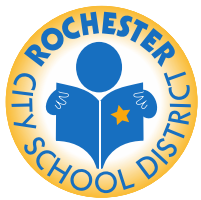


Funding A New Era In Student Achievement



2014-15 BUDGET OVERVIEW

Presentation to the Board of Education • December 16, 2013
Dr. Bolgen Vargas, Superintendent of Schools

Tonight's Topics

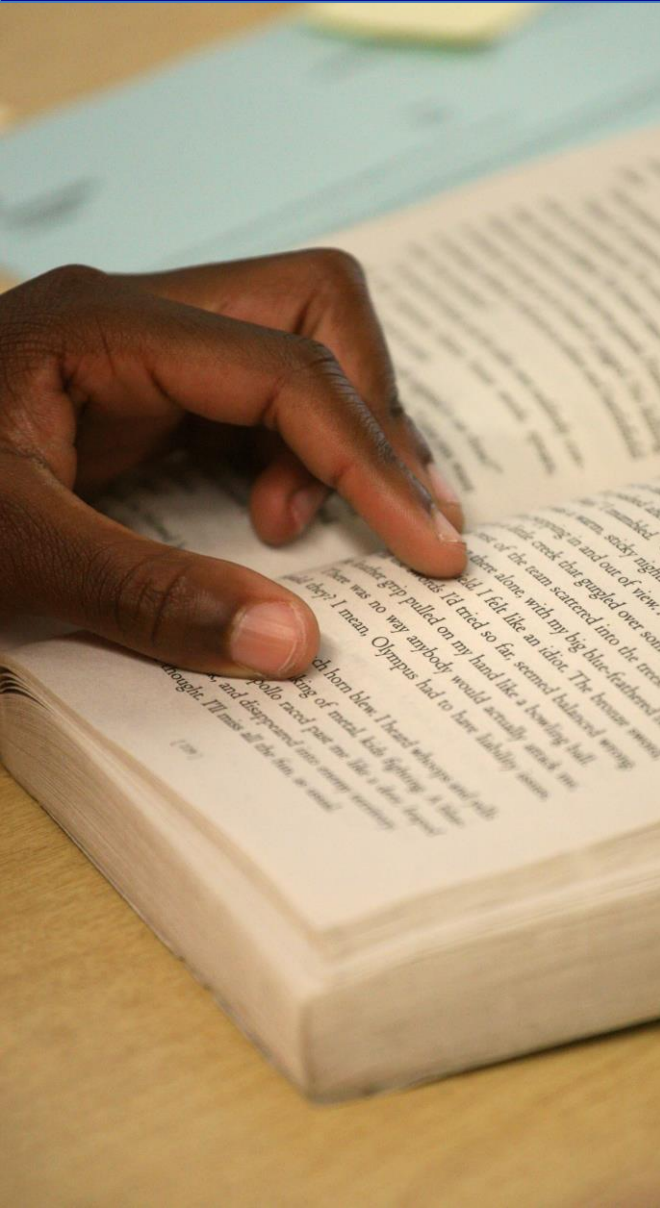


- Budget priorities and trends
- 2014-15 assumptions and projections
- How we will fund achievement and begin closing our structural budget gap

How We Will Improve Student Achievement

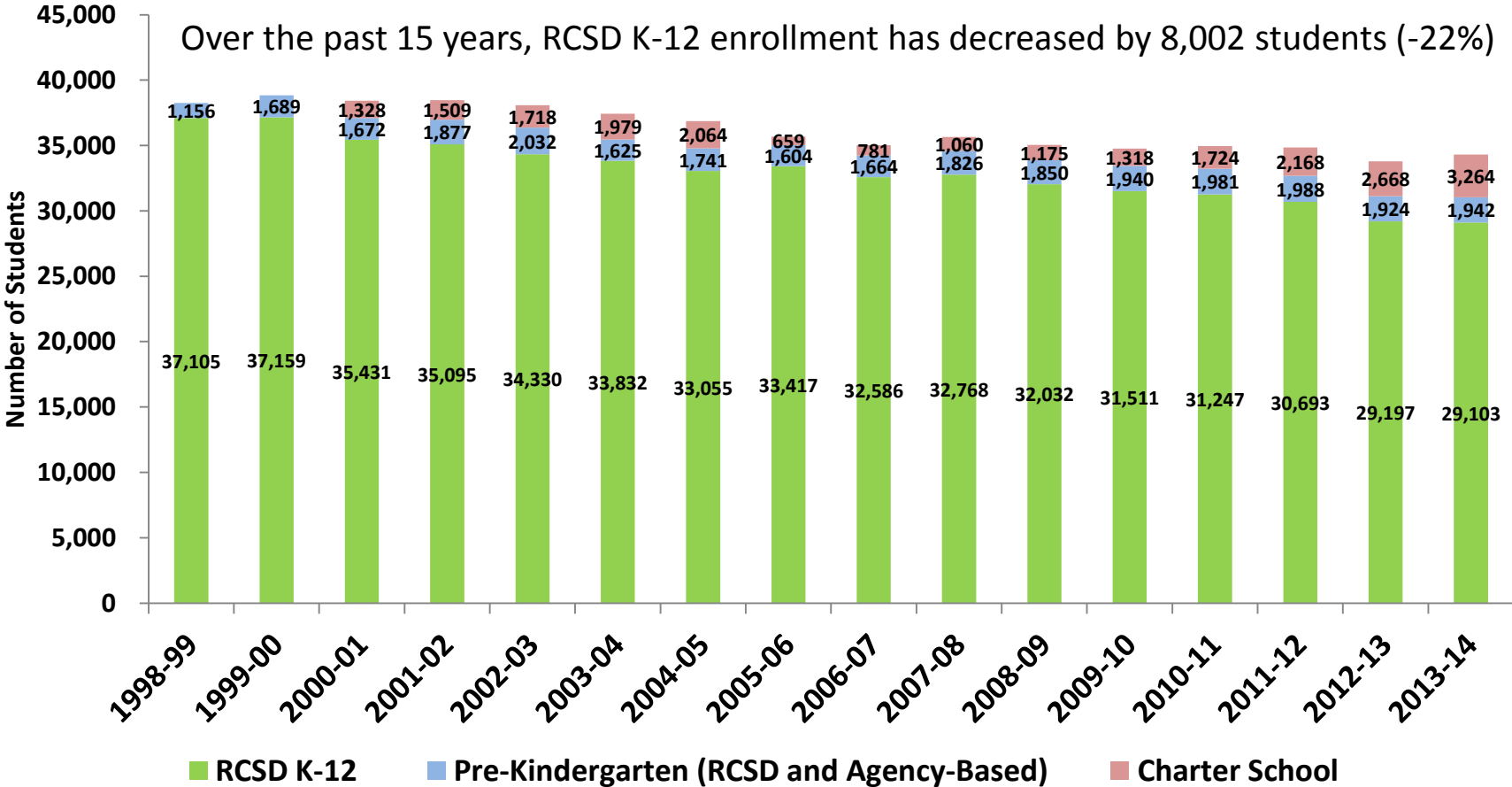
District Goals	Academic Priorities	Administrative Actions
Student achievement/growth	More and better learning time	End annual budget crisis
Parental, family and community involvement	Reading by third grade	Colleges will manage some schools
Communication and customer service	Improved instruction	Revitalize CTE
Effective and efficient allocation of resources		Engage the community to improve student behavior
Management systems		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

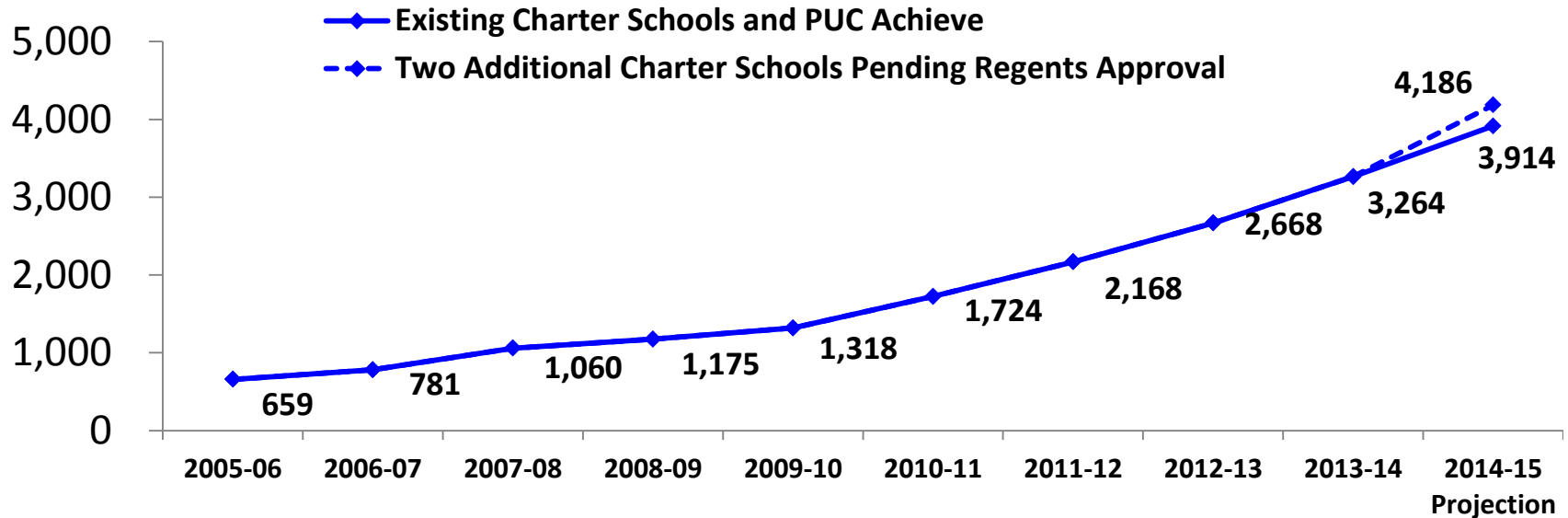
Student Enrollment Trend (BEDS Data)



- 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 School Enrollment Trend

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



The 2014-15 projection assumes that:

- Five of the 10 existing charter schools add grade levels as planned
- One new school opens (PUC Achieve - approved by SUNY) - 100 students in 2014-15

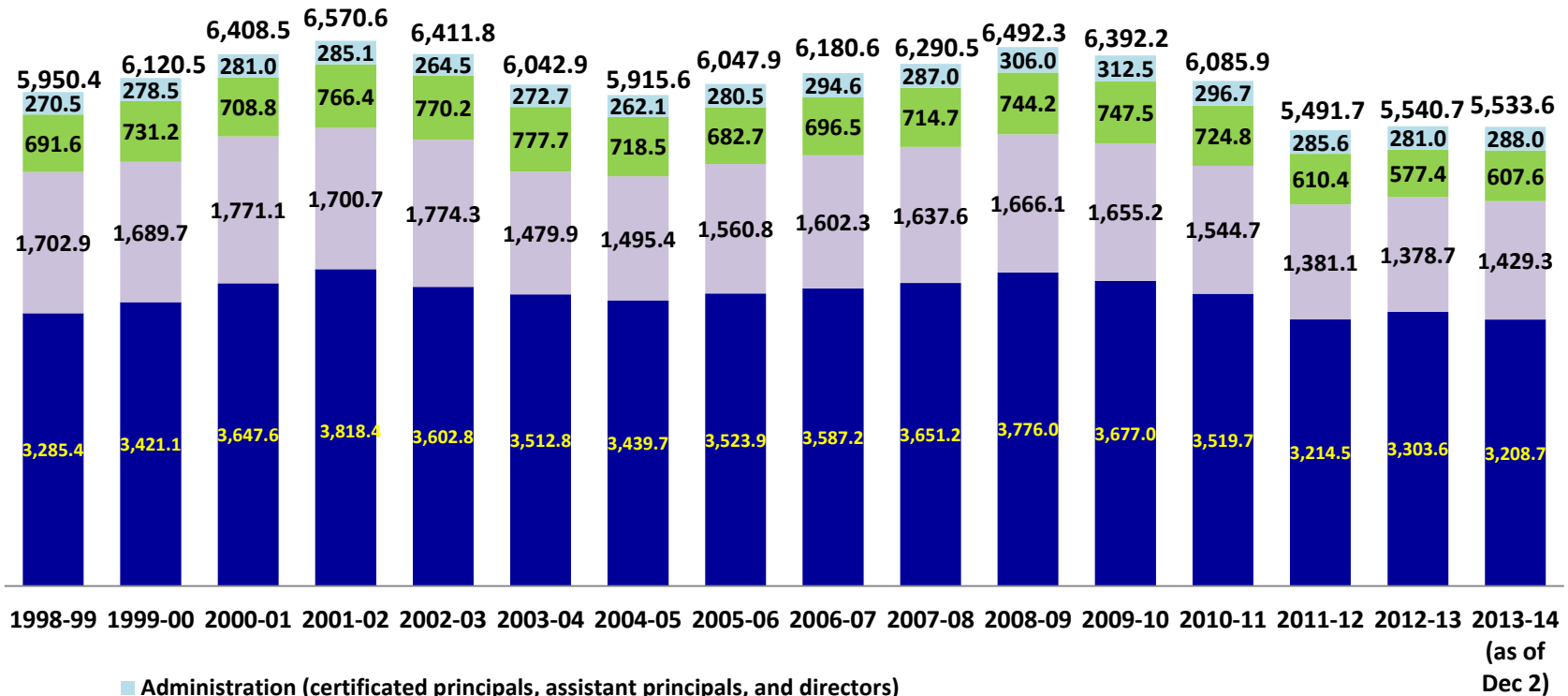
Two more charter applications are being considered by the Board of Regents on Dec. 16-17:

- Renaissance Academy Charter School of the Arts (176 students in 2014-15)
- Vertus Charter School (96 students in 2014-15)

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)



Administration (certificated principals, assistant principals, and directors)

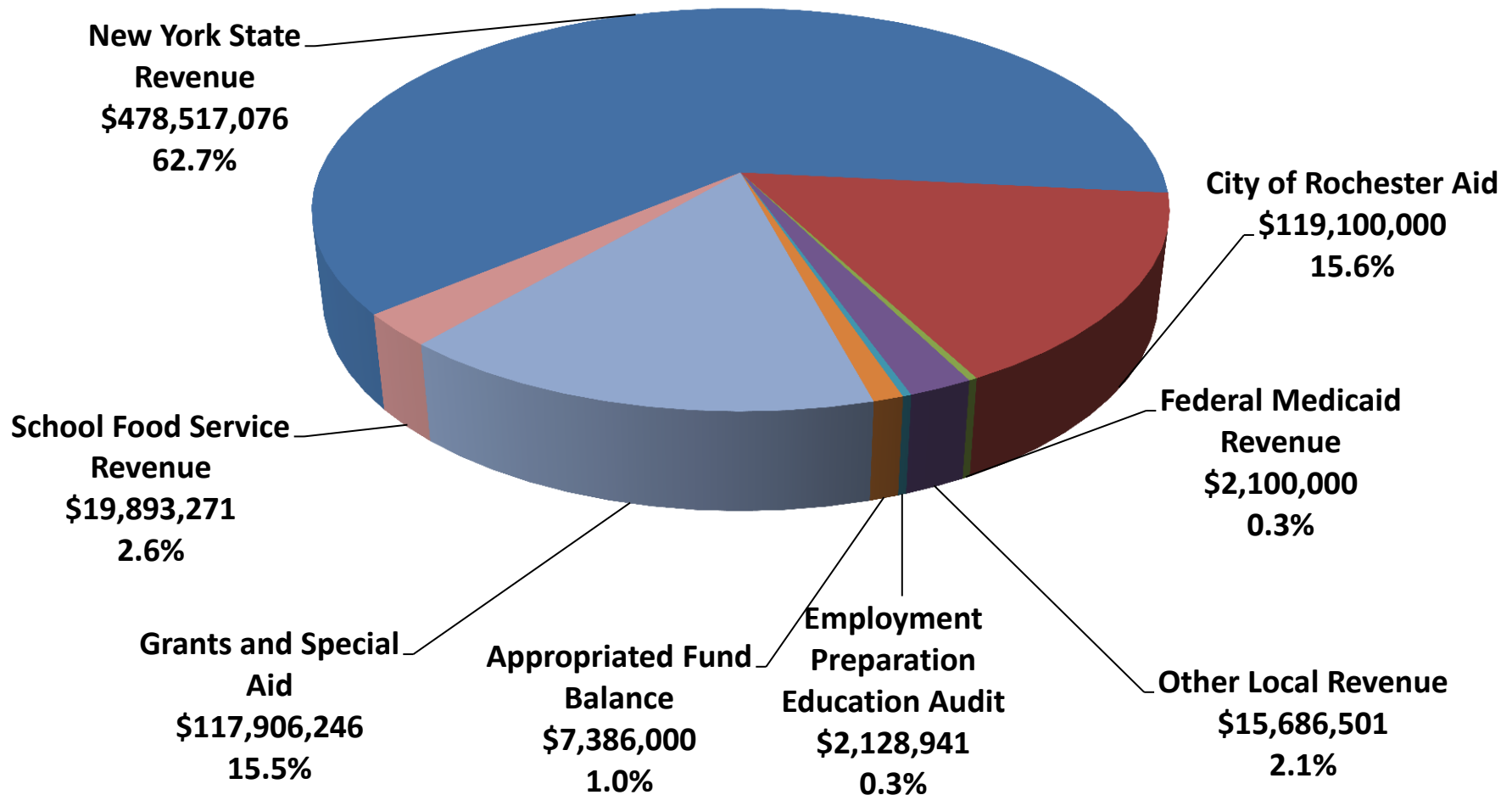
Paraprofessionals and teaching assistants

Civil Service (all other staff)

Teachers (certificated teaching staff, including librarians, social workers, counselors, psychologists and instructional coaches)

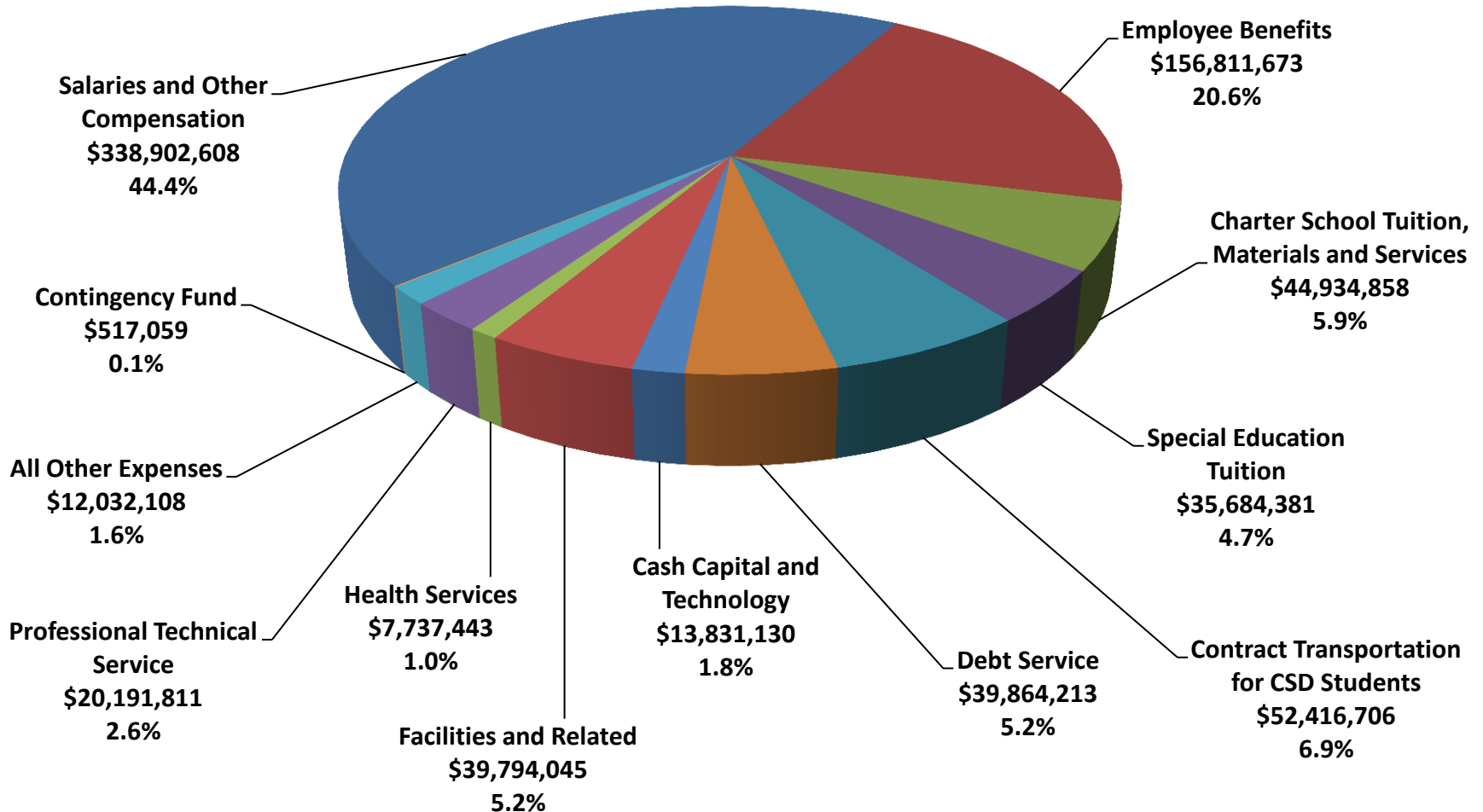
2013-14 Budget - Revenue

2013-14 Total Revenue (December Budget Amendment) \$762,718,035



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:	+10%
		TRS - Stable Contribution Rate	
		ERS - Partial Amortization	
NYS Building Aid:		Health Insurance:	+4.75%
	Based on project schedule		
City of Rochester:	flat	Charter School Tuition:	+23%
	(\$119.1 M)		
Grant Funding:		Grant Expenses:	
	Eliminated as grants conclude		Most grant-specific expenditures eliminated as grants conclude

Key Drivers of 2014-15 Budget Gap

General Fund	\$23.5 M
Charter School Tuition (650 additional students)*	\$9.1 M
Retirement Benefits	\$6.3 M
Health and Dental Insurance	\$3.0 M
Debt Service	\$0.4 M
Budget Contingency	\$4.3 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	\$33.2 M

*This projection may increase by up to \$3.3 million if the two additional charter school applications being considered on Dec. 16-17 are approved.

Academic Priorities

Projected Gap	\$33.2 M
Additional Funding for Academic Priorities	\$12.7 M
Reading by third grade	
Improved instruction	
Expanded learning time	
More art, music, sports, and extracurricular activities	
Total Budget Challenge for 2014-15	\$45.9 M

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

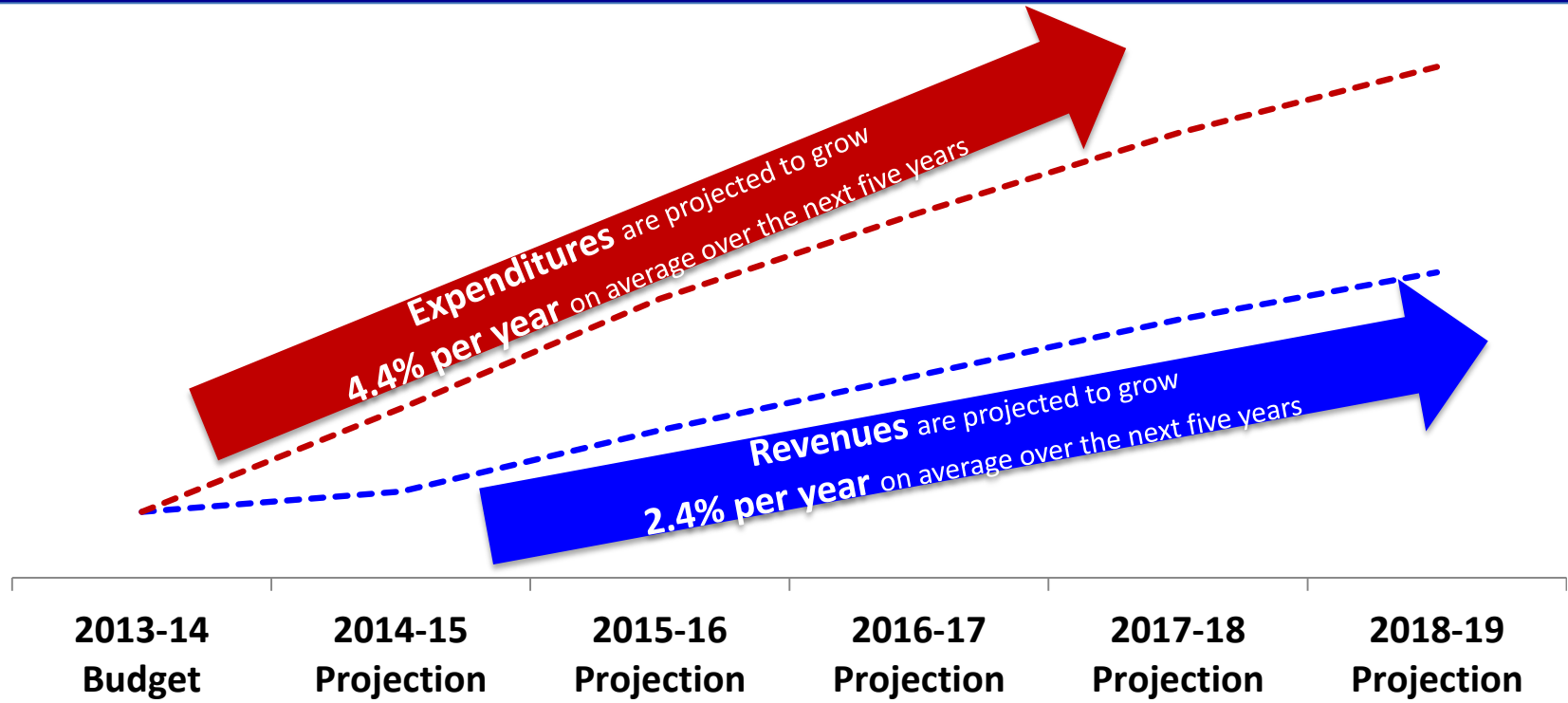
Strategy	Preliminary Estimated Savings
Reduce Central Office and administrative costs	\$8.0 – 9.0 M
Reduce employee travel, conferences, and overtime	\$1.0 - \$2.0 M
Reduce absenteeism and substitute costs	\$1.0 M
Reduction in staff and programs to match lower enrollment <ul style="list-style-type: none">• Attrition / retirement / vacancies• 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



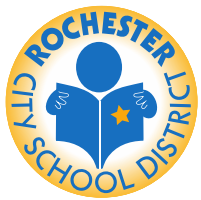
We Must Re-Align Our Spending

- 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



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