



isolation. Mr. Mgeni said the district's entire deseg plan is based on the choice system currently in place: 1) Voluntary choice, 2) A rigorous world class education for all students and 3) An inclusive learning environment. He remarked the deseg plan was mandatory when initially implemented but as of January, 2000 is voluntary because of a change in the deseg rule. He added continuing with the current choice system has not resulted in additional culpability by the district. Mr. Mgeni said the deseg rule requires the district provide choices that are voluntary and that result in racial balance. The district is thus limited in terms of what can be done and if it does not result in racial balance then it could jeopardize the \$22 million in integration revenue the district receives.

Mr. Oertwig said one of the concerns he had with the system that was proposed was specifically because the percentages were not balanced between the areas which could result in the district taking responsibility as to where students are going so that if the district ended up with a racially isolated school in another area of the city it could be because of the areas that were set up. Mr. Mgeni said the district had no idea what the outcome would be because of the voluntary nature of choice and if it did turn out to be negative the district could be punished, could lose funding and could face significant sanctions if the department determined that it was an action of the district and this Board that influenced or caused the negative outcomes.

The following motion was made:

<p><b>MOTION:</b> It was moved by Mr. Brodrick and seconded by Ms. Carroll that the Committee of the Board recommend the Board of Education adopt the 2005-09 Inclusiveness (Deseg) Plan and as the Board moves forward on the "Choice" discussion be cognizant of the impact this plan could have, what it would look like and ultimately what the State could do in terms of the funds.</p>
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Discussion: Mr. Mgeni remarked this plan must be approved by the Board before it is submitted to the state. He would like to submit it before any changes occur.

Mr. Oertwig asked if there was anything in the report he might have missed that is different from the way the district is currently operating. Mr. Mgeni stated there is only one difference between this plan and the earlier plan and that is state law requires every district have a Community Collaborative Deseg Council to assist in the review and consideration of the plan. He commented one of the attachments to the report identifies the Enrollment Committee as the district's Community Collaborative Deseg Council. Eight of the twelve members on the Committee are people of color, along with Area Superintendents, transportation reps, placement center reps and a staff member from the Indian Education Program is required by law to be on the committee. Mr. Mgeni is also a member.

<p><b>Continuation of the above stated motion: The above stated motion passed.</b></p>
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## **2. SPPS Foundation Update**

Ms. Kong-Thao introduced Howard Orenstein, SPPS Foundation President and Tom Holman, Vice Chair of the SPPS Foundation, who presented an update on the SPPS Foundation.

Mr. Orenstein provided a brief history and information on when the SPPS Foundation came into existence (during the tenure of Curman Gaines, former Superintendent of Saint Paul Public Schools). He stated the purpose of the Foundation is to be a partner to the Saint Paul Public Schools by engaging in fund raising for programs and services the district delivers.

Mr. Orenstein remarked the SPPS Foundation had stopped doing as much as people would have liked for it to do, and when former Superintendent Patricia Harvey, came to the district, she helped revitalize and reinvigorate the Foundation. As a result, \$500,000 pledged over five

years for administrative support was raised to align the needs of the Greater Saint Paul community with the priorities of the Saint Paul Public School System. He remarked the Foundation legally is an arm and support organization of the St. Paul Foundation and the SPPS Foundation exists not to reform or change the system but to offer its support, which distinguishes it from other types of organizations.

Mr. Orenstein used the formula:  $\text{Change} = \text{Need} \times \text{Vision} \times \text{Plan} > \text{Cost}$ , as a guide in putting the organization back on track. He remarked Carla Williams was hired as a consultant to assist in this endeavor by working with the community to define the case before asking people and organizations for financial help. This resulted in the following criteria: 1) A very pressing need, 2) Something that is not being done by others, 3) Something that is fundable and; 4) Something that is achievable. He remarked that once the choices have been decided the Foundation will move forward. Mr. Orenstein said he wanted committee members to know where the Foundation is now, who they are, what they are doing and then he would like to return in a few months, if invited, to discuss what progress had been made. He asked committee members to let him know who they would like Ms. Williams to meet with and what organizational model would work best, for example, a fundraising organization, an advocacy organization, an organization for donor designated programs, a non-political community voice, an organization that builds permanent assets over time, a parent association, a subgroup of a national organization, a fundraising arm of the district working closely with the Office of Fund Development, an advocate in the community for Excellence in Education, a community organization as influential leaders who advocate for educational achievement and generate plans for special initiatives or a combination of these things. He said the Foundation cannot be all of these and his goal, regarding these critical issues, is to push for clarity, consensus and consistency, so they know what projects to work on that are aligned with the Board's ends. He wants clarity, consensus and consistency so the time spent is time that is going to go into improving the climate for education in the City of Saint Paul.

Mr. Orenstein stated this was an overview of where the Foundation is and what he is trying to do. Mr. Orenstein suggested the Board's role in this could be 1) Helping to understand district priorities and how the Foundation could best help, 2) Helping the Foundation to make sure they are talking with the right people and the right partners in the community, 3) Supporting the Foundation formally and informally and at the appropriate time he would like the Board to pass a resolution that says they have looked at what this organization is doing and view the Foundation as a partner, 4) Help the Foundation promote a clear understanding of their respective goals so there is no confusion of who they are both within the district and externally and 5) Ask them hard questions and push them to succeed.

Discussion followed. Mr. Goldstein commented it might be too early for the Committee to determine priorities at this time. Ms. Kong-Thao clarified that Mr. Orenstein's presentation was the start of a discussion and there was still a lot of work to be done. Ms. Carroll suggested Ms. Williams attend a Committee of the Board meeting and conduct a brainstorming session or focus group on priority areas determined by committee members and names could also be generated for community partners. Mr. Orenstein remarked that March would be the timeline in which they would like to receive priorities from committee members. At this time, Mr. Orenstein had to leave for a prior commitment and Mr. Holman resumed. Mr. Kanavati thanked Mr. Orenstein and Mr. Holman for their work and support on behalf of the school district. Mr. Oertwig expressed appreciation to see the SPPS Foundation being brought into a more active role again.

Discussion continued and committee members talked about the possible structure and membership of the Foundation Board. Mr. Holman remarked the Foundation's Board in its entire structure needs to be highly representative of the community in terms of the demographics, geographical and different constituents in the community, i.e., businesses, colleges, schools, community organizations, etc. Whether the structure is a small core highly

mobile board with ancillary advisory groups around it or a much larger board with smaller advisory groups has not been determined. Current thought is to go with the smaller core board however the most important thing is to have the full representation and support of the community and school system.

Ms. Kong-Thao asked committee members what the next steps should be in regard to setting up a Committee of the Board meeting or committee members meeting individually with the Foundation's consultant, Ms. Williams. Mr. Oertwig preferred individual meetings but if a group session is decided materials should be provided in advance to prepare for the meeting. Ms. Kong-Thao remarked a brainstorming session with a before or after meeting to provide additional information would be possible and she will work with staff on the date and time the meeting will be held.

Mr. Holman assured committee members he is very much engaged in the school system organizations, key staff and funders and is very in tune with what is good and needed in the community. He commented that the ability to bring together the existing resources around solutions that can truly help kids that are in line with the strategic direction of the district is something that can be done. Ms. Kong-Thao thanked Mr. Holman and Mr. Orenstein for meeting with the Committee.

### **3. Budget Guidelines and Update**

Lois Rockney, Executive Director of Business & Financial Affairs, made the staff presentation. She stated an enormous amount of information needed to be covered (Items 1-5) and after meeting with the Board Chair, the recommendation was made to complete items 1 and 2 at this meeting that include financial projections of where the district is at this year (Exhibit A); and a recommendation for approval of the winter revisions to the 2005-06 budget (Exhibit B). Ms. Rockney stated the remaining items (3-5) would be for discussion only and a Committee of the Board meeting could be called prior to the Board of Education Meeting on February 21 to finalize the recommendations on those items.

The remaining items (3-5) include: approval of the Budget Guidelines format for the Preliminary Budget and the Adopted Budget for 2006-07, a recommendation from the Superintendent and Central Budget Committee on the budget framework for addressing the budget reductions and budget allocations for schools and programs for the 2006-07 budget. The last item is a recommendation related to the Citizens' Budget and Finance Advisory Committee (CBFAC) for the 2005-06 fiscal year.

Ms. Rockney discussed Exhibit A, and remarked the biggest item of concern in the General Fund is the district is currently estimating a fund balance of \$22.1 million which is not sufficient to meet the 5% rule policy the Board has established. This missed the targeted 5% by \$2.4 million. Ms. Rockney noted the special education budget is currently projected to be overspent by \$2.5 million that is contributing to this concern. She reviewed issues contributing to the over expenditures in special education and steps being taken to monitor and possibly resolve these issues. No action was requested at this time on this item.

Ms. Rockney discussed Exhibit B – Winter revision to the 2005-06 Budget. The only revision requested at this time is to the Fully Financed Budgets in the General Fund and the Community Education Fund that increased both the revenue and the expenditures in these funds by \$9,546,959. The revision represents grants over \$500,000 that were not included in the 2005-06 adopted budget as well as any grants received since the Budget was adopted in June, 2005. Copies of the Fall revision and Winter revision were separately displayed and then combined to show what action has caused the revenue to increase or the expenditures to increase. Remaining pages in the report give a detail of the Fully Financed budgets by grant.

The following motion was made:

**MOTION:** It was moved by Mr. Oertwig and seconded by Ms. Carroll that the Committee of the Board recommend the Board of Education approve the Winter Revision to the 2005-06 budget as detailed in Exhibit B.

**Motion Carried.**

Ms. Rockney reviewed the remaining items (3-5) and answered questions posed by committee members in particular, the 2000 Referendum issues. Committee members also made suggestions to improve the format of the Budget Book such as Program Narratives. Ms. Rockney will incorporate suggested changes into the Budget Book this year.

Further discussion on budget items 3-5 will continue prior to the February 21 Board meeting. Ms. Carroll expressed concern if that would be sufficient time to discuss and take action on the remaining budget items, especially the referendum discussion. Ms. Rockney said she would be available to meet with committee members individually to discuss specific questions before the Board meets next week.

### **III. ADJOURNMENT**

The meeting was adjourned at 8:05 p.m., by Ms. Kong-Thao, Committee Chair.

Respectfully submitted by  
Diana J. Sanders  
Recorder  
Saint Paul Board of Education