

San Diego Unified School District
I21 Finance Subcommittee
January 23, 2014
Education Center
Room 2226

Present:	Ami Shackelford	SDUSD
	Peter Sibley	Edmin
	Matt Spathas	SENTRE Partners
	Midori Wong.....	SDUSD
	Rich Wells (phone).....	Edmin
	Tom Greaves (phone).....	The Greaves Group
	Larry Tamayo	ExED
	Evan Leslie	SDUSD
	Nicole George	SDUSD
	Mark Provo	Lenovo
	
	

Welcome and Introductions

Peter Sibley called the meeting to order, followed by introductions of all present.

Overview of Committee Focus

Matt reviewed the purpose of the i21now committee. The division of next generation learning and that whole conversation will have to be ground up and top down. Communities do not know what next generation learning looks like or why they need them; crossing socioeconomic barriers. Look at a very high-level unconstrained vision, around ideas. Dream big, do not get caught up on what it is or how we are going to do it. Focus on what we need to do. In relation to the Finance committee: a conversation around the sustainable approach to next generation learning, as well as info analytics to make better decisions about the dollars that are invested. The sustainability piece in terms of reallocating dollars, think of cost per student. The more we can break down some of the notions of what is cost to put a device in a student’s hand and sustain it and support it. Consider all the elements.

Peter opened the floor for questions for Matt. Evan asked what will be Finance’s objective going forward, will it be similar to Infrastructure. Matt said it will be up to Finance to determine that and it will be different. It might help to get a brief snap shot of school finance in the district (total and cost per student). Evan said when we put the bond together there was significant public comment about sustainability. Can the district with the general fund on its own actually sustain the requirements of technology and other items (infrastructure)? The conclusion that we can up was that the general fund can barely keep up with the basic expenses of the district. In looking ahead and looking at sustaining, if the district can hardly afford running. We came up with that the sustaining measure is bond programs. Matt said to look outside of the bond. Look at the “what” not the “how”. Phase 1 will be the “what” and phase 2 will be the “how”. What does the next generation environment look like and what are the costs around sustaining that.

SDUSD Funding Sources

Ami stated that the district is still just coming out of our district recession. We are probably going to be having this deficit that hopefully we can have closed by 2016-17. As far as what the state is giving us in Local Control Funding Formula (LCFF) in additional funding, we got some great news last week, as far as the LCFF gap being funded at 28% in 14/15 instead of 16%; which helped bring an additional \$25 million that is still helping to close the existing

deficit that we had. The percentages for 15/16 and 16/17 and they are even higher than what was communicated. Hopefully we can get out of the deficit cost cutting mode by 16/17 and moving into the positive growth phase where we can then start looking at how we can redirect so that we can put dollars back into the technology plan. In 09/10 and 10/11 we did significant cuts to the IT budget. On the expense side we have approximately \$5-6 million of software licenses that are already accounted for. The maintenance, PeopleSoft, Oracle, student information system, and we have about \$9 million for our telephones and our data lines before the e-rate discounts that are offsetting that costs. IT budget has about \$1 million on non-capital expenditures and about \$1 million for materials and supplies. That is significantly down from where they were four years ago when we had to cut millions of dollars out of their budgets. They have been surviving on state school facilities and the bond program. We were cutting their budgets at the same time they were implementing the first round of i21 and three years later we have not been able to restore that budget. Now those devices are obsolete and already looking at the lifecycle, we knew that was a challenge all along was going to be how we were going to sustain it and do that replacement; especially, when those devices at the time they were purchased with capital dollars. We bought those technology labs or mobile charts, having the 30 devices on the one chart came as a bundle capital project. Now as the individual units break those are expensed because they are under \$500. That has been our challenge now on the expense side.

Right now we have approximately \$500 million earmarked with the bond program. Between the ERP system, the VOIP, the upgrades to the databases & the servers and other technology infrastructures there is about \$150 million of teacher-student devices. With the efforts of this committee and having the bigger i21 and being able to show the sustainability and the metrics; plus having that more concrete data that we can provide to the Board and senior leadership that once we get past the next year or two, that on the expense side that we can start putting those dollars back into the IT budget to some of those ideas that are expense driven and not capital driven. We have short term tech bonds which are 3 years. Ami will post the article to the site on tech bonds.

Evan said the Prop Z bond freed up and removed some of the restrictions that S had for funding of ERP, the devices with the short term, refresh on the commuters, and infrastructure.

Ami stated that the state school facilities fund source will go away in 2 years. We will have to migrate from the SSFF over to Prop Z. Hopefully, start building up on the expense side back into the general fund budget dollars for sustainability and any expense related ideas. The last 3 years the general fund has been very minimal. There were some grants that the district has had before. We have done some textbook adoptions, but they have been less than \$10 million a year. In 15/16 that flexibility goes away and we are required to catch up on those adoptions that we have not done. Right now for 14/15 the proposed budget that we just took the board on Tuesday of how we were going to solve the imminent needs right now we are able to use common core dollars and restricted dollars from federal sources to cover those costs; \$8 million of bare minimal needs that we are going to be funding for 14/15 in lottery dollars on the restricted side from state is also helping to fund that. As far as the GFU, we do not have anything. Can we move to a digital literacy type structure and then we are freeing up those dollars? Then can we take those dollars and repurpose to help with the sustainability in other areas of our technology. In 15/16 we have about \$15 or \$16 million in our multi-year projections. There are some replacement dollars out there in the lottery dollars. Ami will check on other funding sources.

Opportunities/Challenges/Limitations,

Matt stated if we are putting devices out at schools that cannot be adequately supported, which is what is going on right now. We need adequate training for teachers, adequate attitude for re-thinking or adequate support for stuff breaking, and everything from an inventory list done by librarians who do not know where stuff is. Librarians say they are not setup for this massive shift. Maybe this committee can decide: this shift is going to cost? Do some of it as much as you can afford? Or are we better off not doing that and completely taking a different strategy. One strategy could be no more devices and we are just going to get broadband in ever home. If you cannot support devices that we are putting out I understand that. I am not saying that is the answer. Another idea might be every single school needs a genius bar. You cannot have a school with 2,000 devices and some roaming IT support and expect that is going to replace a textbook and common core is coming, adaptive testing and stuff is not working. Sustainability is a big one.

Mark: What is the Curriculum and PD committee discussing and whether or not they feel the move to digital technology is beneficial or not.

Ami said we have either the people who are dedicated to a school site at the secondary level and at the elementary level there is a pool of technicians that go from school to school to work on trouble tickets.

Vision for Finance Services

Peter said Matt talked about a cost model, in terms of a vision of use for the technology and how that interplay between those two.

Matt stated: Think about the end in mind; every home would be connected, there would not be any digital divide, every student would have a device in his hand, every device would be supported, curriculum & assessment would be real time diagnostics, and parents would know real time. I think it is achievable. Real time tutoring on every sing student's desktop. It puts teachers in a better position because they become leaders, mentors, coaches, and facilitators; life-long learning from both ways. The desire is there.

Guiding Questions for i21Now Finance

Mark added: What does the district spend on printing? If you enable the student to have a device; instead of having to print something and hand it back. Through electronic format they can without having to print. Ami stated we spend \$2.7 million just for the copier leases (does not include paper and ink). That does not include our print center.

Ami: A cost analysis will need to be done for the other subcommittees, when they have their ideas or visions. Finance needs to hear the other ideas first hand. Matt suggested doing a co-chair conference call.

Evan: Can we look at what other programs/districts and look at their initial return on (test scores) what they are doing, part of investment and wrap that in part of the vision?

Connections to other i21Now Components

Peter: We can get that model and allow it to work with the input of the other committees. We do not need to know to do that exactly what they are going to project, but we can then become in the midpoint and beyond begin to give them some information back on the impact of the models that they are choosing. We do not need the ultimate model, we can say this is an idea and there is going to be a "chapter 2", and there needs to be a cost model going out there that have "better defined" interfaces. There is a continuum between it is all additive and

cost offset. And what is the value on that to the system. Out cost model will be tied into benefits, maybe some of those benefits will cost us more. We have to show effectiveness.

Matt: Ami do you envision attendance increasing with technology? Yes, if you can motivate students with the increased use of technology at the HS level to attend school, with the LCFF funding model allocating more funding at the high school level, you could earn higher revenues, which could help fund your sustainability. Peter: The attendance goes with the student's engagement – the student engagement is very high in the early grades and they love going to school. The longer they are in school the less engaged and like it less.

Peter: Even if technology has a piece in keeping those freshman students throughout the whole high school experience and graduating 90% instead of 60% and that equals more dollars.

Next Steps and Next Meeting Focus:

Matt: Look at what kinds of tools need to be in place to better evaluate sustainability. It should be less of a spreadsheet and more of a bullet point narrative on tools that should be in place to help make access and sustainability; to help make better decisions about capital allocation resources and some concepts around that.

Ami: Maybe we can have something like a business case (ROI) or something like a SWOT - strengths, weaknesses, opportunity, threat where you are putting in some kind of weighted model – where one part of it is the cost, the academic piece, and the infrastructure. Then that becomes the framework and whatever your proposed project is then breaking that down into the data pieces that you can then run through that model. You can do some kind of weighted model.

Evan: Evaluate the repurposing of funds where necessary and that is driven by performance factors, the effectiveness of that program be that whatever it is and apply that to the overlay of the program and then see how that is driving it.

Larry: Unless we know what everyone else is aiming for it is kind of hard for us to go and form our opinions on how that is going to happen. If we have some general goals about what we want to go in with and kind of start with one area and then see what they all say. The go back and figure out where to go from there.

Keeping things high level; this committee might be able to look at additional funding pools that might be available. Everyone is fighting for a piece of the pie, if we can look to enlarge the pie that would favor all parties.

Round Table Closing Comments

Ami reminded the group that the next meeting is February 6. We can be flexible on the time, move it up.

Peter adjourned the meeting at 8:00 p.m.