

Rochester Board of Education
Finance Committee Meeting of the Whole
March 29, 2016

Attendance: Commissioner Cruz (Chair); Commissioners Adams, White and Hallmark.

Parent Representative: Giancarlo Giannini.

District Staff: Interim Superintendent Linda Cimusz; Lauren Poehlman, Chief Financial Officer; Everton Sewell, Budget Director; Dr. Christiana Otuwa, Deputy Superintendent for Teaching & Learning; Adele Bovard, Deputy Superintendent for Administration; Kirstin Pryor, Office of School Innovation; Christopher Suriano, Director of Special Education; and Kathleen Saville, Grants Director.

Board Staff: Debra Flanagan

Commissioner Cruz convened the meeting at 6:02PM.

I. Round 1 of Budget Review: Sections 1 through 3 of the Budget Book

Commissioner Cruz noted that this evening's meeting is to review Sections 1 through 3 of the Budget Book, and examination of Section 4 can begin if time permits. Below are the sections for discussion in this evening's meeting:

- Section 1: Introduction and Overview
- Section 2: Policies, Priorities, and Plans
- Section 3: District-Wide Summary Budget

Commissioner Cruz stated that the next round of budget deliberations will include Section 4 (School Profiles and Budgets) and Section 5 (Program Profiles and Budgets). The next budget deliberation meeting is scheduled for Tuesday, April 12th, and questions for Round 2 are due on Monday, April 4th.

Ms. Poehlman reported that further information about the amount of NYS Aid to the District in 2016-17 should be available within the next few days, as the State budget is finalized. She noted that options for maximizing resources and identifying efficiencies are currently being examined.

Commissioner Adams thanked the Administration for the explanation of changes in NYS Special Services Aid, and requested information about the gap between District resources and the needs of students with disabilities. Ms. Poehlman replied that there was an expectation that all services would be provided using a different model, and there was a delay in staffing for some classes, Special Education, and placement because the model did not come to fruition as expected when the budget was developed last year. Ms. Poehlman reported that the District is now planning to put all of the classes in place with all available resources to ensure that mandates are met. She acknowledged that there are issues at times in finding qualified candidates to fill positions in Special Education, particularly for bilingual classes. Ms. Poehlman noted that the state provides additional aid for students in Special Education programs, but the gap between resources and the

need for services is due to the planning process and adequate staffing. She expressed confidence that the proposed 2016-17 RCSD budget will meet students' needs because of improvements in the projections used and in the planning process. Ms. Poehlman pointed out that there will always be issues regarding services to meet the needs of students with disabilities because of changes in need over time. She asserted that the District is planning as best as possible in advance and maximizing resources to meet the needs of students with disabilities first, and then addressing other school needs.

Dr. Otuwa contended that the District has under-projected the needs of students with disabilities for the last two years. She stated that this is the first year that these needs have been examined systematically to ensure adequate resources and services.

Commissioner Adams requested further detail regarding the projected decrease of \$1.3M in NYS Special Services Aid from 2015-16 to 2016-17. She noted that the District apparently under-projected the need for services for students with disabilities over the last two years, but the information provided in response to this budget question (1.2) indicates that RCSD received excess revenue from Special Services Aid. Ms. Poehlman clarified that RCSD revenue projections for this Aid were overly optimistic, and should have been based on reports submitted to the state for reimbursement rather than on the Governor's proposed allocation. She explained that although cost savings were expected from new class configurations, the District over-budgeted the amount of Aid revenue. Ms. Poehlman noted that Special Services Aid revenue was reduced in the last amendment to the 2015-16 RCSD budget, and a much more conservative estimate is contained in the proposed 2016-17 budget.

Commissioner White referred to the goals outlined in the 2016-17 Budget Book (Section 2, p. 13-15) regarding establishing a pilot program for neighborhood and community schools, revising the Code of Conduct to implement a new community-wide approach, and establishing new school managers. He asserted that each of these projects/initiatives could result in significant cost to the District, and asked how each would be funded. Ms. Poehlman stated that if NYS Aid is not sufficient to close the District's budget gap, then efficiencies will have to be found in other areas to support these initiatives. She added that it is hoped that at least some of the cost of these initiatives will be covered through grant funding. Ms. Poehlman pointed out that decisions will have to be made in prioritizing among existing programs and new initiatives.

Ms. Bovard reported that a proposal is currently in the NYS Assembly to allow a pilot transportation project in up to five RCSD schools to promote neighborhood schools. She noted that it is hoped that the bill will receive the support of the NYS Senate and Governor, and that the three-year pilot project will demonstrate efficiencies and enable expansion to additional RCSD schools.

Dr. Otuwa discussed the importance of examining programs and initiatives strategically to support those that will have the greatest impact over the next year.

Commissioner White expressed concern about the substantial changes involved in each of the proposed initiatives, for which the outcomes are unknown. He asserted that the current Code of Conduct must be revised to provide support services to students and divert from the use of suspension, but consideration has to be given as to the methods for implementing these changes and the associated costs.

Giancarlo Giannini requested clarification of the information provided in response to a question that had previously been submitted (1.39) regarding the impact of expanded learning time on student achievement outcomes. He pointed out that the graph showed different academic performance results for the comparison group of students, particularly at School No. 9, 10, and 23. Kirstin Pryor explained that students in the expanded learning program at each school were matched with a student with similar demographic and academic achievement levels to form the comparison/control group for each school. She stated that this is the cause of the apparent variation in performance among students in the comparison/control group for each school.

Commissioner Hallmark expressed concern that all of the contingency funds in the proposed 2016-17 RCSD budget will be used to support the educational partnership at East High School, and will not be available for any other purpose. Ms. Poehlman replied that the plan is to replace \$5M of the contingency funds, but the situation is uncertain because a projected \$24M budget gap remains. She stated that the basic program has to be funded first before considering replenishing contingency funds. Ms. Poehlman clarified that \$450K is part of the budget under the educational partnership (EPO) for East High School, which is separate and distinct from the other RCSD schools. She added that the remaining \$4.5M of the anticipated contingency funds has not been budgeted.

Commissioner Cruz observed that there has been quite a lot of discussion about the effect of charter schools on the District, but data has not been provided to show the fiscal impact from the decline in RCSD student enrollment. He requested information detailing the different ways in which increasing numbers of students attending charter schools affects the District's fiscal condition, and an overall estimate of the net expense per student. Ms. Poehlman responded that the effects of increasing numbers of students attending charter schools encompass many different areas/departments in the District, some of which are readily identifiable (e.g. charter school tuition, transportation). She explained that the District essentially shares operating expenses and revenue with charter schools, but the District has not reduced operating costs proportionately with the decline in RCSD student enrollment. Ms. Poehlman noted that NYS Aid is provided to the District to assist in adapting to the transition to charter schools, but the underlying costs must be addressed to mitigate the fiscal impact.

Action Item: Ms. Poehlman will prepare an analysis of the major financial factors affecting the District from an increasing number of students attending charter schools, including an estimate of the overall net cost per student.

Commissioner Cruz noted that it is common to hear charter school operators state that their payments are inadequate to cover operating expenses, claiming to receive only 85% of the amount of aid given to school districts. Ms. Poehlman replied that payments/tuition to charter schools is based on RCSD average *operating* costs, which do not include all costs. She pointed out that charter schools do not have to bear certain costs, such as debt service for capital improvements and repairs of facilities or revitalizing schools under the Facilities Modernization program (FMP). Ms. Poehlman noted that the FMP is funded by the state and the District pays a certain share of the costs. She emphasized the importance of considering the specific items included in costs and revenue when comparing financial data from charter schools and the District.

Commissioner Cruz stated that there are many misconceptions about funding for charter schools, and emphasized the value of having a breakdown of revenue and costs to understand the fiscal impact and to explain this to the larger community.

Commissioner Adams pointed out that a lot of the material contained in Section 2 of the Budget Book is from a previous administration, and suggested updating this section. She stated that the information is misleading, particularly since the annual targets are projections and not based on actual figures (Section 2, p. 16). Superintendent Cimusz replied that this section will be updated in the final Budget Book, with a status report regarding each of the targets.

Commissioner Adams discussed concerns about contingency funds and the District's fiscal condition. She asked about the amount that will remain in the Fund Balance after using a portion to cover the 2016-17 budget gap. Ms. Poehlman replied that approximately \$10M will remain in the undesignated Fund Balance, with \$11M to be used in 2016-17 to cover some of the projected budget gap. She stated that \$11M of the undesignated Fund Balance was used in 2015-16 and the District hopes to have approximately \$5-6M left by the end of the current fiscal year, after applying the \$11M for 2016-17.. She explained that the District is required to set aside about \$20M for RCSD retiree benefits, although the State does not allow funds to be set aside specifically for this purpose. Ms. Poehlman noted that these funds have to be held in reserve in the undesignated Fund Balance.

Commissioner White referred to a table presented in Section 2, p. 16, which illustrates annual goals on leading performance indicators. He pointed out that the District has not attained these goals, and asked why this table has not been updated in the Budget Book. Commissioner White noted that this raises questions about the credibility of information presented to the public. Ms. Bovard clarified that 2012-13 data was used as the baseline for the indicators, and the annual data presented after that year is based on projections. Superintendent Cimusz responded that she had asked staff to update this data, and assured that she would follow up to rectify this concern.

Mr. Giannini discussed the information provided in response to a budget question that had been submitted previously regarding staffing and the number of students in the Special Education program (1.24). He requested data regarding annual changes in staffing in Special Education; the number of students in the program in 2015-16 and projected for 2016-17; and a breakdown of students in the program by classification for 2015-16 and projected for 2016-17.

Action Item: Information will be provided to the Board of annual changes in staffing for Special Education programs; the number of students in Special Education programs in 2015-16 and projected for 2016-17; and a breakdown of the number of students in the program by classification for each of these years.

Commissioner Hallmark requested clarification regarding the shift from the Integrated Co-Teaching model to the Consultant Teacher model in Special Education, and the impact on student outcomes. Chris Suriano explained that he joined the District in October 2013, when the District was collaborating with the State Education Department regarding the continuum of services for students with disabilities to identify specific areas for improvement and alignment with NYS regulations. He noted that one key component was the integrated model for students with disabilities. Mr. Suriano explained that the Integrated Co-Teaching (ICOT) model was the primary model used in the District at that time. He asserted that the majority of students with

disabilities should be receiving services under the Consultant Teacher model, based on individual need and integrated into the General Education classroom. Mr. Suriano explained that the Consultant Teacher model involves providing services *only* in the specific areas in which the student needs additional support. He stated that the ICOT model was proposed by the state to give school districts the option to increase the number of students with disabilities integrated into the General Education classroom. Mr. Suriano noted that ICOT was designed for students with disabilities who required a special class, but enabled integration into the General Education classroom by including a Special Education teacher. In this way, the ICOT model led to having two full-time teachers in one classroom throughout the day on a daily basis and grouping of students with disabilities with similar needs. Mr. Suriano contended that there has been over-reliance on this model in the District, and efforts are needed to examine the specific needs of each student to identify the best placement and services for each individual. He emphasized the importance of developing a continuum of services and of improving identification of students best suited for each model. Mr. Suriano stated that this shift is occurring as Individual Education Plans are reviewed, and the District will need to retain both models to meet students' needs.

Commissioner Hallmark asked about the degree to which Consultant Teachers move among schools and students. Mr. Suriano replied that the nature of this model necessitates having Consultant Teachers move among classes, but attempts are made to mitigate the impact of this by keeping teachers from offering instruction across too many grade levels and also by utilizing Resource Rooms.

Commissioner Hallmark observed that the frequent transitions and individualized services provided by Consultant Teachers would require increased planning time, and asked how this is arranged. Mr. Suriano reported that the planning time currently varies among schools, but will be built into the schedule for every building. He acknowledged the need to improve in providing planning time for Consultant Teachers and ensuring consistency throughout the District. Mr. Suriano stated that he has been working closely with the Placement Office and school administrators to assist in developing schedules as soon as information is available regarding the number of students with disabilities expected to move into the school in September. He added that schedules are developed to maximize efficient utilization of staff and to ensure that planning time is incorporated. Mr. Suriano stated that the goal is to improve planning and scheduling, so that projected caseloads and schedules are developed for every Consultant Teacher by the end of the school year in preparation for the upcoming year.

Commissioner Hallmark inquired about the District's continued use of a master schedule, and the way that this operates with other services requiring greater flexibility. Ms. Bovard responded that the District uses a hybrid approach, in which school principals develop the schedule and the central registrars enter it into the Power School Scheduling module.

Commissioner Cruz stated that he has received many reports from parents concerned about the District's Special Education program, and asked about actions planned to improve the program in the next year and how these plans are reflected in the proposed 2016-17 RCSD budget. Dr. Otuwa replied that five key areas have been identified in need of improvement: 1) the continuum of services and the gap between assessment and IEP development and the actual services provided after the student begins school; 2) professional development to ensure consistency and provide feedback to teachers about their instructional practices. She stated that

Mr. Suriano could provide greater detail about the improvements needed in the Special Education program.

Mr. Suriano discussed a critical need for programs and classroom options for bilingual students with disabilities. He reported that he has been working with the State to develop criteria for a disability requiring bilingual Special Education versus supports needed in specific areas. He also discussed the importance of staffing and having an adequate number of bilingual Special Education teachers. Mr. Suriano described current efforts to collaborate with the Human Capital Initiatives Department to create an aggressive recruitment plan to encourage more bilingual Special Education teachers to come to Rochester.

Superintendent Cimusz noted that the District's past under-funding of Special Education programs led a number of teachers to be let go at the end of the school year. Then when the District attempted to re-hire Special Education teachers in September to meet students' needs, many had accepted positions elsewhere. The Superintendent asserted that incorporating the necessary staffing for Special Education into the proposed budget will help prevent this situation from recurring.

Commissioner Cruz expressed appreciation for efforts to distinguish between language barriers and disabilities, noting that past practice was to place all English Language Learners in Special Education. He recommended that a staffing plan be developed, with strategies for filling specialized teaching positions. He emphasized the need to consider alternative approaches for recruiting candidates to fill these positions because students cannot continue to be denied needed services. Commissioner Cruz pointed out that this is the core responsibility and priority of the District.

Action Item: A staffing plan will be developed and presented to the Board, including strategies for recruiting and retaining staff in specialized teaching positions (e.g. Special Education, ELL, Bilingual, etc.)

Ms. Bovard reported that the Chief of Human Capital Initiatives, Harry Kennedy, has been crafting a plan to enhance staff diversity. She stated that this plan involves collaborating with colleges and identifying teachers who are bilingual and/or dual-certified.

Dr. Otuwa discussed the work being performed by Mayra Ortiz, Director of the Bilingual Program, to recruit graduates from teaching programs throughout the country.

Superintendent Cimusz pointed out that qualified candidates may visit Rochester, but they do not tend to stay unless extra effort is made to reach out to them on a personal level to help them acclimate to the District and the City.

Commissioner Cruz suggested involving community organizations in assisting in integrating newly arrived staff members into the community and establishing personal connections.

Commissioner Adams commented on the importance of valuing teachers and improving staffing stability, which is especially critical for new teachers who do not have seniority and therefore considerably less job security. She stated that the lack of stability is especially critical in being

able to fill high-need staffing positions. Commissioner Adams observed that stable, adequate staffing is essential in supporting any District initiative.

Commissioner Adams referred to a question that had been submitted previously regarding the impact of restructuring the Grants Department last year. She stated that the response to this question (1.35) did not provide specific information about the District's current ability to seek and obtain competitive grants, especially in support of proposed initiatives. Kathleen Saville replied that staffing capacity was examined and efficiencies were identified last year, which led to downsizing. She pointed out that this was based on a review of the grants offered over the last several years, which indicated that most K-12 grants are federally funded and/or passed through the state. She stated that the District has applied for most of the grants available at the state level. Ms. Saville noted that many of the federal grants at this point are for research and awarded to institutions of higher education with partnerships with K-12 public schools. She stated that RCSD is involved in many of these partnerships. Ms. Saville pointed out that many grants are awarded one time for new programs or initiatives, which creates problems with long-term sustainability. She reported that the main focus of the Grants Department is to seek opportunities and support for existing programs in the District, and efforts have been made to engage community partners to speak on behalf of the District.

Commissioner Adams discussed an interesting idea generated through discussion with a parent of a student at Wilson Commencement Academy. She noted that many medical residents come to the University of Rochester Medical Center and wind up staying here. The suggestion is to build on this by creating an urban educator residency program in the District to attract more diverse candidates and assist in filling specialized teaching positions. Commissioner Adams pointed out that the District could leverage resources with local colleges in this effort.

Commissioner White referred to a graph of RCSD student enrollment since 2010-11 (Section 2, p. 24), noting that the projections each year reflect the expectation of a continued downward trend. He expressed concern about the District adopting a deficit viewpoint in assuming continued loss of students, rather than focusing on actions that can be taken to reverse this trend. Commissioner White suggested using student enrollment data for the current year as the baseline for projected growth next year. He urged the Administration to find ways to promote the District through the Communications Department and school principals. Commissioner White contended that student enrollment will continue to decline and the District will continue to have budget deficits as long as a defeatist stance predominates. He recommended that student enrollment data be examined in depth to identify the factors affecting this decline, and then developing a strategic plan to address each of these factors.

Commissioner Hallmark requested additional information regarding the work of the Curriculum Council in revising the current curriculum to enhance cultural relevance. She asked about the current status of this work and plans for implementation. Dr. Otuwa replied that five curriculum writers have been engaged in this work, which needs to continue. She stated that additional funding from the state would help support this effort.

Commissioner Hallmark pointed out the criticality of addressing curriculum content and cultural relevance, particularly in light of declining student enrollment. She emphasized the importance of curriculum content in engaging students.

Superintendent Cimusz asserted that the District has to build internal capacity and expertise to obviate the continuing need to contract with outside entities for curriculum work and professional development.

Commissioner Cruz reminded his colleagues that the budget questions for Round 2 are due on Monday, April 4th, with the 2nd budget deliberation session on April 12th and the 2nd public budget hearing on April 14th.

Motion by Commissioner White to adjourn. Seconded by Commissioner Adams. **Adopted 3-0, with concurrence of Parent Representative.**

Meeting adjourned at 7:26PM.