

**Rochester Board of Education  
Finance Committee  
November 17, 2009  
5:30 p.m.**

**MINUTES**

**Attendance:** Commissioner Powell (Chair) and Commissioners Elliott and White (arrived 5:38PM). Parent Representative: Felix Jacobs. District Staff: John Scanlan, Joyce Martelli, Jerome Underwood, Gary Smith, Tim Cliby, Tom Keysa and Vern Connors. Board Staff: D. Flanagan

Commissioner Powell convened the meeting at 5:33 p.m.

**I. Questions and Answers**

Commissioner Powell inquired whether any significant news is available yet regarding the State budget.

Commissioner Elliott asked about proposed \$8.1m mid-year State budget cut to the District. Ms. Joyce Martelli replied that this is the reduction proposed by the Governor, but there is opposition to his proposal and no definite information has been provided yet.

Ms. Martelli handed out a draft Budget Calendar, noting that the process is to begin earlier to allow sufficient time for questions and deliberation prior to the City Council vote.

Commissioner Powell noted that time has been set aside in the past on the date of the public hearing regarding the budget to also conduct a hearing on the Contract for Excellence. She asked whether this has been incorporated into the draft calendar. Ms. Martelli stated that the draft calendar does not include the public hearing for the Contract for Excellence because the State sets the date for plan submission and the hearing must be conducted within 30 days of submitting the plan

Commissioner Powell requested that additional time be set aside for Board members to compare the list of all RCSD programs provided to the Excellence in Student Achievement Committee with the programs reflected in the budget. She emphasized the need for sufficient time for Board members to obtain further information about program-based budgeting, methods and metrics used for program evaluation, as well as for decision-making in terms of which programs should be eliminated. Commissioner Powell pointed out that there was no opportunity in the last budget cycle for these discussions.

Commissioner White expressed concern regarding the ability and preparation provided to principals in fiscal management, budgeting, and critical factors to consider and weigh in making decisions regarding staffing reductions. He noted that this involves an understanding of various pedagogical approaches and the long-term implications of staffing reductions to

specific academic programs. Commissioner White inquired as to steps being taken to provide greater preparation for principals as increasing funds become available to them. Ms. Martelli described training sessions being provided to principals in December to assist in understanding methods for developing a budget, establishing accountability, and monitoring expenditures. She stated that the Chiefs will be working with principals during the month of January to provide additional support and ensure that these skills have been integrated. Mr. John Scanlan stated that the Rochester Leadership Academy also provides a training ground for educational leadership and decision-making.

Commissioner Elliott asked about the basis for the staff reductions in the current budget. Mr. Scanlan explained that the reductions were based on a staffing formula and student enrollment, which were applied at the school level to identify the number of staff needed in each school. Mr. Scanlan stated that principals were then asked to make quite difficult decisions at that point in terms of which staff to cut. He noted that this was a process between the schools/principals and the staff in the Budget Department.

Commissioner Powell noted that many of the areas in which the Board and Administration determined the decisions to have been faulty were in schools with principals who did not have tenure. She commented that these principals may have been stymied in their decision-making out of fear of repercussions in terms of gaining tenure.

Commissioner White acknowledged that while the Board is not to micromanage District operations, it is essential to know the rationale upon which crucial decisions are made, particularly with respect to decisions with serious implications such as student-teacher ratios. Mr. Scanlan responded that staff are creating a template to address items that may be considered of particular import to the Board, and to begin the budget process earlier to allow greater time for questions and provision of information.

Commissioner Elliott suggested that the Board Governance Committee communicate the Board's direction and goals to ensure that the District is aligned with these priorities.

**Action Item:** Commissioner Powell will contact the Chair of the Board Governance Committee to suggest communicating Board vision and goals to key District staff to ensure that all are in alignment.

## **II. Review and Approve October 13, 2009 Finance Committee Meeting Minutes**

Commissioner Powell requested a motion to approve the minutes of the October 13, 2009 Finance Committee meeting.

**Motion** by Commissioner White to approve the minutes of October 13, 2009 Finance Committee meeting. **Adopted 3-0**, with concurrence of parent representative.

## **III. Review and Approve October Financial Report and Budget Amendments**

Ms. Martelli explained the financial information provided in two new charts: Revenue Summary and Grant Revenue Summary, each of which also has an analysis to explain variances in specific items. She stated that all of these reports will be provided to the Finance Committee every month.

Commissioner Elliott inquired as to the reason that special education funding seems to have increased this year as compared to the same time last year. Mr. Vern Connors noted that accounts payable has become more efficient in paying bills for special education, which typically involve quite a bit of time to process. He assured Commissioner Elliott that the District is not spending any more funds for special education, but simply paying them more quickly and efficiently.

Commissioner Elliott asked about the increase in payment so far this year on debt service. Mr. Connors explained that the City of Rochester determines the payment schedule on debts, which can vary according to market conditions and the timing of needs for the City and District to issue debt. He stated that the City set the date earlier this year than last year.

Commissioner Elliott asked about the relatively low rate of expenditures this year for textbooks, as compared with last year. Mr. Connors stated that fewer orders have been received for textbooks so far this year, but this does not necessarily indicate that fewer textbooks are available to students.

Commissioner Powell inquired as to whether the lower rate of requests may be due to the fact that no new textbooks have been adopted for this year. Mr. Connors replied that only one new textbook was adopted for this school year, for 6-9 math and these texts were purchased and delivered over the summer to be available at the beginning of the school year.

Mr. Felix Jacobs asked about the availability of \$6.1m in unappropriated funds to add to the General Fund, noting that the majority of these funds are from a program to pay for the costs of teachers' to obtain a master's degree. Ms. Martelli explained that fewer applications were submitted for these funds than anticipated; the application deadline was August 31<sup>st</sup> so the District now knows the amount that is available for General Fund expenditures.

**Motion** by Commissioner White to approve October Financial Report. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

Commissioner Powell noted three budget amendments associated with the October Financial Report, all of which involve accepting increased funding.

**Motion** by Commissioner White to approve budget amendments. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

#### **IV. Review and Approve 1<sup>st</sup> Quarter Student Activity Funds Report**

Ms. Martelli explained that this report has been modified to provide a separate section for elementary schools and secondary schools, which are based on two different sets of guidelines.

She noted that the changes were made to comply with State guidelines and to adopt good business practices by monitoring funds at the elementary level.

Mr. Felix Jacobs inquired whether the report includes funds for PTAs and PTOs. Ms. Martelli replied that those organizations are separate entities and manage their own funds, so are not included in the Student Activity Funds Report.

Commissioner White commented on a number of potential uses for the Student Activity Funds Report, particularly in terms of the level of support and encouragement provided by school administration of student activities. He noted that the schools with greater activity seem to be those that also have higher levels of academic achievement, lower rates of suspension, and higher attendance levels (e.g. School of the Arts). He suggested that this could be included in evaluation of principals.

**Motion** by Commissioner White to approve the 1<sup>st</sup> Quarter Student Activity Funds Report. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

## V. Review of Proposed Resolutions for November 19, 2009 Board Business Meeting

### Procurement:

#### 1. Signage (Resolution 2009-10: 374)

**Motion** by Commissioner White to approve this procurement resolution. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

### Information Management & Technology

#### 1. Perceptive Software, Inc. (Resolution 2009-10: 375)

#### 2. eVerge Group of Texas, Ltd. (Resolution 2009-10: 376)

#### 3. DOX Electronics (Resolution 2009-10: 377)

#### 4. NCS Pearson, Inc. (Resolution 2009-10: 378)

Commissioner Powell requested a motion to consider all Information Management & Technology resolutions as a group.

**Motion** by Commissioner White to consider all above Information Management & Technology resolutions as a group. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

Commissioner Elliott inquired as to the purpose of the proposed contract with Perceptive Software, Inc. Mr. Jerome Underwood replied that this is the first step in digitizing RCSD documents and shifting to a paperless environment, as paper is not sustainable and cumbersome to retrieve. He explained that this process is beginning with Human Capital Initiatives and Accounts Payable, and will progress to each department in the District.

Commissioner Elliott asked whether the current PeopleSoft system has this capability. Mr. Underwood stated that the current system does not accept scanned documents, link these documents with employees, or provide an index or ability to search for specific items in

documents. He explained that the digitized system would reduce storage requirements and comply with record retention requirements more efficiently.

Commissioner Elliott questioned the total expense involved in digitizing documents in the entire District. Mr. Underwood responded that this process would require approximately five years to implement, at an estimated cost of \$5m. Ms. Martelli explained that some grant funds are available to defray some of these costs.

Commissioner Powell expressed concern regarding the potential obsolescence of the digitizing software, asking about precautions to ensure continued access to RCSD records and documents. Mr. Underwood replied that interoperability was the primary consideration in selecting the software for the digitizing process to ensure ongoing access.

With regard to the proposed agreement with eVerge Group of Texas, Commissioner Elliott inquired as to the purpose and presumed benefit to the District. Mr. Underwood explained that this software will enable RCSD to track employees from “cradle to grave” and provide improved monitoring of employee status and payroll.

Commissioner White noted the contract with an M/WBE firm with NCS Pearson and commended the District for locating a minority- or women-owned business. Mr. Underwood stated that he did not think that NCS Pearson was an M/WBE firm, and noted that DOX Electronics recently received certification as an M/WBE firm although this was not noted on the resolution.

**Action Item:** Mr. Underwood will check on the M/WBE status of DOX Electronics and of NCS Pearson, and report this information to the Finance Committee.

**Motion** by Commissioner White to approve all above Information Management & Technology resolutions. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

**Instructional Technology:**

- 1. Aventa Learning**
- 2. Discovery Education, Inc.**

**Motion** by Commissioner White to consider all Instructional Technology resolutions above as a group. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

Mr. Tim Cliby explained that the agreement with Aventa Learning is recommended to provide continued instruction to students in the event that a school closes. He stated that this is being initiated as a pilot program and that data for all high school students would be uploaded into the Aventa system so that students could access the online instruction immediately from a PC. Mr. Cliby asserted that this would help the District establish a baseline foundation, from which other issues could be addressed such as obtaining PCs for all students. He envisioned collaborating with community organizations and resources to provide students with needed technology in their homes.

Commissioner Powell inquired whether this software could have applications on an individual basis for students who have severe or chronic illness. Mr. Cliby noted that the agreement with Aventa is for a pilot program to provide distance learning to a number of high schools. He introduced Mr. Glen Van der Water, Assistant Director of Benchmark Testing, who is evaluating the results of the pilot, which is planned to be used for credit recovery. Mr. Cliby stated that if shown to be effective, the pilot could be expanded in the future to additional groups of students. He also pointed out that introduction to distance learning in high school can be an important component in successful transition of students to college.

Commissioner Powell asked about opportunities for high-achieving students to take Advanced Placement courses through distance learning. Mr. Van der Water stated that this is a possibility, and about one dozen classes are currently offered to middle and high school students through distance learning.

Commissioner Elliott suggested offering this to students in the Young Mothers program, who are at high risk for not completing their education.

**Action Item:** Ms. Flanagan to request that Ms. Jacqueline Morgan refer distance learning program as agenda item for Excellence in Student Achievement Committee meeting after January 2010.

Mr. Cliby explained that the resolution regarding Discovery Education, Inc. is to provide a complete library of media to use in the classroom, assisting teachers by providing visual expression of concepts and material that may be difficult to convey to students in any other way.

Commissioner Elliott voiced concern about this proposed expenditure due to anticipated mid-year budget cuts. Mr. Cliby replied that this contract would be supported through the Enhancing Education through Technology grant, thereby allowing RCSD to be on par with suburban districts which have had this program available for years.

Commissioner White inquired as to methods to be used to ensure that these teaching resources are used. Mr. Cliby stated that the grant provides model classrooms and requires teacher training.

**Motion** by Commissioner White to approve all above Instructional Technology resolutions. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

## **Facilities:**

### **Contracts:**

- 1. Leo J. Roth Corporation – Roof Repair**
- 2. Manel Excavating – Snow Removal**

**Motion** by Commissioner White to approve all above contract resolutions. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

**Other:**

**3. City of Rochester – Notes or Bonds Issuance**

**Motion** by Commissioner White to approve resolution for Notes or Bonds Issuance by the City of Rochester on behalf of the District. Seconded by Commissioner Elliott. **Adopted 3-0**, with concurrence of parent representative.

**Other:**

**1. Omni Group – 403(b) Plan Administrator**

**Motion** by Commissioner Elliott to approve Omni Group as Third Party Administrator for RCSD 403(b) Plans. Seconded by Commissioner White. **Adopted 3-0**, with concurrence of parent representative.

**Motion** by Commissioner Elliott to adjourn. Seconded by Commissioner White. **Adopted 3-0**, with concurrence of parent representative.

Meeting adjourned at 7:16PM.

**Nest Finance Committee Meeting: December 15, 2009 at 5:00PM**