

**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 23, 2006, 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
Mr. Anthony Dueser	Education Service Center, Region 3
Ms. Lynda Hoffpauir	Education Service Center, Region 5
Mr. Scott Campbell	East Chambers I.S.D.
Mr. James Palmer	Burton I.S.D.
Ms. Elizabeth Abernathy	Education Service Center, Region 7
Dr. Pat Pringle	Education Service Center, Region 13
Ms. Gloria Thomas	Education Service Center, Region 15
Mr. John Bass	Education Service Center, Region 16
Mr. Larry Appel	Dumas I.S.D.
Ms. Holly Lee	Education Service Center, Region 17
Mr. Wayne Blount	Sands C.I.S.D.
Ms. Pam Harper	Ector County 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.

Item No. 2

Approve Minutes of the Meeting of June
23, 2005

Dr. Smith asked if there were any additions or corrections to the minutes of June 23, 2005. There were none. Mr. Bass made a motion to approve the minutes and Mr. Damron seconded it. The motion carried unanimously.

Item No. 3

Report from RSCCC Liaison

Ms. Hoffpauir, as the RSCCC Managers Liaison for the TCC:

- Stressed the importance to overall sales of having an integrated grade book
- Reported the significant benefit realized from having an additional Business tester and expressed the managers' concern that this position is not included in the budget
- Emphasized the need for the Historical System for marketability and to retain districts, especially during current competitive climate

Item No. 4

Consider Recommendations of Pricing Committee

- a. iTCCS Proposed Budgets for 2006-2007

Mr. McCauley reviewed the attachments *2006-2007 iTCCS Operation Budget Summary, Pricing Structure, Pricing Model, Budget and Fund Balance Worksheet*. He explained that the projected revenue is up from 2005-2006 due primarily to a projected 4% salary increase. He is projecting a budget surplus, which would be used to update server capacity. Deployment of the grade book will increase the number of transactions as users are added. Revenue projections include a 2% increase in user fees and increased interest income. The target fund balance is \$1,034,796 (20% of the previous year's expenditures).

The projected expenditures for 2006-2007 include increases for the projected 4% payroll increase, vendor software costs and lease payments for the new iTCCS mainframe installed in September. However, the total expenditures for are down from 2005-2006 because of decreases in mainframe maintenance and software costs, as well as a decreased database lease payment for the final year of the contract. This contract will have to be renewed the following year.

He reviewed the current and proposed pricing for school districts (2% increase) and ESCs (no increase). He explained that the *Pricing Model* was based on the 2% price increase recommended by the Pricing Committee and updated enrollment figures, resulting in a 2.45 % overall increase.

Mr. McCauley reviewed the *iTCCS Budget*, pointing out line items such as the IBM Software. He is projecting some increase in Building Use and Administrative Cost due to additional space and employees, but anticipates a budget surplus of \$370,515, to be used for the server upgrade.

Dr. Pringle asked about the interest income projection. Mr. McCauley responded that it is an estimate based on previous years' history, but should be better than projected. Dr. Pringle asked if there was money budgeted for marketing. Mr. McCauley stated that there was not, but he will have more

information in June and will report on this year's \$30,000 marketing allocation. Dr. Pringle asked about the mainframe climate. Dr. Smith responded that the cooperative has picked up new districts (Pearland, Medina Valley) and that Region 1 has presented the product to three districts. Dr. Pringle said that Region 13 has traditionally done more supporting than marketing and wants to improve their marketing skills. Discussion followed related to grade book development, the disaster recovery feature and increased interest at conferences.

In reviewing the *Fund Balance Worksheet*, Mr. McCauley reported that the \$1,382,540 beginning fund balance was healthy and would like to move some money in June to disaster recovery, where not enough is budgeted to provide for two weeks of up time.

Mr. Cantu made a motion to approve the 2006-2007 iTCCS budget. The motion was seconded by Ms. Harper and carried unanimously.

b. RSCCC Proposed Budgets for
2006-2007

Mr. McCauley reviewed the *2006-2007 RSCCC Operation Budget Summary, Funding Model, Budget and Fund Balance Worksheet*. The proposed budget includes the addition of a Quality Assurance Analyst position for the Student applications. He explained that a Student tester was added this year due to the development of the Historical System. During the October RSCCC Managers' meeting, the managers had requested the additional Student tester for next year and also one for Business. They did not want to reduce programming staff in order to fund these positions.

Total projected revenue is up from 2005-2006 due to a 4% projected salary increase and the additional tester position. Revenue projections include an increase in user fees and revenue from special programming. The target fund balance is \$288,958 (15% of the previous year's expenditures). The actual fund balance projection is \$760,513, but \$167,060 has been designated for Student Historical System development, resulting in a projected fund balance of \$593,453. Mr. McCauley reported that he would use approximately \$30,000 of the designated \$167,060 to finish Historical and \$15,000 for marketing and web development. Total expenditures for 2006-2007 are also up from the current year due to the projected 4% payroll increase and the Quality Assurance position.

Mr. McCauley explained that the enrollment counts in the *Funding Model* are based on last year's April projections, which could change based on April 2006 participation. He will also have actual counts from TEA next month and will report to the committee in June if prices can be adjusted down

based on additional users and if funding a Business tester position should then be considered. Mr. McCauley explained that two options were presented to the Pricing Committee, one of which included the additional Student tester position, which is being recommended and results in a 5.6% increase in Business pricing and a 5.5% increase in Student pricing.

The Pricing Model shows 19 ESC's participating, with the addition of Region 4, each paying an \$18,000 cooperative fee. The overall \$97,539.01 increase is attributable to the additional position and the projected salary increase. Mr. Palmer asked about those ESC's with zero student campuses. Mr. McCauley explained that those ESC's have business users but support Win School for student applications. He added that we are now demonstrating to and planning to convert many of these districts. Dr. Smith reviewed the history of converting the DOS version of RSCCC and the resulting problems and explained that Win School is now experiencing similar issues. Mr. Palmer expressed concerns related to the considerable stake by the districts in Win School and the need to spend money in Research and Development to find out what clients really want and why they are not buying the product. Mr. Campbell related that he sees overall satisfaction with the product but does not want holding the line on this budget to overshadow the importance out in the field that the two additional testers make. He believes we can provide options faster and with a higher level of quality and feels the focus should be less on pricing and more on features, as districts are willing to pay more.

Discussion followed concerning the past need to stabilize the product before increasing the price, methods of marketing used by competitors, and pricing. Ms. Thomas asked if the additional Business tester would be maintained. Mr. McCauley responded that if this budget is approved, the Business tester could be maintained with internal programs.

In reviewing the *RSCCC Budget*, Mr. McCauley pointed out the difference of using Fund Balance for Historical Development this year, which will not occur next year. The *Fund Balance Worksheet* projects a \$764,764 fund balance, some of which is designated but it should be approximately \$500,000.

Mr. Blount made a motion to adopt the 2006-2007 RSCCC Budget. It was seconded by Ms. Thomas and carried unanimously.

Item No. 5

Status RSCCC Business

Mr. Andrews reviewed the status of the accrual programming, highlighting the significant problems during the summer of 2004, fewer problems last summer and some this past December. He attributed these to the added complexity of withdrawing from grant funds first and the accrual by job feature. He stated that any change in payroll calculations, such as those mandated by the state for retire/rehire, has the potential to put changes in accrual programming at risk. In order to address this the Quality Assurance staff has implemented testing that takes all known scenarios through the entire accrual process to contract payoff. The programming staff also does a line by line review by senior analysts anytime there are code changes to payroll calculations. Many of the accrual issues have been attributable to users entering an incorrect accrual rate, changing the first payroll date, etc.

Mr. Andrews also reported on recent state mandated changes to the State Minimum rates. RSCCC provided changes to handle the new figures for the February payrolls, but the state made the changes retroactive to September. Districts that compute the difference owed in September through January are eligible for a refund now. Though this is not mandatory, districts will not want to wait until the end of the year, so RSCCC will provide a stored procedure and SQL that generates a report of these differences. This programming is currently in testing and should be sent out the first of next week. Some vendors are not addressing this issue.

Mr. Andrews gave a heads up to Business users that in late April or early May there will be a conversion program for the Historical System that every district must load and run, as some Business tables are affected. They will not be able to load any subsequent updates until this has been done.

Item No. 6

Status RSCCC Student

a. Status of Historical System

Mr. Andrews reported on the status of the Historical System. Initial programming, consisting of three million lines of code, has been completed and is currently in testing. This is a massive effort, with over 600 test sheets. As of February 21st, 31% have been reviewed and passed. The goal is to send the programs out to the ESC's for testing in early April and also to a Region 20 district for beta testing. Ms. Lee asked if this release could be loaded after the PEIMS summer submission. Mr. Andrews advised not waiting that long. He will look into the impact and send information out to the regions.

b. Status of Test Scores System

Mr. Andrews explained that the Test Scores System is an add-on part of Historical and though he has specifications from the Student Advisory Committee, there will need to be a detailed

analysis done, probably over the summer.

Mr. Andrews also explained the issue with the Immunization Due Reports, which is a difference between what the law says and what the Texas Department of State Health Services says. Changes will be made to this report (based on what doctors are telling parents) following the release of the Historical programs.

Mr. Andrews stated that he believes there will be a number of conversions to the Student System during the summer. His staff has been researching procedures and working with ESC's in order to streamline this effort. Ms. Abernathy reported that her region was one of those and that the decision had been made to support only RSCCC in Region 7.

Mr. Andrews reported that GradeSpeed has announced a new on-line course request module. He does not know how they plan to interface this collected data with RSCCC, but there are concerns that if the data is incorrect, we will be responsible for correcting it.

Item No. 7

Request of Funds for RSCCC Web Development

a. Status of Integrated Teacher Grade Book

Mr. McCauley explained that due to internal discussions regarding increased time and effort to support third-party grade books, the decision was made to develop an integrated grade book that would not require importing and exporting data. During the October meeting, the RSCCC Managers supported this initiative. Internal meetings were held to develop some initial requirements for both RSCCC and iTCCS. A meeting was also held with the other ESC's to look at requirements and a prototype. Feedback from this meeting was positive. The money left over from the Historical development will not cover the expense of this development and although the project began with no firm timeline, it is now considered a critical need for September 1st. In order to meet this deadline, initial funding is needed. Potential contractors have been researched, with six or seven companies having .Net programming experience. A request for quotes has been sent out and responses should be received within a week.

Mr. Andrews demonstrated the prototype for the teacher view of grades and attendance and explained that there was no synchronization needed between the grade book and the database and that the postings were real time. An audit trail will be included as we move toward a paperless attendance system. Ms. Harper remarked that the product was similar to the iTCCS Classroom product and asked if the special programming in the existing product for TAKS, Emergency Contacts, etc. would be in the new product. Mr. McCauley

responded that they would not be there initially, as the basics would be developed first, but that the Classroom product would continue to be supported until those features were added and a transition could occur.

Mr. McCauley also explained that programming is not the only issue and that new equipment such as web application servers may be needed for RSCCC districts. He stated that most grade books have a parent portal and we plan to add this feature next, along with course requests. Timelines for subsequent development will depend on the experience with the initial module.

Mr. Andrews stated that another meeting will be held with the ESC's and some district staff and as there is a need for consultant training on the Historical System, this could be provided at the same time.

b. Projected Funding for Grade Book Development

Mr. McCauley reported that a minimum of four contractors would be needed and that \$150,000 has already been allocated for this use. \$350,000 will be needed to meet the timeline so he requested the use of \$100,000 from both the iTCCS and RSCCC budgets to make up the additional \$200,000 needed. He explained that the contractors must be well managed by our limited staff resources who possess the corporate knowledge. Mr. Campbell said that the product looked great and that districts were already paying for something else currently. Ms. Harper added that the Classroom product is very popular and Ms. Hoffpauir said that the access it will provide to current data is invaluable. Ms. Hoffpauir made a motion to allow use of the iTCCS and RSCCC budgets for funding of the grade book development. The motion was seconded by Mr. Garcia and carried unanimously.

Item No. 8

Status of iTCCS Cafeteria System Rewrite

Mr. McCauley reviewed his request of the TCC last June for \$100,000 to rewrite the Cafeteria System for iTCCS. This project required significant database changes and programming began in September. The converted programs are now being tested, with approximately 35% completed. An additional existing staff member has been added to this project and the target for completion is year end.

Item No. 9

Status of Marketing TCC Products (iTCCS, RSCCC)

Mr. McCauley stated that as a result of the RSCCC Managers' request last year to showcase our products at an ESC technology conference, we will be adding this venue to Region 20's Tech Fiesta. The dates are April 26th and 27th. More than 200 attendees and over 40 vendors have registered to date. Many of the sessions will highlight RSCCC and iTCCS products.

Mr. McCauley then gave a PowerPoint presentation detailing current marketing efforts. Staff met internally and chose a contractor who is located in San Antonio from the State bid – *S & C Advertising and Public Relations*. They have several well-known clients and a check of their company and individual references was unanimously positive. As part of the marketing plan they would:

- perform an internal analysis of strengths and weaknesses
- contact current and past customers
- conduct market research
- analyze capacity for increased sales
- determine goals
- develop market strategies

They would then provide us with a Marketing Plan Outline. The contract with this company is currently in the Business Office for review and once a purchase order is issued, they will begin. Mr. McCauley said he would update the TCC on this in June.

Dr. Smith said that Region 20 added \$30,000 to the TCC allocation and that the cooperative will get their value. He stated that we needed to begin planning for the end of product shelf life and thinking about what the next product looks like. The cooperative will not generate enough money to develop a new product while maintaining its existing stable products. The new product must be scalable and bridge the existing gap of districts with 5,000 to 10,000 A.D.A. Some thoughts are to move away from two products, possibly make use of outside investors and perhaps market outside of Texas. The TCC needs to be ready for this discussion and for a different approach. He will keep the committee updated and there may be a need to meet more often.

Item No. 10

Review Financial Reports

Mr. McCauley reviewed the attachments *iTCCS Financial Report as of February 13, 2006* and *RSCCC Financial Report as of February 13, 2006* to explain where the current budgets stand.

The iTCCS revenues show an outstanding balance of \$153,000, which should be realized by August 31st. Expenditure accounts show a large balance unexpended, some of which will be used for marketing and maintenance, with some rolling into fund balance at the end of the year.

The RSCCC is currently \$50,000 under realized in revenue but the December actual counts for districts added since April projections have not been billed. This budget is under expended by \$195,000, which will be used for funding the Business tester and some projected purchases, but most will roll into fund balance.

Item No. 11

Review Accounts Receivable Report

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

Item No. 12

Other

Dr. Smith told the committee he appreciated the frank conversation during the meeting.

Adjournment

The meeting of the Texas Computer Cooperative Management Committee adjourned at 12:10 p.m.