

Rochester Board of Education
Finance Committee
August 8th at 5:30 p.m.

Attendance: Commissioners Powell and Brennan; Ms. Tripi; Mr. Greene; Ms. Lehner; Mr. Cliby; Ms. Lee; Ms. Wilson. Commissioner Evans was absent.

Commissioner Powell convened the meeting at 5:35 p.m.

Prior to requesting a motion to approve the agenda, Commissioner Powell requested item I. a. Marsh USA, Inc. (Worker's Compensation) be discussed after items I. b. – n. Commissioner Brennan agreed.

Commissioner Powell requested a motion to approve the agenda with stated modification. Made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

I. Approve Minutes

Minutes were not available for review by the Finance Committee and the approval of minutes was not on the agenda.

Commissioner Powell: Minutes have not been approved since June and I would like to approve June, July and August minutes at the next Finance Committee meeting.

Commissioner Brennan: Will we have the minutes in advance of the September meeting?

Commissioner Powell: Yes.

Action: Approve June, July and August Finance Committee Meeting minutes at the September meeting.

II. Receive and Review Proposed Resolutions for August 2006 Board Business Meeting

a. eSchool Solutions

Commissioner Powell: This is a product that we have had for some years and have been using, correct?

Ms. Lehner: Yes. This is a new web-based product that has been in use since 1991. When a teacher is going to be out absent, the administrator of the school or the school secretary will call into the system to record the absence and the system automatically calls substitutes until someone accepts the job. It is an automatic call-out system which has not been upgraded since 1991. This is a new web-based product would streamline this function. Right now, users have to call into the system, record the absence by phone, and they have to enter a series of information (i.e. school they are calling from, the employees (teacher) ID, start and end date of the absence, etc.). I would estimate that it takes 3 minutes per absence to enter the necessary information. With the new application users could go onto the web right from their desktop and it would take a matter of seconds to enter the information. We demoed the product for the human resources staff that maintains this application along with some of the school secretaries and they loved it.

Commissioner Powell: I am concerned that the SEMS system might be getting a free pass through what might be considered a legitimate opportunity to be putting out a bid, because there are other companies that can do this function and also offer web-based solutions. I am not opposed to upgrading, time saved is money saved, but I think we need to exercise the competitive bid process.

Mr. Greene: One of the unique features about the SEMS system is the fact that it has been completely integrated into PeopleSoft. We are able to get information out of SEMS into PeopleSoft on the HR side of

PeopleSoft and we can see absence patterns and how many dollars we are spending on substitutes based on these absences. This is not a stand alone application.

Ms. Lehner: The project was started about a year ago and finished last spring. We integrated the SEMS application with PeopleSoft and each night we sink up with the system so we have the most accurate and current employees on SEMS. We then bring the data from SEMS back into PeopleSoft so where we can do absence reporting, we can tie it to Time & Labor, teacher cost, substitute cost, by school, by type of absence, by day of week. We are going to do further integrate it into Time & Labor so teachers will not have to enter their absences into the Time & Labor application and the substitutes will not have to enter their time worked into Time & Labor. We are going to take the information each day from the SEMS system and we are going to create the Time & Labor entry right into the PeopleSoft application automatically.

Commissioner Powell: Mr. Greene, was it considered to be looking at other products that did have web front ends before we did the integration?

Mr. Greene: Aside from the difficulty of use, the time involved, and the fact that schools were complaining significantly, they did like the system, but didn't like taking so much time each day keying information into the phone as opposed to this new web-based system.

Commissioner Powell: When did SEMS begin to bring this particular version of the product on line?

Ms. Lehner: I believe it was demoed to the District possibly three years ago and at that time the funds were not available. It was placed on the back burner and now that we are doing the integration it was brought to the forefront and we are doing all this work on SEMS to get the data out and can get wonderful reports, we should make SEMS better and consider the upgrade.

Commissioner Powell: The SEMS data file that is collected, doesn't change, just the mode of entry changes or we have an additional mode of entry into the system? I what your saying is since we are already integrated into PeopleSoft it might actually be more expensive to look at other products at this stage.

Mr. Greene: Yes. A stand alone product plus integration cost, would far exceed the upgrade cost.

Commissioner Powell: But the fact is we do not have that laid out in front of us. I am inclined to support the resolution. However, I am a little disappointed in the timeline. It seems some things got ahead of other things and knowing there was a web solution out there some of that should have been pursued more aggressively prior to an integration and not post integration. It kind of puts us (Board) in a box.

Commissioner Brennan: How will we address Commissioner Powell's concern in the future?

Ms. Lehner: We can do a better job of making sure the long-term solution is selected prior to the integration. We can bring that information before you so that you can have a cost comparison.

Ms. Tripi: There has been transition within the IT area over this period of time and we did not have that continuity. That does always cause some inefficiency when you have transition years in an organization.

Motion to advance the eSchool Solutions resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

b. CELT

Mr. Greene: The fee last year was \$65k and we were able to reduce that fee by \$20k because we now have two people trained to take the administrative load off, but there is no way to replace the technology; E-rate rules, regulations and filings.

Motion to advance the CELT resolutions to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

c. Fiber Technologies Network, Inc.

Commissioner Powell: What was the sum of the previous contract?

Mr. Greene: This is a three year contract with (2) one year options and we are in the first of the two option years.

Commissioner Powell: Is this the same figure we paid each of the previous three years or is there inflation built in?

Ms. Cottrell: Same figure.

Motion to advance the Fiber Technologies Network, Inc. resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

d. Paetec Communications, Inc.

Mr. Greene: Similar to Fibertech an option year and we use them for two things (1) internet access (2) function called message lab, which provides us with anti-spam, anti-virus and anti-porn protection. There is one correction in the executive summary, the 85,800 figure is actually an annual accumulation of email accounts and we have 7,150 active accounts at a monthly rate of \$1.20 per user. We are in the process of conducting an audit to make sure we are only carrying what we need.

Motion to advance three Paetec Communications, Inc. resolutions to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

e. Ronco Communications & Electronics, Inc.

Mr. Greene: We are in option year one of a three year Board approved contract. As we move towards VOIP this particular contract will decrease. We are expecting the approval of our VOIP contact from the State (E-Rate state agency in October. E-rate is at 88%. This contract is really three parts:

1. data networking support,
2. telephone networking support
3. supplemental telephone technician.

Commissioner Powell The contract extension for another year is the same as previous years?

Mr. Greene: Yes.

Commissioner Powell: When we did this, several years ago this was competitive bid.

Mr. Greene: Yes.

Commissioner Powell: Do we have a contact with the telephone technician?

Mr. Greene: No. It is an FTE equivalent assigned by Ronco on an as needed basis.

Commissioner Powell: How much of his time is spent working on our schools?

Mr. Greene: Under 40 hours per week. He is here on an as needed basis.

Motion to advance three Ronco Communications & Electronics, Inc. resolutions to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

f. Frontier

Mr. Greene: About mid-year primarily due to a number of curriculum support activities that require internet access and the startup of the new special education program IEP Direct, which we are acquiring on a hosted basis, the traffic requirements on our internet access capabilities from Pactec between 10am and 2pm made it impossible to do anything. Consistent with a meeting that I had with Mr. Smith, Director of Procurement, relative to how I could go about getting additional capacity. This was a competitive bid. Pactec came in number one and Frontier came in number two. Mr. Smith informed me that within the boundaries of the regulations we could consider Frontier. The reason why I considered Paetec as opposed to mending the Paetec contract, it gives us second provider, diversity and resilience in our internet access.

Commissioner Powell: What was the price differential between the Pactec bid and the Frontier bid?

Mr. Greene: Some things changed between the awarding of the contract. Honestly if you look at it one way, Frontier may have been judged less expensive and if you look at it another way they may be looked at as more expensive. The difference is like the difference between \$1k month and \$850. Pactec has a commitment that the internet capacity would be variable (pay for what we use) as oppose to Frontier with a fixed amount. Hard to get an apples to apples comparison.

Commissioner Powell: Do you think you will be able to stand up to questions from the Board, being that you came from Frontier.

Mr. Greene: I did not select Frontier. It was the procedure.

Motion to advance the Frontier resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

g. Center for Applied Technology (NY Learns)

Mr. Cliby: Software that we licensed last year. Instructional tool for teachers. Provides web-based resources. Both curriculum and assessment from NY State Assessment test. All tied to NY State standards.

Commissioner Powell: Can you assess NY Learns directly?

Mr. Cliby: You can. But you have to be registered to do the more complex things (i.e. saving information, sorting information, using the test generator, storing on the network). All of these things make it very functional for the teachers. We would be licensing every teacher and school in the District for the entire year.

Motion to advance the Center for Applied Technology (NY Learns) resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

h. Lincoln Learning

Mr. Cliby: Precise software used for emerging readers. It is a program that we had in our schools last year and we are growing our school populations with this year. It is well supported by the reading department and it is for very beginner readers.

Commissioner Powell: With the perpetual licensing we buy it once and we own it forever.

Mr. Cliby: That is correct. All we have to do is buy the technology service agreements and we are entitled to all the upgrades. So we already own this in about six elementary schools and we are looking to bring it into seven more.

Commissioner Powell: So is your concept to phase it in to all schools or just the schools that ask for it?

Mr. Cliby: Schools are given an opportunity to attend a software review and when they are mid stream in this training program know as ITII, that is ran by department School Based Planning teams, principals and teachers come and look at all the software and they are given the opportunity to select what is needed in their schools and this would be something they would want to support and would want to use. Rather than have it shoved down their throats, they support it and they sign on to it. And we have support from the ground up.

Motion to advance the Lincoln Learning resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

i. Achieve 3000

Mr. Cliby: This software is licensed a different than Lincoln Learning. I worked with Mr. Smith to come up with the best licensing solution for the District. The place we are trying to push all software vendor is don't tell us you are licensing our schools, we want a number of licenses we can use District wide. This is a shift for a lot of software companies and while some are willing to do this, others say this is the way our pricing has to be. Achieve 3000 is a company that is not perpetual, they require re-licensing every year.

Commissioner Powell: Only concern is some schools appear twice – is there a limit in the menu of technology products a school can choose?

Mr. Cliby: When we combine our efforts with the reading department and the reading first grant you will see some overlap and there are several products. Reading First brings in a whole new support team of people to the building. In a lot of cases the school and the reading department advocate for some of these products We are pretty tied with the reading department. We want them to understand what we are doing and we want to know what drives them in terms of instructional content. You will see some overlap. There are some schools that have two products. But we are very cognize of the fact that having two educational opportunities in technology have to be supported in both the technology equipment in the school and the staff in the building. So it is something we watch out for and something we want to work closely with the reading department on and support what they are doing.

Commissioner Powell: Some of these schools numbers keep coming up over and over again and I wonder if they are burning a hole in our budget and do they have a limit on the school side as to how much technology they can call for and how can they use all of these technology.

Mr. Cliby: If you take a program like Fast Forward you can use it all year long and maybe service only 40 children because it is such a specific software addressing students with specific profiles. You may have a group of students that run that program all year on four computers in one room and that's all. That's the Fast Forward program. They do it for 10 weeks, then another group comes in for 10 weeks another group for 10 weeks, then maybe a summer. When you get to Achieve 3000 a more generic software that everyone can use. It is not designed for one specific type of learner. In some cases and Fast Forward is a good example you can have it in the building and have it not affect really the technology or the capacity to do other programs in the building.

Commissioner Powell: All the programs you are bringing forward to us are within the budget?

Mr. Cliby: All the products are categorically reimbursed by the Instructional Technology aid through NY State up to a dollar limit, I believe, \$15-16 per student and that our level I believe it is around \$500k – \$600k and the composite of all of these are below that. Every license we purchase, we get back dollar for dollar until we go over that mark, then we are on our own budget.

Motion to advance the Achieve 3000 resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

j. Thinkronize

Mr. Cliby: Also known as Net Tracker is a web-based program that allows teachers to send students to a particular site and do all web searching within Net Tracker. They will hit web results within Net Tracker that did a search on (Ancient Greece) the results that they get will all have been looked at and safe sights. It gives students the opportunity to browse the internet without having worry about wide open internet explorer. Where you type in a word and come back with a list of things they should not be going to. Context comes back to students at their reading levels and it searchable across all curriculum areas and provides a safe meaningful place for students to do all their own research.

Commissioner Powell: This license is a one size fits all – doesn't matter how many hits, how many schools?

Mr. Cliby: That's correct. This is an individualize license. We do not license the schools. We buy a block number of licenses which we allow the schools to use.

Commissioner Powell: Is it possible we could run out of licenses?

Mr. Cliby: Yes, it is possible, but I do not foresee that happening. They will certainly let us know if the hits on our site exceed our license count, then we would have to reauthorize something for additional licenses.

Motion to advance the Thinkronize resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

k. Renaissance Learning Software

Mr. Cliby: This is software known as accelerator reader and has been in the District for at least 10 years. I worked with Mr. Smith to try to work with Renaissance company to bring all of the disparity systems to one system. We have several different versions running in 10-15 schools. In the past schools simply write a purchase requisitions for \$3-\$4k in re-licensing. We pretty much intercepted all purchase requisition and we queried all the schools that we thought were using this product and were vested in the product. We then worked with the company to come up with a hosted solution for the District at their most current level, a web-based system. The current systems are on remote servers in these buildings and this requires all kinds of maintenance. They programs do not map properly. It's just been a bad implementation of the program. So we intercepted them all, we put them all together in one package and we asked the company to quote us on running this as a web-based solution at their Renaissance place and that is what you have before you now. It is a consolidation of everything and will remove the need for the remote servers in the schools and will reduce the amount of time the technician spends at the schools trying to keep the program running.

Motion to advance the Renaissance Learning Software resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

l. Compass Learning

Mr. Cliby: Compass Learning offers an integrated learning solution that is kind of a conglomeration of software and this is the generic software that we are trying to make our main stay for the jewel cased software in the buildings. They have worked with us in getting away from the practice of licensing schools and selling us licensing and we apply a license counter as students log on and we are able to use those licenses across the District. What we know is as we are introducing this in our ITII phase out program that we need more licenses to cover the new schools that are coming on for Compass Learning and we need Spanish software licensing for Mathematics and that is something that we did not have. We are looking to increase our license count through Compass Learning and add Spanish component licensing for Mathematics.

Motion to advance the Compass Learning resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

m. CTB McGraw Hill

Mr. Cliby: This is our benchmark testing vendor, Board approved through the RFP process for Mathematics and we are looking to re-license this company for benchmark testing in Mathematics again this year.

Motion to advance the CTB McGraw Hill resolution to the Board for consideration made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 with Commissioner Evans absent.

n. Marsh USA, Inc. (Worker's Compensation)

Commissioner Powell: It is my understanding from the Auditor General that this is something her team would be able to take on eventually, but that it would not be until the fall – once her team was established and the audit plan was in place. My serious concern is that Marsh is not offering to stand by their suggestion that they could save us this considerable sum that has been tossed around. Many of the things that auditors do as part of the audit function include site visits and evaluating processes. I am totally comfortable that the Auditor General and her staff could handle this project. I also think even if Marsh was to come in today, you would not get the answers you need and the potential you need in time for budgeting this year.

Ms. Tripi: Not in time for budgeting, but the sooner you implement the sooner you start to save.

Commissioner Powell: That is true but from a budget standpoint, I would recommend that you budget what we did last year or however you make your adjustments when you do budgeting, rather than assuming savings would be there regardless of whether we were to approve this or pass it on to the Auditor General. We need to try and do everything in house as much as possible.

Commissioner Brennan: The other resources we looked into were within Membership organizations.

Commissioner Powell: The memo does say that a few of our member organizations were called, but I do not know if this is an exhaustive list.

Commissioner Brennan: How about outside consultants?

Ms. Tripi: The only other outside organizations when looking for alternatives were organizations that sell product and my concern would want to come in order to sell us their insurance product, worker's compensation, third-party services and I did not want to be put into a sales mode. I really wanted an independent assessment.

Commissioner Powell: We already use them in a third party capacity.

Ms. Tripi: We do use Marsh to do analytical reviews and worker's compensation being one of them. But they wouldn't be using this product to sell us their worker's compensation third party administrative services or insurance.

Commissioner Powell: They are not our third party worker's compensation administrator?

Ms. Tripi: No. That is EM Risk Management.

Commissioner Powell: I believe there are many things we could do ourselves, not necessarily by the Auditor General, but anyone who is willing to take the time to look at the data we have (i.e. certain events at certain places in terms of the causing of worker compensation issues, etc.). The greater the expertise applied the more we will find, but I think even a casual observer will be able to find some of our most egregious issues (the cracked sidewalk that everyone trips over and we have been sued several times about) something like that general approach where even the casual observer can identify some areas of improvement. A person trained in audit are going to be able to make some observations from data we already have at our disposal. President Garcia's concerns were generally along the same line and this is something we could do internally and the suspicious that we could get the promised results.

Ms. Tripi: We have a proposal that documents specifically what Marsh would do. The five deliverables that would come from this analysis that I could forward to the Board in the Friday packets and I could ask Ms. Henry-Wheeler to draft a letter regarding her thoughts on the internal audit group's ability to take this on. Marsh will not promise the cost savings. It will up to us to implement the plan.

Commissioner Powell: I think we need to look at other vendors. I think there are consultants who could offer this same type of analysis. I think we called for some effort towards a competitive bid and I don't think we got what we asked for on that point. Perhaps you don't know of any companies that do it, but I don't think we exhausted the effort.

ACTION: Ms. Tripi to work with Mr. Smith to determine whether this is something we could go out to bid on or at least for a request for quote and will put it back on the agenda when she feels they are ready to bring it back to the finance committee. Resolution to be presented to the committee at a later date.

Commissioner Brennan commented on the technology breakfast he and President Garcia attended earlier this year and thought it was a great opportunity for Board members to actual, see, feel and touch some of the software products that they are required to authorize purchases for.

Commissioner Powell thought the same and suggested IT/MIS do a better job of communicating these events to the Board and make sure we get Board members to attend.

II. Next Meeting – Tuesday, September 12, 2006

Adjournment: Motion to adjourn made by Commissioner Brennan. Seconded by Commissioner Powell. Adopted 2-0 at 7:17 p.m. with Commissioner Evans absent.