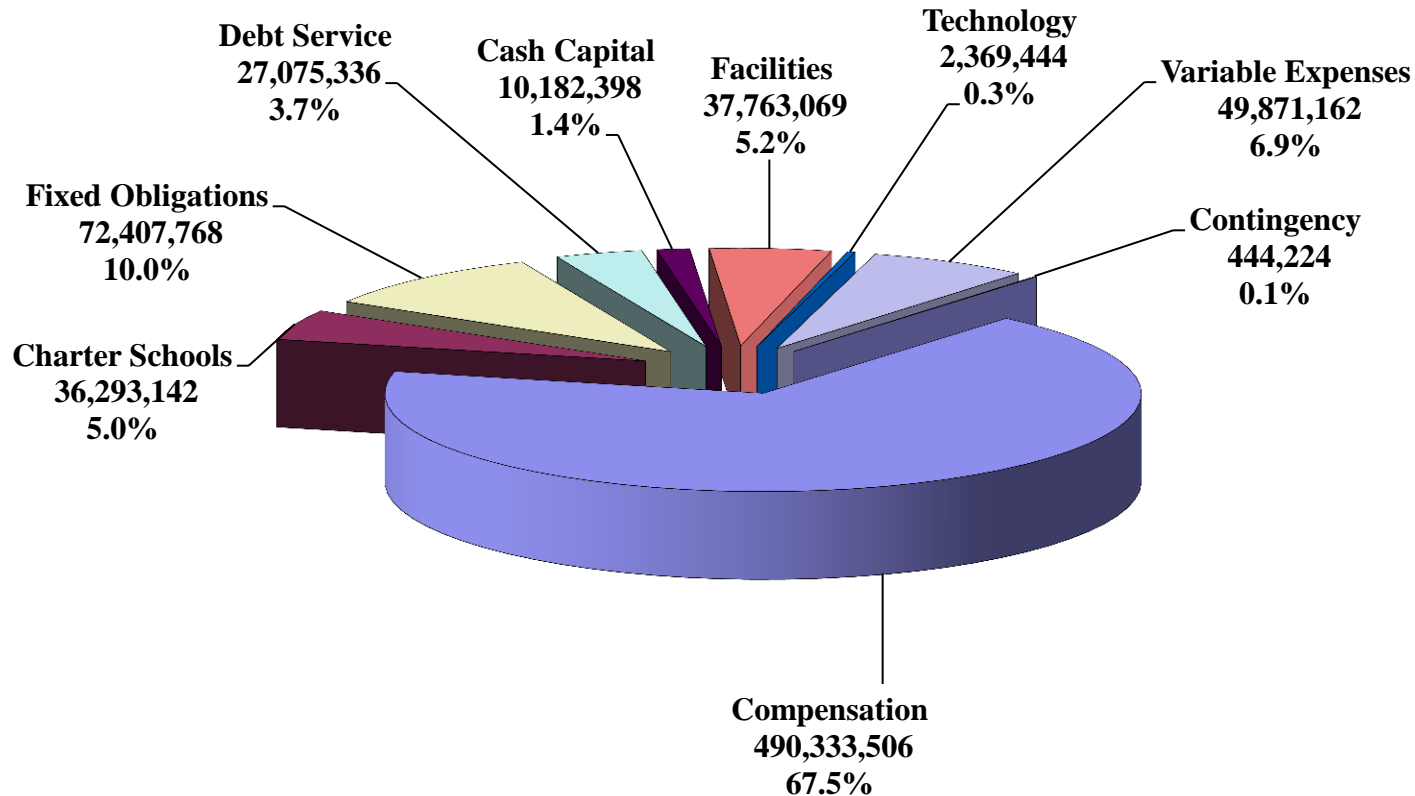
- Students are our first priority in every decision concerning budget and allocation of resources.
 - The 2013-2014 budget based on the core instructional program.
 - Art, music and physical education programs will continue.
 - We will maintain support for English Language Learners and Special Education.
- All budget decisions will support transformation of our District.
- The District will exercise sound financial practices.
- We will improve our service delivery model.

2012 – 2013 Budget Revenue (December Amended Budget)



2012 – 2013 Budget Expenditures (December Amended Budget)

Expenditure Summary - All Funds \$726,640,049



2013-2014 Key Financial Assumptions

Revenue		Expenses	
NYS formula aid:	+4%	Salaries:	+3% to 3.2%
NYS foundation aid:	+3%	Teachers retirement	+37.2%
Grant funding:	-\$18.1M	Employee retirement	+9.6%
		Health insurance	+7.0%
		Charter school tuition	+21.6%

Our Budget Challenge for 2013-2014

General Fund:	(\$39.0M)
Retirement:	\$13.2M
Salaries:	\$ 8.3M
Health/dental	\$ 3.7M
Charter school tuition	\$ 7.3M
Budget contingency	\$ 4.5M
Net of other:	\$ 2.0M

Special Aid: **(\$10.8M)**
Projected budget impact of grant funding reductions

Lunch Fund: **(\$0.4M)**

Our projected budget gap is \$50.2 million

Balancing the Budget – Initial Targets

Appropriated Fund Balance	Additional Revenue Increases	Efficiency Savings
<p>\$6.2M from 2011-12 efficiencies</p>	<p>\$0.0M NYS Foundation Aid increase (1.1% = \$3.7M; State Aid smoothing increase not likely)</p> <p>\$0.1M Medicaid Parental Consent</p>	<p>\$15M - Attrition/Retirement /Staff</p> <p>\$4M - Program</p> <p>\$4M - Facilities</p> <p>\$4M - Vendor Services</p> <p>\$6M Shift from General Fund to Special Aid Fund</p> <p>\$2.5M Transportation</p> <p>\$3.4M Federal Sequestration Eliminated</p> <p>\$5M Contract Adjustment</p>
<p>\$6.2M</p>	<p>\$0.1M</p>	<p>\$43.9M</p>

\$50.2 million in savings, revenue to balance the budget

Timeline

December 2012

- Provide draft budget calendar to Board of Education (BOE)
- Amend 2012-2013 budget
- Propose efficiency savings targets

January - February 2013

- Obtain community budget input
- BOE provides program and budget priorities

March 2013

- Present draft budget proposal to BOE

May 2013

- BOE adoption of 2013-2014 budget
- Submit budget to Mayor and City Council

June 2013

- City of Rochester approval of 2013-2014 budget

Transforming Our District While Balancing Our Budget



- More efficient use of resources throughout our operation
- Every decision focused on students

With support from our stakeholders and community partners, we can transform our District to improve results for our students and simultaneously balance the budget.



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