
From: Communications
Sent: Tuesday, October 8, 2019 5:46 PM
To: Communications
Subject: Update on District Finances

Please see the following message from Superintendent Terry Dade.

Dear Colleagues,

At this evening's Board of Education Audit Committee meeting, I reported on the District's budget deficit, which first came to my attention during the District's 2018 -19 internal year-end audit reconciliation. As I have already shared with you, our budget shortfall is approximately \$30-million. Since my last communication to you, a team of finance and audit personnel have reviewed the circumstances that brought us to this point. In summary, our financial stability has been in question for several years.

- The District has lost over one-fourth of its student population in 17 years
- In four years, the District has added in excess of over 1,000 staff members
- Expenditure projections are growing faster than revenue projections
- Fund Balance has been used to make up for differences between revenue and expenditures

Findings from our finance and audit team have also shown the District under budgeted in areas including:

- BOCES Special Education Services
- Charter School Tuition
- Self-funded health insurance
- Substitute Teachers
- Retirement Benefits
- Transportation

In order to address these issues, it is imperative the District restores its Fund Balance. Several areas are under review to close the deficit including;

- A hiring freeze (already instituted)
- Staffing "true ups" to include possible school and/or program reductions (to be determined)
- Postpone mid-year school moves (potential \$1.7 million savings)
- Title grant usage (potential \$1.5M savings)
- Review of \$5.2M 2019 -20 budget add-backs (can potentially recapture \$1.5M)
- Elementary and Middle Summer School (potential \$900K - \$1.4M reduction)
- Extended Learning Time (ELT) (potential \$700K reduction)
- Healthy Rewards Program (1M reduction)
- Healthcare Plan Efficiencies (\$1.8M reduction)
- Professional Development (potential \$2M reduction)
- Martin Street Lease (\$1M reduction)
- Substitute teacher cost avoidance
- Contracted services
- CTE to maximize state aid (potential \$500K revenue increase)
- Proper accounting of homeless students
- Medicaid Revenue Maximization (potential \$500K revenue increase)

- Staff Leave Give Back (to be determined)
- ASAR and RTA contract negotiations (to be determined)
- Potential staff reductions (potentially \$10M)

I have no doubt that we will address these financial issues with both short-term actions and long-term plans. The District will follow a process moving forward to close its budget gap while limiting the impact to students. I have met with union leaders and we are committed to working with all of our stakeholders.

Families stick together in both good times and the difficult times, I am absolutely confident that we will overcome these challenges and emerge as an even stronger RCSD family.

Sincerely,

Terry Dade
Superintendent of Schools