

Rochester Board of Education

Finance Committee

January 10, 2006 at 5:15 p.m.

Present: Commissioners Powell, Brennan and Evans, Ms. Rohring, Ms. Tripi, Mr. Greene, Mr. Connors, Dr. Cliby, Ms. Smouse

Commissioner Powell convened the meeting at 5:29 p.m.

Commissioner Powell proposed going forward that the Finance Committee meeting starts at 5:30 p.m. Both Commissioner Brennan and Evans agreed.

Commissioner Powell requested a motion to approve the agenda. Made by Commissioner Brennan. Seconded by Commissioner Evans. Adopted 3-0.

I. Receive and Review Monthly Financial Reports

Commissioner Powell opened the floor for questions regarding the financial reports.

Commissioner Evans wanted to know why expenditures for computer hardware, particularly instructional, appeared to be later in the year. It seems that we would need computers early in the year.

Ms. Tripi explained that it is a timing issue and depends on what projects are starting over the year. Specifically with non-instructional, (30.6% has been used thus far this year), the plan is to use these dollars for the textbook initiative. We are installing the Follett system now and will use these funds to rollout the hardware portion to the schools later in the year. It's really a timing issue depending upon which projects are active during any given year. With regards to instructional hardware the remainder of that money will be used primarily for the Chancery project.

Commissioner Evans wanted to know if the explanation provided suggested library book resources were more than adequate, so not as many purchases this year?

Ms. Tripi answered yes. The 24.7% that was used at this time last year is low. The 42.7% at the half-way point of the year is probably more on track. We did spend a lot of money in April of the prior year. And again spending is more on track this year then it has been in the past. This money will also be used as we finish the Follett implementation and the textbook initiative.

Commissioner Powell noted that most of the budgeted dollars for the facilities service contract had already been encumbered and wanted to know if this was tied to the work that was done for facilities modernization.

Ms. Tripi indicated no, this is more of the general plumbing work and snowplowing. We do encumber a substantial amount of these funds in the beginning of the year when we know who our contractors will be. And this year, we have actually encumbered less than we did last year at this time. We started a new process where

we aren't encumbering as much early in the year because we need to maintain flexibility as more plumbing issues, etc. may come up and we need to make sure we have flexibility.

Commissioner Evans asked if library books included software.

Mr. Connors stated that these funds could only be used for library books. With regards to Follett, he pointed out that we are being efficient with the resources and that dollars are being spent slowly. We are looking for common software for both the library and textbook initiatives.

Commissioner Evans wanted to know what is included in the rentals line.

Ms. Tripi indicated that we do have rental properties and parking lots throughout the District for example the Hart Street building and School #54.

Commissioner Evans asked in terms of the debt service, I noticed that we already spend \$27M annually in debt service. How does this tie into the facilities modernization project?

Ms. Tripi stated it does play a role, although I don't believe our traditional Capital Improvement Project (CIP) process is going to have a significant role. You would think that as we are putting this big influx of capital projects into the mix, we wouldn't need as much money in our annual CIP, But when you're looking at a project of this magnitude spanning 20 years, buildings that we build in year one would already need work by year five. So we do need to make sure we are able to maintain all of our buildings across the project. Although I am looking at whether we can reduce how much we are investing in our CIP and possibly use money for the facilities modernization plan. Mr. Keysa is hesitant to say this is possible given we already have a backlog of projects we can't fit into our current CIP.

Commissioner Powell wanted to know how much if any of our debt service focuses on the building of Madison and other major projects over the previous decade.

Ms. Tripi indicated that she did not have the specific numbers, but she could get them. I do know they are almost completed. They were all about 10 years ago and are at the very end of the debt cycle.

Commissioner Powell wanted to know if they had a 10 year amortization.

Ms. Tripi stated she believed so. I believe those are the ones that are now dropping off the debt schedule.

ACTION:

Provide information on the amortization schedule of new schools and other major projects undertaken by the district over the past 15 years; what was the schedule? How close is the District to the end of the debt cycle? How much money will that "free up" in the CIP?

Commissioner Powell stated short of a huge change in our CIP in the immediate future, debt service should begin to drop off this year and each year thereafter.

Ms. Tripi answered no. I don't think so. And the reason why is because of the backlog of projects. This is an opportunity to get caught up. In addition to that, there is an ordinance within City Council that says your debt limit is the lesser of the 3.5% or the 90% or your most recent debt.

Commissioner Powell stated so it is in our best interest to maximize our borrowing in our debt service.

Ms. Tripi answered yes.

Commissioner Powell stated to the extent that if we don't have a project we should borrow it anyway.

Ms. Tripi assured Commissioner Powell that we have plenty of projects.

Commissioner Powell stated however, this would be a legitimate course of action given that we are able to borrow at a very effective interest rate.

Ms. Tripi stated that she is hesitant to borrow money if we didn't need it. We wouldn't want to be in an arbitrage situation where we are borrowing funds that we don't need. So I don't want to say yes to that.

Commissioner Evans asked, out of curiosity under the Reconciliation of Cash versus Accrued Revenue for 2005 – 2006, letters A and J what are they? Are they the same thing or are they different?

Ms. Tripi stated they are different. A is receivables from last year that will be received this year (05-06) and J is payables from 2004-05 that will be paid this year (05-06).

Ms. Smouse confirmed Ms. Tripi's explanation and assured the committee that the report would be corrected before going to the Board.

ACTION: Ms. Smouse will correct The Reconciliation of Cash versus Accrued Revenue - Adjustments to Proposed Amended Budget section - items A and J prior to the reports being advanced to the Board.

Motion to accept the monthly financial reports, with the correction, made by Commissioner Evans. Seconded by Commissioner Brennan. Adopted 3-0.

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

a. Chancery

Commissioner Powell asked Mr. Greene to explain what the Chancery system was going to accomplish for the District.

Mr. Greene explained that the Chancery Student Management System is a replacement for the current student information system that has been around for several decades. In addition to being able to provide the District with more accurate information it will also be more responsive to our NY State reporting needs and will require less interaction and involvement to achieve the same results.

Commissioner Powell wanted to know if this was the only software package we're contemplating.

Mr. Greene stated that the original activities revolved around an open competition which ended up selecting the Chancery SMS system as the probable decision. There was a formal procurement and I consider it a provisional commitment to Chancery pending the outcome of the document you have which is the gap analysis. We are sure Chancery can satisfy our current and future needs.

Commissioner Evans wanted to know if we were planning to adhere to the same timeline that had been presented at a prior meeting, implementation by Fall 2006. Mr. Greene answered yes. We are still planning on adhering to that timeline. We are now starting on the short-term milestone which is the creation of the master schedules by March.

Commissioner Powell wanted to know if Mr. Greene was anticipating a lot of problems with conversion.

Mr. Greene stated no. The gap analysis is really step one of the conversion process and the standardization of the data process will make it really easy for us to import the data into Chancery.

Commissioner Powell indicated that she found that interesting, because it almost never happens in advance of the commitment to buy in the business world.

Mr. Greene paid complements to Mr. Robinson for his insistence on doing things properly, the reengineering that has taken place, the gaining of acceptance by the ultimate end users and the increase in the capability.

Commissioner Evans asked in terms of the end user will there be training built into this from the beginning or is there another agreement that will come later.

Mr. Greene stated no other agreements are forth coming. Extensive training is built into the original contract, not this one. This contract is for supplemental integration services that will essentially supplement our staff with making the changes that you've reviewed in the gap analysis, the writing of special procedures and minor modifications of the system, etc. The education and training is an integral part of what has already been committed and approved by the Board.

Commissioner Evans wanted to know the actual cost of the software. What is the final cost?

Mr. Greene indicated that \$4.8M is the final project cost.

Ms. Tripi indicated that it is not just the software. It's not \$4.8M for Chancery, it is the total cost of the project. Including any hardware that would need to be purchased and training compensation.

Commissioner Evans stated so the totality of the entire project is \$4.8M and we don't anticipate anything more.

Ms. Tripi and Mr. Greene stated no we do not anticipate anything further.

Commissioner Powell asked if Chancery rose to the top because they are a NYS preferred vendor.

Mr. Greene stated that he thought it was one of the evaluation criteria. But they also rose to the top from a functionality standpoint:

- Architecture
- References
- Results from (2) site visits

However, I think the architecture gives us the comfort that it will sustain us for many years to come. There were a number of considerations that put Chancery at the top.

Commissioner Brennan wanted to know what was covered in the \$2.7M. Ms. Tripi indicated that the Chancery project itself was \$2.7M which includes software and integration services. The remaining \$2.1M would be for hardware and compensation for training time.

Commissioner Evans asked if they could further elaborate on what is included in the \$4.8M project cost.

Ms. Tripi indicated that the total project is \$4.8M and that includes training, paying employees who are work specifically on this project, document procedures, our work to help create the gap analysis, hardware cost and software maintenance, etc. Commissioner Evans wanted to know if a breakdown of the \$4.8M had been given to the committee.

Mr. Greene and Ms. Tripi both indicated no.

Commissioner Evans requested the information be sent to the full Board prior to its consideration.

ACTION: Mr. Greene and Ms. Tripi will submit to the Board a breakdown of the \$4.8M before Friday, January 13.

Motion to advance the Chancery resolution to the Board for consideration with the caveat that the Board receives the project cost breakdown of the project prior to the January 19th Board meeting made by Commissioner Evans, Seconded by Commissioner Brennan with the same caveat. Adopted 3-0.

b. VoIP

Commissioner Powell indicated that the last time the committee discussed VoIP, we had hired a consultant to evaluate our options and this is the one selected.

Mr. Greene stated yes, that is correct. CELT (the selected consultant) assisted Mr. Smith in putting together the RFP and managing the entire process.

Commissioner Powell pointed out that four vendors were evaluated side-by-side. Frontier, ICS Telecom, Ronco-Cisco and Ronco-Nortel and the recommendation is for ICS Telecom.

Mr. Greene stated that is correct. After the first round of evaluations which were strictly based on the proposals received we invited ICS Telecom, Ronco-Cisco and Ronco-Nortel in for a live test demo and best and final offers. This gave us an opportunity to see the equipment in operation.

Commissioner Powell stated that from my observation ISC telecom was the price winner, but came in second in terms of all but price category. We are certainly getting the best price option and they are not doing a bad job in the other areas. Mr. Greene commented that from his experience and the way he viewed the live tests in particular, some of the other vendors spent a lot of time successfully selling futures. ICS Telecom on the other hand, came in and said this is what we propose. You can touch it, feel it, use it and see if it does what we committed it to do. And by the way, we will have the following later on.

Commissioner Evans asked if the implementation is going to cost the District \$1M and wanted to know if someone was to ask the question why. What would be the answer?

Mr. Greene gave the following three reasons:

1. We have over 60 telephone switches serving the District at last count roughly 30% of those were out of capacity and we were looking at replacing them which would require substantial capital outlay.
2. We are currently running two completely separate and duplicate networks throughout the District. Slashing the schools and CO together. The operating costs for the networks and the maintenance cost out of necessity, giving you a number off the top of my head, to operate and manage two different networks is probably \$250k. One network is solely dedicated to telephone service and one is solely dedicated to the data service (ex. Internet, the inner connection and PeopleSoft.)
3. Telephone switches we currently have we are paying about \$500k a year in maintenance. And that is only going to go up as the age of the inventory switches increases.

So, how does VoIP mitigate some of those expenses? The new technology is server based not huge telephone switches that have cards that need to be replaced, the incremental cost of having to replace and maintain components or major sub systems is substantially less than the \$500k we are currently paying for the extensive larger switches, and it will give us an extended life for our services.

Commissioner Powell stated so far you've said \$750K is operating cost versus \$1M to replace but the existing operation also has its limitations for instance; School of the Arts does not have enough incoming lines.

Mr. Greene stated that is one of the switches that is completely out of capacity. We would definitely have to replace it with a larger model and were talking about some substantial cost in the \$50-60k range per instance plus the maintenance cost.

Commissioner Evans asked so this would potentially fix the School of the Arts problem?

Mr. Greene stated definitely.

Commissioner Evans suggested that Mr. Greene present this rationale to the full Board before January 19th.

Ms. Tripi indicated that VoIP is also an e-rate eligible program which is how we get to the \$1M. This is actually a net number, not the gross. And in this case ICS Telecom has agreed to bear the responsibility of submitting the e-rate paperwork. So they are actually paying the entire cost and we'll be paying them the net.

NOTE: This was done by last year's e-rate vendors as well.

Commissioner Powell wanted to know the e-rate.

Mr. Greene indicated that it is between 87-88%.

Motion to advance the VoIP resolution to the Board for consideration with the caveat that the rationale for the recommendation be sent to the full Board prior to the

January 19th Business meeting made by Commissioner Evans, Seconded by Commissioner Brennan. Adopted 3-0.

ACTION:

Mr. Greene will provide the rationale for the VoIP recommendation prior to the January 19th Business Meeting.

Ms. Tripi commended the CELT team and the internal team for a wonderful job and Mr. Mr. Greene commended Mr. Smith on his great work.

c. Compass

Dr. Cliby explained that for over the last 12 years when we purchased computers, we purchased instructional software to go with those computers. And these computers lack the ability to communicate with one another. The data created on a particular computer has never been centrally reported. What our network now allows us to do is tie everything together. Our network capabilities along with Compass will get us out of the practice of buying individual jewel cased type software for each workstation. Compass is already in about six schools. We can purchase specific software for Math and English Language Arts (ELA) that will give us the ability to collect all data, report by school, and District. Compass also provides specific guided learning paths. It reassesses student progress and reports the information back centrally by District, school, classroom and student. Software is SIFT compliant can work within our SIFT arena. We can apply an agent to the software so that it talks back and forth to the student management system and our other applications.

Commissioner Powell asked how does this differ from other assessment tools? Specifically, McGraw Hill.

Dr. Cliby stated this software is not designed to be a benchmark assessment tool. Commissioner Powell stated but it describes assessments.

Dr. Cliby explained that it does have assessments in it, but the sole purpose of these assessments is to assign learning paths for students based on student deficiencies which are identified in the assessment. They do not follow assessments with the rigor that a benchmark assessment system would. Compass's assessment piece would not look anything like a CBT McGraw Hill that is driven on standards. For example, a kid takes a specific test on phonics and based on how they do the system will automatically assign them learning paths and skills to help them develop beginning and ending sounds, consonant and vowel sounds, etc. But that's quite granular compared to what we are looking to achieve in a CBT McGraw Hill benchmark testing system. We're really trying to see the students' specific skills at the end of the year. But more at a 50' view versus a granular view.

Commissioner Evans wanted to know the annual cost for licensing.

Dr. Cliby explained that we buy the software and we own it. Perpetually, what we do is buy upgrades and service contracts from that point forward. Upgrades and service for 400-500 licenses District wide would probably be \$7k-\$8k annually. Commissioner Evans asked so most of the associated cost would be after.

Dr. Cliby stated the software itself becomes updated. Our operating system does not force the upgrade. The company tells us we have an enhancement to the product based on new technology and we have the option of purchasing the upgrade using our yearly service/maintenance subscription fee or continue with the old product.

Commissioner Evans asked isn't this project in some of our schools already?

Dr. Cliby stated yes, at varying levels because it has been purchased at different times over the past 12 years.

Commissioner Evans wanted to know if the committee received supporting documentation showing the success rate of the program.

Dr. Cliby explained this is part of the problem with the old system. They were sight based systems. Some are legacy systems and some as new as last year. However, they do not talk to one another. And we don't collect good data on these systems. Although we could generate a usage report showing how many kids logged into the system and how often it was used. It wouldn't show you how a student benchmarked against another District.

Ms. Tripi explained with the new system, we will have the ability to do a lot more tracking and data acquisition centrally.

Commissioner Evans asked so if someone asked why Compass, what would be a concrete reason?

Dr. Cliby stated it takes us out of this arena where we are buying instructional software for individual computers and unable to collect data. The state categorically reimburses us about \$500k a year to buy instructional software. The practice of buying that software in that way is antiquated now that we have a network that is robust enough to serve us centrally and collect all of our data centrally. So it makes sense to stop that practice and buy software that is more of a conglomerate of different things and addresses ELA and Math skills.

Commissioner Evans wanted to know if we could justifiably say that the six schools that have the software, showed remarkable student achievement gains because of this program.

Commissioner Powell explained the case for achievement has not been made. What Dr. Cliby is saying is that each school is already spending \$15k a year and we would end up spending less by buying it centrally and pushing it through the network.

Commissioner Evans wanted to know how long it will take to get a report of student achievement.

Dr. Cliby stated that hopefully by summer students will be utilizing the program and tracking can begin. Within a year we should be able to address impact on student achievement.

Commissioner Brennan asked so we do anticipate that subsequent to this and soon we will be able to measure the impact of student achievement.

Dr. Cliby stated yes, I would think so. Once we are all on the same page it will be as simple as pulling a report on all the kids at all of the schools for a particular grade level.

Commissioner Brennan stated that this is something we can't do now because of the all the anomalies, the disparate applications and the disparate systems.

Dr. Cliby agreed.

Motion to advance the Compass resolution to the Board for consideration made by Commissioner Evans, Seconded Commissioner Brennan. Adopted 3-0.

III. Superintendent's Budget Priorities

Commissioner Powell stated she did not receive any comments from committee or other Board members. Commissioner Thompson said she was going to send something, but it was more a matter of presentation rather than substance.

Commissioner Brennan wanted to know how similar is the document received this year to what was presented to the Board last year?

Commissioner Powell stated that it is different in a number of ways. Last year's was presented in five groups. The first of which was mandatory spending and therefore not negotiable. The last of which was the wouldn't it be nice, but not vital to the District's mission or the Superintendent's goals for the upcoming year. Basically, what he did this year was define what is within his power within three categories. He explained that he did not intend for the categories to be in rank order. Those are the differences between last years and this years. In terms of the substance they reflect the Superintendent's stated goals. The ones we had buy into as well as the Board's goals.

Commissioner Evans stated that he agreed with what the Superintendent had laid out and he appreciated it and hopes the Board can get budget numbers early. Also, I hope the Superintendent is able to do a lot of the things that are not mandated by the State that he would like to do.

Commissioner Powell stated that because she hadn't heard from other Board members, she really didn't have much to add.

Commissioner Evans wanted to know if we needed to rank the priorities.

Commissioner Powell indicated no. However, if someone wanted to add a bullet point or make a case to delete a bullet point that is the kind of feedback she was hoping to achieve.

Commissioner Evans stated that he would really like to have them all.

Commissioner Powell stated she would email the rest of the Board and give them an opportunity between now and Friday to submit comments. I do want to expound upon Commissioner Evans comment about getting the budget information early. I believe as a result of our extra action report that we did agree to get the draft out to the Board even sooner this year than what was committed to last year. Plus we'll be seeing some of the program based budgeting this year for the first time.

Ms. Tripi informed the committee that there are actually some agenda items on the calendar for the Finance committee that will give you some early insight into the budget process.

Commissioner Powell you are talking about February and March.

ACTION: Commissioner Powell will send an email to other Board members requesting feedback on the Superintendent's Budget Priorities.

IV. Program Based Budgeting

Commissioner Powell stated that #4 is an FYI agenda item.

Ms. Tripi stated that we have been moving forward with this initiative and have been working with Ms. Dyce and the Research and Testing Evaluation team in particular Ms. Sullivan in determining which programs we will be looking at from a more granular level. And we have started to discuss the metrics, the financial impact of these projects, and we have begun forecasting them as well. What we would like to present to you tonight is an enhanced program list and hopefully get your feedback on the list. In regards to the literacy programs there have been significant cuts at the Federal level of the CSR program.

Commissioner Powell asked meaning what.

Mr. Connors indicated CSR stood for Comprehensive School Reform Design. That is your Success for All and America's Choice programs.

Ms. Tripi indicated that those two programs are not included in the literacy program listing because we believe we will not have funding for these programs in 2006-07. Commissioner Powell clarified by stating you don't believe we will have a Success for All or an America's Choice in any of our schools going forward.

Ms. Tripi stated that at this time it looks like the funding is cut in terms of finishing out the three year cycle for schools that are already on the list.

Ms. Rohring stated that the Superintendent has discussed developing our own instructional framework which he is working on and plans to rollout District wide in an effort to reduce the need for CSR programs; drawing on best practices gleaned from them in our schools over the years.

Commissioner Powell asked, so if we did that we would be inserting this new program to replace CSR.

Mr. Connors stated the President's proposal which has been adopted by Congress reduces all funding nationwide for those programs to a total of \$8M and our contact in NYSED informed us don't count on getting money for the programs that are in the middle of the three year cycle. We will probably be zeroed out of funding in 2006-07.

Commissioner Powell wanted to know if we have the textbooks and asked if Houghton Mifflin is our core reading program. Is Houghton Mifflin our premier choice in those targeted schools? She also asked if we had the materials in the schools that are going to lose these federally funded programs. Do we have the textbooks?

Ms. Jarzyniecki stated that this would probably be a program question for Ms. Holloway or Ms. Cianca and as Ms. Rohring has mentioned, we are looking at our instructional framework in anticipation of losing funding. We have been preparing for this.

Commissioner Powell wanted to know if the new program would be based on the Houghton Mifflin textbooks or is it something different.

Ms. Sullivan stated that most of the America's Choice program is based on best practices at a level text and individual reading standards. She reassured the committee that this is a subject that the instructional management team along with the Superintendent is looking to rectify. We may not have the answers right now, but we are certainly aware of the concern and working diligently to solve.

Commissioner Powell stated so we see this new/replacement program being initiated in the 2006-07 school year across the District both in the schools that are losing their federally funded model and in the Houghton Mifflin schools.

Ms. Tripi stated that she was not privy to this information until December right around the holiday. And in the middle of the budget process she doesn't know how we can specifically say we're going to solve for this issue.

Commissioner Powell stated that she wanted to get a sense from her colleagues whether to add an item on the literacy portion that helps us track, no matter where we end up in the Fall, the spending related specifically to this transition and treat it as a budget program.

Ms. Tripi indicated that she would be happy to provide a budget update on how we solve for the budget cut. I would suggest we do not include it in the program based budgeting. Only because we are new at this and the point is to try and take some history and look forward and measure some rubrics and I'm not even sure we know what the solve is for this program at this particular time.

Commissioner Powell stated that she understood that she wouldn't know what to test it against but that we should start tracking the funds that are being spent on this transition even if we don't know how we are going to measure it. Just yet, we will be able to accumulate the history of expenditures specifically on this. At the risk of arguing for an incomplete package in that respect, I personally want to push whatever our basic reading function is being tracked in program based budgeting.

Commissioner Powell restated her question of do we want the basic reading program of our District to be part of the initial day one of program based budgeting. I would argue in favor that we do.

Ms. Tripi explained that the issue with that is we looked at program based budgeting as those programs that went above and beyond the core and when you start categorizing reading it crosses a lot of programs and a lot of funding sources. I think we were trying to get down to a more granular, incremental cost, incremental gains type of process with the program based budgeting and it is very difficult to measure something that is so broad in the case of the CSRD. What we do to replace CSRD is completely undefined at this point and time.

Commissioner Evans wanted to know if this would be something we could phase in over a period of time.

Ms. Tripi replied I think it is a fundamental question as to what do we want to do with program based budgeting? Do we want to take all core ELA and Math and call that a program? It is my position that program based budgeting was really meant to focus on incremental investments and incremental gains.

Commissioner Evans asked doesn't it go beyond the core things.

Ms. Tripi stated I thought it was only the things that went beyond. Commissioner Powell stated that we kind of have to go back to the philosophy of the concept. The reason that I was pushing for inclusion of the different programs in the first year was because we didn't have a single reading program. If there is any possibility going into 2006-07 we continue to not have a single reading program, then we just made the case to include it in the program based budgeting pilot year. And I would ask if we made a decision not to include it and we find that next year we are going to start scrounging for the data about the initial year of this new program, can we go back to 2006-07 budget cycle and plug in program based budget information after the fact and how will we know if we have all the pieces if we miss the opportunity to

do so right at the initiation. Even if we don't ever go back and do an assessment for the very reason you described, it applies to every school at every grade level, if that's the argument against program based budgeting, then isn't it better to have tracked the money then not to have tracked the money?

Ms. Tripi stated that typically when we add incremental programs things like Ramp Up. It's a specific program, a specific model, when you talk about reading generally it's not usually tracked. Textbooks are bought, library books are bought. Do we know if the textbooks are for reading or Math? No, because they are not broken down at that granular level when they are a part of the core program. I think it would take a lot more retooling if that's the direction we would like to go. If that is a priority to the Board, we will work through that. But it is not how we had envisioned program based budgeting working.

Commissioner Powell asked the committee based on the arguments you've heard, what is your decision? Should the basic reading program be included under the literacy program in this year's list of budget elements?

Commissioner Brennan stated that we are committed to program based budgeting and we have been backsliding over the past couple of years and it all came about after the roof fell in 2001-2002. The public expects us to be serious about a commitment to make sure that kind of thing does not happen again and this is the tool. An important one in which the Board has already committed to. I don't want to see a situation where we make a commitment like this and then piece meal or abandon. Then three or four years down the road we find ourselves back where we were.

Ms. Tripi offered a compromise to Commissioner's Powell request. As the funding for CSRD has gone away we will continue to look for a program that we deem to be very successful. When and if we determine a program to replace the Success for All and the America's Choice program we would then include that program in the program based budgeting.

Ms. Jarzyniecki informed the committee that they are hoping to get additional information from the DICA audit.

Ms. Tripi agreed that there may be components of the DICA audit that will allow us to enhance the measurements, the rubrics and the expectations.

Ms. Jarzyniecki stated that there may also be some budget impacts as well.

Ms. Tripi agreed.

Commissioner Powell asked the committee are we collectively willing to accept this as it is with the promise that if it makes sense to add basic literacy to the list then we will or do we want to push harder.

Commissioner Evans stated that as Chair of the committee I will go with your recommendation.

Commissioner Brennan stated that he supported Commissioner Powell's suggestion. Commissioner Powell restated her suggestion that as we begin to understand what the new program will look like and what the expenditures are specific to the new program we will include it. If there are no new expenditures as far as we can identify or if those expenditures are left at the school level in their regular textbook acquisition without District level guidance, than I can accept that it does not emerge on this list. But to the extent that there is any central purchasing for the new program we want to capture the history of the expenditure, even if we can not immediately develop the assessment rubric.

Ms. Tripi agreed

V. OPEB

Ms. Tripi told the committee that we are currently at the RFP process with the City to find a company to do the actuarial study.

Commissioner Powell explained that this is to meet the Federal mandate.

Ms. Tripi explained that the RFP went to eight vendors and the RFP was done jointly with the City.

Commissioner Evans wanted to know if the City and the District were planning to select the same vendor.

Ms. Tripi said yes.

Commissioner Evans asked what is the timeframe for choosing a vendor.

Ms. Smouse stated that the information would go to the Board in March.

Commissioner Powell asked if the committee would be able to view something at the March Finance Committee meeting.

Ms. Smouse stated yes, that is the plan.

V. Next Meeting – February 9, 2006

Ms. Tripi asked the committee to consider moving the Finance Committee Meeting to the same week as the Board meeting. She explained that having the meeting prior to the board meeting puts us on a very tight schedule in terms of when the month closes and when we deliver financial reports to the committee. I always feel that when you are rushing a financial analysis document there are things we might miss and we might not be able to give as complete an answer to the Finance Committee as we would like. Especially when we have months like last month where we had basically two days to close out the books and get an analysis ready to present to the committee. I want to make sure we are doing a thorough job for the committee. Another option would be to do reporting one month following with a month delay. Commissioner Powell stated that she is personally willing to adjust the calendar when we can project out in advance when we can see places where timing is going to be an issue. We must make sure we project and plan rather than approach this in a hasty fashion. What I don't want to do is fall into a scenario where we always meet the Tuesday before the Board meeting, because that only gives us two days to clear up any issues.

Ms. Rohring reminded the committee that resolutions that come to the committee cannot be forwarded to the Board without committee approval. So if the committee does not meet until Tuesday before the Business meeting that would not provide members with the resolutions the requisite 48 hours in advance of the meeting. It also gives the Board members even less time to review the proposal and raise any questions they may have. Additionally, less than 48 hours, while not being in compliance with Board's bylaws, would not provide members with sufficient time to review the financial reports to consider acceptance at the Business meeting. We need to be cognizant of this.

Commissioner Powell suggested if the month end gives three business days or less to get the material compiled that we postpone our meeting to Monday the week of

the Board meeting, but only under those narrowly defined circumstances. In other words, our committee meetings will continue to be the Tuesday before unless the number of days between month-end and the Friday packet only provide three days or less.

Commissioner Evans stated that this would be a good recommendation with the caveat that if we had questions we would get a 24 hour turnaround and the Board would have to be willing to agree with this to.

Commissioner Brennan wanted to know if we were taking any action on this item.

Commissioner Powell indicated that she would like to get a sense for the committee on what they would like to do.

Commissioner Evans suggested we think about changing the Board meeting.

Ms. Rohring indicated that the Board bylaws state the Board meeting is the third Thursday of the month.

Commissioner Powell stated in the near term, we can move the meeting from Tuesday to Thursday, February 9th. Until we get a broader solution or bylaw amendment. Does the committee consent to shifting the February meeting from the 7th to the 9th?

Commissioner Brennan asked is it plausible that questions presented on Thursday would be answered by Friday. And stated he would rather move the monthly Board meeting.

Commissioner Powell indicated that this is a one time change and the next meeting will be February 9th at 5:30 p.m.

Commissioner Brennan stated that he is OK with doing this as a one time courteous offer. However, he does not like the context of Board members not having their information in time to digest it, read it, talk to people and make informed decisions perhaps this is just the anxiety of a new Board member. Quite frankly I believe it is a way for people to slip things past the Board and I don't like that.

Commissioner Evans stated that we need to find a more permanent answer. He agreed with Commissioner Brennan's sentiments.

Adjournment: Motion to adjourn made by Commissioner Evans. Seconded by Commissioner Brennan. Adopted 3-0 at 7:05 p.m.