

Division of the Budget

**STATE OF NEW YORK
DIVISION OF THE BUDGET
ANDREW M. CUOMO, GOVERNOR
ROBERT F. MUJICA JR., DIRECTOR**

**FOR IMMEDIATE RELEASE:
October 8, 2019
CONTACT: Freeman Klopott
dob.sm.press@budget.ny.gov
518.473.3885**

STATE BUDGET DIRECTOR URGES ROCHESTER MAYOR AND STATE EDUCATION DEPARTMENT COMMISSIONER TO EXERCISE THEIR EXISTING AUTHORITY UNDER CURRENT LAW TO ADDRESS MISMANAGEMENT AND UNDERPERFORMANCE OF ROCHESTER CITY SCHOOL DISTRICT

New York State Budget Director Robert Mujica today sent the following letter to Rochester Mayor Lovely Warren and State Education Department Interim Commissioner Elizabeth R. Berlin urging them to exercise their existing legal authority to address the widely reported mismanagement and underperformance of the Rochester City School District.

The text of the letter is available below:

October 8, 2019

Dear Mayor Warren and Interim Commissioner Berlin,

Much has been reported on the challenges facing the children in the Rochester City School District. I share your concerns about the fiscal health of the district and find the current situation untenable - which is why the City of Rochester and the State Education Department must exercise their existing authority under current law to address the chronic mismanagement and underperformance facing the school district.

The budget problems facing the Rochester City School District are not new. The School District has closed significant current year gaps in the tens of millions of dollars every year since 2014 and also projected out-year gaps in the tens of millions of dollars in almost every budget sent to the Mayor and the Rochester City Council for approval during that time period. The district's known financial challenges were noted by school board member Beatriz Lebron, who asked the City Council to disapprove the district's budget for 2018-19, citing looming budget woes. Additionally, the Council's own Resolution #352 cites several reports by outside parties that highlight failed budgeting practices and systemic structural budget concerns. The Council, in its Resolution, further alleged fraudulent representations by school district officials. To our knowledge, none of these allegations have been formally investigated.

The Rochester City School District is a fiscally dependent school district - that is, it depends on the City to approve its budget and levy its taxes, within constitutional spending and debt limits. Under Section 2576 of the education law, the Mayor and the City Council have the authority - and the duty - to review, modify as allowed under the law, and approve the district's budget. The Mayor also has significant existing authority under Section 2580 of the Education Law with respect to expenditures that can and should be reviewed prior to authorizing spending. Mayor Warren and the City Council must exercise that authority over the school district's budget.

From a financial standpoint, the City of Rochester provides \$119 million of the most recent \$931 million school district budget - a level of city support that has been unchanged for years. For the 2019-20 school year, Rochester received more than \$675 million in total formula-based aids on the School Aid run, and since 2012, the City has received a \$230 million or 52% increase from New York State. With regards to funding, even the State Education Department's Distinguished Educator for the district said in a formal statement, "I hope I've made clear in the report that the poor student achievement in this district is not the result of a lack of funding."

The State Education Department likewise has the power under existing law to take steps to improve underperforming schools. There are 14 schools determined to be low performing and therefore are eligible for additional intervention by the State Education Department. Under current law, SED has the power being requested now to appoint an independent receiver; SED has not used that power here. Further, in November 2018, SED's own appointed Distinguished Educator cited many of these same issues: a district paying little attention to teaching and learning; a lack of accountability; and a structural deficit. These are not new issues.

Fortunately, there are laws in place that provide legal recourse and a remedy to these challenging issues. The State Education Department should immediately take the following actions under the Education Law:

- *Assist with the Comptroller's Audit:* The Office of the State Comptroller announced they will begin an audit. SED must stand-by and be ready to assist the Comptroller.
- *Initiate a SED Investigation:* Under §308 of Education Law, the Commissioner has the power and duty to begin processes or proceedings to enforce any provision of Education Law or other law relevant to school districts. The Commissioner should immediately investigate public allegations of mismanagement and fraud.
- *Investigate and, if Necessary, Remove School Board Members and School Officers:* Under §306 of Education Law, the Commissioner of Education is empowered to remove school board members and school officers for a willful violation or neglect of duty under the Education Law or willfully disobeyed a decision, order, rule or regulation of the Board of Regents or Commissioner of Education.
- *Immediately Reappoint a Distinguished Educator:* The Commissioner should reappoint a Distinguished Educator for Rochester pursuant to Education Law §211-C. Rochester's previous Distinguished Educator resigned in June, 2019 and a replacement has not yet been appointed.
- *Immediately Place Schools in Receivership:* Rochester City School District currently has 14 schools designated under §211-F of Education Law. The Commissioner could use her authority to place all eligible schools into independent receivership to ensure accountability and turnaround in schools that have been struggling for years.

All of the actions listed above can be accomplished under current law. I strongly urge you to begin implementing these actions immediately. For the students and families in the district now, there is no time to waste.

Thank you for your cooperation and attention to this matter.

Robert Mujica
New York State Budget Director

###

[Budget Home Page](#) | [Press Releases](#)