



VISION:
To be a world-class school system.

THE SCHOOL BOARD OF LEE COUNTY – Briefing / M I N U T E S
Tuesday – June 2, 2009 / 2:30 p.m. (called to order by Mr. Teuber at 2:30 p.m.)

Attendees: Mr. Steven K. Teuber, J.D., Board Vice Chair
Dr. Elinor C. Scricca, Board Member
Dr. James W. Browder, Secretary & District Superintendent
Mr. Robert D. Chilmonik, Board Member (left at 3:34 p.m.)
Mr. Keith B. Martin, Board Attorney
Mrs. Denise Mangus, Recording Secretary

A. ITEMS WITH GUESTS – None

B. BOARD MEMBERS

1. Special Areas of Board Involvement/Reports – Mr. Chilmonik congratulated principals/schools on FCAT. He participated in a golf course Memorial Day run, noting outstanding District students and staff). Dr. Scricca mentioned a recent Pride & Patriotism (P&P) meeting for 11/10 event; she attended Lexington Country Club Veterans' Memorial Day ceremony (guest speaker on P&P). She attended all 6 community forums (various locations) to hear what attendees were asking (attendance low—last 3 had 3-4 community members, remainder staff); she felt emptiness. She's very proud of the Superintendent, his PowerPoint, info given, and answers to questions. It's understandable the employee concerns heard about their jobs but noted a deafening silence received on the part of county citizens--she feels they're not interested in presentation/facts or letting Board know they're not coming to get info but this observation isn't a reprimand; e-mail and phone messages received but not in person. Mr. Teuber noted Dr. Kuckel is ill this afternoon (Mrs. Dozier's out of town on business). He concurs with FCAT results—great improvement/better scores. He attended Gateway Charter High School's graduation, congratulating Principal Roles. He stated "Coach Browder" hit it long for the business community on 5/22 at the Foundation's State of Our Schools—highlighting performances/accomplishments, touching upon fiscal re short funding but managing numbers we have and staying focused; Mr. Teuber thanked Messrs. Bower and Parrish for an excellent job (State Representatives Thompson and Aubuchon there and given credit). Mr. Teuber noted the 5/19 LEAD Teach-In; he met them at Edgewood—a Title 1 school—in the rotation (Principal Durham thanked); he encourages visiting schools and seeing what teachers do on a daily basis. There was a legislative update with the City of Cape Coral where revenues continue dropping; Representative Aubuchon noted optimism but numbers came in less.

C. ACADEMIC SERVICES (Dr. Jones) – None

D. ADMINISTRATIVE/SUPPORT SERVICES (Mr. Mc Nerney)

1. Change Orders / May – There were no questions/discussions (back-up on file with these minutes).

E. BUSINESS SERVICES (Mrs. Desamours/Mrs. Campbell)

1. Food Service Budget for FY10 and Wellness Update – Mr. Nagy attended state Sterling Conference as did Principal Bryant; showcase will be shown to Board (future meeting). Mr. Nagy's required to brief Wellness Policy yearly; one addition this time (#1)—all programs to all children/every school has breakfast next year. Research shows school breakfast improves students' cognitive abilities, comprehension, and behavior; handouts noted (application for state). Dr. Browder requested Food Services make things happen; Mr. Nagy (very proud) asked Board to review. Middle school meals per labor hours to increase; FY10 has food personnel retained. He noted assistant managers' equivalent requirements; lunch price up \$.05—less than 2.5% (Board-approved 2 years ago) but food prices up 11-19%. Joining power-buying group decreases costs (buying at '04 prices); some larger districts frowned on power-buying but joined in the last 6-26 weeks. We were second to New York but now are the largest; high quality nutritious items are provided within budget. He noted Dr. Browder's initiation of Feed the Children—help regardless of background/financial outlook, and task force praises highly. Food Service is in the black this year and will be next (was a \$2.1 million deficit prior); assisting this was scheduling changes/more hands in kitchen during serving times. We would've been \$5-6 million in debt next two years if changes hadn't been made; Broward lost \$22 million in their food program and took out elsewhere to cover. Lee's moving forward with healthy choices program; Mr. Nagy's proud of staff. Dr. Scricca noted good job and suggested he write a book, as she feels housewives would buy. Mr. Teuber expressed pleasure/congratulations in healthy food being provided, as it's more costly. Mr. Teuber requested Dr. Browder schedule the showcase presentation (which involves a business plan/targeted area); there's only been 2-3 since inception of awards (our school first school in county), and Dr. Browder noted this huge honor. Sterling has about 12 categories (Mr. Teuber's former plant did); for food service, it's incredible and we've dedicated people maintaining quality of service.

2. Capital & Debt Service Budgets for FY10 – Dr. Desamours noted Briefing packet attachments. Main source next 10 years: 2 mill funds (local and state resources dwindling). She went through the 1-page backup attachment, noting a \$66.8 billion figure received from Property Appraiser—\$2 billion difference seen on capital plan. Budget approval in September will see \$8.2 million less (we're losing in 2 mill funds), and it's actually a 25% drop (than 22%). Second five years—8 schools. Plans continue to be revised (capital plan changes as time goes by). Buses were on 12-year rotation cycle (in FY 12 to resume). Re portables, intention is to remove as time goes on. There'll be renovating and maintaining buildings as they age. Re 10 years, \$1.8 billion plan (maintain reserves \$9-10 million); numbers will be updated (tax roll down affects). Dr. Browder noted coming back in September as well (actual Property Appraiser numbers then; estimate last Friday). Certified roll is what Legislature uses in FEFP run. Dr. Desamours reviewed debt service paragraph; we're at 62% of legal and 91% of recommended limit. Numbers will change (after new tax roll); will look like 99% but within recommended (will be 66-67%). Re Mr. Chilmonik's question on bus purchases in '07, she noted not having info with her but two years may have been done in one (e.g., one at beginning for one fiscal and one at end for another—due to discounts); she can look at actual purchase orders. Dr. Browder added we've been at 12-year cycle replacement the last four years; Dr. Desamours indicated there may have been some catch-up but it's usually \$7-8 million yearly. The Superintendent noted \$8-9 million budgeted; he cited example of buying in particularly months, saving dollars. Extra buses purchased to have whole air conditioned fleet (200 short presently); Dr. Browder can get info from Mr. Shelton. Re difference between renovation and repairs lumped together, Dr. Desamours can get Mr. Chilmonik breakout; also noted to him was Stephens Academy not in this number. Dr. Browder requested he look at the detail on another page. The Superintendent noted HVAC, roof repair, placing black top as items in facilities (100% of them)/maintenance besides renovations. Mr. Chilmonik questioned after \$174 million, \$98 million in technology, and \$50 million in buses (all after 5 years); it was clarified a 25% reduction (not 22% as may appear) explained prior and amount in reserves. Dr. Scricca, noting to him—without criticism—that, one, it's a rolling type of phenomenon, and she's unsure someone should look at specific number and make determination that we're under or over spending (look at budget as whole). She added that Dr. Desamours spoke to it, repeating: 25% drop, tax roll decreases in 5-year plan, impact fees estimated low, minimal bus purchases, declining portable expenses, decline in dollars. It's a very difficult 3-4 years ahead of us and rather than trying to be negative about it, make decisions that will help keep/maintain a quality school system and do whatever we can for students and schools. Dr. Scricca doesn't wish to think in terms of negatives and cuts but wishes a philosophy entertained of maintaining what we have/how best to use it; there's two different ways of looking at something. Mr. Chilmonik feels, in looking at the size of this budget, (more) details to be looked at—e.g., buses; he has extensive numbers for the Board workshop in a couple of weeks and feels drilling down can politely be done. Mr. Teuber requests Mr. Chilmonik, since Board receives back-up in week preceding the meeting, to review ahead and ask Dr. Browder so the budget director can field questions with clearer answers without guessing on the spot (day of meeting).

F. HUMAN RESOURCES (Dr. Adkins) – None

G. EXECUTIVE SERVICES (Dr. Browder)

1. Policy 4.32: Head Start Eligibility, Recruitment, Selection and Enrollment (revised) [6/16] – Dr. Browder noted one change of adding LAMP; he confirmed to Mr. Teuber point numbers didn't change.

2. Policy 4.33: By-Laws of the Head Start/Early Head Start Policy Council (new) [6/16] – Item pulled (not briefed).

H. PUBLIC COMMENT – Sue Jacobse welcomes Cerras' legislative update; noted troubled tax rolls; commended Dr. Desamours and Board; reiterated Legislature's responsibility to adequately fund education; feels there'll be more children with higher needs possibly than vs. 5 years ago possible—e.g., language skills; community and state needs to look at ways to fund education—otherwise, same discussion next year (she volunteered). Mr. Rushlow, SPALC President, complimented the Food Service showcase but feels there's room for improvement; he noted assistant manager cuts, other Food Service positions at 3-hours instead of 4. He commented that positions had benefits and now 23 without. He believes employees need to be taken care of re labor costs and world-class school system. Employees hurting, which could affect students eventually.

I. BOARD ATTORNEY (none) / SUPERINTENDENT'S COMMENTS – Dr. Browder noted to Mr. Teuber and Board Members that there are some items being talked about, with info to be received; there'll be changes in how certain items are approved (per state)—travel, cell phones but he'll talk about this in next several days (some via memo and some at 6/16 meeting). In response to Mr. Chilmonik's question on Plan B (budget) not being today, the Superintendent noted he (Mr. Chilmonik) and the Board received a memo last week containing the reasons for presenting on the 16th.

J. LEGISLATIVE UPDATE – Bob and John Cerra are happy to be here (see PowerPoint copy on file); it was difficult legislative session for all, and the Delegation deserves thanks in spite of limitations on them. Timeline started in January, ending now; state's budget for education will be looked at (issues tied within that document), and local priorities were for bills and budgeting process. About three passed really impact our operations; a dozen had minor impact (look at others to plan—not be reactionary). Bob Cerra explained we started with 2% though having to cut 4% in later year; most districts—due to negotiations—unable to accomplish (depleted reserves by others). Recurring budget--\$6 billion; public education would've been about 1/3. DOE holding weekly conference calls, telling superintendents to prepare for 15-18% cuts. Auditor general audit exception report (ERP 2007 purchases; \$3.2 million issue locally). Re middle of session—House and Senate education budget offers—each side shocked other, claiming 0% impact on education; neither one thought they could get close to what they did. Budget passed off the floor; revenue sources to support didn't exist (unpassed yet: tobacco tax money, gambling/Seminole pact/existing pari-mutuels). House assumed \$1 billion of initial new fees—used to build public education budget; if fees disappeared, proposals built on air feared. There was concern about bait-and-switch; last two years went into conference (came out with below lowest of two offers). State was in worse fiscal situation than last 2 years. Many came together, great deal compromised to replace air with real revenue (sources funding health care, court system); general revenue of state in previous areas—those pulled and replaced general revenue cut we would've been facing. Local delegation deserves great thanks; Mr. Cerra noted flaws could be pointed out but significantly better than thought. Public education needed to be funded. Legislative overview (bills)—worry was flat budget (with expenses), bills that cost money failed at end with handful of exceptions. Budget conforming bill (trying to change recurring outlook for itself); this bill—40+ unique issues passed (things taken out that would've been affected). He noted budget conforming bills will be vast of how education handled vs. committees. The budget (second time), remaining categoricals (were 100%) moved above the line (where partially funded by general revenue and local property taxes; instead of sales taxes for instructional materials—vast majority of this and transportation by required local effort). About 5% of base from federal stabilization funding used; many legislators didn't want to use (afraid of strings—whether we'd even receive as we had to apply for waiver but process on latter was about two weeks away from conference).

Re Florida requiring waiver, it's because benchmark used within stabilization package but had to with '06-07 levels (in lieu, could use '07-08). A huge windfall for us would've been '06-07 (but for vast majority of states in country, would've been rolled back). Went from 50% funding to 25% of declining enrollment student; biggest changes had to do with various millages; slide show 4 year (Mr. Chilmonik departed the meeting here, at 3:34 p.m., due to feeling ill). Property values continued to fall; RLE will roll up to capture amount of money in budget—not true for DLE (revenues will decline if rolls continue dropping). This year, additional quarter mill taking and rolling into DLE. Re Dr. Scricca's question of why Legislature didn't do it instead (vs. local boards), it was noted many legislators signed no new tax pledges; there were significant fees in user fees (e.g., tobacco). Mr. Cerra noted some boards will be able to use and others not/decide not. Even if legislature gave authority, we should be thankful for (wasn't even on table when they went into conference). This year, by far, a budget pull facing them—managing to provide true funding for their budget but additional authority for Boards (this a bonus); some districts said they had to have it (though they may have trouble getting super majority vote); in some ways, buck passed. But also in funding base budget and on operations size, managed to have zero percent cut on the student side. Dr. Browder noted our asking for ability so local boards could discuss/decide. Mr. Teuber noted if continued push for tax increase in public education, would've been wide chasm for Senate and House to get to (they could've abandoned opportunity; there was \$6 billion gap, with huge ramifications). John Cerra worked very hard on Senate side but given option—some districts weren't even going to make payroll. Dr. Wayne Blanton got Board Members in Tallahassee and asked them; they agreed to take heat, and he went forward to lobbyists and that route (could've been implications in other areas). Bob Cerra noted this Board looking at .25 mill issue; if passed, puts pressure back on Legislature as a new base created (when they do runs and see potential vs. previous, puts pressure). It's passing the buck somewhat.

Revenue estimates shaky last two years. Property taxes affect a small part of operations. Discretionary local effort capped (1/10 of revenue of local prop taxes which go to operations). Where stimulus (only for two years; unsure if replacement) going has to be identified. Three-year history looked at. Chart (first column) has \$19.304 billion (what Legislature planned for right after session quit). Re \$18.413 billion, in this legislative budget--\$17.925 billion budget. We still have cuts because we're still annualizing January cuts. In reductions are increased costs for class size in reductions, so cuts larger. Of statewide decline, 21% was state general revenue (e.g., state sales tax—smaller number was due to property taxes). Federal stabilization money accounts for some difference (included in total potential). Three columns in chart apply to Lee (our: -9%, local property tax decline levels higher than other parts of states). Local priorities/work by Mr. Teuber, Dr. Browder, and Cerras via weekly conference calls (to ensure match with Board goals/initiatives): avoid massive cuts to 09/10 FY operating budget; fix audit exception issue; obtain max flexibility for District's budgeting (in different way than originally looked for); maintain special weights for IB and AP programs (because cut 1/3 last year; proposal was to operate on 1/3 than 3 years ago); and defeat all legislation with additional fiscal impacts to district. Delegation largely delivered on priorities (still unpleasant).

Major bills: Budget Conforming Bill SB 1676 (more than 40 issues embedded); Differential accountability (HB991); Retirement benefit limitations (HB 479)—many changes. Bob Cerra gave details of the three (see slides). Overhauls: 10% funding cuts virtual school. Board approval noted for some expenses (out-of-state travel, cell phones; IB programs/governance programs need to plan as professional training out of state since international program). Some papers tried to call for all 4-day school week bill (he doesn't believe that); 196-day wording deleted but Dr. Browder noted there's no plan to modify at this point. Another mention was allowing districts to recoup lost RLE (if local tax boards changing, state wouldn't allow make up); re equity lawsuit, fix by not adopting higher revenue but higher FLE. Re HB991, differentiated accountability—short version eliminated; No Child Left Behind (NCLB) and not just Title 1 schools (the bullets spell out NCLB; Dr. Browder noted we've been doing this, re Dr. Clark, ensuring clear focus on requirements/responsibility—this, as overlay, won't create issue for us). HB 479, it's about retirement benefit limitations—if in DROP (or close to 30 years), close look needed; next year, remains same but in July 2010, folks retiring in system or separating from DROP cannot reenter FRS and earn additional credits (31 days now changed to 6 months). Problems with bill (if coming to work for government employer until 35)—defining (for younger employees); defined contribution program (created 9-10 years ago) more flexible for younger employees. Bob Cerra noted major problem if they leave—can't re-enter Florida 401K (FSBA requesting Governor veto). Those in flux or DROP—weigh benefits and one's working in future, look at grandfathering provision/make best personal decisions. Other bills passed: public records/health (no disclosing family plan members)/good bill; 216—ban Boards from participating in referendums with own funding; 227—impact fees/takes away some presumption (more a 50/50 vs. 50+1); 278—charters (most changes bring them fiscal responsibility added for districts in January); few minor on how districts pay charters (getting paid for providing food service plans or federal funds); 360—signed yesterday (minor changes); 611—many districts excited (bands certain limits to use for construction management contracts; efficiencies to save us money and how bids done in future). Executive Office of Governor (1796) allowed to design data base (local and state agencies feeding info about their expenditures/web published for public); 1802—important to finance (rates pay this year/same as last—unchanged).

Re future issues, we're still very concerned about revenue estimates; this Board working to build reserves and if something happens to state general revenue estimates, we need to have budget as possibly stable vs. mid-year). Re a Lee County Schools' bill or funding request, Representative Aubuchon would like something in hand; it's a non-election year (grunt work to be in summer), and no one really likes to talk. Re local delegation, Dr. Browder presented on local budget flexibility; this budget cycle gave flexibility that could exist. Delegation wants issue from Lee/show support; Cerras will work with Dr. Browder and staff to meet important local goal (political outlook as well.) Re budget reserve requirements, important note: one district's in receivership and though they're small, a larger one was close. There'll be conference next week (information to be found out re Jefferson experience; not wanted locally). Re ongoing k-8 virtual schools, something desired change is from real implementation vs. glitches). Another matter is teacher quality/tenure. Re high school graduations, encompassed in bills that didn't pass but involved monies and not going to disappear; a look at those bills needed in how process finished though failed and input needed. Department in process of developing end-of-course tests; Mr. Cerra sees high states (e.g., Algebra, 2011)—11th graders know exam doesn't matter like 10th grade (lack of interest reflected but not lack of knowledge); if test not passed, don't pass course (some are bad test takers). Issues are with greater number of students completing coursework (but may miss scoring, thus miss credits). Funding falling off cliff—stimulus gone in 2 years; or quarter mill if levied. Bob Cerra's trying to find a bill our delegation could champion—doesn't want to wait until our full platform formed. Dr. Scricca thanked the Cerras for today's explanations and Mr. Teuber's work as legislative liaison to get at this point. Mr. Teuber thanked parents and the business community contacting legislators (not seen across the board in other locations); superintendents were very active, and Dr. Browder was in Tallahassee extensively. Mr. Teuber thanked other Board Members for their work with legislators; he thanked those also who participated in the pennies, rallies, etc. The medical industry didn't fair well with the state's budget. Mr. Teuber appreciates the public health records' outcome (could've had unintended consequences) and Mr. Martin's help.

It was noted re the concealed weapons' trust fund that if it didn't become law, the Governor would've made it come out of education (possible impact--\$17.3 billion statewide/our share—3%, a few thousands on those decisions). Mr. Cerra noted if tobacco tax had been vetoed, \$900 million hit would've resulted. There are dozens in court system for filings (some fees tripled or doubled) and though we don't get revenue we get general revenue support those items and system (if he had vetoed, it would've impacted our budget). Mr. Teuber noted if people think we're not dealing with less money, we are—as increased fees, tobacco taxes, and gambling (offsets). It was confirmed to Dr. Scricca that student funding slightly increased but student allocation went down \$342 (6.58%). Before the audience asked if any questions, Mr. Teuber noted Representative Aubuchon's bill brought forward (burden carried by taxpayers to overcome; now people come in level laying field); Mr. Teuber's concern is when talking who's entitled to those fees, did that change/do we have to share—nothing changed, and he would like to see ongoing/unchanged. Dr. Browder proposed to last delegation that if we took less at onset (numbers set in stone/ be trial district), we can make it through the year—budget and plan (unsure if we could cut). One citizen noted: to get

beginning of year to end/systematic (not be cut during year). Mrs. Jacobse requested explanation to the public on thinking education's funded by the District, mentioning District's responsibility for money which is radically different from the childhoods of some who had bond referendums; and separately, corporal punishment, if relating to ESE restraint; and travel planning. Bob Cerra explained, re funding formula (we're donor county) that slightly less than half from total to provide for schools statewide comes from general—mostly sales taxes and other is by property taxes. Property taxes, in looking around country, are one of most stable taxing base in existence (income tax most stable—but none in Florida). Falling property taxes unusual blip—not just 25% drop to district but 50% drop in county. There was \$30 billion in general revenue/values 3-4 years ago; now it's \$20 billion. Re sales tax and \$16 billion, it's shrunk drastically; these create bulk of problem (property values in state overall dropped only 1% but locally different. Lee County has won awards for its budget presentations (how explained locally). Previously, local government had a board proclamation as to certain position on local referendum, legal for local board to spend money (support or oppose)—this bill makes it illegal. They can provide public info but not involved in campaign for local referendum issue. Re zero tolerance bill, largely relates to federal zero tolerance policies (student shows at event with weapon, automatic suspension; if student threw textbook or eraser at teacher and if district decided weapon, fell under same tolerance)—very limited. Provisions relating to corporal punishment will clearly relate now to corporate punishment—not specifically to ESE. Cerras hope Dr. Kuckel and Mr. Chilmonik feel better and safe travels to Mrs. Dozier. Briefing adjourned at 4:32 p.m.

/dwm

 ATTEST:

Steven K. Teuber, J.D. Meeting Chair

James W. Browder, Ed.D., Secretary and District Superintendent

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