

**Rochester Board of Education**  
**Finance Committee Meeting of the Whole**  
**March 30, 2010**  
**5:30 p.m.**

**MINUTES**

**Attendance:** Commissioner Powell (Chair); Commissioners Evans, Campos, Elliott, and Williams (joined at 5:52PM). Commissioners Cruz and White absent.

District Staff: Superintendent Brizard, Joyce Martelli, John Scanlan, Vern Connors, Kirsten Barclay and Jerome Underwood.

Board Staff: D. Flanagan

Commissioner Powell convened the meeting at 5:36 p.m.

**Section 1: Introduction and Overview**

Commissioners Evans and Elliott requested that the Board of Education be included in the organizational chart for the District.

Commissioner Campos inquired as to the staffing formula used to determine the types and levels of positions to be eliminated. She questioned the extent to which the Administration directed schools to cut positions, particularly those not involved in teaching core courses, and the degree of autonomy provided to principals in making these decisions. John Scanlan reported that a staffing formula was used to determine the number of teachers to cut from the core curriculum, but other positions beyond the core level were left to the discretion of principals to determine based on the needs of their student population. He stated that the staffing formula was based on anticipated student enrollment for each school. Mr. Scanlan clarified that some positions were in schools at the directive of Administration because they were tied to specific programs, such as AVID.

Commissioner Campos asked about the degree of flexibility and autonomy afforded principals from last year to this year. Mr. Scanlan replied that there has not been much difference from last year to this year in terms of increased autonomy because of the significant budget deficit.

Commissioner Elliott requested evidence to support budget projections indicating that health insurance costs will not increase in 2010-11. Mr. Scanlan explained that the rate of increase in health insurance premiums has been capped under the new contract this year. Joyce Martelli noted that the rate has been reduced also due to the shift from a community-rating to an experience-rating, so that premiums will be based on the utilization of District employees and their health status. Commissioner Powell reported that real savings have been realized in the current year under the new health insurance plan and amount to approximately \$4m.

Commissioner Elliott pointed out that the budget does not contain any information as to the pay levels for SEG or other department groups of employees. Ms. Martelli stated that the

structure of the budget is based on models used by other districts. Commissioner Elliott insisted that information as to the amount of pay for each type of position is vital in monitoring how funds are being spent.

Commissioner Powell inquired as to the exact positions indicated as “discretionary” for each school to evaluate in terms of whether they should be retained, asking specifically about reading and math specialists. She noted that applying the same level of cuts in staffing or funding across the board will perpetuate existing inequities among schools, as some schools have much greater resources at their disposal at the outset.

**Action Item:** Mr. Scanlan will provide information as to the specific positions deemed discretionary, and a breakdown of staffing levels for each of these positions from 2009-10 to 2010-11.

Mr. Scanlan acknowledged that there has been a historic imbalance in resources among schools and with the current budget deficit, it would be problematic to attempt to address all of these inequities at once. He noted that these issues are planned to be addressed next year.

Commissioner Campos asked about the Jobs for Main Street program recently approved by the federal government and pointed out that there was no mention of this in the budget, although these funds are supposed to be available to local governments and school districts. Mr. Scanlan reported that the federal stimulus funds (ARRA) saved approximately 300 jobs, but he has not seen any additional revenue forthcoming from the Jobs for Main Street program.

## **Section 2: Policies, Priorities and Plans**

Commissioner Evans expressed concern that while the District is experiencing steady decline in student enrollment, the budget is not being reduced accordingly. Mr. Scanlan replied that the budget is declining to reflect these changes and that matching staff and resources to the student population is the first phase in attaining equity and consistency throughout the District.

Commissioner Campos inquired as to the status of negotiations with collective bargaining units and the Administration. Mr. Scanlan stated that two meetings have been held so far and that the bargaining units have understood the District’s current economic situation, recognizing that it affects all school districts throughout the State. He reported that the Administration has welcomed suggestions for cost saving measures, and that the bargaining units have advocated leaving unfilled positions vacant.

Commissioner Elliott asked about the 40% reduction in the operational budget for Central Office, noting that this is not reflected in the salaries and benefits for these staff, particularly in SEG. Ms. Martelli explained that the operational budget includes all items except staff pay and benefits, such as office supplies, overtime, computer upgrades, etc. Commissioner Elliott requested information as to the dollar amount of these cost savings.

**Action Item:** Ms. Martelli will provide information as to the dollar amount corresponding to a 40% reduction in the operational budget for the Central Office.

Commissioner Elliott questioned the basis for the significant improvement in ELA scores for students in 6<sup>th</sup> grade and for Hispanic students. Superintendent Brizard replied that the

increase in ELA scores corresponds to similar gains in grades 7-8 in the past, and that this may be due to curriculum development with benchmark assessments to inform teachers as to specific skills and material upon which to focus. He also noted that these improvements occur with an improved and concentrated focus on literacy during his tenure. The Superintendent cautioned against inferring that any one particular program or approach has led to these increased scores because it is only a one-year snapshot and may not bear out over the long run. He pointed out the difficulty in making generalizations about Hispanic students because this population is so varied in terms of their English language background and development. Commissioner Elliott emphasized that double-digit improvements in scores would lead to developing some hypotheses regarding approaches or programs that are effective and that further examination should be done to determine what works.

Commissioner Elliott described a proposal for New York State to eliminate Regents exams. Superintendent Brizard clarified that the State has been assessing the cost and effort involved in conducting these exams, noting that the most probable scenario would be a reduction from five to two or three exams. He stated that New York is the only state with so many exams, and that most other states conduct only two or three.

Commissioner Elliott asked about the rationale for pay raises for staff in SEG in excess of 4%. The Superintendent replied that no raises were given to these staff last year because of the decline in the CPI. Commissioner Elliott contended that quite a few SEG employees received pay increases above 4%, even though they remained in the same position.

Commissioner Elliott questioned whether protections are in place for Food Service workers who work three hours or less per day and therefore are not covered by a bargaining unit. She emphasized the need to have a systematic process for examining pay levels and raises for employees in this group. Superintendent Brizard offered to look into systematizing this process with input from attorneys and staff in HCI.

Commissioner Williams inquired about the staffing ratios indicated in the Budget Process Overview, asking whether these are guidelines. Mr. Scanlan stated that these are guidelines and are below the contractual maximum.

Commissioner Williams asked about changes to the process for allocating Title I funds. Mr. Scanlan explained that Title I funds are now tied to Title I students rather than the school, so the amount provided to each school will depend on this student population.

Commissioner Powell emphasized the importance of including all Board policies in the budget that have fiscal implications, such as the Parent Involvement policy. Despite Board policy establishing Parent Liaisons for each school, she noted that these positions are being cut. Mr. Scanlan stated that each school was given a list of positions covered under Title I to determine which to fund; this list included Parent Liaisons. Commissioner Powell questioned the extent to which principals are aware of Board policy requiring Parent Liaisons in each school when making these staffing decisions. She also asked whether math and ELA specialists are included in this Title I list of positions, and the mechanisms in place to ensure that staff are allocated equitably among schools.

**Action Item:** Administration to provide a breakdown of the specific positions funded under Title I, and an FTE comparison from 2009-10 to 2010-11 by school of Parent Liaisons, Math and ELA Specialists.

Superintendent Brizard suggested creating a line item for Parent Liaisons for each school, deducting the pay amount from the total Title I allocation to indicate that principals do not have the discretion to cut these positions. He noted that Math and ELA Specialist positions are more complex because some high-performing schools may not have as great a need for these positions.

Commissioner Williams indicated that a cursory review of the staff reductions in each school reflects layoff of many Parent Liaisons. Ms. Martelli explained that this data only reveals the adjustments to staffing levels rather than the total number of positions for each school.

Commissioner Williams noted a pattern in the types of positions being eliminated in each school, primarily Parent Liaisons, librarians, music and art teachers. He stated that this pattern across the board among all of the schools indicates that these cuts were directed by the Superintendent rather than the discretion of the principals.

Commissioner Powell pointed out that previous discussion regarding transportation resulted in a decision to strengthen zone boundaries to realize cost savings by eliminating approximately 70 bus runs across these boundaries with few students on board. She asked whether this analysis has been done to evaluate the potential cost savings in transportation. The Superintendent replied that work can be done with the Placement Office to enforce zone boundaries, but he did not know that this would be feasible by September. He expressed concern regarding the impact on parents, given the outcry from enforcing the 1.5-mile limit for transportation last year. Commissioner Powell objected to delaying this analysis, emphasizing that if this had been done, parents could be informed before the end of the school year so that they can make plans for September. Superintendent Brizard stated that consideration must be given to the mobility of students, which is approximately 38%. Commissioner Powell emphasized that the analysis conducted as part of the school choice policy proposal indicated that the majority of families in the District move within 10 blocks of their previous residence, which would not indicate a problem with enforcing zone boundaries. Commissioner Evans asked how many parents choose home schools. The Superintendent responded that 20% of parents choose the school in their neighborhood. Commissioner Evans suggested further investigation as to the reasons for 80% of parents choosing a different school than the one in their neighborhood, and questioned whether this is due to transportation concerns or other factors.

### **Section 3: District-Wide Summary Budget**

Commissioner Evans inquired as to the basis for estimating the budget deficit, particularly since it is based on the Governor's proposed budget.

Commissioner Williams noted that the budget gap seems to have been based on total expenditures of \$732m and revenue of \$684m, leaving a \$48m deficit. He questioned how the deficit grew from \$48m to an estimated \$61.1m. Ms. Martelli explained that the estimate has changed based on receipt of new information that had not been available when initial \$48m gap

was projected. She stated that expenditures have increased since this initial projection, but revenue has also increased by \$10m due to receipt of grant funding that had not been anticipated.

Commissioner Williams pointed out that this would indicate that revenue has increased by \$10m and the reductions in operating budgets have reduced expenditures by \$30m, so the budget should be balanced. Ms. Martelli replied that the District is required to have a balanced budget and this was accomplished through use of \$25m of the Fund Balance. Commissioner Williams stated that if total revenue is \$694m, then the budget shortfall should only be \$38m rather than \$61.1m. Ms. Martelli clarified that the cuts in staffing and operational budgets reduced total expenditures and even with these significant reductions, \$25m in the Fund Balance had to be used to increase total revenue to balance the budget.

Commissioner Evans asked about the apparent loss of DICA funds and whether RCSD is still considered a District in need. Superintendent Brizard explained that this is still a District in need, but these funds are awarded annually and have been discontinued in 2010-11 after two years.

Commissioner Evans questioned whether RCSD is maximizing State aid for students in pre-K. Vern Connors replied that the District receives a specific amount per pre-K student, but all eligible students are not participating and some of the funds have to be returned. Superintendent Brizard clarified that RCSD is performing the best of all of the Big Five districts in New York, noting that urban districts are at a disadvantage because of transportation issues and students attending pre-K for only half a day. For low income working parents, a half day program requires availability in the middle of the work day to transport their child to day care. Many of these parents may not be eligible for county assistance to pay for day care, and this may be too costly for them to pay on their own. Mr. Connors stated that 92% of eligible children were participating in 2007-08, the last year for which this data was available. Commissioner Powell asked whether serving more children this year than funded by New York State would increase the target amount allocated to the District next year. Mr. Connors explained that the target amount is based on the number of four-year-old children not included in pre-K, which is based on demographic and BEDS data.

Commissioner Evans inquired as to utilization of building-based substitute teachers in 2009-10, given that cuts are planned in 2010-11 for substitute teachers. Superintendent Brizard replied that teachers that had been cut last year were often retained as building-based substitute teachers in an effort to keep them in the District and minimize the impact of layoffs. He asserted that efforts are currently underway to find ways to also retain school-based administrators, particularly Assistant and Vice Principals.

Commissioner Evans expressed concern regarding the high cost (\$2.4m) allocated for textbooks, and the disturbing trend of having the State of Texas dictate the curriculum for districts throughout the country. Mr. Connors replied that allocations for textbooks were increased after an outcry several years ago that there were not enough books for students. Commissioner Evans cautioned against establishing a trend of increasing expenditures for textbooks. Commissioner Elliott commented that she is more concerned about large expenditures for other items that are unrelated to student achievement. Superintendent Brizard explained that State law dictates the amount allocated specifically for textbooks, hardware and software; he noted that lobbying efforts should be made to modify this law to enable districts to

receive an allocation for instructional materials and providing flexibility in determining the specific purposes for which these funds will be used.

Commissioner Evans asked about continuing to pursue contracts and receive services from BOCES. Superintendent Brizard stated that this can continue and the District currently receives Special Education, Nursing, and contract work through BOCES. Commissioner Campos pointed out that RCSD is currently at the minimum level for nursing services, and this funding is to be reduced by \$25K. The Superintendent noted that this allocation has not changed in years, and it has been increasingly difficult to provide nursing services as a result.

Commissioner Campos voiced concern regarding the proposed elimination of the 8-1-1 classroom for Special Education students. Kirsten Barclay explained that the continuum of services in Special Education is being reviewed for significant modification so that there are not such rigid class structures. She noted that this is currently required by law, but the District is planning to seek a waiver to expand the continuum of services to allow greater flexibility in providing supports to these students. Ms. Barclay clarified that the students in the 8-1-1 classrooms are typically classified as emotionally disturbed, but do not necessarily have academic problems. She stated that with greater variation of supports in Special Education, more students would be able to participate in general education classes. Superintendent Brizard emphasized that general education is best for all students in having teachers that are qualified in subject content and increased expectations in terms of student achievement.

Commissioner Campos asked about the reason for the reduction in funds for free and reduced-price meals. Ms. Martelli explained that these funds have been reduced due to the decline in student enrollment, and work is underway to maximize application by eligible parents.

Commissioner Campos commented on the additional grant revenues received by the District, many of which are for literacy for immigrant and ELL students who have historically been underserved. Superintendent Brizard noted that the District has been quite aggressive in pursuing these grants, and that a Newcomer Center is planned to be opened next year for immigrant and ELL students. He elaborated that recruiting and hiring ESL teachers is becoming increasingly challenging with the influx of immigrants to New York and the few colleges locally that provide these programs (i.e. Nazareth College).

Commissioner Elliott questioned the extent to which class size would increase with the planned reduction in teaching positions. Superintendent Brizard explained that funding and position reductions for each school were based on student-teacher ratios, which overall will increase by one (e.g. from 8:1 to 9:1). He emphasized that even with the increase in class size the ratio will still be well below the contractual limit and the best in New York State. The Superintendent commented that the grade level for which class size is increased should be an important consideration to prevent larger student-teacher ratios in the early and middle grades, which are critical times in terms of influencing student achievement. He elaborated that 8<sup>th</sup> and 9<sup>th</sup> grades are the greatest predictors of achievement and graduation rate, as students may enter high school completely unprepared. Superintendent Brizard asserted that skills must be improved in 7<sup>th</sup> and 8<sup>th</sup> grades and literacy must be a main focus to improve overall graduation rates. He stated that he disagrees with the separate middle school model, but contended that it may be beneficial to have 7<sup>th</sup> and 8<sup>th</sup> grade incorporated into elementary schools to ensure that these students receive the nurturing and support they need in preparation for high school.

Commissioner Williams pointed out that total revenue in 2008-09 amounted to almost \$682m and total expenditures were \$672m, for a surplus of \$10m going into 2009-10. He inquired as to whether a surplus is expected at the end of 2009-10. Ms. Martelli stated that the final balance for the end of 2009-10 is not yet known, but she hopes to have \$6-8m surplus to add to the Fund Balance. If this estimated surplus is realized, Ms. Martelli explained that the Fund Balance would be \$65-68m at the end of 2009-10, but \$25m of this is already committed to balance the 2010-11 budget.

Commissioner Powell noted that even with a projected \$6-8m surplus for 2009-10, the total Fund Balance would be less than 1% of the budget for the District and this is quite problematic in the event of unforeseen circumstances or expenses. Ms. Martelli stated that her biggest fear is in using \$25m of the Fund Balance for 2010-11 and having \$20m in ARRA funds cut in 2011-12. She stated that without another funding source, an additional \$20-25m would have to be removed from the Fund Balance to cover this loss in 2011-12, thereby depleting it completely.

Commissioner Williams asked whether the budget includes funding for portfolio schools. Superintendent Brizard explained that this is not included in the budget because the Strategic Plan is developed based on the District's needs and then funds are pursued to support the Plan. He noted that there will not be any funding for the new school at Franklin, phase out of Marshall, or the two new schools on the Edison campus because the federal government is only awarding funds for these reform efforts beginning in September 2010 and there is not sufficient time to implement these changes within that timeframe. Mr. Brizard stated that grant funds will be sought, but will be tied to each school. Commissioner Williams noted that to the extent that grant funds are provided to these schools, additional money will be freed up in the General Fund.

Commissioner Williams questioned the assumptions underlying the increased rates in employee benefits, specifically for retirement (i.e. ERS and TRS). Mr. Connors explained that these rates have been increasing, and that an increase from 4% to 6% represents a 25% increase rather than a 2% increase. He stated that overall expenditures will depend on the composition of the RCSD workforce in terms of their retirement tier and rate of increased employer contributions. Ms. Martelli noted that other employee benefits have increased significantly over the last year, such as Workers' Compensation and unemployment benefits.

**Action Item:** Ms. Martelli will provide a breakdown of the rate increases and expenditures for each type of employee benefit.

Commissioner Williams inquired about the basis for the statement that transportation savings were realized, but costs increased due to Board directives. Mr. Scanlan explained that the additional costs were due to adding riders within the existing structure and providing door-to-door pickup rather than at a corner bus stop.

Commissioner Williams asked about the assumptions behind the projected pay increases for teachers, civil service staff, and administrators for 2010-11. Mr. Scanlan replied that the rate was used as contained in contracts that are currently in place. For those contracts not yet in place, the rate was determined by that used for 2009-10. Superintendent Brizard pointed out that there are increasing calls from districts throughout the State to eliminate automatic pay increases every year, which would save almost every job this year.

Commissioner Williams asked about the assumptions used to estimate CPI and the rate of inflation.

**Action Item:** Mr. Scanlan will provide the planning sheet that contains assumptions as to the CPI and rate of inflation used in the projections contained in the budget.

**Motion** by Commissioner Elliott to adjourn. Seconded by Commissioner Williams.

Meeting adjourned at 8:48PM.