



# 2014-15 Budget Update:

Impact of Governor's Budget and Charter School Approvals

Dr. Bolgen Vargas, Superintendent of Schools

January 23, 2014

# Topics

- **Governor's proposed 2014 budget**
  - State aid
  - Other education support
- **Charter schools**
  - New approvals and projections
  - Tuition costs
- **2014-15 budget gap impact**

# Governor's Proposed Budget

## State Aid

	CSD (November Projections)	Governor's Proposed Budget	Variance	Percent Variance
Foundation Aid (net of GEA)	\$358.6 million	\$352.6 million	-\$6.0 million	-1.7%
Formula Aid	\$101.5 million	\$100.9 million	-\$0.6 million	-0.6%
Building Aid	\$45.5 million	\$45.8 million	+\$0.3 million	+0.5%
<b>Total</b>	<b>\$505.6 million</b>	<b>\$499.3 million</b>	<b>-\$6.3 million</b>	<b>-1.2%</b>

- Released January 21<sup>st</sup>
- State Aid for Rochester totals \$499.3 million (excluding UPK)
- \$6.3 million **lower** than our projected revenue for 2014-15
  - December 16<sup>th</sup> estimate assumed a 3% increase in RCSD Foundation Aid
    - Governor proposed a 1.3% increase
  - Gap Elimination Adjustment restoration capped at 45% of current GEA (\$4.5 million)
    - Rochester would have an additional \$3.6 million with no GEA restoration cap
    - We will seek additional funds as the State Legislature reviews the Governor's proposal

# Governor's Proposed Budget

## Other Proposed Initiatives Align With Our Priorities

- **Smart Schools** - \$2 billion in bonds to fund instructional technology, high-speed broadband Internet, and construction of Pre-K classroom space.
  - Subject to Legislative action and voter approval
  - Rochester's allocation is \$47.2 million
- **Universal Full-Day Pre-Kindergarten** - \$1.5 billion for expansion and support of full-day Pre-Kindergarten (\$100 million in 2014-15)
  - This would ensure the sustainability of our program
- **After-School Programs** - \$720 million over five years beginning 2015-16
- **Teacher Excellence Fund** - \$20 million to support supplemental compensation for highly qualified teachers
- **Pathways in Technology and Early College High School (P-TECH)**
  - \$5 million for expansion of STEM early college

*The impact of these proposed initiatives on our 2014-15 Budget cannot yet be determined*

# Charter Schools

- Three new charter schools are approved to open in Rochester in 2014-15
- Six additional schools are continuing to expand by adding grade levels

Charter School Name	Grades	2014-15 Grades Served	2014-15 Projected Enrollment*
PUC Achieve Charter School	5-8	5	90
Renaissance Academy Charter School of the Arts	K-6	K-2	158
Vertus Charter School	9-12	9	86
<b>Total – New Schools</b>			<b>334</b>
Anticipated enrollment increase due to planned expansions of other charter schools			531
<b>Total</b>			<b>865</b>

# Charter School Tuition Projections

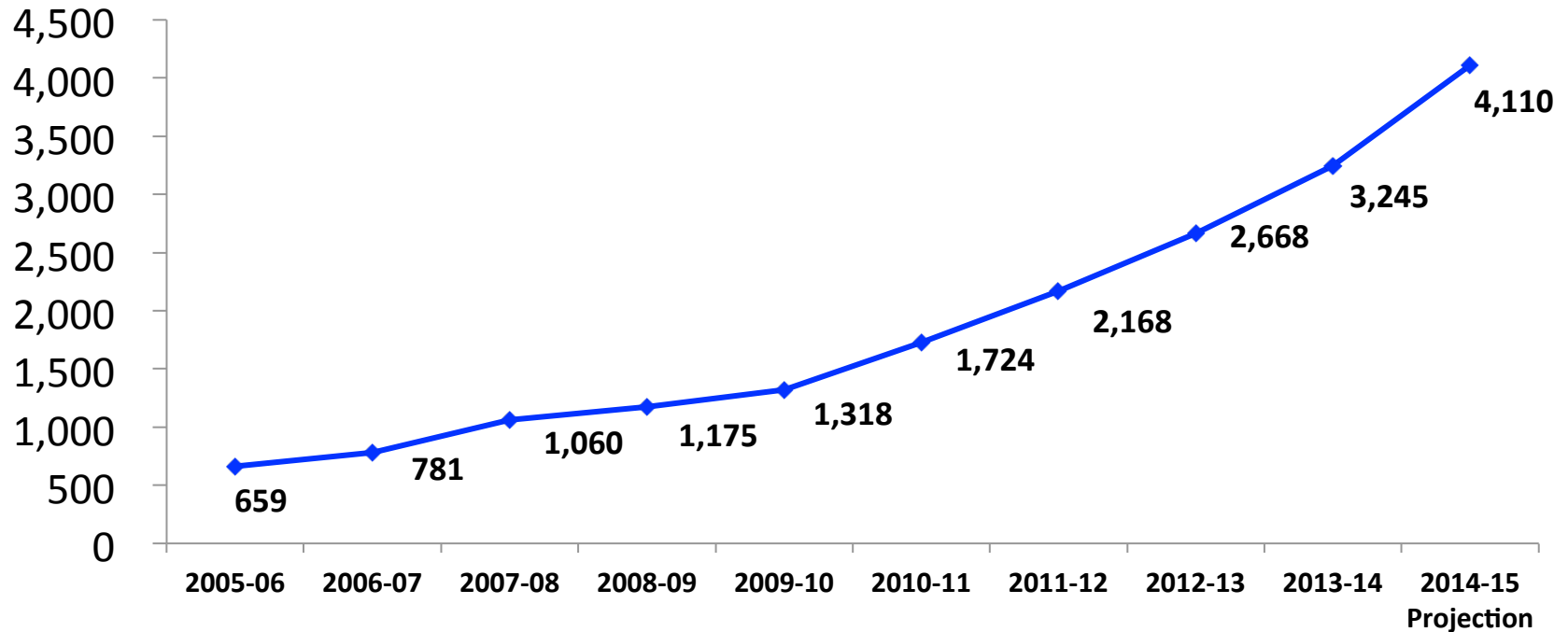
- Initial charter projection assumed only PUC Achieve in 2014-15
- Vertus and Renaissance Academy were approved on December 16
- The projected tuition associated with these two schools increases our budget gap by \$2.5 million

## Charter School Tuition

<b>2013-14 Original Budget</b>	<b>\$40.1 million</b>
Current Year Enrollment Growth	+\$1.0 million
2014-15 Expansion of Existing Charter Schools	+\$7.0 million
PUC Achieve	+\$1.1 million
<b>2014-15 Projection (December)</b>	<b>\$49.2 million</b>
New Charter Schools / Adjustments for New Enrollment Data	\$2.5 million
<b>2014-15 Charter School Tuition Projection (Revised)</b>	<b>\$51.7 million</b>

# Charter School Enrollment Trend

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

# 2014-15 Budget Gap Impact

<b>2014-15 Budget Gap (December 16 Presentation)</b>	<b>\$33.2 M</b>
Adjustment for Governor's Budget Proposal	+\$6.3 M
Adjustment for two additional new charter schools	+\$2.5 M
<b>2014-15 Budget Gap (Revised)</b>	<b>\$42.0 M</b>





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