

Finance Committee Meeting

Terry J. Dade
April 14, 2020



*Every student by face and name.
Every school, every classroom.
To and through graduation.*



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April Budget Amendment



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2019 – 20 Budget Update

Fund	Original Budget	Current Amended Budget (February)	Proposed April Amendment	New Proposed Budget
General Fund	\$790,571,815	\$781,962,722	\$32,848,603	\$814,811,325
Special Aid Fund	\$116,027,260	\$127,534,937	\$22,664	\$127,557,601
School Food Service Fund	\$24,700,000	\$24,700,000	(\$1,500,000)	\$23,200,000
Total	\$931,299,075	\$934,197,659	\$31,371,267	\$965,568,926



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General Fund – Revenue Adjustments

Net change of +\$32.8 million, from \$782.0 million to \$814.8 million

Revenue Budget Increases (+\$35.0 million)

- **+\$35.0 million:** Reflect revenue from State Aid payment acceleration provided in the Enacted State Budget

Revenue Budget Decreases (-\$2.2 million)

- **-\$0.8 million:** Reduce excess cost aid to align with State Aid run
- **-\$0.7 million:** Adjust Health Services revenue from other districts to align with actual receipts
- **-\$0.5 million:** Eliminate indirect cost charged to Food Service Fund (no surplus anticipated due to school closure)
- **-\$0.2 million:** Reduce rental revenue to align with actual receipts



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General Fund – Expenditure Adjustments

- We have adjusted the expenditure budget to fully fund areas where shortfalls were identified earlier in the year
 - Health insurance
 - Charter school tuition
 - Staff salaries
- Due to the temporary COVID-19 school closures resulting in fewer reimbursable meals being served, we have budgeted a \$2.4 million transfer to keep the Food Service Fund whole
- We have set aside \$8.9 million as a nonspendable appropriation to eliminate General Fund deficit as of June 2019



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2019 – 20 General Fund

Appropriation Budget Increases

Areas of Identified Current Year Shortfall	Funded in Proposed April Amendment (\$ millions)
Staff Salaries (reduce vacancy turnover)	\$11.4
Health & Dental Benefits	\$4.3
Food Service	\$2.4
Charter School Tuition	\$2.2
Workers Compensation	\$2.0
Local Share of Pre-school Special Education	\$1.0
Unemployment Insurance	\$0.6
Subtotal – Expenditure Budgets Funded	\$23.9
Restoration of Unassigned Fund Balance	\$8.9
Total	\$32.8



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Special Aid Fund – Grant Adjustments

Grant Award Changes – February / March 2020	Adjustment
Bosch Future Cities grant	\$10,000
NFL Hometown grant	\$10,000
Bosch STEM community grant for East to purchase robotics kits	\$2,500
Increase Unite & Write Monroe grant	\$164
Total Grant Adjustments	\$22,664
Special Aid Fund Budget – February 27, 2020 Amendment	\$127,534,937
+ Grant Adjustments	\$22,664
Proposed 2019-20 Budget – April 23, 2020 Amendment	\$127,557,601



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Food Service Fund

	Revenue	Expenditures
Original Budget	\$24,700,000	\$24,700,000
Reduce Food Purchases		(1,000,000)
Eliminate Budget for Indirect Costs to General Fund		(500,000)
Reduction in Revenue (Meal Reimbursements)	(3,900,000)	
Transfer from General Fund	2,400,000	
Proposed April Amendment	\$23,200,000	\$23,200,000



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2020 – 21

Draft Budget Update



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2020 – 21 Projected Deficit

- **\$17.5M Difference Between Enacted State Budget and Draft Budgeted Revenues**
- **\$1.1M State Aid Deduction for 2019 -20 “Spin Up” Payback**
- **\$8.0M Fund Balance Restoration**
Board Policy 6500 states that should Fund Balance fall below the minimum, the policy requires the budget to recover fund balance at the rate of 1% per year, which calculates to be \$8M
 - **Note:** While we considered recommending to the BOE they suspend/amend Board Policy 6500 to reduce the Fund Balance Restoration to \$4M, the Office of NYS Comptroller strongly advised against this.
- **Total: \$26.6M Deficit**



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School Safety

- Safety is our first priority which includes no reduction in our school security budget
- Reducing SROs from 12 to 7 (41.5% reduction)
- Increasing SSOs from 83 to 98, addition of 15 SSO's
- ***All pending agreement with the City of Rochester***



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School Closure: School No. 20

- NE Zone (CSI Status)
- Building Capacity: 410
- 2020-21 Projected Student Enrollment: 308
- Currently a Pre-K – 6th-grade building
- There is sufficient capacity in the NE Zone schools to accommodate School #20 students
- Building is old, would not be renovated in future FMP planning, and the building would not be reused.
- **General Fund Cost Savings: \$3.5M**



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School Closure: School No. 43

- NW Zone (CSI Status)
- Building Capacity: 594
- 2020-21 Projected Student Enrollment: 387
- Currently a Pre-K – 6th-grade building
- There is sufficient capacity in the NW Zone schools to accommodate School #43 students
- Potential swing space, good location with sufficient parking
- **General Fund Cost Savings: \$4.3M**



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Bringing Back a Middle School to School No. 3



South Zone (CSI Status)
Building Capacity: 732
2020-21 Projected Enrollment: 474
Currently a K-8 Building

- Move K-6 enrollment to other South Zone elementary schools
- This would further support a shift of K-8 buildings back to K-6
- Move 7th- and 8th-grade students to Jefferson next year and through FMP 2021 – 22 modernization
- Upon FMP completion, 7th- and 8th-graders can return to 'Nathaniel Rochester Middle School'

**General Fund Cost Savings (Eliminate K-6):
\$1.7M**



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Estimated Staff Reductions

	ASAR	BENTE	RAP	RTA	SEG	BEG and Board Members	All Other Staff	Total	Percent
Original Draft Budget	(35.01)	5.38	(5.50)	(191.98)	(4.00)	(1.00)	(4.18)	(236.29)	
Adjustments for Additional School Closures	(4.00)	5.50	(17.15)	(88.50)	(1.00)			(105.15)	
Total	(39.01)	10.88	(22.65)	(280.48)	(5.00)	(1.00)	(4.18)	(341.44)	-5.7%



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Reductions

- \$9.5M School Closures
- \$6.0M East High Reductions
- \$5.0M Cash Capital City Council Amendment
- \$0.6M Central Office
 - \$260,000 in Additional Central Office Reductions
 - \$107,000 – Additional SEG Reduction – 1 FTE
 - \$200,000 BEG and SEG Pay Freeze
- \$5.5M for Charter School Tuition Rate Adjustment
 - **Cite Article VII Document from NYS April 1 Enacted Budget*
- **Total: \$26.6M**



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Background

In the span of eight months, the RCSD has had to close a \$152M deficit

