

## City Council finds hands tied on RCSD budget

More questions must be answered before final approval can be made

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It has never been entirely clear to the Rochester City Council what authority it has to reject or table the city school district budget. That lack of clarity was evident again Tuesday, as Council first announced it would hold off on approving the school spending, then retreated after learning it couldn't do so without disrupting summer school.

Concerned with the RCSD budget forecast as laid out in a letter from school board member Beatriz LeBron, Council President Loretta Scott and Vice President Adam McFadden first said they would not approve the \$915 million district budget until Superintendent Barbara Deane-Williams answered more questions.

"After reading the letter and reviewing it in greater detail, (Finance Committee Chairman Adam McFadden) and I felt compelled to dig a little deeper to get a better sense of the extent of the situation," Scott said Tuesday morning. "It is troubling. Having said that, I believe we'll get enough information to support a comfort level, but we need to know more." The assumption was that the final approval could come sometime between Tuesday and July 1, when the district's new fiscal and school year begins. But McFadden learned Tuesday afternoon from the city's legal department that the school budget must be voted on by Wednesday, June 20, in order to take effect July 1, as needed.

"If that's the case, we can't (delay the vote)," he said.

The only option would be to delay for one day, until Wednesday. Instead Council was set to approve it Tuesday evening.

McFadden planned to talk to his colleagues before Tuesday evening's meeting and said he still wants more information from the district: "We're going to definitely have a conversation before we vote."

The crux of the situation is that RCSD has nearly depleted its fund balance over the last several budget cycles, annually plugging in between \$11 million and \$20 million of savings to fill budget gaps. The unrestricted fund balance now stands at \$8 million, and the district hopes to replenish it to about \$12 million by the end of the 2018-19 school year.

Deane-Williams has said the district will rebound largely through savings realized from more efficient transportation due to more neighborhood-centered schools and from paying less on remedial services as student outcomes improve.

Neither of those improvements are guaranteed, though, and in any case, the district has not yet modeled potential cost-savings on either of those fronts. A transportation costs analysis is now underway and there has not been an analysis of potential academic cost savings, Chief Financial Officer Everton Sewell said last week.

The district did not respond to requests for comment Tuesday.

School Board Finance Committee Chairwoman Willa Powell said LeBron's analysis fails to take into account the influx of federal grant funding the district usually gets after adopting its budget, allowing it to replace some of the fund balance it had intended to use.

This year, rather than laying teachers off then trying to rehire them after grant money is secured, the district is using additional fund balance — on paper, it hopes — to retain them.

“It’s a decision we can only fail at once,” she said. “It’s an act of faith that comes with saying: ‘We’re not going to lay off people every summer as we have in the past.’ ” In 2017-18 the district budgeted for \$111 million in grant revenue but in fact, received \$129 million. Even with that \$18 million influx, though, it only reduced its fund balance usage by \$2.5 million, to \$17.5 million.

In 2016-17, the district budgeted for \$117 million in fund balance revenue and actually received \$131 million but did not restore any of the \$15 million it had budgeted from fund balance.

City Council members don’t believe they have the authority to reject a balanced RCSD budget proposal, no matter what they think of it; in any case it is not a proposition they’re eager to test.

“I’m all for people getting answers for their questions, but at the same time the district needs to open July 1,” said Malik Evans, now on City Council and formerly on the school board. “So if there are questions to be answered, let’s get that done before kids need to go to summer school to graduate.”

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**Scott**