

**Rochester Board of Education
Finance Committee
February 10, 2011
5:30PM**

MINUTES

Attendance: Commissioner Powell (Chair) and Commissioner White. Commissioner Cruz absent due to being out of town. Parent Representative: Betsy Rice. District Staff: Jim Fenton, Joyce Martelli, Jerome Underwood and Vern Connors. Board Staff: Debra Flanagan

Commissioner Powell convened the meeting at 5:49 p.m.

I. Review and Approve Minutes of January 13, 2011 Finance Committee Meeting

Motion by Commissioner White to approve the minutes of the January 13, 2011 Finance Committee meeting. **Adopted 2-0, with concurrence of parent representative.**

II. Discussion of Late Submission Resolution

Office of Strategic Leadership

1. Ascendant Strategy Management Group, LLC – to provide leadership in developing a strategy map incorporating the Balanced Scorecard to evaluate progress toward Strategic Plan goals – Resolution No. 2010-11: 580

Jim Fenton reported that many school and operational staff members do not understand the way in which their work fits into the Strategic Plan. He explained that the request for a contract extension with Ascendant Strategy Management Group is to operationalize the Strategic Plan to make it more accessible to staff at all levels, and to evaluate progress toward goals. He noted that the contract extension will be paid through funds remaining in the budget for the Office of Strategic Leadership.

Commissioner Powell inquired about the specific additional deliverables that would be provided through the contract extension. Mr. Fenton replied that the extension would enable continued consultation in implementation of the Strategic Plan; staff training regarding data collection, analysis, and use of the Balanced Scorecard; and add site licenses to expand availability of the system supporting the Scorecard.

Parent Representative Betsy Rice asked about the specific information provided through the Scorecard that is not already available to District staff. She noted that the District already has the data for most of the measures on the Scorecard. Ms. Rice inquired about the degree to which new information would be provided under this contract to enable early intervention, rather than simply reflecting the current state of affairs. She cited the Scorecard measure of the percentage of 9th-grade students passing Algebra I Regents exams, pointing out that other indicators are needed to examine the factors affecting performance

on these exams. Mr. Fenton responded that many of the measures are leading indicators of potential academic problems, and the percentage of 9th-grade students passing Algebra I Regents exams is an indicator of their ability to pass Math Regents to graduate and to be prepared for college.

Ms. Rice emphasized the need to know the leading indicators affecting students' ability to pass 9th-grade Algebra I Regents exams to allow earlier intervention, particularly since the subject of math builds on itself and students are unable to progress if missing some of the foundation.

Commissioner Powell noted that the graduation rate cannot be used as the ultimate measure because it is too late to intervene at that point. She emphasized the significance of the percentage of students failing 4th-grade ELA because a large percentage of students failing at this point will lead parents to move to the suburbs to prevent further decline in their child's education. Commissioner Powell stated that this trend results in a weaker cohort remaining in the City School District and a greater number of students struggling and/or failing academically as they move through the school system.

Ms. Rice suggested using a metric which indicates the number of students leaving RCSD in the middle school grades, along with information regarding their academic achievement.

Commissioner White asked how often the data will be collected and analyzed to evaluate progress using the Scorecard. Mr. Fenton replied that a schedule has not yet been developed, but the Scorecard would ideally be updated every 6-8 weeks.

Commissioner Powell described efforts in the past to evaluate District performance; she stated that the data was gathered and analyzed manually. She asserted that the real issue is the way in which the data is used and acted upon to address problems.

Motion by Commissioner White to approve contract extension with Ascendant Strategy Management Group, LLC. **Adopted 2-0, with parent representative abstaining for the following reasons:** measures and Scorecard are too complex; there are too many metrics; and there is too much to analyze – all of these factors impede action. Ms. Rice urged District staff to determine the most significant indicators to focus on to facilitate motivation and ability to act on the data.

Ms. Rice asked about goals for improvement for each of the measures, so that there is a clear plan for addressing problems in each of the specific areas. Mr. Fenton stated that the improvement goals are currently being developed.

III. Budget and Financial Update

Joyce Martelli stated that RCSD will receive a \$4m reduction in NYS funds in 2011-12 according to the Governor's proposed budget. Ms. Martelli reported that the effect of proposed State funding cuts is mitigated to some extent this year by recovery of reimbursements that RCSD should have received in previous years. She stated that the contractor SAS has recovered \$2.5m in reimbursements due to the District from previous years, but this revenue will not be available next year.

Ms. Martelli noted other factors substantially affecting the RCSD budget for next year: reductions in the base level of Foundation Aid, reduction in arbitration payments, removal of funds for evaluation from Foundation Aid, and State funding cuts to promote efficiencies in school districts. She explained that the base level of Foundation Aid has been frozen at 2007-08 levels, and has been further reduced by using federal stimulus funds to replace some of the Foundation Aid. Ms. Martelli stated that removing funds for evaluations from Foundation Aid will reduce the base level for the District even further.

Commissioner Powell noted that capping taxes affects suburban districts. She stated that NYS Aid is paid to districts in need, and therefore these funding cuts affect students in poverty.

Commissioner Powell also pointed out that the Governor has proposed reducing GAP funding by \$10.9m for 2011-12. Ms. Martelli replied that greater reductions are expected in the future, which will further diminish the base level of funding to the District.

Commissioner Powell inquired how the proposed reductions in Building Aid will affect the Facilities Modernization Project (FMP). Jerome Underwood stated that he does not yet know the impact of these reductions, but hopes to learn more at a meeting with State officials on March 7th.

Commissioner White asked about the status of District staff arranging a meeting with City officials to discuss the Maintenance of Effort (MOE) agreement. Ms. Martelli replied that a meeting has been held with City officials and there has been some confusion about the way information is reported on the MOE. She explained that the MOE has reported RCSD revenue and deducted the cost of borrowing on bonds issued by the City. Ms. Martelli noted that the District receives NYS Building Aid to reimburse for borrowing costs, so this will no longer be deducted from RCSD revenue on the MOE reported to the City.

IV. Review and Approve Budget Amendments and January 2011 Financial Report

Ms. Martelli stated that there are three amendments to increase overall revenue due to receipt of NYS Aid and grants. In terms of the January Financial Report, she stated that expenditures to date are typical for this time of year.

Motion by Commissioner White to approve budget amendments. **Adopted 2-0, with concurrence of parent representative.**

Motion by Commissioner White to approve January 2011 Financial Report. **Adopted 2-0, with concurrence of parent representative.**

V. Review of Quarterly Student Activity Funds Report

Ms. Martelli stated that she enlisted the assistance of the Zone Chiefs to obtain information from schools regarding their Student Activity Fund expenditures from October through December 2010. She noted that four schools have not complied in providing this information. Ms. Martelli stated that if schools do not comply after another quarter, their accounts will be closed. Any remaining

Student Activity Funds in these schools' accounts will be transferred into a Trust Fund. She noted that school staff will have to meet with her and agree to follow established accounting procedures in order to have these funds reinstated.

Motion by Commissioner White to accept the Quarterly Student Activity Funds Report for October through December 2010. **Adopted 2-0, with concurrence of parent representative.**

VI. Review of Proposed Resolutions for February 17, 2011 Board Business Meeting

A. FACILITIES

Contracts:

- 1. Blackmon-Farrell Electric, Inc. – district-wide security upgrades – Resolution No. 2010-11: 554**
- 2. Mastro Enterprises, Inc.; Leo J. Roth Corporation; and Kaplan-Schmidt Electric, Inc. – renovations to School No. 23 – Resolution No. 2010-11: 555**
- 3. Steve General Contractor, Inc.; Envoy Environmental Consultants, Inc.; Leo J. Roth Corporation; and Kaplan-Schmidt Electric, Inc. – renovations to School No. 43 – Resolution No. 2010-11: 556**
- 4. Genesee Building Restoration, Inc.; Envoy Environmental Consultants, Inc.; Pipitone Enterprises, LLC; Lloyd Mechanical Co., LLC; and Kaplan-Schmidt Electric, Inc. – renovations to School No. 52 – Resolution No. 2010-11: 557**

Motion by Commissioner White to address all above Facilities contract resolutions as a group. **Adopted 2-0, with concurrence of parent representative.**

Jerome Underwood noted that all of these Facilities contract resolutions reflect work to be performed under the Capital Improvement Plan for this year.

Ms. Rice expressed concern about the wide variation in bid amounts for the same project, asking about the risk that the lowest bidder is omitting an important aspect of the project and/or will request additional payment in the future. Mr. Underwood replied that additional payment will only be made if there is a legitimate change in the scope of the work to be performed.

Commissioner Powell voiced concern about approving resolutions to initiate work under the Capital Improvement Plan when the City is holding up borrowing to fund these projects. Mr. Underwood emphasized the importance of the District preparing for the projects so that they can be initiated as soon as the City issues the bonds for financing.

Commissioner White pointed out that the contracts have not yet been signed and the resolutions simply authorize District staff to award contracts pending financing by the City.

Motion by Commissioner White to approve all above Facilities contract resolutions. **Adopted 2-0, with concurrence of parent representative.**

VII. Review and Discuss Finance Committee Goals for 2011-12 Fiscal Year

Debra Flanagan reported that the Chair of the Board Governance Committee has requested each Board committee to develop goals for the 2011-12 fiscal year. Each committee's goals are to be finalized and submitted to the Board by the March 24, 2011 Business Meeting.

Commissioner Powell asked each of the Finance Committee members to consider goals to be attained next year. She requested that this be included in the agenda for the March 17th Finance Committee meeting.

Motion by Commissioner White to adjourn. **Adopted 2-0, with concurrence of parent representative.**

Meeting adjourned at 7:28PM.

Next Meeting: March 17th, immediately following the Policy Committee meeting