Today’s Topics

Budget Process

Budget Challenge

Funding Our Priorities

• What we’re increasing
• Efficiencies and reductions
• Staffing impact
• Closing the gap
• What our budget achieves
2013-14 Process: A New Approach to Budgeting

- Monitor and project revenue (*ongoing*)
- Review all department and school budgets (*Cabinet team*)
  - Take a fresh look at how services are delivered
- Seek public input
- Review Board priorities
- Develop spending plan
  - Fund essential priorities
  - Find efficiencies
  - Reduce spending in non-essential areas
- Present to Board of Education
- Seek public comment at Community Conversation events
- Adopt budget (*Board of Education*)
- Present to City Council
- Adopt budget (*City Council*)
2013 Process Results

**Stability**
- An on-time, balanced budget
- Staff placements set in June
- Families will know fall courses and schedules at the end of this school year

**Transparency**
- Cross-functional budget team
- Four public meetings to date
- More than 200 comments and suggestions

**Parent and Community Input**
- Student achievement is priority one
- Support for neighborhood schools is strong
- We need to improve customer service and accountability
- Many ideas for improving efficiency
## Challenge - Declining Student Enrollment

<table>
<thead>
<tr>
<th>Combined Enrollment:</th>
</tr>
</thead>
<tbody>
<tr>
<td>38,261 38,848 38,435 38,481 38,276 37,436 36,860 35,643 35,031 35,603 35,157 34,678 34,913 34,785 34,206 33,707</td>
</tr>
</tbody>
</table>

|-----------------------------------------------|

**We project a 3.3 percent decline in K-12 enrollment from the current school year.**

Source: District Budget Book
# Our Budget Challenge for 2013-14
(Developed in December 2012)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund:</td>
<td>($39.0M)</td>
</tr>
<tr>
<td>Retirement:</td>
<td>$13.2M</td>
</tr>
<tr>
<td>Salaries:</td>
<td>$8.3M</td>
</tr>
<tr>
<td>Health/dental</td>
<td>$3.7M</td>
</tr>
<tr>
<td>Charter school tuition</td>
<td>$7.3M</td>
</tr>
<tr>
<td>Budget contingency</td>
<td>$4.5M</td>
</tr>
<tr>
<td>Net of other:</td>
<td>$2.0M</td>
</tr>
<tr>
<td>Special Aid:</td>
<td>($10.8M)</td>
</tr>
</tbody>
</table>

Projected budget impact of grant funding reductions

| Lunch Fund:                     | ($0.4M)    |

**Our projected budget gap is $50.2 million**
Budget Priorities

Student Achievement and Growth
- Expanded learning
- Reading by third grade
- Implementing Common Core curriculum
- Art, music, P.E. and extra-curricular activities in every school
- AP and sports in every secondary school

Parent and Family Involvement
- Improved attendance
- Strengthening neighborhood schools
- RocRead – increased reading at home and library cards for every family

Effective and Efficient Allocation of Resources
- Facilities Modernization Plan
- Fresh look at service delivery
Funding Our Priorities: What We Will Increase

Maximize instructional time
• 280 minutes of English math, science, social studies at K-6 level daily—43 minutes more than today
• Expanded day in up to 10 schools

Reading by third grade
• Average K-3 class size is 22 students or less
• Ten reading teachers added
• One new Pre-K program
• Seeking funds for full-day Pre-K District-wide

Art, music and P.E.
• Schedule supports more art/music/P.E. at K-6 level
• Expanded electives in higher grades
Funding Our Priorities: What We Will Increase

**Athletics**
- Current year: 252 programs / 4,055 athletes
- Next year: 325 sports programs / 5,150 athletes

**Parent Engagement**
- Eight new parent liaisons
- Every school will have one
Funding Our Priorities: Efficiencies and Reductions

Realignment of Teaching Staff
• Reduction in non-classroom assignments
• Place 14 more teachers in classrooms
• Reduced use of substitutes

Program Closures and Consolidations
• School 30 program will close
  – School 54 will move into 36 Otis St. facility
• Edison Business School will phase out
• Eighth grade at Freddie Thomas will phase out
• Young Adult evening program, I’m Ready will merge into All City High

Reduction in Vendor Contracts and Leased Space
• More staff-delivered services (tutoring, in-school suspension)
Funding Our Priorities: Efficiencies and Reductions

Special Education
• Directors for elementary and secondary level instead of zones
• 8 more administrators serving school clusters, 24 fewer teaching coordinators

Central Office
• $875,000 in savings through staff realignment within Teaching and Learning, Finance, Administration and Operations
• School chiefs for elementary and secondary instead of zones

In-school suspension
• Staffed by teaching assistants, increasing staff diversity
• Available in every school
161 fewer FTEs Compared to 2012-13 (reduction of 2.9%)
- Layoffs will be minimal, because our normal annual attrition is about 300
- 190.2 fewer teaching positions (-6%)
  - More than 100 teaching positions are currently vacant
- 21.7 more civil service positions (+2%)
- 16.1 more paraprofessionals and teaching assistants (+3%)
- 8.4 fewer administrative staff (-3%)
Closing the Gap

Actions that Closed the $50.2 million Gap

- **Closure of School**
  - 30
  - $1.2 million

- **Reduction of non-classroom teachers on assignment**
  - $7.3 million

- **Use of fund balance**
  - $6.2 million

- **ERS and TRS Employer Contribution Pension Smoothing Plan**
  - $17.2 million

- **All other net changes**
  - $1.1 million

**$17.2 million in Efficiencies:**
- **$8.5 million** -- Four program consolidations
- **$3.8 million** -- Reduction in teaching and clerical substitutes and cashing-out of vacation time
- **$3.7 million** -- Redesign of the Special Education service delivery model
- **$1.2 million** -- Redesign of the In School Suspension delivery model
• Pension smoothing plan is the major difference
  - $17.2 million benefit to RCSD
  - Allows for fewer staff reductions than were anticipated
  - Enables us to fully fund the transportation plan required for the transition to neighborhood schools
Total Revenue: $728,267,569

- New York State Revenue: $471,946,377 (64.8%)
- City of Rochester Aid: $119,100,000 (16.4%)
- Federal Medicaid Revenue: $2,100,000 (0.3%)
- Other Local Revenue: $10,702,866 (1.5%)
- Grants and Special Aid: $96,859,010 (13.3%)
- School Food Service Revenue: $19,230,375 (2.6%)
- Appropriated Fund Balance: $6,200,000 (0.9%)
- Employment Preparation Education Audit: $2,128,941 (0.3%)
Charter School Tuition, Materials and Services includes a portion of the cost of transportation, hardware, software, and textbooks, which would otherwise be counted in other expenditure categories.
## Remaining Uncertainty

<table>
<thead>
<tr>
<th>Item</th>
<th>Issue</th>
<th>Possible Financial Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRS Pension Cost Smoothing</td>
<td>Budget assumes 12.5% smoothing rate, 14% smoothed rate is possible</td>
<td>$3.6 million additional cost</td>
</tr>
<tr>
<td>ERS Pension Cost Smoothing</td>
<td>Use of normal 20.5% rate versus smoothed 12% rate</td>
<td>$6.3 million additional cost</td>
</tr>
<tr>
<td>Federal Sequestering</td>
<td>Budget assumes no reduction in Title funds</td>
<td>$1.9 million less revenue</td>
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<tr>
<td>Additional State Aid and Competitive</td>
<td>Still under negotiation between the Legislature and the Governor</td>
<td>Unknown additional revenue</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Board of Education Priorities

- Strategies to address literacy and language skill development
- Expansion of early childhood development programming
- Extended day and year options
- Increased emphasis on parental outreach and involvement
- Commitment to reduced class size based on accountability designations
- Replication of locally proven educational approaches
- Addressing concentration of poverty
- Support for neighborhood community model schools with wrap-around supports

✔ More reading teachers and instruction time
✔ 1 new Pre-K, seeking funds for full day District-wide
✔ Up to 10 schools next year
✔ Eight new parent liaisons – every school will have one
✔ 22 students in K-3 classes, 24 students in grades 4-6
✔ Common Core, priority school plan
✔ Promoting city schools to suburban families
✔ FMP, Home School Guarantee, transportation bill
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>Tuesday, March 26</td>
<td>Community Conversation with Commissioners on the Proposed 2013-14 Budget</td>
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<tr>
<td>5:30-7:30 p.m.</td>
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<tr>
<td>Tuesday, April 2</td>
<td>First Public Hearing on Proposed 2013-14 Budget</td>
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<td>6:00 p.m.</td>
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<td>Thursday, April 4</td>
<td>First Budget Deliberation Session</td>
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<td>6:00 p.m.</td>
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<tr>
<td>Tuesday, April 9</td>
<td>Second Public Hearing</td>
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<td>Tuesday, April 16</td>
<td>Second Budget Deliberation Session</td>
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<td>Tuesday, April 30</td>
<td>Third Budget Deliberation Session</td>
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