

# RCSD FINANCIAL PLAN PREVIEW

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New York State Monitor



# Financial Plan Components

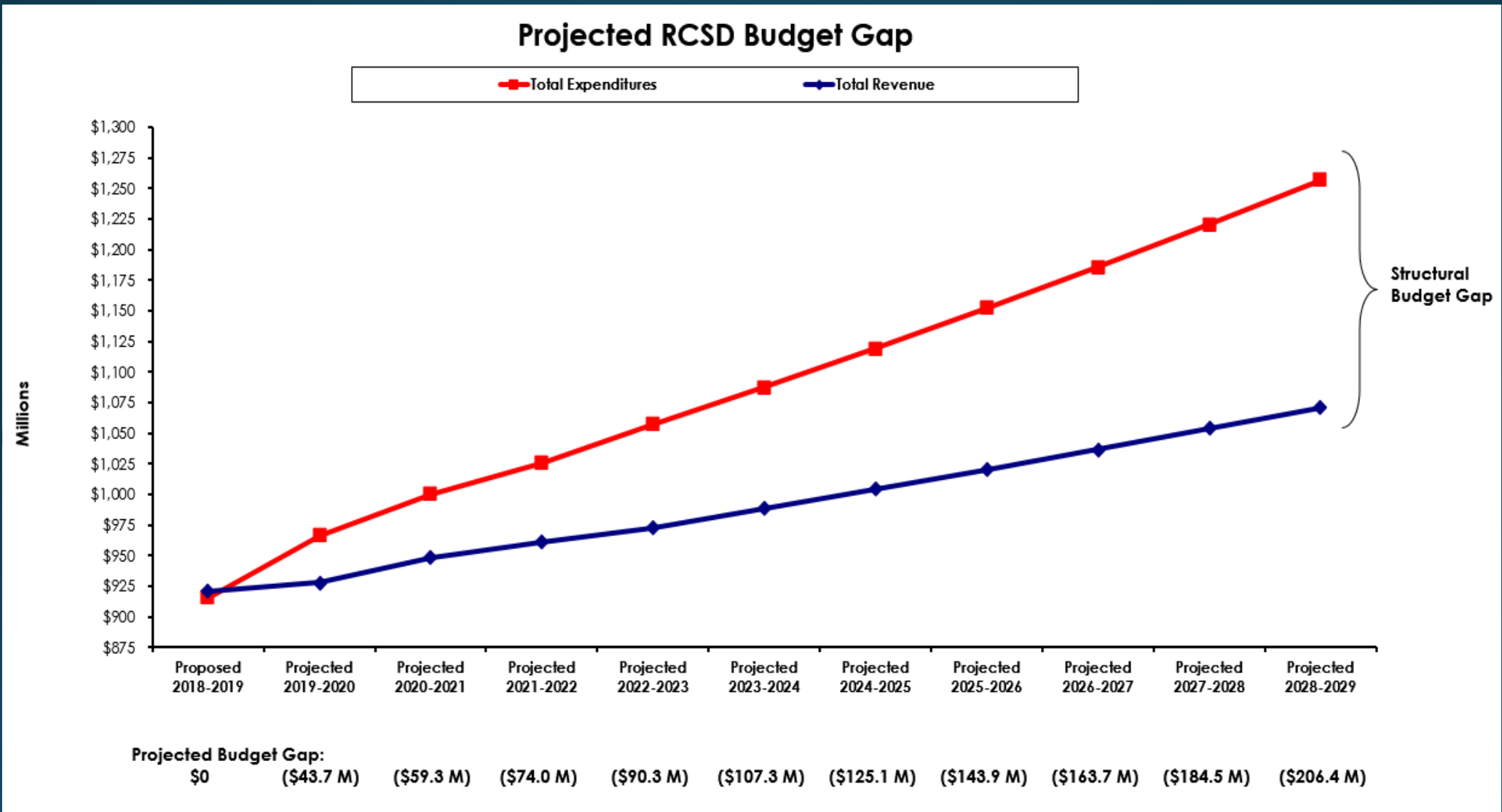
- Findings
- Recommendations
- Revenue Projections
- Cash Flow
- Expenditure Projections
- Annual Deficits/Surpluses
- Reserves/Fund Balances
- Fiscal Improvement Plan (FIP)



# Observations

- Expenses growing faster than revenue
- Declining enrollment
- High chronic absenteeism
- Inaccurate budget projections
- Financial discipline
- Accountability

## Office of State Controller, April 2020



# Declining enrollment

What has been the overall enrollment trend?

What are the demographic trends?

How are certain subgroup enrollments changing?

Are there enrollment bubbles in certain grades?

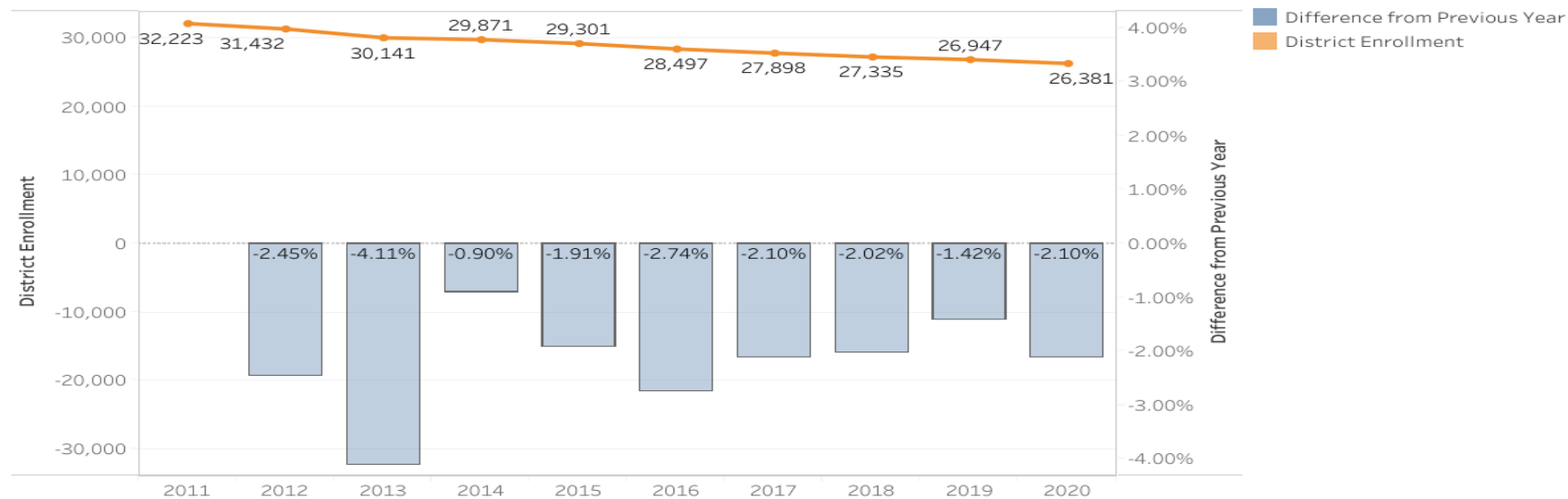
What could future kindergarten classes look like?

What schools have seen the largest changes in enrollment?

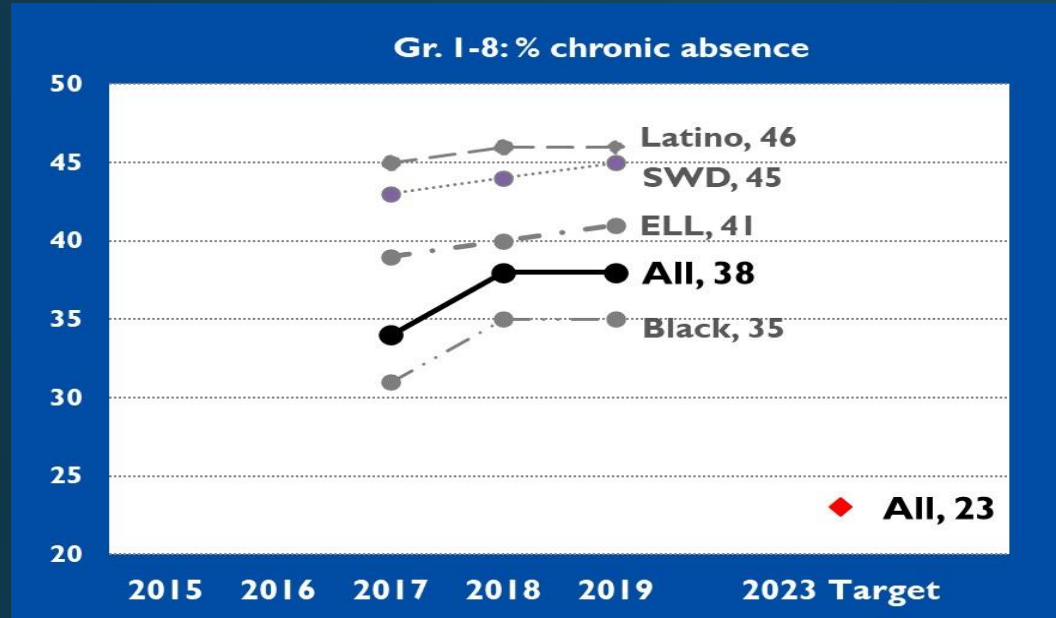
Data Notes

## ROCHESTER CITY SD Enrollment Story

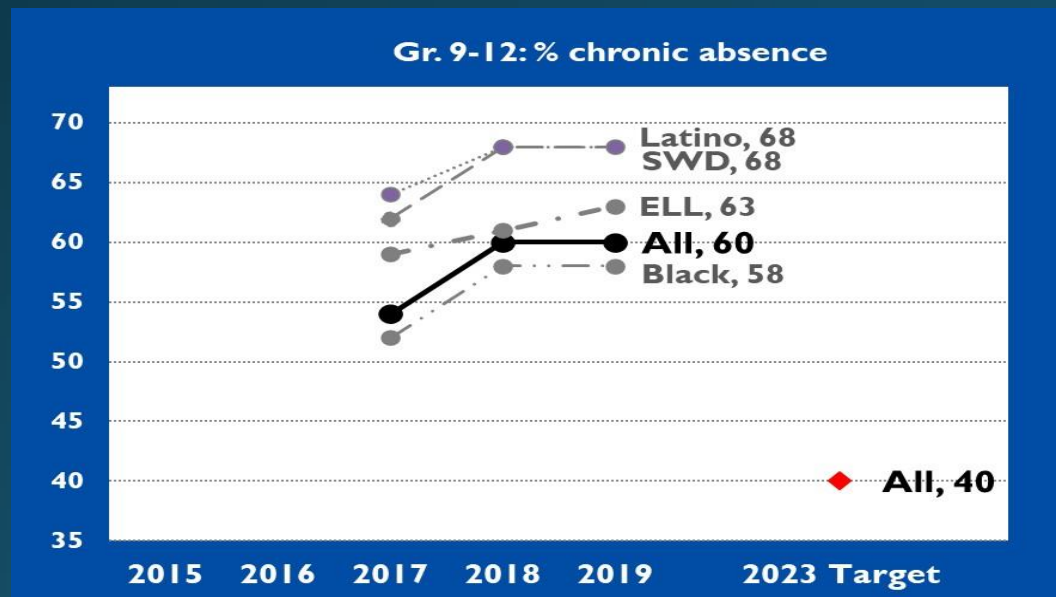
**Changes in enrollment can place demands on the District.** The orange line below shows total enrollment over the last ten years, while the blue bars represent the year-over-year change on the secondary axis.



## Impact of a high chronic absenteeism rate



District is staffing schools and departments as if enrollment is not declining and chronic absenteeism is not disproportionately high.



District is modernizing and occupying buildings as if enrollment is not declining and chronic absenteeism is not disproportionately high.

```
graph LR; A[If RCSD student enrollment is declining] --> B[Therefore, less staff are required to serve fewer students]; B --> C[Then RCSD should initiate reduction in staff];
```

If RCSD  
student  
enrollment is  
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Therefore ,  
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Then RCSD  
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```
graph LR; A[If RCSD student enrollment is declining] --> B[Therefore, less building space is required to serve fewer students]; B --> C[Then RCSD should consolidate and close schools.];
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schools.



Inaccurate budget  
projections

Substitutes

Health Benefits

Dental Benefits

Charter School Tuition

Retirement

Transportation

BOCES

# Financial Discipline

How does the District's spending per pupil compare?

Which expense items have grown the most?

Which areas do we spend more than our peers?

Data Notes

55ight visual links that will allow you to delve deeper

## ROCHESTER CITY SD Expenditure Story

The graph below shows the top 8 Objects where **your district** is spending more per pupil than your **peers** in 2019.



## Financial Discipline

Paying license fees, 3<sup>rd</sup> party vendors and extra staff to maintain a financial management system that has not been updated in over 12 years.

Paying teachers salary increases higher than the mandated increase under the Triborough Amendment to the Taylor Law.

Paying staff to work on a district data dashboard for a nonexistent Consent Decree.

Paying 140 speech and language teachers and a literacy program while simultaneously paying for a new District ELA textbook adoption.

Paying a CBO \$350,000 with no evidence of positive student outcomes after a 30 year relationship with the district.

**Where is the evidence of positive student outcomes?**



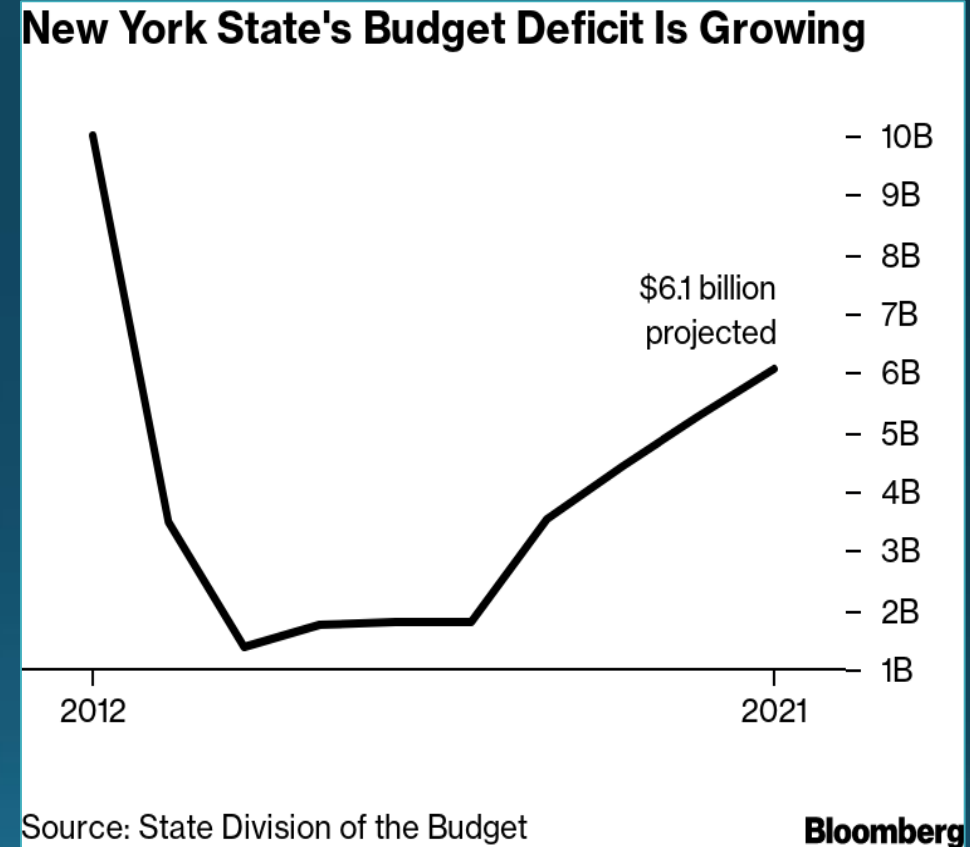
# Money will always be available

## 19-20 A Fund

- August Excess Cost Aid Payment: RCSD entitled to \$15,361,261, only received \$12,289,008, a withholding of \$3,072,253 or 20%
- September Excess Cost Aid Payment: RCSD entitled to \$103,380, only received \$82,704, a withholding of \$20,676 or 20%

## 19-20 L Fund

- Summer Food Service Program: RCSD entitled to \$58,205, only received \$46,564, a withholding of \$11,641 or 20%



```
graph LR; A[If NY state had a budget deficit of 6.1 Billion dollars and growing before the pandemic] --> B[And RCSD depends on over 70% of its budget revenue from the state of NY]; B --> C[Then RCSD should immediately initiate strategies to 1) optimize resources, 2) reduce expenditures 3) increase revenue];
```

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# Other recommendations

- Focus on curriculum and instructions so the district can address the needs of students and the aspirations of their parents.
- Tackle chronic absenteeism as a joint city and district priority
- Reinvest in staff training
- Revamp or eliminate the Managed Choice Policy
- Institute the regular practice of asset mapping to prevent duplication of efforts and ensure evidence of positive outcomes for RCSD students
- Hold all staff accountable to SOPs
- Hold all vendors, CBOs, FBOs and Institutions of Higher Learning accountable to agreements with the District.
- Upgrade the SIMS and the FMS, include training
- Improve strategies for making budget projections
- Upgrade the SIMS and the FMS, include training
- Assemble a negotiating team to represent the best interest of students, first.
- Audit all MOAs and MOUs.
- Allocate resources to support the Finance Department with maximizing the reimbursement of all allowable funds to the district.
- All contracts and resolutions should include a cost analysis
- Adhere to staffing allocations as stipulated in CBAs.
- Regularly review and update Finance and Budget policies
- Adhere to all Finance and Budget policies
- Reduce and restructure RCSD Central Office, middle management.

# RCSD Fiscal Improvement Plan Goals

## **Expenditure Reduction:**

Recurring reductions in operating expenditures can be achieved through many actions, including more efficient service provision, shared services or other methods.

## **Revenue Generation:**

Recurring revenue can be generated in a variety of ways, such as generating growth in the municipality's real property tax base, increasing the sales tax base and bringing fees into line with the cost of providing services..

## **Reserves:**

Maintaining a reasonable level of unrestricted fund balance can provide insurance against unanticipated expenditures or revenue shortfalls.

## **Vision**

Ensure all students equitable access to a high-quality education and graduate each student as a productive member of society.

## **Mission**

Foster students' individual talents and abilities in a nurturing environment of equity.

## **Core Value**

We make each fiscal and resource allocation decision equitably, transparently and in the best interest of our students.

# Next Steps



