

**Rochester Board of Education
Finance Committee Meeting of the Whole
April 7, 2009**

MINUTES

Attendance: Willa Powell, Chair; Commissioners Elliott, Evans, Brennan, and Williams.
Commissioners White and Campos absent.

District staff: Superintendent Brizard; John Scanlan; Joyce Martelli; Vern Connors; Jim Fenton; Marilyn Patterson-Grant; Tim Cliby; Kirsten Barclay; Sue Kaufman; Cheryl Holloway; Ray Giamartino; Jerome Underwood; Mary Doyle; Chuck Johnson.

Board staff: Debra Flanagan

Commissioner Powell convened the meeting at 6:02 p.m.

Commissioner Powell noted that the purpose of this Finance Committee Meeting of the Whole is to review and discuss Section 1 of the budget, which corresponds to Section 1-4 of the Budget Book. She referred to two handouts: 1) questions that had been submitted by Board members and the corresponding responses provided by the administration, and 2) a summary of budget changes made subsequent to issuing the Budget Book.

Commissioner Powell stated that the process in the past has been to review the Budget Book section by section, and to allow each commissioner to ask a question pertaining to the section being reviewed and then move on to the next commissioner, until all questions have been asked and answered. Commissioner Powell also offered the option of resuming review of these sections of the Budget Book at the next committee meeting of the whole, if not able to complete all of Sections 1-4 in this meeting.

Section 1:

Commissioner Williams noted that the Superintendent's letter to the community stated that the budget aligns dollars with programs, and requested further detail regarding specific funding amounts corresponding to each program.

Superintendent Brizard stated that he will provide this data to the Commissioner. The Superintendent described a number of programs that have been put in place after systematic examination of the curriculum: literacy; math; development of the Rochester curriculum, which was initiated last summer for grades 5-9 and will be continued for grades 3-9 this summer; Reading 180; System 44; and another program to assist achievement of students with lead poisoning. Superintendent Brizard noted that there is a reduction in Reading First and that these grant funds were decreased by the State Department of Education. He also stated that a comprehensive approach has been adopted for literacy with the Springboard program, which serves students in grades 6-12. The Superintendent also referred to the Program-Based Budgeting section toward the back of the Budget Book as containing more detailed information regarding expenditures for each program.

ACTION: Superintendent Brizard will provide information as to the specific amount of funding corresponding to each program.

Commissioner Powell pointed out that the Superintendent's letter to the community includes a statement referring to "the anticipation of ever increasing revenue from the state and city", yet there have not been any increases in revenue from the city.

Superintendent Brizard acknowledged that revenue from the city has actually been diminishing and that this statement will be corrected.

ACTION: Superintendent Brizard will correct the statement in his letter to the community referring to increasing revenue from the city.

Commissioner Powell also noted an apparent error in the 2009-2010 Executive Summary which referred to \$10.1 decrease in the 2009-10 budget from the previous year.

ACTION: Superintendent Brizard will correct the 2009-10 Executive Summary to state that there is a \$10.1 million reduction in the 2009-2010 budget from the previous year.

Commissioner Williams inquired as to the specific programs and FTEs that have been eliminated to balance the budget, as well as a priority list of programs to be reinstated if federal stimulus funds are available.

Superintendent Brizard stated that work began last spring to trace funding for staff, emphasizing that there had been no established staffing formula and additional FTE would simply be added to the base from the previous year. He explained that the underlying base had not actually been evaluated and that these staffing levels would be maintained regardless of subsequent changes in student enrollment in the fall. He stated that a process has been initiated to examine the ratio of adults to students to identify specific schools and programs that were overstaffed. He also noted that the administration was overstaffed, as Rochester had the largest bureaucracy of the Big 4 districts in New York.

Superintendent Brizard explained that a decision was made to reinstate 26 teaching positions out of the planned 250 FTE reductions after examining the funds restored to the District in the New York State budget. All of these teachers are to be reinstated in the Great Beginnings program, which has been extremely successful. Superintendent Brizard stated that these plans have already been discussed with program staff and RTA. He underscored the importance of exercising caution in restoring cuts in staffing, as the federal stimulus funds are only available for the next two years.

Commissioner Williams asked which programs would be reinstated if federal stimulus funds are available.

Superintendent Brizard noted that approximately one month would be required to consider specific programs to restore and to evaluate the impact on staffing, particularly since these funds are provided in the form of Title I and IDEA which have a number of regulatory requirements attached. He also stated that Monroe, Jefferson, and East high schools are priorities because of their lagging performance. The Superintendent reiterated his concern about adding FTE because of the temporary nature of these funds.

Commissioner Williams inquired as to whether 261 FTE (287 – 26 FTE) is the right size for RCSD.

The Superintendent explained that further work remains to be done in rightsizing the District, and that most staffing reductions would occur through attrition.

Commissioner Elliott expressed concern regarding the impact of funding cuts on class size, noting that small class sizes have been associated with improved student achievement.

Superintendent Brizard contended that the evidence regarding the benefits of small class size is based on one study conducted in Kentucky, so that its reliability and applicability to other districts is questionable. He emphasized that small class size is not a panacea, noting that RCSD has had quite small class sizes compared to the rest of the state and the country, but yet has had one of the lowest graduation rates in New York. Superintendent Brizard described a multi-billion dollar effort in California to reduce class sizes which failed miserably. He also asserted that student-teacher ratios will increase only slightly with the FTE reductions in the proposed budget.

The Superintendent also underscored the need to improve targeting of funds to attain greater equity across the District; while this has begun with school-based budgeting, it will involve a multi-year process.

Commissioner Powell noted that school choice is supposed to lead to 80% occupancy of classrooms. She asked about efforts to use placement wait lists or to combine classes when not at this occupancy level, as well as extent to which these issues are being analyzed systemically when considering placement processes, parent requests, and District class sizes.

John Scanlan replied that analysis indicated that parent requests for transfers have been a driver of changes in class size, and that this will be examined further in the coming year to understand the ways in which the placement process and school choice influence classroom size.

Commissioner Brennan inquired as to whether the Superintendent was actually claiming that the evidence regarding the efficacy of small class size is not compelling.

Superintendent Brizard replied that class size alone is not a solution or panacea, and that highly effective teachers are much more significant in affecting student achievement. He stated that with all other conditions being equal, small class size does have a positive effect on performance; however conditions are not equal and much remains to be done in terms of attaining equity across the District.

Commissioner Brennan asked whether a highly effective teacher would perform better in a small class.

Superintendent Brizard stated that this would be the case if all other conditions were equal; he also noted that RCSD class sizes are already small and the best in New York and the U.S., even with the budget cuts.

Commissioner Evans pointed out that there is often a “fire drill” at the last minute in September to hire additional teachers, inquiring as to the reason for not knowing staffing needs in advance.

Superintendent Brizard acknowledged that the District has not monitored teacher-student ratios effectively in the past, but simply added a percentage on to the base from the previous year without evaluating the overall need. He also cited high school scheduling; lack of control over the timing of staff turnover; and the need to establish formulas, CSE and placement processes to respond in a timely fashion as factors affecting late hiring. He noted that staff retention in RCSD is better than in most urban districts. The Superintendent also explained that certain positions are difficult to fill with qualified staff: special education, ELL/LEP, physical science and math. For these types of positions, he stated that it may be advantageous to be proactive in hiring staff even before a specific position is identified.

Commissioner Powell asked for clarification regarding deferral of capital projects to balance the budget.

John Scanlan replied that no projects are actually being deferred, but that \$1 million has been cut which will involve deferral of some school inspections.

Commissioner Powell pointed out that deferral of school inspections would entail increased risk to staff and students, stating that she did not think this to be advisable.

Mr. Scanlan stated that this is an area which will most likely be restored if federal funds are available.

Commissioner Evans inquired as to the position in the Office of Strategic Partnerships, their function, and the individual who is currently in this position.

Superintendent Brizard stated that this position is currently vacant and that there are no plans at this time to fill it.

Commissioner Williams inquired as to whether the 2009-10 Capital Improvement Plan has been finalized.

The Superintendent replied that it has not yet been finalized.

Commissioner Brennan asked whether there is a place in the Budget Book which clearly reflects the number of administrators, teachers and paraprofessional staff being reduced, noting that an important goal in moving to the new school-based budget was to increase transparency.

Superintendent Brizard stated that there is no simple summary in the Budget Book, but emphasized that this information has been reviewed and shared with each of the RCSD bargaining units.

Commissioner Brennan requested that this information also be shared with the Board. Commissioner Powell inquired whether this information was contained in the handout provided at the outset of this meeting summarizing budget changes. The Superintendent replied that the handout does provide this information.

Commissioner Powell requested that specific programs be identified that were cut in 2009-10 due to lack of efficacy; she noted that the programs initiated two years ago would be due for evaluation at this point and it would be instructive to know which programs have been found to be ineffective.

Superintendent Brizard explained that there have been difficulties with program evaluation in terms of staff being rigorous in data collection and analysis.

Vernon Connors stated that the two main programs eliminated from the current proposed budget are the Franklin High School – Roberts Wesleyan Partnership and Reading First. He explained that the Franklin High School – Roberts Wesleyan Partnership was never actually established and the principal recommended terminating the program because Roberts Wesleyan did not fulfill their part of the partnership. In terms of Reading First, Mr. Connors reported that national results were poor and federal funding had been cut for this program.

Superintendent Brizard also pointed out that the MCC Gateway Program has been flatlined because of a request for considerable funding increases from the District, and the data are only preliminary and more

structure must be put in place before adding more cohorts. He also added that the need for greater rigor is being emphasized in Teaching & Learning and Contract for Excellence programs, particularly in data collection, analysis, and focusing on efficacy.

Section 2:

Commissioner Williams requested a breakdown of the costs and FTEs associated with each of the various student assessment systems.

Superintendent Brizard stated that he will provide this information to the Commissioner, and that he plans to eliminate the numerous mandated tests which burden students and staff at the elementary level. The Superintendent explained that these assessments will still exist, but will be implemented on a voluntary basis; if a principal chooses to utilize one of these assessment tools, they will still have access to it but it will no longer be required by Central Office.

ACTION: Superintendent Brizard will provide a breakdown of the costs and FTEs corresponding to each of the assessment systems.

Commissioner Williams inquired as to the way in which student progress is to be measured.

Superintendent Brizard replied that benchmark assessments are used to monitor student and school performance; he described two basic types of assessments: for accountability and for informing the work of teachers. He explained that benchmark assessments for accountability not only monitor the school system's performance, but also allow interventions to be designed in a systemic way. Superintendent Brizard stated that the assessments mandated by the Central Office are often overlapping and burden students and staff unnecessarily; the role of the Central Office is to provide tools, guidance and the oversight. The Superintendent stated that the benchmark assessments for accountability are sufficient, particularly in supplementing State tests.

Commissioner Williams asked which assessments will be eliminated.

Superintendent Brizard stated that none will be eliminated, but simply conducted on a voluntary basis and guidance will be provided soon to schools regarding the use of the various assessments. He noted that expenditures for many of the assessments should decline in the next year, and that only the benchmark assessments (NER) will be mandated throughout the District. The Superintendent stated that the mandated middle school exams will also be given on a voluntary basis.

Commissioner Evans questioned the way in which negotiations with bargaining units have been incorporated into the budget.

Superintendent Brizard replied that this is difficult because the negotiations are ongoing, but the budget has been formulated conservatively to allow some funding to be available to incorporate changes resulting from contract negotiations.

Commissioner Williams inquired as to the number of FTEs in each bargaining unit for 2008-09 and 2009-10.

Superintendent Brizard stated that he will provide this information to the Commissioner.

ACTION: Superintendent Brizard will provide information as to the number of FTEs in each bargaining unit for the current year and projected for 2009-10.

Section 3:

Commissioner Evans questioned whether the grants listed in the Budget Book are only those for which the District is certain that funds will be awarded.

John Scanlan replied that only grants with definite funding awards for RCSD have been included in the proposed budget.

Commissioner Evans stated that he had heard that there are only three foreign language teachers in the entire District at the elementary school level, and inquired whether this is true.

Marilynn Patterson-Grant acknowledged that foreign language teaching is quite sparse at the elementary level, and is more prevalent in secondary schools.

Commissioner Evans asked whether grant funds might be available to support foreign language teaching, as language immersion is critical particularly in earlier years of child's development; he noted that by focusing foreign language on secondary students, the District is failing to capitalize on students' readiness and ability to learn language at an earlier age.

Commissioner Williams requested clarification of the assumptions for estimating the structural deficit over the next few years.

John Scanlan replied that the estimates were derived according to the inflationary rate for each type of cost category, explaining that the structural deficit is determined by changes in costs and FTEs.

Commissioner Williams asked whether it was assumed that the revenue stream would remain flat over this time period.

Mr. Scanlan stated that State Aid had been projected to increase gradually from 1% to 2% to 3% over the next few years, but that he wished he had kept this flat over this time period given the current economic and fiscal climate.

Commissioner Williams inquired whether the only way to close the structural deficit would be to reduce FTEs.

Mr. Scanlan stated that the District can control COLA increases and other costs, and noted that saving on any of the categories of expenditures would reduce the deficit.

Superintendent Brizard noted that the creation of a new tier in the State Teachers' Retirement System and statewide health insurance have also helped to reduce the current deficit.

Commissioner Powell observed that the staffing charts indicate a number of positions for bilingual teachers, and asked about the certification requirements for these teachers and whether they would also be able to provide foreign language instruction.

The Superintendent stated that these are different teaching certifications. He also commented on the difficulty for the District to retain bilingual, ESOL, and foreign language teachers, noting that this has also been a problem for districts throughout New York.

Commissioner Williams pointed out that the current budget does not seem to reflect the total amount of federal stimulus funds.

Superintendent Brizard replied that the primary difference is in the Deficit Reduction Assessment of \$13 million in the Governor's proposed budget, which was restored in the final budget that just passed. He emphasized the need for some savings to address unforeseen costs in the future.

Commissioner Brennan questioned whether the restoration of the 26 FTE is definite.

The Superintendent replied that this is definite and the commitment has been made to program staff and RTA.

Commissioner Powell inquired as to other programs that could be restored, noting that the Board has historically been very supportive of the arts and that there are double-digit reductions in these areas in the proposed budget.

Sue Kaufman replied that the importance of a well-rounded education, including the arts, is emphasized with all of the principals. She explained that a 10% cut was requested from all services not directly based on academics, which includes social work, physical education, music and the arts.

Commissioner Powell commented that Board policies are then being implemented in a piecemeal fashion, and inquired whether there would be minimum standards in terms of the amount of time provided to students for the arts.

Cheryl Holloway pointed out that New York State has certain minimum standards as far as the amount of time provided to students for physical education, fine arts, industrial arts, and music and principals are trying to ensure that these standards are met or exceeded within the current budget constraints.

Commissioner Williams asked whether there was a choice between these programs, so that students would receive either physical education or music or art. He also inquired as to whether these programs are optional and the current status of the District in meeting standards.

Superintendent Brizard responded that the District is exceeding the New York State standards in each of these programs and that they are not optional.

Commissioner Williams inquired as to the extent to which principals will determine the amount of time dedicated to these programs under school-based budgeting.

Superintendent Brizard replied that principals will have this discretion, but still must meet State standards. He pointed out that some principals will choose to exceed the standards and offer additional time and opportunity for music, art, or physical education, which contributes to the diversity in the system and enhances the choices available to parents and students.

Commissioner Powell expressed concern that elementary teachers would be attempting to provide instruction in the arts, music, etc. for which they have not been trained.

Superintendent Brizard noted that this is currently the situation for teachers providing instruction in the critical areas of science and math due to difficulties in obtaining qualified staff in these areas.

Commissioner Williams asked for an explanation of the EPE reimbursement charges.

Joyce Martelli explained that the District had used these funds incorrectly and was given six years for repayment, payment of which has been deferred for the last two years.

Commissioner Williams inquired whether controls are in place at this point to prevent recurrence of this situation.

Joyce Martelli stated that sometimes regulations change while working on a grant, and that there is a grant disallowance process in place to account for this possibility. She clarified that the EPE situation was different because this was discovered in an audit.

Vern Connors explained that the EPE reimbursement issue originated in the 1998-99 school year; he stated that the \$12.8 million audit finding was due to two main audit findings: 1) not taking attendance both at the end and the beginning of the day, and 2) disallowance for the time a student left the room to go to the bathroom. Since these were considered major audit findings, half of the funding was disallowed.

Commissioner Evans emphasized the ongoing problem of operating under draft regulations and without guidelines, citing the Contract for Excellence as an example.

Vern Connors replied that no guidance has yet been provided from SED regarding the Contract for Excellence, and the little information available is to maintain the same level of funding for these programs as in 2008-09.

Commissioner Powell pointed out that funds are being reduced and 25% of the Contract for Excellence funding is to be used for ongoing support of these programs; she questioned whether the 75% in funding from last year could be reduced for use in supporting ongoing operations.

Superintendent Brizard commented that the Contract for Excellence (C4E) funds must be allocated from the existing budget and do not represent additional funds available to the District.

Commissioner Powell emphasized that this effectively reduces the budget because costs have increased during this time and no additional funds have been provided to support these programs.

Vern Connors replied that for the first two years of a C4E program, 25% of funds are allowed for maintenance of ongoing operations. Since no additional State Foundation Aid has been provided to RCSD for 2009-10, he believes the C4E funds would essentially be used to maintain programs at the same levels as in the current year.

Commissioner Evans asked whether C4E funds are provided separately, or included in Foundation Aid.

Mr. Connors replied that C4E funds are included in New York State Foundation Aid.

Commissioner Powell stated that the most generic definition of C4E funding until this year has been that 75% of funding increases are to be used for new initiatives. She pointed out that without additional funding, there is a problem in defining the amount to be used for C4E; she stated that the C4E concept

was flawed in that it was simply an attempt to compensate for the previous statewide formula which had denied RCSD an equitable level of funding for 10-20 years.

Commissioner Williams expressed concern regarding the new transportation plan, which has led parents to become worried about their child's safety in having to walk to a bus stop with earlier pickup times, which will cause children to be walking in the dark to the bus stop in winter.

Commissioner Powell inquired as to when door-to-door bus service began in the District.

The Superintendent noted that many individuals have assumed that schoolchildren are to be picked up at their door, but it is not unusual for RCSD or a suburban district to require students to go to bus stops to be picked up for school.

John Scanlan stated that the system had been based on picking students up at a bus stop, and this system has eroded over time to accommodate individual requests. He emphasized that the model is to go to a central stop to pick up students, but the current system is a mix between the model and individual requests.

Commissioner Williams pointed out that students in private parochial or charter schools are currently picked up at their door.

Mr. Scanlan stated that this will no longer be done in the District, and that there has been some pressure from community groups to return to the model to encourage building neighborhoods; he emphasized that this is the model throughout the U.S.

Commissioner Williams underscored the safety issue in having children walking by themselves to a central bus stop, particularly in the dark.

Superintendent Brizard replied that children should have parents accompanying them to the bus stop for safety; in this way, they will also get to know their neighbors and develop more of a sense of community. He commented that the current system has been bastardized over the years because some parents are better at advocating than others, which has led to inequities.

Jim Fenton noted that the new early start times for elementary schools will be within 10-15 minutes of current start times; the primary difference is for the schools that were switched from a late to an early schedule.

Commissioner Williams contended that this plan may simply be introducing a level of risk to schoolchildren just to save a few dollars.

Jim Fenton explained that the new transportation system will reduce the amount of time that students spend riding the bus, thereby increasing their readiness for learning. He also stated that while the projected \$5 million in cost savings is welcomed, this is not primarily a cost-cutting measure because transportation reimbursement from the State will be reduced accordingly. Mr. Fenton asserted that the primary consideration in developing the new system was to reduce ride time for students and to improve efficiency.

Commissioner Elliott voiced concern regarding the availability of monitors on buses and children's natural tendency to be active on the bus after sitting in class all day, which may be labeled as "problem behavior" and lead to their suspension from the bus.

Superintendent Brizard stated that the buses will have cameras and the number of matrons will be tripled under the new transportation system.

Commissioner Williams asked whether there is information as to the location of the planned bus stops, and the extent to which parents have been involved in this process.

Jim Fenton stated that he has had meetings with Nicolle Crocker and with parents to discuss these plans.

The Superintendent commented that the multi-tiered process has just been initiated and that no action could be taken until the Board had approved the transportation vendor contract.

Commissioner Powell pointed out that parents can choose schools and request a transfer every year, if desired. She stated that there is no right to transportation; if a parent considers the issue to be of serious concern, their child could walk and attend a neighborhood school. She urged the Board to consider safety issues separately from transportation.

Commissioner Elliott expressed concern that parents often are not involved in decision-making and policies and practices are imposed upon them.

Superintendent Brizard stated that once the Parent Partnership Council solidifies, the hope is that this group could be used to vet the process in the future, in addition to working with parents at the school level. He explained that the District has not had a solid structure in place in the past and that many different groups claimed to represent parents, which posed difficulty in terms of their involvement.

Commissioner Powell noted that the discussion had strayed from addressing budget issues and encouraged Board members to direct questions regarding the transportation system to the Superintendent.

Commissioner Williams inquired as to a 50% drop in federal Medicaid reimbursement from 2007-08 to 2008-09.

Joyce Martelli responded that the reduction in Medicaid reimbursement is due to regulatory changes in the last two to three years which have created problems in billing and for the time limit to elapse to submit claims.

Commissioner Williams asked whether there have been changes in the number of students served as a result of the changes in Medicaid reimbursement.

Kirsten Barclay explained that the same number of students receive services, but regulatory changes have become more restrictive and have affected the types of services that can be billed. She underscored the difficulty in keeping abreast of regulatory changes, as these are occurring on a monthly basis.

Commissioner Williams inquired as to whether the same level of services is being maintained for these students.

Kirsten Barclay replied that the level of service has been maintained for each student, as this is a requirement of their Individual Education Plan (IEP). She explained that the District absorbs all of the costs that are not reimbursed through Medicaid.

Commissioner Powell asked whether there is any expectation that this practice at the federal level might be reversed under the new administration.

Kirsten Barclay noted that the administration is too occupied with other concerns right now, and the State is struggling to deal with implementing Medicaid and addressing fraud; consequently, the impact on school districts is not a focus of attention at this point.

Superintendent Brizard stated that this has become a focus of the American Association of School Administrators, and that they would like to address these issues in their legislative agenda.

Commissioner Williams inquired as to the reason for the more than 50% decline in E-rate revenue for 2008-09.

Joyce Martelli stated that the reimbursement is based on previous year's expenditures and submission of additional plans, so the revenue has to be estimated one year in advance. She explained that the paperwork was not submitted in time in 2007-08, which led to the decline in this revenue.

Commissioner Williams noted that the Board just approved a resolution to contract with a vendor to increase E-ratable reimbursements.

Tim Cliby clarified that the contract with CELT is to identify additional expenses that can qualify for E-rate reimbursement and there is a one-year time lag because the reimbursements are based on the previous year's expenses.

Jerome Underwood stated that planning for E-rate reimbursement must be done one year in advance and this has not been done for all E-ratable items in the past. He noted that the District currently has an 88% reimbursement rate.

John Scanlan stated that he had not monitored this process in the past as closely as necessary to ensure that plans were submitted in time to maximize reimbursement.

Commissioner Evans inquired as to the \$11 million in substitute teacher expenses.

Superintendent Brizard acknowledged the high level of these expenditures, which underscore the need for significant improvements in accountability in monitoring staff absences.

Adjourn - Motion made by Commissioner Elliott to adjourn; seconded by Commissioner Williams.
Adoped 5-0

Meeting adjourned at 8:05PM.

Next Finance Committee Meeting of the Whole: April 21st at 6:30 PM to continue review of Budget with Expense Summary (Section 3, p. 19)