

Rochester Board of Education

Finance Committee

September 12, 2005 at 5:30 p.m.

Present: Commissioners Evans, Garcia, and Powell, Ms. Rohring, Mr. Connors, Ms. Tripi, Dr. Cliby

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

I. Receive and Review Monthly Financial Reports

Commissioner Powell asked if everyone had an opportunity to look over the monthly financial reports and whether anyone had any questions.

Commissioner Powell had a concern regarding the over-time for non-instructional salary. She stated that it was out of line with previous year-to-date percentages.

Mr. Connors stated that the amount of money represents a lot of time for para-professionals and clericals for summer school. It is a notable change from last year, but the summer school program is larger this year, more closely aligned with that offered in 2003 rather than 2004 when the District was experiencing budget challenges.

Commissioner Powell stated that it would be appropriate to compare this figure to the year before when summer school was not in session. Mr. Connors agreed.

Commissioner Evans requested clarification regarding cash flow analysis which indicated a \$35 million RAN rather than the \$20 million RAN authorized by the Board on August 18, 2005. Is it going to cost the District \$15M to borrow \$20M?

Ms. Tripi stated that both lines K and C should read \$20M. Ms. Tripi stated that there was one page for sources of cash and one page for uses of cash. Commissioner Powell stated that the pages should be corrected before being presented to the Board, prior to Thursday's meeting.

Commissioner Garcia was concerned with a \$15M typo.

Ms. Tripi stated that the error would be corrected before the Board business meeting. Ms. Tripi said it would be adjusted to reflect the correct figure.

Commissioner Evans had questions regarding the title of the reserve fund including "spin-up."

Mr. Connors stated that he lost his file on his hard drive which contained the correct information. He also stated that it was the same account code, but would correct the title in the revised report.

Commissioner Powell had concerns with using the same account code. Mr. Connors stated that no expenses would actually be charged to this account. This is simply a holding account so that the monies are set aside and not used.

Commissioner Evans asked if this account could be called the Fund Balance Reserve?

Mr. Connors stipulated the change would be made.

Commissioner Garcia wanted explanation of the roll-over. He wanted to know why the money was not used last year since it's grant money? What is being rolled over?

Mr. Connors stated that Title I monies were set aside for supplemental educational services and transportation associated with that. This was money was not utilized because it was held back for these purposes that never came to fruition.

Commissioner Garcia wanted to know what the specific purpose for the money being held back.

Mr. Connors stated that under the Title I legislation, we were required to set aside 20 percent of our funds for the purpose of supplemental educational services which are provided by third parties to our students – 15% for instruction and 5% for transportation. Very little of the transportation money was utilized. Transportation piece has been changed. The amount has been reduced in the 2005-06 budget by about \$800,000. We will not see this as a rollover going into 2006-07.

Commissioner Garcia wanted to know why parents didn't understand that services were available in last year's budget, stating the Board was told that special efforts were made to get the information out that these services were being provided by the District, and parents could take advantage of the services. We did not expect to have a lot of money in that category any longer. Why do we have so much money left over?

Commissioner Powell wanted to know if the providers overstated the enrolled children? Did the program administrators overestimate? Or were there just no-shows?

Mr. Connors stated that it was a combination of both things.

Commissioner Garcia asked how does the rollover affect the new grant? Mr. Connors stated that they are proposing to put the rollover funds into the budget in September. When we weren't anticipating any rollover money this year, a number of programs were moved out of the Title I grant into the general fund. However, when we realized that the funds would be available, they were

moved back into the Title I funds. This year we will see the rollover monies from Title I and Title II come down significantly at the end of the fiscal year.

Commissioner Powell suggested that packets be separated according to agenda items for organizational purposes because discussion was being done on two different topics.

Motion to accept the amended monthly financial reports by Commissioner Garcia. Seconded by Commissioner Evans. Adopted 3-0.

ACTION:

- Provide amended financial reports (RAN of \$20 Million, revised title on fund balance) to the Board by Tuesday, September 13th.

II. Receive and Review Proposed Resolutions for September Business Meeting

Note: with regard to Title I and II rollover:

Commissioner Powell suggested that the people who support the programs should be at committee meetings to talk about and answer questions regarding the programs.

Commissioner Garcia stated that if erroneous information is presented to him, he would appreciate being told that it is erroneous info, and that that info be corrected prior to committee meetings.

a. Budget Amendment resolutions

Commissioner Evans asked if we should anticipate any negative changes in NYS Aid during the fiscal year.

Mr. Connors stated that there would be changes in NYS Aid, however we would not have a handle on that until late November, early December. The formulas are based on last year's costs to determine this year's aid. Ms. Tripi stated that at this point they are unaware of any major shifts from the numbers that have all ready been presented.

Commissioner Garcia asked to have the revenue overview explained. Where does this money come from?

Ms. Tripi stated that the majority of the revenue on the local side is due to the legislation that changed the fact that we no longer have to repay the EPE funds this year.

Commissioner Garcia wanted to know where the other money comes from.

Mr. Connors stated that the rest of the general fund money comes from billing other districts for health services.

Commissioner Powell asked if all of the EPE funds that were deferred are going into a reserved fund. Ms. Tripi stated that this is correct.

Commissioner Evans asked whether the EPE deferred payment is reflected in the \$3.8M fund balance. Mr. Connors answered that basically the net affect of all the changes, the additional revenues less the expenditures added to the budget resulted in a net \$3.8M of monies that were set aside per the Superintendent's instruction as a reserve for next year's budget.

In reviewing the detailed expense summary for the budget amendment, Commissioner Evans asked how the dollar amounts were arrived at for program supports. Ms. Tripi responded that they consulted with Human Resources in most recent hires, and tried to come up with estimates. They will look to the market to see what final numbers will come out.

Ms. Rohring wanted to know if these numbers were for both salary and benefits?

Ms. Tripi said they were for both.

Commissioner Garcia stated that those numbers sounded like a basic wage. He did not think any fringe benefits were built into the figures. Ms. Tripi will look into the figures and get back to the Committee prior to the Board business meeting.

Commissioner Powell stated that it was helpful to receive such a report and requested that they be provided as a matter of course going forward.

Commissioner Powell also noted that the Superintendent had not formally presented a budget amendment to the Board, though he had sent two memos. The committee requested a formal budget amendment presentation be made to the Board before formal action to amend the budget.

Motion to recommend the budget amendment resolutions to the Board for consideration by Commissioner Garcia. Seconded by Commissioner Evans. Adopted 3-0.

ACTION:

- Provide clarification regarding benefits accounting in the expense summary.

III. Review DRAFT Budget Process Timeline 2006-07

Commissioner Powell stated that Ms. Rohring has proposed moving up the Budget Presentation by a couple of days in response to members requests for additional time. The timeline has been too short for review by the Board.

Commissioner Evans concurred that it would be important to provide additional time for review, particularly in 2006 with at least two new Board members.

Commissioner Garcia concurred.

Ms. Tripi stated that the timeline was aggressive, but given that they knew six months in advance they would have to plan accordingly.

Motion to recommend the draft budget process timeline for 2006-07 to the Board for consideration by Commissioner Evans. Seconded by Commissioner Garcia. Adopted 3-0.

IV. Update on Benchmark Assessment

Ford Greene, Interim Chief Information Officer, stated that he had nothing to seek approval on at this time. However, he did invite Dr. Cliby to give an update. Dr. Cliby stated that several pilots were put in use for math assessment for grades 3-8. An RFP was published for vendors on January 14, 2004. Vendor demos were provided, and teachers were invited to view the products, and followed-up with surveys. The audience was also allowed to participate.

Some of the lessons learned were: options for test delivery, network band, schools have some say in choice, consideration of time away from instruction, ease of training for teachers and students, timeliness of report access and use.

Some questions not addressed in RFP process were: District capacity for training, test flexibility, proven track record, vendor support and training, program costs, infrastructure requirements, number of test sessions per year.

Commissioner Evans wanted to know what the District cost would be. Dr. Cliby stated that the licensing cost per year to the District would be \$80,000-100,000.

Commissioner Evans questioned whether or not there was anything done with ELA. Dr. Cliby stated that there was a pilot done with ELA, but this RFP was math only. He stated that during the process it was determined that there is broad support for DRA, which the District currently uses to assess students in ELA, and stated they now have an electronic component which may become the BA for ELA for the District.

Commissioner Powell would like to see more work on the presentation before the next committee meeting and before sharing information with the Board. She would also like to see better formatting of the information being presented. Furthermore, she would like to see all three responses compared throughout

rather than early elimination of one, which she does not feel is defensible. She will work with Dr. Cliby on.

V. Next Meeting – October 11, 2005

Adjournment:

Motion to adjourn the meeting by Commissioner Evans. Seconded by Commissioner Garcia. Adopted 3-0 at 6:28 p.m.

ACTION:

- Provide update on Gates Foundation Grant – what has been used? What for? How much is left? Are we on budget?
- Dr. Rivera to formally present proposed budget amendment for 2005-06 to the Board.