

**Rochester Board of Education  
Finance Committee  
February 18, 2016**

**Attendance:** Commissioner Cruz (Chair); Commissioners Evans, Hallmark, White, Adams (joined at 6:31PM), and Powell (joined at 5:35PM).

District Staff: Lauren Poehlman, Chief Financial Officer; Everton Sewell, Budget Director; Annmarie Lehner, Director of Information Management & Technology; Linda Cimusz, Interim Superintendent; Tim Schmandt, Director of Purchasing; and Adele Bovard, Deputy Superintendent for Administration.

Parent Representative: Giancarlo Giannini (arrived at 5:40PM)

Board Staff: Debra Flanagan

Commissioner Cruz convened the meeting at 5:30PM.

**I. Review Minutes of January 21, 2016 Finance Committee Meeting**

**Motion** by Commissioner Evans to approve the minutes of the January 21, 2016 Finance Committee meeting. **Adopted 2-0.**

**II. Review and Discuss January 2016 Financial Report and Proposed Amendments to 2015-16 RCSD Budget**

- 1. Amend 2015-16 General Fund Budget to \$686,531,302 to reflect a net reduction of \$253,424: Resolution No. 2015-16: 557**
- 2. Amend 2015-16 Special Aid Grant Fund Budget to \$116,187,457 to reflect a net increase of \$4,672,850: Resolution No. 2015-16: 558**
- 3. Retain 2015-16 School Food Services Fund at \$20,932,000: Resolution No. 2015-16: 559**
- 4. Amend overall 2015-16 RCSD Budget to \$823,650,759 to reflect changes in above funds: Resolution No. 2015-16: 560**

Everton Sewell explained the major factors affecting changes to the 2015-16 RCSD budget at this point, noting that the overall budget has increased by approximately \$4.4M since the last budget amendment in December 2015 to a total of \$823M. He reported that these budget amendments reflect the figures that will be included in the Budget Book for comparison with 2016-17 budgeted amounts.

Mr. Sewell stated that General Fund revenue decreased slightly (\$253K) to a total of \$686.5M, while the Special Aid Grants Fund increased by approximately \$4.7M to \$116.2M. He reported that the School Food Services Fund remained unchanged since December 2015 at \$20.9M.

Although there was an increase in General Fund revenue of about \$2.7M in additional Special Service Aid due to improved recording of students enrolled in CTE courses, this was offset by a requirement from the NYS Education Department to account for the \$3.3M in State Turnaround funding as Special Aid Grant Funds. The \$3.3M was deducted from the General Fund and credited to the Special Aid Grant fund. Mr. Sewell explained that the \$3.3M in NYS grant funding was for the educational partnership for East High School, which was approved earlier than the plans for the other RCSD “persistently struggling” schools. At the time, guidelines were not yet available about accounting for this grant revenue and it was credited to the General Fund. Since then, the NYS Education Department has directed school districts to account for this grant revenue in the Special Aid Grant Fund.

Commissioner White noted that the District advanced \$3.3M to support the educational partnership for East High School, and inquired whether the funds have actually been received from the NYS Receivership Grant to reimburse the District. Mr. Sewell confirmed that the District has received these funds from the State.

Commissioner Evans asked about the length of time for which the \$3.3M is supposed to support the educational partnership. Mr. Sewell responded that these funds were awarded under the NYS grant for the current fiscal year, and another \$3.6-3.8M is expected for 2016-17.

Commissioner Evans requested detail regarding the number of FTE in staffing supported through grant funding under the educational partnership for East High School. Mr. Sewell stated that a breakdown in terms of the funding sources for staffing under the educational partnership has not yet been developed. He noted that he is uncertain about the extent to which the University of Rochester team understands that positions will have to be eliminated if the grant funding is no longer available to support them.

Commissioner Evans expressed concern about the possibility of the General Fund absorbing the cost of additional staffing under the educational partnership if grant funding is no longer available. He urged the Administration to begin discussing this issue with the University of Rochester leadership team.

Commissioner White recalled that the University of Rochester (UR) team has been adamant about participating in the educational partnership *only* if sufficient resources were provided to support the improvement plan for East High School. He commended the UR team for insisting on a plan that has the resources to be put into effect for real school transformation. Commissioner White added that the Governor has been increasing support for turning around struggling schools.

Interim Superintendent Linda Cimusz disagreed, reporting that the \$75M contained in the Governor’s proposed 2016-17 NYS budget is *not* new funding because it simply continues the same allocation for “persistently struggling” schools that was initiated in 2015-16 for a two-year period. She cautioned that there is no additional or new funding for these schools in the proposed 2016-17 NYS budget.

Commissioner Powell pointed out that if the State restored Foundation Aid to the levels promised a decade ago, the District would not have to be dependent on uncertain, unstable grant revenue and effective programs could be sustained over the long-term. As an example, she noted that the

recent arts integration study demonstrating significant gains in student achievement could be implemented throughout the District on an ongoing basis. Commissioner Powell also discussed the impact of unstable revenue in compelling the District to reduce allocations from successful schools to support struggling schools, thereby jeopardizing the successful schools.

Commissioner Powell inquired whether the proposed amendments to the 2015-16 RCSD budget are based on actual revenue, rather than projections. Mr. Sewell confirmed that the proposed budget amendments were developed based on actual receipt of funding.

Commissioner Cruz suggested that the Finance Committee begin requesting a sustainability plan for programs and initiatives that have been funded through grant revenue to ensure continuity after the grant ends. He pointed out that requesting a sustainability plan in advance would encourage exploration of other funding options and advance planning of programs and initiatives in the District.

Mr. Sewell added that consideration must be given to the long-term sustainability of improvement plans for the other “persistently struggling” schools in the District (School No. 9, Charlotte High School, and Monroe High School), as well as the ten RCSD “struggling” schools that have to demonstrate significant improvement by the end of the 2016-17 school year to avoid external receivership. He reported that the following grant funding has been provided in 2015-16 to support RCSD “persistently struggling” schools: \$1.3M for School No. 9; \$1.1M for Charlotte High School; and \$1.8M for Monroe High School. The District has also allocated \$1.2M from the General Fund for the ten “struggling” schools, and revenue has not been provided by the State for these schools.

Commissioner Cruz suggested developing budget projections for the next two to three years to account for discontinuation of specific grants, and to plan for corresponding cost reductions.

Mr. Sewell reported that General Fund revenue was also affected by an increase of approximately \$444K in Stop Loss Reimbursement, which protects the District from cost overruns when health care claims exceed a specific threshold. He stated that a number of high-cost health claims were submitted last year, and further investigation is needed to determine whether this might indicate ongoing higher costs under the District’s health care self-insurance plan. Mr. Sewell added that this investigation is complicated in light of privacy considerations under the Health Insurance Portability & Accountability Act (HIPAA).

Mr. Sewell reported that the net increase of almost \$4.7M in the Special Aid Grant Fund is due primarily to receipt of \$7.876M for a NYS Receivership School Grant, \$680K for NYS Extended Learning Grant, and reclassification of several federal grants.

Mr. Sewell discussed the Available Funds Report, which provides an explanation of expenditures with greater than 10% variance from levels in the previous year for the same category. Below are the highlights from this report:

- A higher percentage of expenditures this year for substitute teachers because of a greater number of vacancies in these positions, as compared to last year.

- Expenditures for Teacher In Service are higher this year than last year because of the \$10K stipend provided to each teacher at East High School for professional development under the educational partnership.
- Expenditures for civil service substitutes are also higher this year than for last year, and Mr. Sewell stated that vacancies and use of substitutes in these positions will be examined.
- A lower percentage of expenditures has been made this year for textbooks because a large order for science textbooks was placed last year.
- Expenditures for equipment other than buses is higher this year because of the need to purchase refrigerated trucks to support the Food Service program.
- In response to a request made by school principals, this year the District began withholding 10% of each school's allocation until after BEDS day. Principals suggested withholding a percentage of the school allocation to account for differences between projected and actual student enrollment, so that any remaining funds would be provided to the school later in the year. Previously, the District provided funding to each school based on projected student enrollment and then required funds to be returned to adjust for actual enrollment. Principals considered it much easier to be given a slightly smaller allocation initially than to have to return funds later in the school year.

**Motion** by Commissioner Powell to approve the January 2016 Financial Report and above proposed amendments to the 2015-16 RCSD budget. Seconded by Commissioner Evans.  
**Adopted 3-0, with concurrence of Parent Representative.**

Commissioner White added that the Governor's proposed 2016-17 NYS budget includes \$100M in funding to assist failing schools in converting to community schools. He asserted that this new Community Schools Aid provides reason to think that additional funding will be recommended to support these schools.

Lauren Poehlman stated that while the Governor's proposal refers to this new funding, it is not included in any of the budget line items.

Commissioner White asked if the contract with the District's lobbyist is still in effect, and whether he is currently working on this funding issue. Commissioner Powell noted that the original contract with the lobbyist was for advocating for RCSD transportation legislation. Ms. Poehlman added that conversations with the lobbyist have focused on the proposed transportation legislation and have not included any of the District's funding concerns (e.g. NYS Aid, Foundation Aid, School Aid, etc.).

Interim Superintendent Cimusz reported discussing the Governor's proposed 2016-17 NYS budget with Jennifer Pyle at the Office of the Big Five. She stated that Ms. Pyle was clear about the \$75M in NYS funding not being new revenue for struggling schools, but simply fulfilling the commitment to provide this funding over a two-year period. Superintendent Cimusz clarified that the \$100M in Community Schools Aid is new funding, but primarily for schools that are required to convert to community schools as a condition of being placed under external receivership.

Commissioner Hallmark inquired about the rationale for the NYS grant funding allocated to Charlotte High School, since the school is planned to close at the end of the current school year. Interim Superintendent Cimusz explained that the funding was allocated on the basis of student enrollment, but the State has since reduced the allocation for Charlotte High School in the current year. She noted that the District is advocating for this funding to be returned, so that it can be allocated to other struggling schools.

## **VI. Review Resolutions in Preparation for February 25, 2016 Board Business Meeting**

### **A. FACILITIES**

#### **Final Payments:**

- 1. Invictus Electrical, LLC – final payment for electrical work in renovating Wilson Foundation Academy – Resolution No. 2015-16: 561**
- 2. Invictus Electrical, LLC – final payment for electrical work in renovating School No. 52 – Resolution No. 2015-16: 562**

**Motion** by Commissioner Powell to address above Facilities resolutions as a group. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

**Motion** by Commissioner Powell to approve above Facilities resolutions. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

## **VII. Discussion of Smart Phone Application for Parents**

Commissioner White discussed development of a software application for smart phones that would assist parents in accessing important information about their children’s assignments, grades, and overall academic performance. He reported that the application was developed by the RCSD Information Management & Technology Department in collaboration with the district-wide Parent Advisory Council. Commissioner White noted that the application would be customized for RCSD parents to enhance its appeal and functionality, but this would also increase the cost.

Annamarie Lehner explained that the proposed smart phone application (“ParentLink”) would be provided by Blackboard, which also maintains the District’s robocall system and website. She reported that ParentLink would be integrated with the Student Management System, the District website, and Power Teacher Gradebook, so that updates to these systems would automatically update ParentLink.

Ms. Lehner noted that the District has had the ParentConnect system for several years to enable parents to access their child’s attendance, courses, assignments, and grades. She acknowledged that ParentConnect has not been as successful as hoped, largely because many families do not have a computer and broadband access at home. For this reason, a smart phone application would make student information more readily accessible to parents and encourage their involvement in their child’s education.

Ms. Lehner noted that the proposed smart phone application was developed in collaboration with the district-wide Parent Advisory Council, which expressed appreciation for this mobile application over the existing ParentConnect system.

Ms. Lehner stated that teachers and principals have also been consulted about the proposed application, and notified of the importance of updating school websites and the Power Teacher Gradebook to ensure that the most current information is provided to parents.

Commissioner Evans expressed concern about the failure to update information in the District's systems on a timely basis, noting that this reflects the pervasive climate of low expectations and undermines parent and student engagement in education. He inquired whether the proposed mobile application (ParentLink) would replace the existing ParentConnect system. Ms. Lehner replied that ParentConnect is one module within the District's Power School Student Management System, which will feed information into the mobile ParentLink application. She stated that parents will be able to use ParentConnect and/or ParentLink, depending on their situation and preference.

Commissioner Evans inquired about the need for a licensing agreement with Blackboard for the ParentLink application, and expressed concern about licensing and annual fees increasing significantly after the first year. Ms. Lehner replied that a licensing agreement will not be necessary, and the cost to the District will amount to \$37K for annual maintenance fees.

Commissioner Powell pointed out that the utilization data for ParentConnect may underestimate usage because she only went to the ParentConnect website once to set up her account. She explained that she set up her account to automatically send her an email notification when specific conditions occur (e.g. student's absence, failure to turn in an assignment, etc.). Commissioner Powell noted that this initial setup prevented her from having to go to the ParentConnect website to obtain the information she needed about her child. For this reason, the number of visits to the website may not accurately record actual utilization of the ParentConnect system.

Commissioner White stated that he understood the basic problem to be low parent enrollment in the ParentConnect system, rather than a low utilization rate by those who have enrolled. Ms. Lehner clarified that these have both been issues affecting the ParentConnect system: low parent enrollment and low utilization rates (based on the number of times a user has logged into the system). She added that mobile applications to enable parents to access student information are becoming commonplace in school districts throughout the country.

Commissioner Evans requested that the District negotiate costs for the ParentLink system to ensure sustainability over the long term. He suggested that the contract delineate a maximum percentage increase in annual fees to contain costs in the future.

Parent Representative Giancarlo Giannini asked about the date when the ParentLink system would be available. Ms. Lehner replied that a pilot will begin with families at eight schools on March 1<sup>st</sup>, which will enable any glitches to be rectified before expanding throughout the District in September.

**Action Item: Ms. Lehner will provide the list of eight schools to pilot the proposed ParentLink system beginning March 1<sup>st</sup> to members of the Finance Committee.**

Commissioner White observed that negotiations are currently under way with the Rochester Teachers' Association (RTA), and the contract should incorporate a provision regarding teachers updating the Power Teacher Gradebook in a regular, timely manner. He added that updating and recording students' attendance, assignments, and grades is a basic aspect of teaching, and consequences should result if this basic requirement is not met.

Commissioner Cruz inquired whether routine updates to the Power Teacher Gradebook are currently considered part of teachers' responsibilities. He questioned whether more specific guidelines are needed in terms of the frequency of updates and consequences for not updating this system. Ms. Bovard clarified that entering information about students' attendance, assignments and grades in the Power Teacher Gradebook was initially on a voluntary basis, when the system was new. She stated that entering and updating this information is now required.

Commissioner Hallmark discussed the many responsibilities that teachers assume and their need to prioritize in light of these responsibilities and time constraints. She asserted that entering information into the system regarding grades and assignments is often considered "bookkeeping" and may not be done on a daily basis. Commissioner Hallmark explained that lesson planning and review of students' work typically take precedence over data entry tasks.

Commissioner Powell acknowledged the time constraints faced by teachers, and emphasized the need to consider the timing of information updates in terms of expectations of parents. She cited an example in which she received a notice on the Friday afternoon prior to winter recess, which reported that her son had failed to turn in an assignment earlier in the week. Commissioner Powell stated that there was little to nothing she could do as a parent at that point in terms of following up with her son on this assignment. She suggested that teachers consider the timeliness of information from a parent's perspective and their ability to take action.

Commissioner White contended that timely updates of information in District systems is essentially an accountability issue. He stated that establishing requirements of teachers and other staff members is meaningless, unless there are consequences for failing to fulfill them. Commissioner White added that the District's technology and information systems facilitate data collection and recording to monitor student progress, and this is a basic aspect of a teacher's responsibilities. He asserted that staff must be held accountable in the same way that the District expects parents and students to be accountable for their actions.

Commissioner Cruz asked about alerts in the Power Teacher Gradebook to notify the school administration that teachers are not updating the system on a timely basis. Ms. Bovard responded that there are no automatic alerts in the system to notify school administrators. Ms. Lehner pointed out that principals have administrative access to the Power Teacher Gradebook for all of their teachers, so that they can monitor their information updates at any time. She stated that report cards cannot be issued until teachers have entered all of the grades into the system, which provides some incentive for teachers to enter information into the system. Ms. Lehner reported that 90% of District teachers are currently using Power Teacher Gradebook, but the timeliness of information updates remains a concern.

Commissioner Hallmark stated that she would prefer using positive reinforcement to encourage teachers to update the system (e.g. recognition for the classroom with the most informed parents), rather than imposing punitive consequences.

Commissioner White suggested that if the Finance Committee is amenable to this proposal for the ParentLink smart phone application, a resolution could be prepared to advance it to the full Board in the February Business Meeting.

Commissioner Powell observed that the current proposal is for development and use of the ParentLink application from now until the end of the current fiscal year, and she inquired about the cost for a full year. Ms. Lehner replied that the full contract would begin as of July 1, 2016 for the full fiscal year for a total of \$37K in annual maintenance fees, and the prorated cost until June 30, 2016 would amount to \$17K.

Commissioner Powell asked whether the prorated \$17K in costs from now until the end of the 2015-16 fiscal year could be absorbed in the Information Management & Technology Department budget. Ms. Lehner responded that these funds are not available in the department budget.

Commissioner Cruz stated that the District will need to examine options to cover the costs of ParentLink until July 1, 2016.

**Action Item: Ms. Lehner will investigate and report to the Board about the ongoing costs for the proposed smart phone application, ParentLink.**

**Motion** by Commissioner Powell to advance the proposal to develop the smart phone application, ParentLink, to the full Board in the February Business Meeting, pending detail regarding ongoing annual costs. Seconded by Commissioner Evans. **Adopted 3-0, with concurrence of Parent Representative.**

## **VIII. Follow-Up Items**

1. Guidelines for Obtaining Additional Funding for Student Mental Health Services under the new federal “Every Student Succeeds Act”

Ms. Flanagan explained that this item was included in the agenda at the request of Commissioner Adams, and a number of staff members from the Administration were contacted regarding guidelines and the availability of federal funding for student mental health services under the “Every Student Succeeds Act”. She stated that she has not yet received a response to this inquiry, but acknowledged that the federal government may not have issued guidelines regarding this funding yet.

Commissioner Cruz suggested that this item be kept on the agenda until further information is available.

2. Community Forums regarding 2016-17 RCSD Budget

Mr. Giannini noted that the District has scheduled a number of community forums to obtain input regarding the 2016-17 RCSD budget. He asked about efforts to notify parents of these forums, so that they have an opportunity to provide input on the 2016-17 RCSD budget. Ms. Poehlmann responded that she will need to check with staff in the Communications Department about publicity/notification efforts regarding these community forums.

Mr. Giannini pointed out that the Office of Parent Engagement frequently notifies parents of District events, and suggested collaborating with them to ensure that parents are aware of these opportunities to have input into the 2016-17 RCSD budget. Ms. Poehlmann replied that she will coordinate efforts with the Office of Parent Engagement.

### 3. Potential Use of Cell Phone and Email Address Information to Establish ParentLink or ParentConnect Accounts

Commissioner Powell observed that the District gathers emergency contact information each year from parents, and inquired whether accounts could be set up for parents in ParentLink or ParentConnect based on their cell phone number and/or email address. She stated that the high level of mobility among District families poses difficulties in maintaining current mailing address information, but cell phone and email address information may change less frequently. Setting up these accounts for parents based on their cell phone information would provide greater assurance that they are notified of important events in the District.

Ms. Lehner replied that this option was considered in developing the ParentLink application, but the vendor declined to implement this approach because of concern that the contact information may not be current and information may be sent to the wrong person.

Commissioner Powell pointed out that reducing the risk of sending information to the wrong person leads to a corresponding increase in risk of failing to inform/notify the right person (i.e. parents) when necessary. She expressed concern about the District's reliance on unsubstantiated (and potentially outdated) contact information, particularly in urgent or emergency situations (e.g. student accident).

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

Meeting adjourned at 6:37PM.