





# **Introduction**

## **Background Information on the Rochester Schools**

The city of Rochester (“the city”) is located in upstate New York. The city sits on the southern shore of Lake Ontario. The Genesee River bisects the city. Rochester is the third most populous city in New York State



In July 2018, Commissioner MaryEllen Elia appointed Dr. Jaime Aquino to be the Distinguished Educator to the District. He issued a report in November 2018 with 84 recommendations that the District has been working to implement. The Financial Plan developed by the Monitor and the Board started with the work of Dr. Aquino. In June 2020, the Office of the New York State Comptroller (OSC) recommended RCSD work with the State Monitor to develop comprehensive multi-year financial plans with structurally balanced budgets that:

Include realistic estimates of revenues and appropriations based on historical trends or other known factors.

Comply with the Board's fund balance policy and restore necessary reserves.

Fund long-term operating needs, goals, and objectives, and discontinue the practice of delaying cash capital expenditures to finance recurring expenditures.

## **Organization of the Financial Work Plan**

The State Monitor's Financial Work Plan organization conforms to the *Multi-year Financial Planning Local Government Management Guide* (updated 2017). The work plan considers the current financial health and practices of RCSD as findings. The fiscal improvement plan also considers predicted levels of state funding to create multiple scenarios and provides recommendations for each scenario based on a set of assumptions regarding revenues and expenses. Thus, this organization coincides with the major elements of a multi-year financial plan outlined in the Office of New York State Comptroller's guide referenced above.

The following terms will be used throughout this work plan:

Revenue Projections: These demonstrate trends in existing revenue stre2 122 re W\* n a4d2 0 612 7st5(anni612 7tra





| STAKEHOLDER                              | NO. MEETINGS | STAKEHOLDER                 | NO. MEETINGS |
|--|--------------|-----------------------------|--------------|
| The Children's Agenda,<br>Eamonn Scanlon | <b>2</b>     | State Education Development | <b>60</b>    |

Office of State  
Comptroller, Dan Winkler,  
Kim Goerlich

**10**

Conference of Big 5 School  
Districts, Jennifer Pyle



## **Executive Summary**

The Rochester City School District has adopted the following goals for the following plans:

### **Strategic Plan:**

- Supporting the New York State NextGen Standards and Alignment of Curriculum implementation for K-12
- Fortifying social-emotional learning and restorative practices
- Consent Decree Compliance
- NYS Special Education & Bilingual Corrective Action Plans Compliance

### **Academic Plan:**

- Updating Districtwide comprehensive program assessment tools
- Establishing a program evaluation arm to analyze the effectiveness of initiatives
- Align resources to fortify academic priorities
- Professional development

### **Financial Plan:**

- Upgrading the financial management system
- Medicaid reimbursement
- Upgrading special education management system

The long-range financial plan is designed to illustrate what may happen in the future, based on what is known now about cost trends, District obligations, and the political and economic environments. The plan is not a budget. It is separate and distinct from the District's 2021-2022 budget process, which took place last year and culminated in the adoption of the propose

# **Key Assumptions**

## **Local Revenues**

Maintenance of Effort from the City of Rochester remains the same for 17 years.

2401 - Interest and Earnings - This account has slowly been increased as the financial outlook continues to improve and District cash balances continue to increase. As a result, the amount of interest generated will increase as well.

2801 - Inter-fund Revenues - Indirect costs charged back to the general fund. The recurring amount remained the same year-to-year without knowing what grants Rochester CSD would be awarded. However, with the federal stimulus funding, it is (9.7% indirect revenue) assumed \$5M of those funds will be claimed in 2021-2022 and was not entered as 2021-2022 budgeted amounts. So one-time revenues were entered as follows: \$6.7M - 2022-2023; \$6.7M - 2023-2024; and \$1.7M - 2024-2025. These are very conservative amounts compared to the amount the District could claim as indirect (\$27M maximum).

All other local revenues 1315-2770 stay consistent without additional information to warrant a change.

## **State Aid**

3101 - Basic Formula - An analysis was performed using assumptions of future state aid. A 2% increase in Foundation aid was used. Building Aid is computed based on future capital projects known at the date of this report. The excess cost was increased by 2% using the assumption that our AOE (Average Operating Expenditures) will decrease as the District becomes more fiscally responsible and special education costs decrease; this will decrease the floor for the amount at which excess cost starts for any given student. There is also a deduction for building aid adjustment in future years, totaling \$11M.

3101 - Transportation Aid was budgeted at \$18M in 2021-2022 due to the remote learning environment in the 2020-2021 school year. Increases beyond the \$18M/year have been made for future years as the District returns to an in-person instructional environment.

3102 - Lottery Aid was increased a modest .33% without any other data to go upon. People will always use gambling in this state, and it has an inverse relationship to the economy. Our economy appears to be improving; therefore, it is predicted lottery aid will not increase greatly in the future.

3103 - Tuition or Transportation for Students with Disabilities - This aid category decreases with the COVID-19 Pandemic from an original estimate of \$300,000 down to \$50,000 for 2021-2022. This aid category was estimated to return to former levels in 2022-2023 and beyond (\$300,000). Therefore, no increase beyond \$300K can be predicted at this time.

3160 - 3263 - Textbook/hardware/software/library aid categories - These categories are driven by a school's enrollment and allotment per student for each category. These categories have been predicted to stay at a modest .5% increase with the District's initiative to minimize the increase in the number of District students enrolling in charter schools.

## **Federal Aid**

4286 - CARES - This aid category was estimated at \$0 for 2022-2023 and beyond.

4289 - QSCB Federal Subsidy - This aid category will remain constant based on the building aid summary.

4601 - Medicaid Assistance - This code pre-pandemic was \$2.1M. We currently have a budget of \$1.4M in 2021-2022 due to remote learning. Therefore, this code is increased by 10% throughout the forecast, assuming the implementation of the State Monitor's recommendations and improving claiming procedures.

## **Salaries**

Certified salary codes (.12 - .15 account codes {object per Uniform System of Accounts}) are estimated at an increase of 3.61% for years 2023 and beyond; this was the last known average for RTA (Rochester Teachers' Association) tri-borough. Without a settled RTA contract for the period beyond fiscal year-end 6/30/22, this is the best percentage increase to use at this time. As information becomes known in the future, adjustments will be made.

Non-Certified Salary codes (.16 - .19 account codes {object per Uniform System Accounts}) are projected at 3.0%. The BENTE (the union representing support staff) and RAP (Rochester Association of Paraprofessionals) contracts are both estimated at 3.0%, taking average step increases and off-steps increases into consideration.

Substitute line items/Temp Agency use has been decreased 10% each year. An initiative has been put forward to better handle substitute use, and better wages through personal contracts should lower the use and need for temporary agency staff.

**IMPORTANT:** All salary codes are escalated as if staffing levels will stay the same throughout the forecast years. This cannot be the case, given that the District needs to reduce its footprint and decrease staff. However, this reduction is not taken into consideration in this forecast.

Additionally, \$2,853,764 was added to the non-certified salaries base, as this is the escalation calculated when the BENTE contract was settled. That amount is now built-in and escalated through this model to estimate salaries adequately.

## **Equipment**

Equipment codes (.200s account codes) were kept at a 0% increase (\$214,832)

## **Contractual**

Contractual codes (.400s account codes) all contractual codes were held at a 1.2% increase. The logic behind this decision was based on declining enrollment and the ability to hold some contractual codes constant through budgetary decision-making during the budget process, especially those attached to enrollment.

BOCES (.490 account codes) were increased by 1.06% based on historical data. BOCES (Board of Cooperative Educational Services) has a reputation for maintaining costs and having minimum increases

from year to year. The largest factor among BOCES expenditures is the SPED (special education) population attending self-contained classrooms. If this population goes up significantly, these numbers could change drastically. There is no way to precisely predict if these enrollment numbers will increase or decrease through time. Therefore, only an inflation increase was built into this model, not enrollment changes.

Tuition payments (.470 account codes) are the District's largest line item outside salaries and benefits. The expense is estimated at a 3.0% increase based upon the District's initiative to keep students in-district and lower/hold steady the charter school population.

Transportation costs (5500s function/400 object) are projected to increase 1.36% along with the other contractual codes. This increase in cost was escalated, but no additional transportation aid was calculated. Please note that the District will further examine the Managed Choice policy, which has greatly increased the District's transportation cost throughout the years. This code must decrease for the District to remain fiscally sound and eliminate the structural deficit in future years.

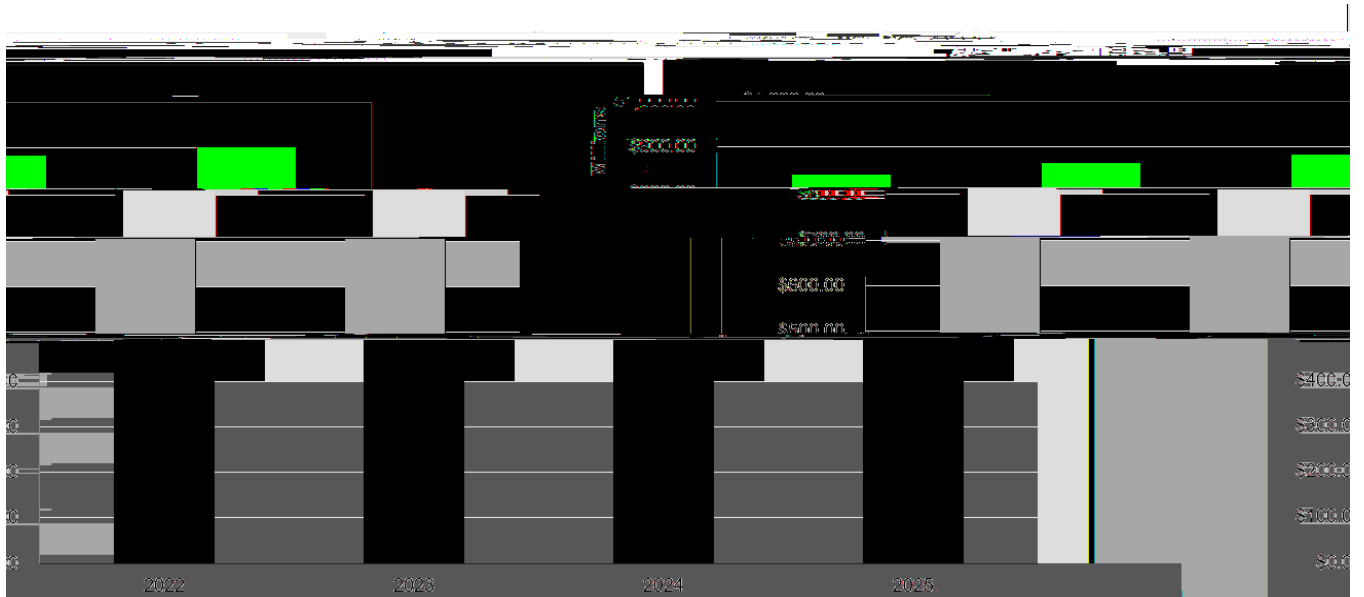
## **Supplies**

Supply codes (.500 account codes) were held at a 1% increase. With declining enrollments, classrooms and other instructional areas should not need more than a 1% increase in supplies from year to year. In addition, as the District reduces its physical footprint, fewer supplies will be needed, which should help offset the increase.

## **Benefits**

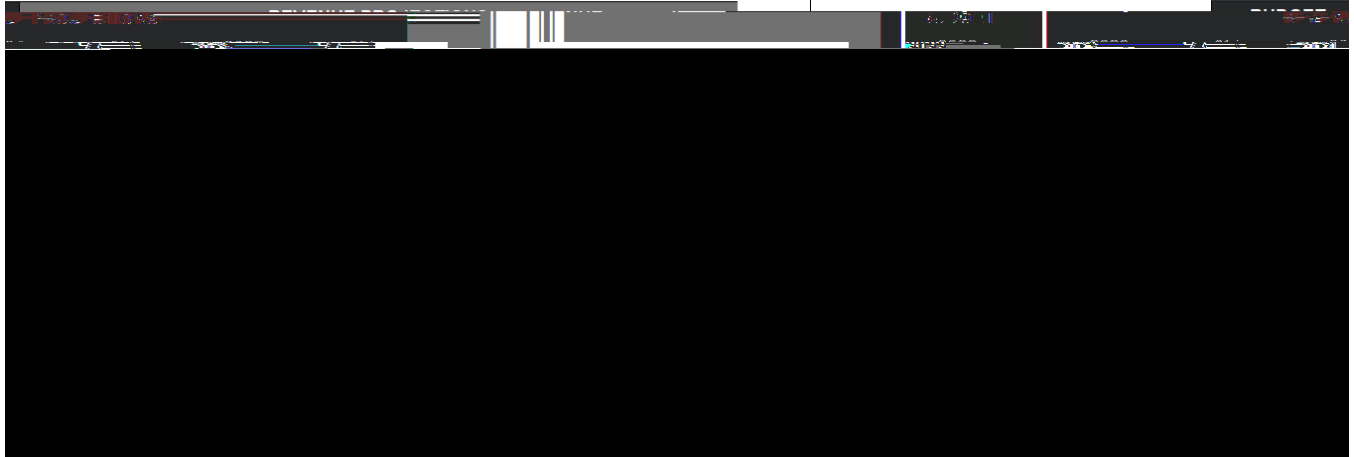
Benefit codes were calculated using the Salary and Benefit calculator built into the Forecast software. The used rates were based on salary escalations and the increases in each category. Hospital and dental benefits were increased 3%, as staff should decrease with District in(e)4( [( ) T1 238 s,s mod)2d not neefitt ET Q

|                                       | 2022       | 2023       | 2024  | 2025       | 2026  | 2027       | 2028  | 2029       | 2030  |
|---------------------------------------|------------|------------|-------|------------|-------|------------|-------|------------|-------|
| <b>Capital Outlay</b>                 | 586,228    | 586,228    | 0.00% | 586,228    | 0.00% | 586,228    | 0.00% | 586,228    | 0.00% |
| <b>Equipment and</b>                  |            |            |       |            |       |            |       |            |       |
| <b>Contractual Supplies and Other</b> | 20,068,088 | 20,068,088 | 1.00% | 20,068,088 | 1.00% | 20,068,088 | 1.00% | 20,068,088 | 1.00% |
| <b>Supplies</b>                       | 20,068,088 | 20,068,088 | 1.00% | 20,068,088 | 1.00% | 20,068,088 | 1.00% | 20,068,088 | 1.00% |
| <b>Debt Service Principal</b>         | 6,813,000  | 6,813,000  | 1.00% | 6,813,000  | 1.00% | 6,813,000  | 1.00% | 6,813,000  | 1.00% |
| <b>Debt Service Interest</b>          | 1,074,484  | 1,074,484  | 1.00% | 1,074,484  | 1.00% | 1,074,484  | 1.00% | 1,074,484  | 1.00% |
| <b>Interfund Transfers</b>            | 93,049,017 | 93,049,017 | 1.00% | 93,049,017 | 1.00% | 93,049,017 | 1.00% | 93,049,017 | 1.00% |

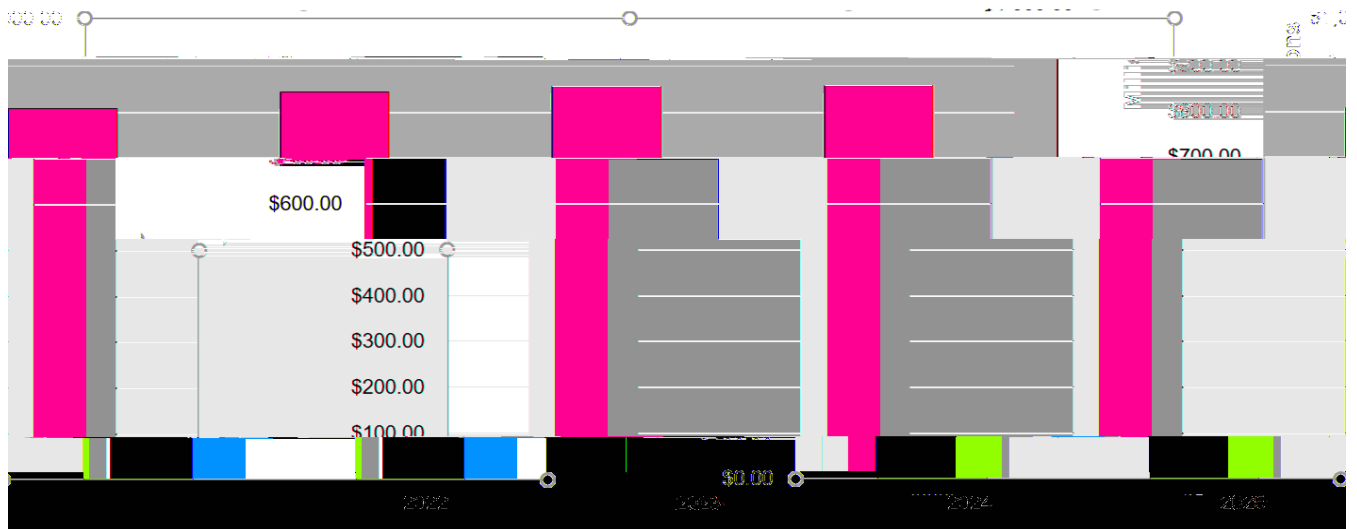


# General (A) Fund - Revenue Forecast

Long Range Forecast



## Revenue Projection

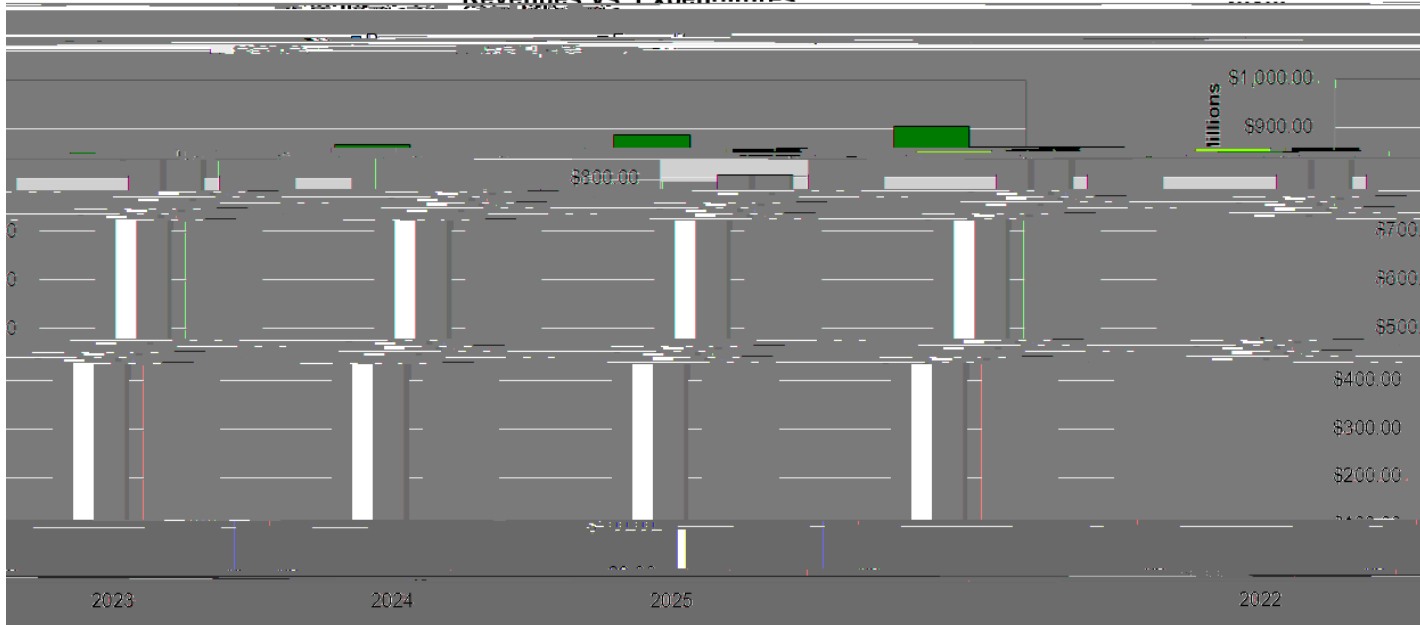


# General (A) Fund | 4 Year Fund Balance Projection Summary

## Long Range Forecast

|                           | BUDGET             |                    |              | REVENUE / EXPENDITURE PROJECTIONS |               |                    |               |
|---------------------------|--------------------|--------------------|--------------|-----------------------------------|---------------|--------------------|---------------|
|                           | 2023               | 2024               | 2025         | 2026                              | 2027          | 2028               | 2029          |
| <b>REVENUE</b>            |                    |                    |              |                                   |               |                    |               |
| Local                     | \$129,390,096      | \$136,102,596      | 5.19%        | \$136,115,096                     | 0.01%         | \$131,125,096      | -3.67%        |
| State                     | 650,740,335        | 703,439,769        | 8.10%        | 714,854,482                       | 1.62%         | 722,881,919        | 1.12%         |
| Federal                   | 27,044,261         | 3,820,477          | -85.87%      | 3,974,477                         | 4.03%         | 4,143,877          | 4.26%         |
| Transfers / Other         | 0                  | 0                  |              | 0                                 |               | 0                  |               |
| <b>TOTAL REVENUE</b>      | <b>807,174,692</b> | <b>843,362,842</b> | <b>4.48%</b> | <b>854,944,055</b>                | <b>1.37%</b>  | <b>858,150,892</b> | <b>0.38%</b>  |
| <b>EXPENDITURES</b>       |                    |                    |              |                                   |               |                    |               |
| Salary and Benefit Costs  | 463,423,089        | 483,505,794        | 4.33%        | 497,707,104                       | 2.94%         | 512,572,060        | 2.99%         |
| Other                     | 376,951,603        | 381,104,100        | 1.09%        | 307,420,606                       | -1.58%        | 300,119,100        | -0.60%        |
| <b>TOTAL EXPENDITURES</b> | <b>840,374,692</b> | <b>864,609,894</b> | <b>2.91%</b> | <b>805,127,710</b>                | <b>-1.58%</b> | <b>812,691,160</b> | <b>-0.60%</b> |

Revenues Vs. Expenditures



## **RCSD Fiscal Practices**

According to the State Comptroller's Office, there are three (3) central themes or goals necessary for fiscal improvement:

1. ***Expenditure Reduction:*** Recurring reductions in operating expenditures can be achieved through many actions, including more efficient service provision, shared services, or other methods.
2. ***Revenue Generation:*** Recurring revenue can be generated in several ways, such as developing growth in the municipality's real estate property tax base, increasing the sales tax base, and bringing fees into line with the cost of providing services.
3. ***Reserves:*** Maintaining a reasonable level of unrestricted fund balances can provide insurance against unanticipated expenditures or revenue shortfalls.

## **General Findings**

The State Monitor's recommendations have been organized in Tables four (4) through nine (9). Recommendations have been grouped based on the estimated year of implementation and completion over the next three years. After working with staff, listening to district constituents, reviewing documents, and examining student data, the Monitor has identified seven (7) takeaways from experiences in the District:

1. RCSD at all levels of the organization should make a long-term commitment to focusing resources on accelerating student achievement in the District.
2. RCSD at all levels of the organization should make a long-term commitment to redirect resources away from programs, practices, and partners that have been unable to demonstrate evidence of producing positive outcomes for students. This will be critical to make resources available to implement the recommendations contained in this report and priorities identified in the RCSD's Strategic Plan.
3. RCSD should align District resources according to a declining student population.
4. RCSD should make a systemic commitment to adhere to the District's budget constraints and refrain from a culture of buying now and trying to figure out how to pay for it later.
5. RCSD should adopt a goal to reduce borrowing over the next five years.
6. RCSD should optimize all processes related to collecting money owed to the District.
7. RCSD should demonstrate the courage to examine long-standing beliefs, practices, and structures that contribute to the growing budget deficit.



## 8. RCS



**Table 4: Specific Findings and Recommendations from General Fiscal Practices Continued**

| NO. | Finding  | Type  | Recommendation  | Evidence of Implementation       |
|-----|--|---|---|----------------------------------|
| 5   | <p>The current fiscal management software does not provide a comprehensive platform to serve the needs of the District in the areas of finance, human resource, or budget development. When assessed for accuracy, the reports have been found to contain erroneous information. The age of the program requires the services of third-party vendors. The outdated functionality of the program requires the development of programs, also known as patches, by staff to accommodate the needs of the District.</p> <p>The current student information management system (SIMS) has not been fully implemented. For example, not all necessary staff members have been adequately trained. In addition, there is evidence that a comprehensive implementation plan was not executed with fidelity for the system's launch in the District.</p> <p>The current student information management system used for students with disabilities does not align accurately with the financial and core student information management systems.</p> <p>These systems are designed to provide</p> | <p><b>Timbs, OSC, and State Monitor Finding</b></p> | <p>All three District management systems shall be upgraded, with a comprehensive training plan for a cross-functional, interdepartmental team of staff members.</p> <p>A policy shall be adopted committing the District to keep all three systems upgraded.</p> <p>The three vendors, representing the different information management systems shall be expected to work with the District to ensure all three systems are functioning in alignment with each other and that alerts are built into each system to identify conflicting information</p> <p>This will help the District better manage expenses and revenue. It will also increase efficiency in every department in the District.</p> | <p>u n n35.5 634.03 re W* co</p> |







| NO. | Finding   | Type | Recommendation | Evidence of Implementation |
|-----|---|------|----------------|----------------------------|
|     | <p>the senior administrator.</p> <p>3. Regular Medicaid training for RCSD employees must exist.</p> <p>4. A confidential disclosure mechanism must exist to enable anonymous reporting.</p> <p>5. Procedures must support non-intimidation and non-retaliation for good faith reporting.</p> <p>6. A process to assure fair enforcement and ramifications for non-compliant behavior or failure to report non-compliance must exist.</p> <p>7. A process is to be defined and enacted to resolve non-compliance and assure prevention of non-compliance.</p> <p>8. Compliance risks based on regular provider types' of evaluations are to be regularly assessed.</p> <p>Activities are to be implemented and documented to manage those risksTJ ET Q q 5</p> |      |                |                            |



**Table 4: Specific Findings and Recommendations from General Fiscal Practices Continued**

| <b>NO.</b> | <b>Finding</b>   | <b>Type</b>                      | <b>Recommendation</b>   | <b>Evidence of Implementation</b> |
|------------|--|----------------------------------|---|-----------------------------------|
| 10         | Cabinet members are not informed of the implications of collective bargaining agreements until the conclusion of negotiations. Therefore, cabinet members should help create negotiating strategies. | <b>New State Monitor Finding</b> | A protocol shall be established to ensure cabinet members are knowledgeable of contracts, memorandums of agreements, and memoranda of understanding regularly. This will increase the cabinet's capacity to be good financial |                                   |

| <b>NO.</b> | <b>Finding</b>   | <b>Type</b>                      | <b>Recommendation</b>             | <b>Evidence of Implementation</b> |
|------------|--|----------------------------------|-----------------------------------|-----------------------------------|
| 12         | Excessive complaints from staff at multiple levels of the central office organization regarding the PMAF process, specifically, timeliness, accuracy, and disconnect with effective position control management practices. | <b>New State Monitor Finding</b> | Starting January 1, 2022, develop |                                   |

| <b>NO.</b> | <b>Finding</b> | <b>Type</b> |
|------------|----------------|-------------|
|------------|----------------|-------------|

| <b>NO.</b> | <b>Finding</b>  | <b>Type</b>                      | <b>Recommendation</b>  | <b>Evidence of Implementation</b> |
|------------|---|----------------------------------|--|-----------------------------------|
| 18         | There are excessive complaints from staff at multiple levels of the District regarding the existence and the quality of onboarding for new employees to the District. | <b>New State Monitor Finding</b> | Produce an SOP for onboarding new employees and substitute teachers to the District by March 1, 2022. The SOP should be presented to the |                                   |







## **Table 5: Governance and Programmatic**



|   |
|---|
| <b>Table 5: Governance and Programmatic Decision-Making Findings and Recommendations from Financial Audit Continued</b> |
|---|

| <b>NO.</b> | <b>Finding</b> |
|------------|----------------|
|------------|----------------|

| NO. | Finding  | Type                         | Recommendachon  | Evidence of Implementathon  |
|-----|--|------------------------------|---|---|
| 9   | Most resoluchons presented to the board do not include a cost analysis to help the Board determine the financial implicachons of the acthons being requested in resoluchons. | <b>State Monitor Finding</b> | <p>Effecthve immediately, all contracts and resoluthons with a financial obligachon for the District should include evaluachons and cost analysis.</p> <p>Hold staff accountable for compliance with this protocol.</p> <p>This will support the decision-making process for the Board.</p> | <p>All contracts and resoluchons with a financial obligachon for the District should include evaluachons and cost analysis. This will support the decision-making process for the Board. This should starc immediately and continue indefinitely.</p> <p>Arcifacts might include contracts and resoluthons.</p> |

**Table 5: Governance and Programmatic Decision-Making Findings and Recommendations from Financial Audit Continued**

| NO. | Finding   | Type                         | Recommendachon   | Evidence of Implementathon  |
|-----|---|------------------------------|--|---|
| 10  | Vaguely written resoluchons hinder the Board and the public’s capacity to understand the financial or academhc implicachons of the acthon requested through the resoluchon. During a meethng to prepare for the Finance Committee meethng, it was discovered the District was being asked to consider a lease agreement that would only have the tenant pay for uthliches and maintenance. The tenant would have leased the space rent-free | <b>State Monitor Finding</b> | <p>Effecthve immediately, all contracts and resoluthons with a financial obligachon for the District over \$25,000 should include evaluachons and cost analysis. This will support the decision-making process for the Board.</p> <p>Effecthve immediately, all contracts and resoluthons should be written in a manner that provides ample informachon and specifies the requested acthon of the Board.</p> <p>Effecthve immediately, all resoluchons should include references to any other related Board acthons.</p> <p>Board members should be encouraged to ask questions at committee meethngs and through the Board, Question Log to gain greater understanding before vothng on a resoluchon.</p> | <p>All contracts and resoluchons with a financial obligachon for the District over \$25,000 should include evaluachons and cost analysis. This will support the decision-making process for the Board. This should starc immediately and continue indefinitely.</p> <p>Arcifacts might include contracts, committee agendas, committee minutes, question logs, and resoluchons.</p> |



| NO. | Finding   | Type          | Recommendation  | Evidence of Implementation  |
|-----|---|---------------|---|---|
|     |   |               | <p>please verify and document the reason for the change.</p> <p>3. Identify any new revenue sources for the 2021-22 school year. (N)</p>  |   |
| 15  | 2020-21 Contract for Excellence (C4E) reporting requirements were not met | Audit Finding | <p>For each of the revenue sources identified, develop a database or other repository which documents the following:</p> <ul style="list-style-type: none"> <li>a) criteria for the receipt of funding by the district. For example, enrollment, graduation rate, SWD classification, etc.</li> <li>b) specific requirements for each revenue source, including hearings or reporting</li> <li>c) the reporting deadlines</li> <li>d) the means of receipt and from whom</li> <li>e) the projected timing of receipt for the revenue (N)</li> </ul> | A Revenue report to be presented to the Finance Committee, at least once, by April 1, 2022                                |
| 16  | 2020-21 Contract for Excellence (C4E) reporting requirements were not met | Audit Finding | Designate a specific individual responsible for each revenue source, including obtaining the required data, ensuring that the data is accurate, providing the data is available and reported within the designated timeframes. (N)  | <p>A Revenue report to be presented to the Finance Committee at least once by April 1, 2022</p> <p>Organization Chart</p> |



**Table 6: Legal Findings and Recommendations from Financial Audit  
Continued**

| <b>NO.</b> | <b>Finding</b>  | <b>Type</b> | <b>Recommendation</b> | <b>Evidence of Implementation</b> |
|------------|---|-------------|-----------------------|-----------------------------------|
|            | <p>Legal Counsel provides inadequate communication to District administration about MOAs and MOUs. For example, an MOA with one bargaining unit involving 6, 4 employees resulted in those employees working before a notification to the Payroll department.</p> |             |                       |                                   |

| NO. | Finding   | Type                         | Recommendation   | Evidence of Implementation  |
|-----|---|------------------------------|--|---|
|     |   |                              |  | <p>All MOAs and MOUs that affect the teaching and learning process and the District finances should be presented to the Board for discussion immediately.</p> <p>All MOAs and MOUs should be negotiated by administrators selected by the Superintendent to serve on the Superintendent's negotiation team</p> <p>The State Monitor should attend or receive minutes from all RCSD negotiation meetings, effective immediately.</p> |
| 4   | There was an increase in the number of cases requiring the services of independent counsel. | <b>State Monitor Finding</b> | Effective immediately, increase the use of independent legal counsel, when appropriate by the RCSD Board and Administration. (N) | Budgeted Item, increased from previous year's budget  |

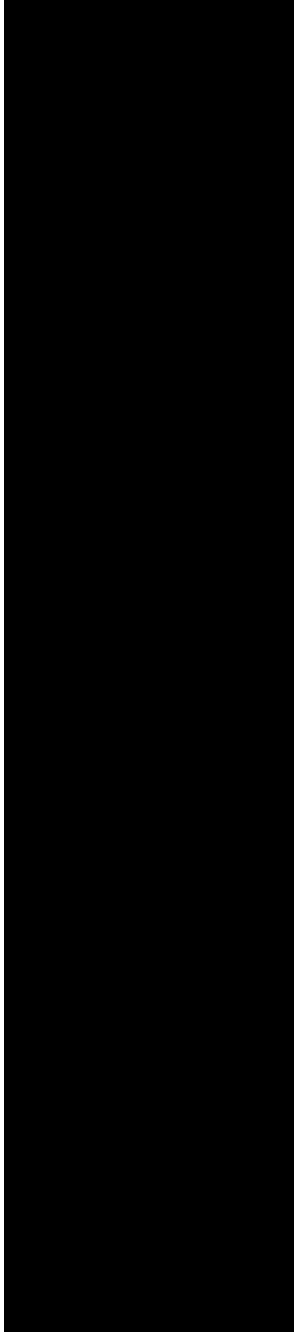
5 The same team of individuals has negotiated collective bargaining agreements for many years without making any meaningful change to support the district's evolving goals and needs.

**State Monitor Finding**

Increase the use of independent legal services to negotiate collective bargaining agreements by July 1, 2022.

By July 1, 2022, have an independent lawyer conduct an audit of all collective

**Table 7: Budget Development Findings and Recommendations from  
Financial Audit**

| NO. | Finding   | Type   | Recommendation | Evidence of Implementation |
|-----|---|--|----------------|----------------------------|
| 1   | <p>There has been clear and proven evidence of the overbudgeting of certain revenues and the underbudgeting of certain expenditures. Concurrently, RSCD has not embraced nor instituted a culture of disciplined spending which exacerbates the deterioration of the District's fiscal stability.</p> | <p>[396 re f* 442.63 665.9]</p>  |                |                            |



| NO. | Finding   | Type                                | Recommendation  | Evidence of Implementation |
|-----|---|-------------------------------------|---|----------------------------|
| 2   | <p>Current budget development protocols, accountability standards, and expectations do not result in sound budget forecasts for subsequent budgets. Evidence and testimonials suggest each year, the budget process is managed in a frenzy at the end of the budget development cycle to balance and present a budget to the board and then to the City Council for acceptance and approval. This lends to the misalignment of budget expenditures to program priorities, calculation mistakes, and the omission of required programs and staff after the budget is approved. Principals reported less input into the budget development process for the 20/21 school year than in previous years</p> | <p><b>State Monitor Finding</b></p> | <p>Update budget development processes and timelines to produce sound budget forecasts. The earlier start date will allow the District ample time to deliberate using historical data and trending analysis. In addition, the earlier start date will provide more time for stakeholder engagement in the budget development process.</p> <p>0 G [()] TJ.29 5730 G BT /F2 9</p> |                            |

| <b>NO.</b> | <b>Finding</b>  | <b>Type</b> | <b>Recommendation</b>  | <b>Evidence of Implementation</b> |
|------------|---|-------------|--|-----------------------------------|
|            | <p>process. Projections for data such as enrollment, expenditures, and revenue are presented based solely on statistical algorithms</p> |             | <p>earlier start date will provide more time for stakeholder engagement in the budget development process. Utilize projections included in this plan to conduct trend analysis at a more granular level in each department and school.</p> |                                   |

| <b>NO.</b> | <b>Finding</b> | <b>Type</b> | <b>Recommendation</b> | <b>Evidence of</b> |
|------------|----------------|-------------|-----------------------|--------------------|
|------------|----------------|-------------|-----------------------|--------------------|

**Table 8: Organization Structure and Internal Operational Efficiency**

**Table 8: Organization Structure and Internal Operational Efficiency  
Findings and Recommendations from Financial Audit Continued**

| <b>NO.</b> | <b>Finding</b> | <b>Type</b> | <b>Recommendation</b> | <b>Evidence of Implementation</b> |
|------------|----------------|-------------|-----------------------|-----------------------------------|
|------------|----------------|-------------|-----------------------|-----------------------------------|

There is a lack of evidence Policy 6700R is being executed with fidelity. Therefore, the Board of Education shall require the Chief Legal Counsel to



**Table 8: Organization Structure and Internal Operational Efficiency  
Findings and Recommendations from Financial Audit Continued**

**Table 8: Organization Structure  
Findings and Recommendations**

| NO. | Finding | Cause | Implementation |
|-----|---------|-------|----------------|
|-----|---------|-------|----------------|



| <b>NO.</b> | <b>Finding</b> | <b>Type</b> |
|------------|----------------|-------------|
|------------|----------------|-------------|

**Table 9: Transportation Findings and Recommendations from  
Financial Audit Findings**

NO

| NO. | Finding   | Type                         | Recommendation  | Evidence of Implementation  |
|-----|---|------------------------------|---|---|
| 3   | Transportation costs emanate from two general sources, general education and special education. In addition, transportation services are generated by information included on IEPs during annual review meetings. Therefore, the level of monitoring and supervision of IEP meetings may contribute to the rising costs associated with transportation. | <b>State Monitor Finding</b> | <p>Effective immediately, the District should initiate the following:</p> <p>1- A review of the services and accommodations written on IEPs, particularly the need for transportation.</p> <p>2- Consider renegotiating all contracts with transportation vendors.</p> <p>Help support the management of district expenses.</p>   | Artifacts might include contracts, monthly transportation reports, IEPs,  |
| 4   | According to the Office of the State Comptroller, the District has underestimated the Charter School expenditures by 1.5MM.   | <b>State Monitor Finding</b> | <p>Ensure there is adequate staff, well-trained to manage the processes for enrollment and tuition at the charter schools.</p> <p>Ensure staff has the proper tools to manage records for tuition and enrollment at charter schools.</p> <p>Ensure there is alignment with the processes for enrollment and tuition for special education students at charter schools.</p> <p>Transition all foodservice responsibilities to charter schools, where feasible.</p> <p>Confirm the maximum enrollment allowed at each charter school to ensure against paying for students above the state allowed enrollment with SED.</p> <p>Confirm the residency of each student enrolled at the charter schools to ensure all students live in Rochester. RCSD is not required to pay tuition for students attending charter schools who are non-residents of Rochester.</p> | <p>These processes should be established by June 30, 2022. <i>(M)</i></p> <p>Artifacts might include a new invoicing system, enrollment reports</p> |

| NO. | Finding   | Type                         | Recommendation   | Evidence of Implementation  |
|-----|---|------------------------------|--|---|
|     |   |                              | Establish an invoicing procedure that provides the information needed by RCSD in a conducive format to RCSD operations.  |   |
| 5   | There is no evidence of periodic review of long-range financial planning. | <b>State Monitor Finding</b> | Annually, by September 1, the District shall submit to the monitor an updated five-year financial plan such that, for each school year, the annual aggregate operating expenses do not exceed annual aggregate operating revenues, and the major operating funds of the District are balanced in accordance with accepted accounting principles. The financial plan shall include statements of all estimated revenues, expenditures, and cash flow projections of the District. | Evidence of annual updates shall include a report addressing discrepancies between projected and actual outcomes. |

|   |   |                              |   |    |
|---|---|------------------------------|---|----|
| 6 | The purchasing process is too heavily dependent on an inadequate number of staff to accommodate the District's needs. | <b>State Monitor Finding</b> | Create a user-friendly SOP, including training, for school and District leaders to understand the purchasing process in RCSD by January 31, 2022. (N) | 1. |
|---|---|------------------------------|---|----|



**Table 10:**

## **Conclusion**

The State Monitor believes that the Rochester City School District children deserve a school system that ensures District leaders are good stewards of all District resources. These resources must be used to ensure that teachers are prepared to deliver curriculum and instruction that provides maximum opportunities for students to excel academically in a learning environment respectful of inclusion and diversity. In addition, the District must examine how it has been using its resources and change course; this can be accomplished in earnest by putting children first and examining the five domains to break the patterns of behavior that have contributed to a pattern of failure.

## **Final Thoughts**

The draft of a plan shared in this document reflects best estimates, fact sets, and decision-making at a given point in time. This plan, like all plans, is subject to alteration as conditions, such as those manifested by a lingering global pandemic, and must be updated to correspond with evolving conditions. The Academic and Financial Plans both include the requirement, the District adheres to all recommendations, proposals, and mandates specified in 1) the third phase of the RCSD Facilities Modernization Plans (FMP), 2) RCSD Strategic Plan, Special Education Consent Decree, and 3) all Corrective Action Plans (CAP) issued by the New York State Department of Education (NYSED) from the offices of Special Education and Bilingual Education and World Languages

I want to extend my gratitude to the welcoming and responsive reception I have experienced since working with the staff, parents, and friends of the RCSD. This draft of a plan is designed to be a collaborative effort; therefore, I must thank all who participated by sharing their experiences, knowledge, ideas, data, and wishes for the success of the students served by the District. A special thanks to Superintendent Myers-Small








## APPENDIX B:

### Contextual Reference Material Used By State Monitor

| DOCUMENT   | LINK  |
|--|---|
| Managing For Results in America's Great City y Schools, RESULTS FROM the FISCAL YEAR 2020 Academic Key Performance Indicators, 2020 Report             | <a href="https://www.cgcs.org/cms/lib/DC00001581/Centricity/domain/35/publication%20docs/Managing%20for%20Results%20in%20Americas%20Great%20City%20Schools%202020.pdf">https://www.cgcs.org/cms/lib/DC00001581/Centricity/domain/35/publication%20docs/Managing%20for%20Results%20in%20Americas%20Great%20City%20Schools%202020.pdf</a> |
| Comprehensive Annual Financial Report  | <a href="https://www.cityofrochester.gov/cafr/">https://www.cityofrochester.gov/cafr/</a>   |
| RCSD 2020-2021 Budget  | <a href="https://www.rcsdk12.org/budget">https://www.rcsdk12.org/budget</a>   |
| RCSD 2021 2022 Budget  | <br><b>2022-2023 Draft<br/>RCSD Budget IL</b>  |
| Education Commissioner's Letter to Superintendent and Board President regarding authority to place conditions on CRSSA and ARP funding to the District | <a href="file:///C:/Users/slmcj/Downloads/Rochester%20Clarifications%2061821%20(1).pdf">file:///C:/Users/slmcj/Downloads/Rochester%20Clarifications%2061821%20(1).pdf</a>   |
| Rochester Distinguished Educator Report  | <a href="http://www.nysed.gov/news/2018/rochester-distinguished-educator-report-84-recommendations-improve-student-learning-and">http://www.nysed.gov/news/2018/rochester-distinguished-educator-report-84-recommendations-improve-student-learning-and</a>   |
| 2020-2021 Charter School Basic Tuition   | <a href="https://stateaid.nysed.gov/charter/pdf_docs/charter_2020-2021_rates.pdf">https://stateaid.nysed.gov/charter/pdf_docs/charter_2020-2021_rates.pdf</a>   |