

**Minutes of a Meeting  
of the  
Texas Computer Cooperative  
Management Committee**

A meeting of the Management Committee for the Texas Computer Cooperative (TCC) was convened on Thursday, February 24, 2005, at 9:30 A.M. in the ESC-20 Conference Center. Dr. Terry Smith, Chair, presided and the following attended:

Mr. Adrian Garcia	Education Service Center, Region 1
Mr. Jack Damron	Lyford C.I.S.D.
Mr. Jose Cantu	Education Service Center, Region 2
Dr. Crawford Helms	West Oso I.S.D.
Dr. Julius Cano	Education Service Center, Region 3
Mr. Robert Wells	Edna I.S.D.
Dr. Steve Hyden	Education Service Center, Region 5
Mr. Scott Campbell	East Chambers I.S.D.
Dr. Ron Preston	Education Service Center, Region 9
Mr. Luke Martin	Education Service Center, Region 13
Dr. Marc Williamson	Fredericksburg I.S.D.
Ms. Gloria Thomas	Education Service Center, Region 15
Dr. Sue Jones	Brownwood I.S.D.
Ms. Holly Lee	Education Service Center, Region 17
Mr. Wayne Blount	Sands C.I.S.D.
Ms. Nancy Dunnam	Education Service Center, Region 18
Ms. Daphne Gee	Midland I.S.D.
Mr. John Andrews	Education Service Center, Region 20
Mr. John McCauley	Education Service Center, Region 20
Ms. Beverly Meyer	Education Service Center, Region 20

Dr. Smith welcomed the attendees and asked those present to introduce themselves.

**Item No. 1**

Establish Quorum of at Least Six  
Members Present

Dr. Smith confirmed that a quorum was established with ten  
ESCs represented.

**Item No. 2**

Approve Minutes of the Meeting of June 24, 2004

Dr. Smith asked if there were any additions or corrections to the minutes of June 24, 2004. There were none. Ms. Dunnam made a motion to approve the minutes and Dr. Hyden seconded it. The motion carried unanimously.

**Item No. 3**

Introduce RSCCC Managers Liaison

Dr. Smith introduced Ms. Nancy Dunnam as this year's RSCCC Managers Liaison for the TCC. Ms. Dunnam reported on topics of information and concern from previous RSCCC Managers meetings:

- Ms. Nancy Holcombe is chairing a committee to explore marketing approaches for the RSCCC product
- Mr. Tom Garner will be presenting a session on data access at the TASBO conference in Austin
- ESC-1 and ESC-20 will be promoting RSCCC during their technical expositions
- Recent training sessions held at ESC-20 have been well received

Ms. Dunnam also expressed the belief that due to current issues with our software competitors, this is an excellent opportunity to add new users. She urged the TCC members to contact other ESCs for support in this endeavor. She also expressed the RSCCC Managers' satisfaction regarding the new Accounts Receivable System and their desire for a Historical System, a Palm Pilot interface and a grade book with parent access.

**Item No. 4**

Consider Recommendations of Pricing Committee

- a. iTCCS Proposed Budgets for 2005-2006

Mr. McCauley reviewed the attachments *2005-2006 iTCCS Operation Budget Summary, Pricing Structure, Pricing Model, Budget and Fund Balance Worksheet*. He explained that the projected revenue is up from 2004-2005 due primarily to a projected 4% salary increase and increased software maintenance costs. Revenue projections include a 3% increase in user fees, the \$30,000 final loan repayment by the RSCCC, microfiche/interest income and a projected use of \$227,192 of fund balance due to a 30% increase to server capacity to keep up with growth. The target fund balance is \$1,050,075 (20% of the previous year's expenditures).

Total expenditures for 2005-2006 are also up from 2004-2005 and include increases for the projected 4% payroll increase and increased software costs due to the 30% server upgrade. Expenditure decreases include the elimination of a computer operator position due to increased automation of the Virtual Tape System. Tape backup time has decreased from seven or eight hours to three hours and Mr. McCauley projects being

able to eliminate an additional position.

He reviewed the proposed pricing for school districts (3% increase) and ESCs (no increase). He explained that the Pricing Model was based on the 3% price increase recommended by the Operations Committee and a projected increase in enrollment. The 21% price decrease for ESC-2 reflects the loss of Mathis I.S.D. The projection for Miscellaneous Services is based on previous years. As the budget is still short \$200,000 he believes the use of fund balance will be needed.

Mr. McCauley reviewed the *iTCCS Budget*, pointing out line items such as the increase in IBM Software, explaining that he is looking at leasing options to reduce the cost and the CA Datacom Database, which should decrease next year. Mr. Martin asked if the budget allowed for accelerated development. Mr. McCauley responded that in addition to the Oracle Database pilot project, some development is on-going and that the Web project was near completion. Mr. Garcia asked if replacing Amdahl with IBM would increase performance. Mr. McCauley answered that the computers they were considering were comparable, but that the content switch server should assist with performance, although they need to resolve a problem relating to a firewall issue with Windows Server Service Pack 2.

Mr. Cantu made a motion to approve the 2005-2006 iTCCS budget. The motion was seconded by Dr. Williamson and carried unanimously.

b. RSCCC Proposed Budgets for  
2005-2006

Mr. McCauley reviewed the *2005-2006 RSCCC Operation Budget Summary, Funding Model, Budget and Fund Balance Worksheet*. Total projected revenue is up from 2004-2005 to allow for a balanced budget and a 4% projected salary increase. Revenue projections include an increase in user fees, as well as a \$3,000 increase in cooperative fees and revenue from special programming. The target fund balance is \$271,510 (15% of the previous year's expenditures). The actual fund balance projection is \$753,630, but \$473,000 has been designated for Student Historical System development. Total expenditures for 2005-2006 are also up from the current year due to the projected 4% payroll increase and the final repayment of the iTCCS loan.

Mr. McCauley explained that the counts are based on last year's April projections, which could change based on April 2005 participation. Dr. Cano asked the rationale of passing the increase on to every ESC regardless of user counts. Mr. McCauley responded that two options were presented to the Pricing Committee, one of which included an increase in the

cooperative fee, which, as opposed to the user count pricing, has not been increased since the cooperative began. He reported there was very little discussion on the two options by the Pricing Committee. Dr. Smith added that commitment was needed from the ESCs and the decision was to divide the price increase differently this time. Dr. Hyden asked how the \$18,000 cooperative fee would be billed. Mr. McCauley replied that it is a flat amount billed to each service center in addition to the campus and district counts.

Dr. Cano expressed reservations about the cooperative fee being a good business model, as it penalized the ESCs with lower student counts. Dr. Smith responded that at the time it was designed, RSCCC was running a deficit and needed a commitment from the ESCs. Dr. Preston pointed out that the increase was more significant for ESC-9. Mr. McCauley said that the April projections brought back to the TCC in June may lower the per unit cost.

Mr. Martin commented on the price perception of potential clients and the resulting loss on RFPs. Dr. Smith reported that the Gibson Consulting Group is putting together yellow pages to look at our competitors and discussed competition versus a statewide system. Discussion followed on the hidden costs of competitive software and how to communicate the value of our products. Dr. Williamson suggested a proactive approach by the cooperative districts in making calls on behalf of the ESCs. Dr. Helms also stressed the need for the ESCs to develop partnerships with the school districts, saying that a superintendent can speak to service, which can overcome vendor pricing and that our products have the benefits of accuracy, convenient points of service and support with a service attitude.

Dr. Cano said that he did not have a problem with the price increase this year, but cautioned against continued cooperative fee increases. Dr. Smith stated that he is working on improved communication and he would commit to sending the Pricing Committee member names to the TCC as soon as the new members are named. The TCC members could then send them any concerns. Dr. Smith will have the Pricing Committee membership posted on the ESC-20 website and notify the TCC of the posting. Mr. Campbell suggested including the LBB Audit Report with RFP responses.

Dr. Cano made a motion to adopt the 2005-2006 RSCCC budget. It was seconded by Dr. Preston and carried unanimously.

**Item No. 5**

Receive Status of iTCCS Web Development

Mr. McCauley explained that users had requested moving from a text-based to a browser-based, graphical interface product. He reviewed the status of converting the 3270 text based programs to the web-based product outlined in the attachment *iTCCS CICS Web Support Conversion Status*. The Student applications, which began in May 2002, were completed in April 2003 and involved converting almost 400 screens to web pages with minor enhancements. The Business applications were started in June of 2003 with a projected timeline of one and a half years. However, more enhancements were needed, as well as moving functionality down to the campus level. Modules are reviewed and approved by a user committee and immediately moved into production. Mr. McCauley reported on the modules in production, scheduled for production, in review and scheduled for review.

As information, Mr. McCauley reviewed with the TCC a chart showing the increase in users by year to the iTCCS server. Approximately 30% of the 19,881 users were added in 2004. In addition to the web access, the growth is due to several factors:

- Change in pricing structure from user-based to student enrollment
- Development of Classroom product for posting attendance and grades
- Workflow and approval processes for business applications

**Item No. 6**

Receive Status on New Contract for Sybase SQL

Mr. Andrews reported that the original OEM agreement with Sybase for SQL licenses (RSCCC database software) expired last September and has been renegotiated. Under the new OEM, the price per workstation remains the same at \$47. The new agreement also contains an option for a server license (\$590 per CPU processor), which is more cost effective for a district with more than 25 users. He reported that we currently have 6,840 active licenses, plus 5 server licenses statewide.

Mr. Andrews also explained that the RSCCC paid for the licenses under the new OEM up front and will be reimbursed by the ESCs as they purchase licenses. He also pointed out that the original OEM was for two years, while the new contract is for a three year period, resulting in maintaining a static price for five years.

**Item No. 7**

Receive Status on Running RSCCC through Citrix

Mr. Andrews reported that the RSCCC programs have been modified to run on Citrix and that ESC-20 recently facilitated a week long Citrix training, done by Vector ESP out of Austin. Sixteen people from ten ESCs attended the training. Two ESCs are currently running RSCCC on Citrix for their internal business operations, three other ESCs have set up Citrix in a test environment and there are immediate plans by some ESCs to use Citrix with charter schools and/or accounting services.

**Item No. 8**

Receive Status of RSCC Student and Business Programs

a. Status of Problem Reports

Mr. Andrews reported that over the last twelve months there have been 1,592 Business issues reported, with approximately one fourth of these identified as program issues. All but 23 of these issues have been corrected and released or scheduled for release in April or June. Accruals were the main issue in the last year and there have been program changes and in depth training relating to accruals. The recent focus has been to stabilize existing programs (Current Year Amendment, Budget, and Payroll Calculations) rather than prioritize the April 2005 release. The prioritization process will resume for the October 2005 release.

b. Status of Accounts Receivable

Mr. Andrews reported that one item from the LBB Audit was a recommendation of a better method of handling accounts receivable. Draft specifications for an RSCCC Accounts Receivable System were sent out last November. These were revised during a user meeting in San Antonio on December 1<sup>st</sup>. Programming began on January 3<sup>rd</sup> and the BAC reviewed some of the Accounts Receivable screens last week. At least one more face to face meeting with the users will be necessary, as well as a reports review. The goal is to have a beta version ready for ESC testing in April, even though the ESCs will not begin using the system until the beginning of the new school year. Ms. Dunnam asked if this module would be a part of the Business package, with access being controlled through the security system. Mr. Andrews affirmed that it would and then spoke about the project scope going beyond an invoicing system. Because the specifications have been revised several times, he has not sent them to the managers.

c. Status of Historical System

Mr. Andrews announced that the Student programs are extremely stable at this point. Over the last twelve months, fewer issues have been reported, with a third (160) identified as program problems. These are being resolved at a faster rate than they are being reported. He stressed that the need now is to incorporate additional functionality into the product, such as grades on the web, on-line course requests, etc. He also said that significant time is being devoted to conversions, due to the number of districts changing software.

For the Historical System, developers are reviewing programs to revise the original specifications. A tremendous amount of detail is needed and these should be completed by May. The goal is to then go out on bid, contract the work starting in September and have the system in production by the summer of 2006.

Ms. Dunnam asked if any part of the system could be ready before 2006, such as grades on the Web. Mr. Andrews responded that he thought that was possible, especially if we develop a business relationship with a vendor who already has the functionality. He reiterated that we have achieved stability and now our direction needs to be greater functionality.

Dr. Preston stressed that any issues with accruals need to be resolved by August. Mr. McCauley explained that in a best effort to have a perfect solution, the result was too complex. Mr. Andrews agreed that the use of multiple jobs and uncommon scenarios caused problems. Program changes have been made and significant testing has been done.

**Item No. 9**

Review Financial Report

Mr. McCauley reviewed the attachments *iTCCS Financial Report as of February 10, 2005* and *RSCCC Financial Report as of February 10, 2005* to explain where the current budgets stand.

The iTCCS revenues show an outstanding balance of close to \$100,000, but should be realized by August 31<sup>st</sup>. Expenditure accounts show \$457,232 unexpended but major contracts are renewing in June and July.

The RSCCC is currently \$63,608 under realized in revenue but some special programming and the December actuals for districts added since April has not been billed. This budget is under expended by \$365,548 due to a projected 4% salary increase that was actually 2%, new employee replacements entering at a lesser salary and two current vacancies (one programmer and one student tester).

**Item No. 10**

Review Accounts Receivable Report

Dr. Smith asked the Committee members to review the *Accounts Receivable Report* as an on-going information item.

**Item No. 11**

Discuss ISO System Wide  
Implementation

Dr. Smith explained that the ISO standards, originally designed for manufacturing, were now applicable to any industry. He reported that ESC-3 has been certified as a center, as well as a portion of ESC-4. He stated that ESC-20 will pursue certifying the entire center, but that for marketing purposes, the cooperative should be considered as a whole for certification. The products would be strengthened by statewide certification and this includes the support piece. He asked about approaches and suggested a steering committee. Dr. Smith said that there has been a need for standardized support and this would be an opportunity to achieve that. He asked that TCC members let him know if they would like to serve on the steering committee.

**Item No. 12**

Other

Dr. Cano complimented the ESC-20 staff for their leadership and direction. Mr. Andrews responded that Mary Bordner (consultant interface) and Ching-Shen Chen (programming) should be recognized for their efforts. Dr. Smith agreed that the Business System has been cleaner from the start than Student was and this was due to the commitment of the people involved. The cooperative stuck together and was never disjointed.

**Adjournment**

The meeting of the Texas Computer Cooperative Management Committee adjourned at 11:45 A.M.