



THE SCHOOL BOARD OF LEE COUNTY

School Board Workshop
Friday, January 23, 2009 – 1:00 p.m.
Board Annex Room, Training Room “D”

Attending

Jane E. Kuckel, Ph.D., Board Chair
Steven K. Teuber, Vice Chair
Robert D. Chilmonik, Member
Jeanne S. Dozier, Member
Elinor C. Scricca, Ph.D., Member

James W. Browder, Ed.D., Superintendent
Keith Martin, Board Attorney
Ami Desamours, Director of Budget
Brenda Wall, Recording Secretary

I. Welcome/Call to Order

Dr. Jane Kuckel, Board Chair, called the workshop to order at 1:05 p.m. Dr. Kuckel welcomed everyone who was in attendance. All attendees seated at the table introduced themselves.

II. Discussion: Audit Services

Mrs. Jeanne Dozier presented a handout (see attached) to the attendees regarding audit services. Mr. Charlie Green of the Lee County Clerk's office sent an email to Board Members informing them that the Lee County Clerk's Office can provide the District auditing services. The District would need to enter into an interlocal agreement with the clerk's office. The District would be charged at an hourly rate. This would be a way to save taxpayer dollars, while still fulfilling the need for the District to have the services of an auditor. Dr. Kuckel asked for input/questions. Mr. Robert Chilmonik, responded with a question regarding how long before these services actually begin. Dr. Kuckel responded by clarifying that this is something that all of the Board would need to agree on. She stated that it should be brought up at a Board Briefing and asked that it be placed on a future agenda.

Budget Update

Dr. Browder informed the Board that he would be referring to the handouts that were provided by Ms. Ami Desamours (please see attached handouts for detail information). Ms. Ami Desamours began by reviewing the handouts, beginning with FY-08/09. Ms. Desamours stated that the District had absorbed, over the last two (2) years, the loss of \$67.7 million.

Dr. Browder informed the Board that the next part of the handout was essentially a five (5) year plan for the District. The information being shared is anticipated possibilities that may occur. Dr. Browder then reviewed the FY10 Outlook portion of the handout.

Budget Reduction Discussion

The next topic that Dr. Browder discussed as part of the handout was what the District could do to reduce the budget. He went over the various strategies outlined in the handout, beginning with *non-personnel reductions*. Dr. Browder explained that the special session gave the District some

flexibility with their categorical spending, and allowed the District to put off adopting *some* new textbooks. Dr. Browder then addressed the Building Supervisor salaries and the transfer of funds from capital to operating to pay these salaries, as indicated on the handout. Dr. Browder stated that Mr. Keith Martin and Ms. Ami Desamours are reviewing this topic and a revised job description will be forthcoming within the next two (2) weeks. With regard to summer school, Dr. Browder stated there will be more computer-based programs such as NovaNet in an attempt to save the District money. The total for the non-personnel reductions is approximately \$15 million dollars.

Dr. Browder next discussed *Personnel reductions*. Dr. Browder reviewed each of the items listed on the hand-out. Regarding the topic of class size, Dr. Browder stated that the legislative session gave the Commissioner of Education permission to waive 50% of the penalty; previously he only had the ability to waive 10% of the penalty.

Possible Above Formula Allocation Reduction. Dr. Browder explained this is directly tied to the class size. All of the programs listed on the handout are above formula and are not considered in the class size, they are not part of what the District can claim. Dr. Browder stated that he is recommending that it be reduced by 1/3; this would be \$5 million of the \$15 million. Dr. Browder then gave a brief description of the term “door to door” as it relates to class size, at the request of Dr. Kuckel. The Commissioner currently has \$850 million dollars in his budget for class size. Dr. Scricca asked Dr. Browder to explain the term, *above formula*. Dr. Browder stated that it meant the programs are in the District’s formula, but they are not fully funded according to the State formula. Dr. Kuckel asked Dr. Browder about the requirement for Art/Music/PE. Dr. Browder stated that there is a 30 minute requirement for PE in elementary schools and there is a requirement for PE at middle schools. There is not an art or music requirement in elementary schools. Dr. Browder met with school principals, and they all agreed that they would keep art and music at their respective schools.

Negotiated Items. Dr. Browder reviewed each of the items listed on the handout. He stated that he will be recommending that the District adopt a 241 day work schedule, this is a negotiated item. Following is a list of proposed times the District would be closed: One (1) week at Thanksgiving, (2) full weeks at winter break (Christmas), (2) days at Easter, a Friday and a Monday, (2) weeks in the summer. In addition, staff would not accumulate vacation days. Paid holidays would be something else that the District will be reviewing. Regarding secondary scheduling, Dr. Browder stated that if the District went to an alternating block, it would save the District approximately \$10 million dollars. Dr. Browder will also be recommending that the District require a math course at every grade level and in addition to that, a personal finance class would be required for every student to pass before graduating from the Lee County School System. With regard to the pay reduction, whatever reduction is put into place, it would be for all employees. Dr. Browder informed the Board that a survey would be sent to teachers on January 26, 2009, asking if they would take a 3% reduction in pay to save 700 jobs. Regarding insurance options, there are staff who opt not to take the District insurance plan and that saves about \$1 million a year. Presently, those dollars are placed in the insurance task force fund balance to fund any issues that may arise. It is Dr. Browder’s suggestion that this \$1 million dollars be placed in the budget reduction fund for a period of one (1) year.

Five Year Budget Plan. Dr. Browder reviewed each of the items listed on the handout, including Year One (2010) and Year Two (2011). In year 2011, Dr. Browder stated that the District would request taxpayer approval on a referendum to approve use of capital for operations. Mr. Chilmonik suggested that the District request the referendum this year instead of waiting. Dr. Browder stated that he did not feel that this was the appropriate time to ask the taxpayers for this

referendum. His position is to wait and see what the legislature does; however, the reductions that he spoke about are going to have to be dealt with no matter what. He also added that the District was in the top five (5) in the State with regard to its fiscal management. Mrs. Jeanne Dozier said that she supported Dr. Browder and his staff in the decisions they are making regarding the financial status of the District. Mr. Chilmonik stated that he felt that the District should have asked for this referendum over a year ago, as it would have helped to save programs as well as jobs. Mr. Chilmonik addressed the issue of money spent to purchase land for the District. Dr. Browder said that it was important to purchase property for future growth of the District. Mr. Teuber stated that he would not support a capital referendum at this time. He agreed with Dr. Browder that the District was correct in purchasing the land when it did. Dr. Scricca also said that she would not support a capital referendum at this point in time. Dr. Scricca stated that it is very important that the Board, as well as staff, work as a team to get through this difficult time. Mrs. Dozier asked Dr. Browder about the school choice program and the dollars that it could save the District. Dr. Browder stated that the system that we have now is the best that it has ever been. Dr. Browder stated that the Board made a commitment to school choice and each of the Board Members voted to implement it. Dr. Browder also made the point that 91% of parents/students get their first choice of schools and most do not choose the school that is closest to them. Dr. Browder added that it would take an enormous amount of money to return to neighborhood schools. Dr. Kuckel asked Dr. Browder if it would be a cost savings to go back to neighborhood schools. Dr. Browder responded that there would be absolutely no cost savings to the District. He also added that with the school choice program, all children are provided the same opportunity to attend the school of their choice, not just those with a parent who is able to drive them to school every day.

Five Year Budget Plan (2012-2014). Dr. Browder reviewed each of the items listed on the handout. Dr. Browder reminded the Board Members that any money received through a tax referendum would have to be paid back and the District would need to plan accordingly. Dr. Browder stated that the District would plan four (4) community forums. Mrs. Dozier asked Dr. Browder why only four (4) forums were chosen. Dr. Browder replied that they planned on four (4) based on what was done for school choice. Mrs. Dozier said that there were complaints that there were not enough forums held in all of the zones. Dr. Browder then asked the Board Members to submit to him a list of different locations where the forums should be held.

Dr. Browder stated that he will continue to watch the legislative session. Dr. Kuckel asked Dr. Browder for the dollar amounts for the upcoming budget year. Dr. Browder explained that when 2 mill capital funding was reduced from \$2 mills to \$1.75 mills, \$22 million was taken from the District and \$15 million received back. Dr. Browder also stated that the negotiations process will continue and an outline of those negotiations will be provided to the Board Members at the Tuesday, January 27th Board Meeting. Dr. Browder asked the Board Members to review the handouts that were given to the Board at the Workshop. Dr. Browder also informed the Board Members that on the District website, there will be a place for questions and comments.

Dr. Kuckel asked Dr. Browder to explain some of the things that people can do to help with the financial situation the District is currently experiencing. Dr. Kuckel explained that each of the Board Members had met with their legislator in their respective delegation and spoke to them about some things they could do to help mitigate the damage in the District for the budget reductions. One of the things that the legislators can do is to give the District the flexibility to move the funds from capital to operating without asking for a referendum. Dr. Kuckel stated that another thing that the legislators could do is to freeze the phase-in process for class size and leave it where it currently is, this would save the District millions of dollars. Mr. Teuber stated that the principal of each school should have the autonomy to run the school and average out the class

size within his or her school to provide the best allocation of resources for that particular school. Mr. Teuber also stated that legislators need to be made aware that the District, Board and administrators support local control of the categorical funds allocated to us and the ability to spend the money in any way that the District sees fit. Dr. Kuckel stated that some of the other things the legislators could do is to increase the sales tax by 1%, and add taxes to tobacco and alcohol products.

Dr. Browder concluded by saying that the items that were discussed today are not what he likes to do, however, it is what he must consider in order to provide for what the law requires, which is a balanced budget.

III. Good of the Order

Mr. Chilmonik asked Dr. Browder if he would be willing to put the ethics clause back into his contract. Dr. Browder replied that he would not put the clause back into his contract. Mr. Chilmonik then asked Dr. Browder why he would not put that clause back. Dr. Browder replied that he would put the ethics clause back if the Governor replaced Mr. Chilmonik on the Board with an acceptable member, he would then put it all back.

IV. Adjournment

Meeting adjourned at 2:35 p.m.

Jane E. Kuckel, Ph.D., Board Chair

ATTEST:

James W. Browder, Ed.D. Superintendent

An audio/visual tape of this meeting has been produced to provide a verbatim record of the proceedings. Members of the public may obtain a copy of the tape of any meeting by making a request for such through the Communications Department and paying the actual cost of copying the tape. Members of the public may view any Board meeting tape at the Communications Department at no cost. Anyone wishing to view a Board meeting tape should contact the Communications Department at 337-8327 to make such a request.