



# Governor's Executive Budget

JANUARY 31, 2018

Testimony Before: Assembly Ways and Means Committee  
Assembly Education Committee  
Senate Finance Committee Senate  
Education Committee



**ROCHESTER CITY SCHOOL DISTRICT**  
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## Introduction

My name is Everton Sewell, the Chief Financial Officer for the Rochester City School District. I am pleased to join you today on behalf of Superintendent Barbara Deane-Williams who sends her regrets that she could not be here today. In her absence, I am honored to share some of the progress our team has made in the last year and our Path Forward for the future.

## District Overview

The Rochester City School District has 59 schools and programs and serves nearly 30,000 students in grades Pre K-12. We have more than 2,100 (7%) Pre-Kindergarten students, 3,971 (or 13%) English Language Learners (ELLs), and 5,678 (or 19%) of our students have disabilities. We employ approximately 6,800 individuals.

Rochester has the highest child poverty rate and lowest performance amongst the Big Five Districts in New York State. All of our students are eligible for free or reduced lunch.

## Budget

The Rochester City School District has embarked on a dynamic and strategic framework called the Path Forward. This process reimagines how Rochester students learn by transforming our classrooms and our community learning spaces, programs and partnerships. Through this process, we have created a 10-year Educational and Facilities Master plan that provides a blueprint for strong schools and a stronger Rochester. The Finance Department is in the process of compiling a 10-year financial plan that will align resources and ensure our long-term program/strategic plan is adequately funded and financially stable. With this focus, in developing our budget for the 2018-19 school year, we have specifically linked resource allocations with student needs and the expected impact on student achievement. In particular, the budget includes funding for the following priorities:

1. **Strong community schools** that form strong partnerships with Rochester and Monroe County Services and Supports. Rochester has 10 community schools launched district-wide and they are strategically located across our zones throughout the City. As part of the Path Forward we will continue to expand the number of community schools to meet the needs of the whole child and family.
2. **Literacy for a Lifetime** linking strong preschool and k-12 programs that focus students and community on reading including partnerships with our Mayor.

3. **Culturally Responsive Education and Restorative Practices**, which help bridge the gap between what students are learning in the classroom and what they experience in the community.
4. **Continued Expansion of Career and Technical Education Programs**, which are helping our students graduate from high school ready for college and career. We now have over 20 cutting-edge pathways offered in our District and look forward to expanding these programs even further.
5. **Increased Preschool and Early Literacy**
6. **Extended Learning and Summer Learning**
7. **Increased Academic and Social-Emotional Supports**, including additional Academic Intervention Teachers and other staff to ensure that we are adequately able to address the issues that are hindering students from achieving academic success.

While we still have much to achieve, we are making good progress. Graduation rates are increasing, with last June's graduation rate of 52% being the highest in close to 10 years, and ELA and Math test scores are trending upward. However, we are afraid that we won't be able to continue this progress for the next generation of students without additional funding.

We are in a financial situation where our current needs far outweigh our funding. In addition to the fact that we have not been receiving our Full Foundation Aid Formula amount, we are receiving an amount of \$119.1M from the City of Rochester for school and property taxes that has been fixed for over a decade, thereby limiting our purchasing power based on the average inflation rate for the past ten years. We continue to face challenges from charter schools as a result of current charter schools grow out. This has resulted in increased payouts of about \$9M (11.6%) for the 2018-19 school year for new grade additions.

At this stage in our budget process, we are projecting a sizeable budget gap, taking into consideration the increase in the Governor's Executive Budget and the potential usage of some of our Fund Balance. We are performing a line-by-line analysis of our budget expenditures to identify efficiencies, and find ways to reduce costs.

#### Foundation Aid (+\$6.3M)

The \$6.3M increase in Foundation Aid for the Rochester City School District (RCSD) is very refreshing and welcoming. We know that Foundation Aid is formula driven and is meant to reflect funding for students' needs and our District's ability

to pay for the services to students. The 2018-19 year's 1.5% Foundation Aid increase over the current year funding includes a \$2.3M increase in Community School Set-aside. This reflects the State and the Governor's continued emphasis on the need for more Community Schools, but it does not give us flexibility in order to incur costs to maximize student achievement.

While the increase in Foundation Aid is welcomed, it is not adequate to fund all the services needed by the District to maintain the current level of educational services being delivered to the students, nor does it support any additional services needed to lift the level of performance of our students. RCSD is highly reliant on State funding since it is a fiscally dependent district in a struggling City. We are faced with the unique needs of the population, enrollment growth on high needs refugees, ELL students, and the need for expanded services for those requiring translator services. We are also faced with the challenge of recruiting certificated bilingual teachers to deliver instruction in the language that the students can understand.

We are recommending that the State get to the stage of implementing the Full Foundation Aid Formula by:

- Implementing a 3-5 year timeline where the Full Foundation Aid Formula is implemented for all, especially the large school districts;
- Modify the phase in percent of the Foundation Aid to high needs districts like Rochester to ensure the timely correction of any deficiencies;
- Taking the proper measures to ensure the formula includes all the criteria that are critical to address the needs of the students served by the District, and giving more weight, especially in the areas of disability, poverty, English Language Learners, enrollment growth, and other factors that have direct impact on inner city students.
- Include language in the Executive Budget to allow flexibility in Community Set-aside usage that will ensure costs incurred will maximize student achievement.

#### School Health Services and Professional Development

The Executive Budget calls for a \$1.2M reduction in the highly needed School Health Service that will provide support for our students. We are requesting that the State restore the \$1.2M reduction in School Health Service Aid. Also, the budget does not include any targeted dollars for professional development for the Big 5 districts. We highly recommend that the 2018 -19 budget includes funding targeted to professional development specifically for the Big 5 School Districts to ensure continuous growth and development.

### Career and Technical Education

Career and Technical Education (CTE) continues to be a significant driver that contributes to the District graduation rate. We believe that introducing students to CTE classes at the 9th grade level has increased the responsiveness to the courses, and has resulted in improved graduation rates while ensuring that students who desire to go directly into the workforce are job ready. We continue to modify our course offerings to ensure students are gaining the knowledge and skills necessary to be certificated in several job areas. RCSD currently offers 120 CTE courses, which is 36 more than what were offered last year. There is a great need for these courses in our schools and the need to fund these courses is immense. Currently, the State only reimburses the Big 5 Districts through Special Service Aid for costs incurred for 10th grade through 12th grade.

We are asking the State for the following:

- Increase in the per pupil allocation to \$4,200 from the \$3,900, which has been the long-standing amount for several years. This increase was first introduced in a One House Bill several years ago. This would increase Rochester Special Service Aid by \$0.3M.
- An expansion in the Special Service Aid reimbursement to include 9th grade, which will result in \$3.1M in additional aid to Rochester. For the past two years, NYSED has been collecting data on the 9th grade CTE enrollment from the Big 5 Districts.

### Additional Reporting Requirements and Level of Approval

This year, for the first time, the Governor's Executive Budget proposes additional reporting requirements for the Big 5 School Districts. The requirement is that the Big 5 Districts submit school-based budgets to the Division of Budget and the State Education Department for approval. Districts would then be required to provide answers to questions and responses to comments and suggested revisions to the allocation, and would be at risk of being eligible for any aid increases over the previous year without their approval.

The new reporting requirements not only adds another layer of approval, it also cripples decision-making for resource allocation at the local level. We are already subjected to other State reporting requirements Foundation Aid Set-aside for Contract for Excellence (C4E) and Community Schools. All these reporting requirement come on the heels of the new federal ESSA regulation that will require districts to begin reporting expenditures at the school level beginning next year. The Big 5 Districts are working with the NYS Education Department and other State representatives on a process that will ensure that the new school based reporting format is consistent across all schools, accurate and transparent.

In addition to this new requirement being laborious, it also interferes with local planning for the next school year and pushes decision making further out in the year. This will cause delays in the budget adoption timeframe, and could hinder school-based staffing and hiring decisions as we await State approval on our expenditure plan. Time is of the essence when it comes to the implementation of a successful budget process, and undo delay could jeopardize recruitment efforts to get the best talent to deliver the educational curriculum to our students.

### Two Percent Cap on Transportation and Building Aid

One of the strengths of successful multi-year financial planning is the ability to be able to predict year over year expenditures. Rochester currently has a multi-year transportation contract that has a 2.5% increase year over year; therefore, a 2% cap on Transportation Aid will hinder our ability to operate effectively. We continue to receive pressure from our community advocates, parents, and students to reduce the walk zone for our students. With the level of crime and exposure to perils, the District has made several exceptions to the 1.5 miles walk zone for our most vulnerable students; K-6. We continue to bear the cost of these decisions.

The proposed 2% Building Aid Cap would create a significant hardship for the District as a direct result of the construction improvements associated with the Rochester Joint Schools Construction Board's Facilities Modernization Program (FMP). During FY 2019-20, the District projects a significant increase in Building Aid as a direct result of implementing Phase II of the FMP program.

We suggest the following:

- Reject the 2% Transportation Aid cap proposal so that districts plan and deliver needed services to students in poverty, students with disabilities, and those with other special needs
- Consider a phase-in pilot program that would provide increased Transportation Aid to help offset the district's cost of transporting additional students within the 1.5 walk zone.
- Reject the 2% Building Aid cap
- Specifically exempt Building Aid associated with the District's FMP program from the proposed 2% Building Aid Cap.

### Community Schools Grant Initiative

In 2017-18 RCSD received an \$11.8M Community School Grant to fund operations in four receivership schools. This amount includes a capital portion of \$3.0M. While the grant was included in the Governor's budget, and application deadline was July of 2017, approval was not received until 11/15/17. This gave the District limited time to fully expend the full amount of the grant. We have not

received any indication from the State that any portion of this grant will continue into the 2018-19 fiscal year. We want to ensure that the utilization of the Community School Grant will meet the intended goal of the initiative. We want to ensure that after school programs are welcoming and accommodating to the community, community outreach is meeting the community needs, and the parent education classes are targeting parents' needs for success. Also, that additional social and emotional support are not cookie cutter but are unique to each community, and intervention for attendance is targeted to those impacted to gain the greatest results.

Recommendations for the Rochester City School District:

- Additional Community School grant funding of \$6.0M
- Ability to carry over to 2018-19 unspent funds from 2017-18 Community School grant
- An increase in Community Schools Set-aside from Foundation Aid of \$2.5M.

### Closing

In summary, we deeply appreciate the support of public education and the Rochester City School District, but the current proposed budget does not provide the adequate funding level to meet the ever growing needs of the students we serve. The District is fully aware of the needs of its students, families, teachers, and the community as a whole and we are doing our best to ensure those needs are met. That partnership remains active and meaningful to help boost student achievement and produce graduates who are prepared to be competitive citizens. We are doing all we can to reach every student by face and name through every school and every classroom to and through graduation. We do this, guided by the values of the Rochester City School District: Equity, Relational Capacity, Innovation, Coherence, and Accountability (ERICA).