

**Rochester Board of Education
Finance Committee Of the Whole
April 29, 2004 at 6:00 P.M.
Minutes**

Attendance: Commissioners Bowers, Brown, Garcia, Porter, Powell and Thompson.

Absent: Commissioner Evans

Commissioner Bowers called the meeting to order at 6:10 p.m.
Commissioner Porter arrived at 6:12 p.m.

- I. **Board Member Questions/Answers by Staff – each member will be given 10 minutes uninterrupted for questions and answers regarding the proposed 2004-05 budget – (70 minutes)**

Commissioner Garcia

Q. Is the budget you presented, in your best professional opinion, it help to promote educational achievement for our children? Would a multi-year budget help to alleviate some of the pressures?

A. Dr. Rivera indicated that this budget represents an investment on the part of the staff of three – four months time, looking at developing programs and at data, rationale and evidence to support recommendations.

Commissioner Thompson joined the meeting at 6:13 p.m.

Creating the budget is an extensive process. I recommended the budget with adjustments that were delivered on 4/1. I did not feel I should advance \$29 M more in reductions, because that will cut away at educational programs. In my professional opinion, this is the best budget we can have and not cut into educational programs.

Q.- Is it your opinion that the \$29 M will be advanced by State?

A. Dr. Rivera: Based on history, when you look at the governor's proposal and what eventually comes out, there will be more funds than what is in his proposal. Some areas of revenue are higher probability than others.

It is important to discuss this. Our contingency plan will be advanced to the Board Monday – a contingency list should the \$29 M not materialize.

I'm encouraged by discussions at the State level around CFE and NYC Court decision. I am hopeful that our legislators will do their job to deliver a quality and equitable educational experience for our young people. I'm very hopeful and confident that our legislators will help us close the gap.

Q. We had a private discussion about multi-year budgeting. At this time, are you able to develop a multi-year budget for RCSD?

A. Dr. Rivera: I am more and more convinced that we need to develop a multi-year plan and begin to budget for next year as soon as we complete this process based on certain expense assumptions and revenue assumptions. We have no choice. Not knowing what our revenues are going to be is difficult. We get unanticipated hits on expenses. Retirement. Blue Cross annual increases. Some known expenses we can predict. Contracts with bus services, labor increases, and other inflationary increases where we have a history and we can go back over the last five years and project what it will be. It ought to be a 3 or 5 year budget.

COMMISSIONER POWELL

My questions have the same thrust as Commissioner Garcia's.

Q. (WP) About the contingency plan, it is presumed that he will of the board is not to draw a line in the sand with regard to state funding for us. How seriously are you taking your contingency budget or are you prepared to back the board if we put a stake in the ground?

A. Dr. Rivera: Any time you present something publicly it ought to represent the seriousness of our responsibility. I want to prepare a real contingency plan. I take it with utmost seriousness. I will get recommendations so I can feel comfortable with the reductions that could, in fact, occur. We will have thorough discussions and rank in priority order. The contingency plan will reflect our most serious thought.

Q.(WP) You are not averse to the scenario of closing schools early, before the end of June even though that might seem radical?

A. Dr. Rivera: I advanced that idea a year ago. It is in violation of the law if you don't provide schooling for X numbers of days. It emphasizes this is what will go away if we don't get the revenue. If, as a board, you decide you want to take a different approach that could be more radical, then we can advance that.

(WP) I am comfortable with the budget you presented. I may have questions with individual program detail, but I don't want to get hung up on the minutiae.

COMMISSIONER BROWN

Q. (RB) I have a follow-up on multi-year budgeting. I was alarmed by the number of vacancies in Business Services. If we move to multi-year budgeting, what provision will you have to ensure efficiencies can be maximized outside of an annual budget process?

A. Mr. Marini: There are many opportunities for efficiencies. In putting together the budget for Peoplesoft implementation, we postponed several of the modules the Board approved in December.

Online requisitioning will generate many efficiencies. We use typewriters; we're very paper intensive. This will allow for better cash flow management. Also, the Budget performance module that has been put online will allow us to do the multi-year budgeting.

Q. (RB) – As we do that, are we able to envision that the process will be in place to use those things in a constructive way? Are there reorg plans or thoughts to encourage our people to come forward with efficiencies to retain resources for our children, to make a difference?

A. Dr. Rivera: We have encouraged efficiencies. We have not set up a system such as you are envisioning. We want to align incentives to improve student attendance and performance. We need the right kind of culture and systems set up.

Q. (RB) I think we would want to do that in conjunction with a multi-year budget planning process. With respect to the contingency budget, a certain percentage only wakes up when their school has an issue. What will the contingency plan show? How are we going to manage that process?

A. Dr. Rivera: – Last year we hoped to receive \$31 M in additional state revenue. We gave a general list of reductions. The process last year was good. As we prepare the contingency plan, we will look at recommendations we have made to advance certain programs. There might be other areas we will identify.

I am concerned that as we generate the list, there ought to be some discussion so public doesn't get a sense of anxiety.

Q. (RB) – What do you envision that we as Board members can do to help with the topline issue to bring the public around to the understanding that we need \$30 M more?

A. Dr. Rivera: I meet regularly with a group of parents and other constituents. People don't really know how RCSD spends its money. There is a lot of misinformation. Our legislators are fully aware of our situation on both the expense and revenue side. To the extent we reach out to our own legislators, that is important.

We need help to publicly dispel some of the myths. People still say that RTA teachers are the highest paid in the nation. RTA teacher median salary is 12th out of 18 districts in Monroe County. 20% of our funds go to Charter schools, preK agencies, and other outside services.

We need to constantly reinforce important facts. We have a responsibility to get out to the media, both print and electronic, to communicate information that we have always relied on state dollars. I hope that we continue with same level of City revenue. I still have a problem with Nurses. \$4.4 M not in budget. As of July 1 there is no funding source. It is not factored into \$29 M gap.

COMMISSIONER PORTER

Q. (DP) - Can we have an analysis of grant data, including reported disallowances and projected disallowances?

A. Mr. Marini: We can get you that. Disallowances have gone from \$7.5M to \$3.9M; at \$2.5M for 2003-04 and held constant for 2004-05.

Action Item: Provide analysis of grant data including disallowance information.

Q. (DP) – Can you get us the data that you used to help you prepare the budget as to what stays in and what goes? By department, by program, by staff?

A. Dr. Rivera: We have a notebook with budget templates that shows the impact and effectiveness for every recommendation in the budget. We went through a process where we prioritized and summarized. I can make it available to any board member to review in my office.

Q. (DP) In previous years, the District has used grant dollars to relieve local fund, but that is not the case this year. If we are using grant dollars in 2003-04 to fund items that are returning to the local fund in 2004-05, do we have written authority to use Title I?

A. Mr. Silver: The disallowances were largely restricted to one arena of grants: adult education and special ed and not in consolidated Title I areas. I had a meeting in Albany, where they signed off on Title I expenditures.

Q. (DP) Do we have that spelled out in a document and signed off? I just want to make sure we have a signed, sealed and delivered copy of a document to use the grant in the way we are.

A. Dr. Rivera: We maximized our federal dollars. I want to be careful this year that there is no question. Title I is being used to support academic services, and we are within regulations.

Q. (DP) – Consultant contract list. It would help a lot if you could break it out by funding – local and federal.

A. Mr. Marini: – It should have a funding code on it.

Q. (DP) If it does, I'm not up on what it means.

A. Mr. Marini – I'll give you an explanation of the codes.

Action Item: Provide key for account/fund codes on consulting document.

Q. (DP) Know America's Choice has had a positive impact on student achievement. Lightspan program at 54 school. Have we actually looked at School 54 model and whether or not it is working? Considered expanding Lightspan? Compared that to America's Choice to see if we want to move America's Choice to 54?

A. Dr. Cianca – Lightspan at School 54 and 4 no longer on approved list by NYSED after cycle completes; now in last year. The State has frozen additional CSRD money it gives districts upstate for 2004-05. 54 and 4 are finishing out their applications.

Dr. Rivera stated that the District has not evaluated Lightspan.

Q. (DP) School 22 also approved for America's Choice. Lightspan never got off ground there. When they used the program it worked. #4 on ELA list. Had we looked at it for other schools throughout the district

A. Dr. Rivera: – Several months ago, one principal indicated dissatisfaction with Lightspan model. I have not received positive feedback. The fact that the State doesn't recognize it any longer indicates it is not a good model.

With school performance, what you see is that certain programs make good sense. At School 5, Michele Hancock has no reform model but they get very good results.

Action Item: Commissioner Porter asked Dr. Rivera to evaluation Lightspan and determine whether it is working for RCSD students, regardless of whether on NYSED approved list.

COMMISSIONER THOMPSON – Thanks for all the hard work done related to the budget. It is well organized. Glossary helpful. Job well done, although there is always room for improvement. It still feels like too much information in too short a time.

Q. (ST) – did I overlook Appendix 3?

A. (KR) – No. It arrived late this afternoon. I will provide copies.

Q. (ST) On School 36, I sent you a memo with 5 or 6 questions. Have written responses been prepared, that I have missed?

A. Dr. Rivera: I have them. I thought we covered them in our meeting on Friday. We have a document that was thoroughly completed that I believe was forwarded to you addressing the School 36 questions from the Town Meeting.

Q. (ST) Q & A from parents and the budget hearing at East High – do we have answers?

A. Dr. Rivera: What we have are responses to the questions received about School 36 at the Town Meeting. We have not transcribed all the points at the hearing. There are some points that people made but we haven't gone through that with you.

Q. (ST) The question had to do with process. Criteria used. What criteria were not included? On pages 12 and 13 of appendix of school closing

report. Programs at 36, nothing listed. There are programs, relationships and history that should be factored into the decision.

A. Dr. Rivera – When we give you responses, we will indicate criteria. We did not go into community and look at impact as a whole, the social impact or what the building might become. We did a thorough job analyzing facilities, conditions, maintenance costs, operating costs and enrollment. Those were the key things we looked at. As we anticipate future closings, we may want to consider other factors.

(ST) It's an instructive exercise. It is not an easy process to manage.

Q. (ST) Do you have the rubrics for these two pieces, facility evaluation and performance rankings?

A. Dr. Rivera: – We don't have rubrics for those.

Q. (ST) – What savings might have been realized with other schools under consideration for closing? What work is being done on targeting School 36 grant money to other schools? I'm looking at the recommendations/info for closure plan from Cheryl Holloway. Have we considered offering certain guaranteed seats for displaced students at schools within their zone, but especially outside their zone? May be way to take edge off their loss.

A. Dr. Rivera: OK, we'll look at that.

Q. (ST) It would be helpful if each document would have the date, page numbers, and state the source of the response.

COMMISSIONER BOWERS read questions into the record and asked for written responses from staff.

- 1) Legal – budget document stipulates 10.5 FTE, 9 are filled so how are there 2 FTE vacant? Given the fact that these positions remained vacant throughout the 2003-04 fiscal year, additional information surrounding why they are critical to fill on a go forward basis should be provided.
- 2) Non Program Expenditures – Instructional Supplies – total allocation is \$1.17 million. Of that \$613K is TAPU holdback, leaving \$558K for school redesign costs? Is this part of the \$1.9 million initiative request surrounding school redesign?

- 3) SDO – Equipment=\$1.059 million increase for 2004-05 (total=\$1.487M). Explanation included \$659K for school redesign, plus \$570K for technology equipment for JumpStart. This exceeds the increase. Will the \$570K be locally funded? Redesign and Jump Start total \$1.229M, difference of \$258K in this line. Is the \$659K for redesign part of the \$1.9 million initiative request on this item?
- 4) Strategic Planning –
- a. Rentals request = \$111K. Stated it was to fund the rental of the three parent information center sites. In reviewing the resolutions surrounding the two new sites, the annual costs are approximately \$33K each. The 2003-04 allocation for rentals was said to be the cost of Hart Street (\$30K). This reaches a total of \$96K, with a difference of \$15K. Can this difference be explained?
 - b. Utilities – the increase requested received an explanation indicating it was primarily attributable to telephone costs. Are these land lines or cell phones?
 - c. PISR Admin (Org Effectiveness) - \$409K budget to administer the three placement centers. The three centers total \$563K; and student placement totals \$822K. This is a grand total of \$1.8M annually on student placement. Why can't the three parent information centers be centrally administered through the District Student Equity and Placement office? Why a separate Placement Center budget of \$295K in addition to the \$409K for central admin of PISR, in addition to the \$527K for student placement? This seems like a rather layered approach, and quite possibly not customer centered.
- 5) Provide the criteria/justification for moving Title I expenditures for 2003-04 to Local in 2004-05. Where these legitimate transfers to Title I in the 2003-04 budget? If so, why moving back to local funds?
- 6) ESOL – There is a \$3M expenditure on ESOL out of Title I funds. While acknowledging the District is required to provide ESOL services, we are hearing that the enrollment in this program is declining and ESOL teachers are going to be laid off. Please provide enrollment trends for the past three years, and projected enrollment for 2004-05. If the enrollment is in fact declining, can a \$3M expenditure and all the associated positions be justified for continuation? Please provide information on the number of FTEs to correspond with the dollar allocations already provided.

- 7) Grant Review – Question 11 – AIS at \$11.257M, with 148.8 FTE. Average salary would be \$75,655 including benefits. Why so much above average salary of approximately \$44K?
- 8) MAP – Provide costs associated with the program, outside of FTE costs. Note: student performance information provided could be attributed to fact that these students already perform well on the State assessments.
- 9) Secondary Education Program –
 - a. Are there stipends or any other costs associated with “Administrator Champions”?
 - b. Are there any additional FTEs or costs associated with “Instructional Coaches/Specialists”? Are these funded through Title I AIS budget?
- 10) CSRD - \$500K – response indicated that ongoing training is needed due to staffing changes. Given the fact that this is a train the trainer model; shouldn't most of this be able to be addressed internally? Is this an indication of a turnover problem?
- 11) If eliminate Director of Attendance and School Health position, who will handle these responsibilities?

II. Board Member Questions/Answers by Staff Round II – each member will be given an additional 5 minutes uninterrupted for questions and answers as needed – (35 minutes)

Commissioner Garcia I have no questions. I have some comments. I have been here about one month. I was appointed on March 23. I began to work right away. We voted on the Teachers contract and the ASAR contract. Then, we got into the budget. BUT, the thing that makes my tenure odd, since I came on the board, all we have done is request data from the administration in minute details. It bothers me that we are second guessing people we pay high salaries to perform this work. We have disrespected some proposals. We hire you to manage school system. We hold Dr. Rivera accountable for improving student achievement, for complying with federal regulations, for fiscal responsibility. The more we continue to put our input into the process, the less we are going to be able to hold them accountable.

Our responsibility is to give them the resources they need to make education in the city move forward, to have the kids attain higher achievements, to reach the goals the board has established. I don't think

we are being fair in this case by asking the staff to provide information when they have given the information we need to make a decision. We either approve or not. Send it back. Let's move on. I came here to work, to help the staff of this district do the best they can, to help our kids be the best, highest achieving in the state not to micromanage the staff. Once questions have been answered, let's approve it or turn it down.

COMMISSIONER POWELL I will need help catching up as I have been a little distracted the past few days.

Q. (WP) Is there a document prepared to reconcile line item adjustments due to organizational changes? If so, point me to that so I can feel comfortable with differences.

A. Dr. Rivera - What pertains to organization in staff ?

Q. (WP) – It's beyond cabinet – what are the major adjustments/movements in departments and divisions that may help explain some of the line item variances?

Action Item: Provide organizational change information.

Commissioner Powell left at 7:14 p.m.

COMMISSIONER BROWN

Q. (RB) – It is painful closing schools as enrollment continues to decline. We know why Lofton is an underperformer in our district. It's surprising the extent of community support at School 36 in light of its performance. I am alarmed to see the extent of extra support at School 36 given its dismal performance. I would like to know what the factors are that have held school 36 back beyond demographics, and economics, it's embarrassing. It's important to isolate factors so we can avoid failure like that elsewhere.

Have we yet isolated the determinants of failure or is that something still need to look at?

A. Dr. Rivera: We can certainly identify those factors that make successful schools. This is the first time I have ever recommended closing a school. As we revisit this, we need to analyze what lead up to the recommendation.

COMMISSIONER PORTER

Q. (DP): Regarding closing of schools, it seems the information we are receiving from the administration is different than what the public is receiving. Closing vs. redesign. Moving as opposed to closing. Public perception. What is happening to all staff, not just teachers? Are unions seeing the final redesign plan as presented to BOE?

Dr. Rivera: Are you referring to CALC?

(DP) CALC, Lofton, 36 – at what point in time were appropriate people brought in for buy-in? We have a communication problem we need to deal with.

A. Dr. Rivera –As we respond to President Thompson, her first question, deals with process and what lead up to that. We talked about achievement, enrollment. It wasn't a process where we went out and talked with principals and engaged them. We ought to reflect on the process. I remember several months ago when word was out about CALC, Union leaders were involved. I didn't think about the constituent groups. There will be a major presentation on CALC next Monday night at Quality Assurance Committee meeting.

Q. (DP) At School 36, if you look at ELA scoring at surrounding schools and look at data as far as how well they are doing; where the space in NE is (900 seats for k-6 are located); and look at choice plan, basically asking parents which failing school do you want your child to go to?

A. Dr. Rivera: – I want to be careful because we have seen good progress in NE quadrant. Nos. 9, 6, 39, 52 these are schools that are not high performing but are demonstrating good progress with same demographics as 36. Students will not just have choice of other failing schools.

COMMISSIONER THOMPSON

Q. (ST) – p. 4 – q.5 teaching substitutes is there a cumulative decrease in schools?

A. Mr. Marini: YES.

Q. (ST) p5 q6. - 656K instructional supplies. % of redesign money and 10% TAPU – I would like a breakdown.

Q. (ST) p. 24 appendix 5, q6 Business Service vacancies. What is the rationale for use of temps and subs in vacant positions?

Q. (ST) Appen. 6 and 10. It would be helpful to have the same format for responses to questions. We don't have 02-03 actual.

COMMISSIONER BOWERS – I understand and respect Commissioner Garcia's sentiments. There is a fine line between engaging in oversight and not micromanaging. I look forward to serving with you. So we will work on that.

Commissioner Bowers explained what the Board does is necessary. In 2003-04, the District spent one time revenue on ongoing expenses. The 2004-05 proposal includes \$7.5 million in one time revenue on ongoing expenses. If you look at 03-04 some expenses carry forward while revenue stream does not. There is the potential that we may be funding Nurses. We need to be fiscally responsible as possible. We have a fiduciary responsibility.

I am providing a list of proposed budgetary reductions totaling \$11M dollars. This is not part of the contingency plan. It is standalone to bring 2004-05 gap down to \$18 M.

Commissioner Bowers asked the Board members to submit any remaining questions in writing to the Clerk to the Board

Commissioner Garcia asked what the board is supposed to do with the proposal.

Commissioner Bowers indicated it will be on the agenda for May 4 at 6 p.m. when the Board will begin to make formal recommendations and proposed reductions or restorations to the major initiatives.

III. Preliminary discussion on Contingency Plan – (15 minutes)

Monday the contingency plan is due.

Commissioner Bowers asked the other members to review the reductions list and he will ask for a vote next week. Everyone is free to reject.

Commissioner Garcia asked if the finance committee is making a recommendation to board next week.

Dr. Rivera said he appreciated input. We set priorities. Its' my responsibility to recommend a budget to you. I have done THAT. We will look at our contingency list. There will be other recommendations that will come forth to you. We develop and advance a recommended budget which you can approve or not.

Commissioner Thompson noted that the Board will consider the reductions and that the Superintendent may or may not include them in any contingency he develops.

IV. Next Meetings – May 4, 2004 at 6:00 p.m. for Board Budget Deliberations

Adjournment:

Commissioner Brown motioned to adjourn. **Commissioner Porter** seconded.

Adopted 5-0 at 7:37 p.m. Commissioners Powell and Evans absent.