



THE SCHOOL DISTRICT OF LEE COUNTY

Finance Advisory Committee

September 24, 2008

Meeting Minutes

Committee Members Present: Nicholas Alexander, Thomas Busatta, Larry Bush, David Hall, Richard Hart, Thomas McNulty, Chuck Reynolds, Steven Riggs, Susanne Quattro, Carmelo Santos

Committee Members Absent: Marshall Bower, Wayne Dean, Michael McNally, Carl Snipes, Robyn Thomas

Lee County School Personnel Present: Dr. James Browder, Kelly Letcher

Guests: Sue Jacobse, John Traube

Board Members Present: Steven Teuber, Robert Chilmonik

Recording Secretary: Ms. Earthine L. Caldwell

Welcome

Chairman David Hall called the meeting to order at 5:00 p.m. and welcomed new member, Mr. Nicholas Alexander. New member, Ms. Robyn Thomas was unable to attend tonight's meeting due to a previously scheduled work-related meeting. Introductions around the room were made. Mr. Hall informed the members that Sheila Stancel, former Recording Secretary, has accepted a position with Lehigh Senior High School, and that Earthine is her replacement.

Organization of Committee

Mr. Hall asked for nominations for chairman. Thomas McNulty nominated David Hall for chairman, Steve Riggs seconded and the vote carried unanimously. Chairman Mr. Hall continued and asked for nominations for vice-chairman. Mr. Hall nominated Nicholas Alexander, seconded by Susanne Quattro and the vote carried unanimously. Mr. Hall asked for a vote on the current meeting day, dates and times of the fourth Wednesday of the month at 5:00 p.m. There was discussion regarding moving the meeting time to 4:30 p.m. The members unanimously agreed to keep the same meetings at the same day, but change the time to **4:30 p.m.** Due to the Thanksgiving Holiday, it was later discovered that the November 26th date needed to be changed to November 19, 2008. Earthine will send a revised schedule of meetings to the members. Mr. Hall reviewed the current rules for public comment of three minutes per person at the beginning of the meeting based on the topics presented on the agenda. A vote was made to continue the same public comment rule and was approved unanimously.

Approval of Minutes

Mr. Hall asked for a recommendation to approve the minutes as presented. Motion made, seconded, and unanimously approved.

Public Comment

Ms. Sue Jacobse, of the Curriculum Committee, introduced herself and stated she was here because she is interested in the budget.

Board Member's Report

Mr. Steven Teuber announced that this is officially his last meeting as the Board Liaison; however he would still come if the demand is still there, but he would take second chair. He stated that Mr. Robert Chilmonik, former Board Liaison for the Curriculum Committee, is being rotated in for the Finance. Effective today, 9/24/08, Mr. Chilmonik will be the liaison to the Finance Advisory Committee. Mr. Teuber informed the members that he has taken over as liaison to the District Advisory Committee. Mr. Teuber deferred the rest of his time to Mr. Chilmonik.

Mr. Chilmonik thanked Mr. Teuber for the introduction and for his service to the Finance Advisory Committee. Mr. Chilmonik extended a welcome to everyone and stated he had the honor of serving on this committee years ago. Mr. Chilmonik commented on the shortfall in revenue and crisis in Washington. Mr. Chilmonik stated that this committee will play a crucial role in helping to come up with ideas and direction for us to go. He further commented that there is an enormous issue in front of us of maintaining education standards in the face of declining revenue.

Mr. Chilmonik discussed his concerns as a Board Member. Mr. Chilmonik distributed a handout titled Lee County Schools Report Card 2003-2008. He requested that this be discussed at the October 22nd meeting. Mr. Chilmonik stated that, with the approval of the committee, he would also like to give the committee a little introduction to some computer technology and what is available on finance. This item will also be discussed at the October 22nd meeting. Mr. Hall asked Earthine to add these to the agenda for October 22nd.

Mr. Hall requested that Mr. Chilmonik go over the handout he distributed. Mr. Hall raised questions relating to the ACT data comparison. Mr. Chilmonik briefly responded.

Dr. James Browder commented that he would bring data pertaining to this topic so members are fully informed.

Mr. Hall extended the opportunity for Dr. Browder to share comments on any other topics with the committee.

Mr. Hall mentioned that Ami Desamours is out on maternity leave. She had a baby girl and will be back sometime in November. He further commented that Lee Legutko is on vacation this week.

Final 2008-09 Budget Material / Discussion (Handout)

Mr. Hall acknowledged Kelly Letcher, Assistant Director of Budget, and stated that she has been integral in the budget process. He asked Kelly to walk them through the final budget.

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Ms. Letcher pointed out that the information contained in the handout was distributed to the Board before the approval of the 2008-2009 Final Budget. The budget was approved on September 9, 2008. Ms. Letcher reviewed details contained within the material. Ms. Letcher noted that the contingency reserve is about 3% and that the State of Florida recommends that the contingency reserve be in the range of 3% to 5%. Dr. Browder explained that 3-5% is the recommendation of the Auditor General. For us, for the sake of discussion, that will be between, \$14 - \$24 million.

Mr. Hall commented that the millage rate is set by the State of Florida, and it came down from last year. Why would we do that? Dr. Browder responded that the millage rate did come down. The millage rate is set by the State Legislature. The legislature saw it as a tax break to offset statewide losses in revenue. Mr. Hall inquired as to what will happen to the money that will go back to the state coffer? Mr. Teuber stated that it goes into the state general fund.

Dr. Browder stated that last year, we were told that we would be “held harmless.” The governor said it and the legislature talked about it. Instead, reductions in the state averaged 7.99. Mr. Chilmonik asked, in regard to frozen funds in Fund B, if we could give the state a warrant from SBA Fund B rather than returning the \$15 million. Dr. Browder said he will certainly try it again by sending a letter to the governor. Dr. Browder stated he didn’t think they would be able to do it, but it was worth a try. If it is the recommendation of the committee, Dr. Browder stated he would write another letter.

Mr. Busatta asked if there is any way to tell when the money that the District gives back to the state goes back into education. Dr. Browder responded that it would take legislative action because right now they are allowed by statute to do what they want.

Mr. Teuber stated that Amendment 5 was taken off the ballot by the Supreme Court. It was specifically directed at public education – a 30% tax break against public education to be funded with a 1% sales tax and other sources. Mr. Teuber informed the committee that they will have to get more active in issues like this.

Ms. Letcher explained that Capital Projects were reduced from 2 mills to 1.75 mills. The state moved the remaining .25 mills to the General FEFP Fund. Dr. Browder responded that the state took \$22 million and we received \$15 million back. The Commissioner is recommending that Transportation and Instructional Materials be moved to the FEFP. Dr. Browder thinks this would be absolutely tragic inside of what we are doing. If they put Instructional Materials in the FEFP and equalize it, could mean that we will not have the money now that we had before to buy textbooks, software and things that are real important for instruction. Ms. Letcher explained that there was a 14% decrease over the roll-back rate this year.

Update on 2008-09 Student FTE and impact

Ms. Letcher stated that as of Day 14, it was projected that student enrollment would be down by about 3,100 FTE from the state estimate of our number of students.

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This is about a \$15 million dollar decrease. We have \$13 million to cover it in the FTE shortfall and other adjustments will be made for the rest. This does not equate to actual students difference, because FTE does not equate to the same. From Day 20 of last year to Day 20 of this year, there was about a 1,600 student enrollment reduction.

Mr. Hall inquired about the number of students that may have been picked up from the local private schools such as Canterbury, Bishop Verot, and St. Andrews. Ms. Letcher responded that every year during FTE week, which is in October of this year, the private schools are called to see where they are in their enrollment to determine if they are going to private school or coming to us.

Mr. McNulty inquired about the population of the charter schools in Lee County. Dr. Browder responded that they are about 10% of the population. Mr. Hall asked if the charter schools come up short, do they give money back to us. Absolutely, responded Dr. Browder. Ms. Letcher explained that the charter schools are paid twice a month based on their students at the time. When adjustments are made to the calculations, the charter school accounts are adjusted at the same time.

Mr. Riggs pointed out that pages 38 – 46 from the Tentative Budget, were not included in the information that was previously forwarded to the committee, nor are they included in tonight's meeting packet. Mr. Riggs inquired if these pages could be given to the committee. Ms. Letcher responded that they are working on the Final Budget Book, and as soon as it is completed, it will be sent to the committee. Mr. Riggs requested that the data comparing the Adopted FY08 v. Adopted FY09 as well as the Amended FY08 v. Amended FY09, be included. Ms. Letcher will follow through on this request.

Update on Constitutional Amendments 5-7-9

Mr. Teuber previously discussed Amendment 5. They were all pulled off the ballot and will not be moving forward. Mr. Teuber stated that Amendment 7 was put on by the legislature to target the appellate ruling on vouchers. Amendment 9 was the Supreme Court Ruling targeting vouchers. Amendment 7 was entitled Freedom of Religion. The Supreme Court ruled that if you are going to strike vouchers based on the fact that they are faith-based, you need to explain it clearly. Amendment 9 was entitled 65% Solution. This says that 65% of all of your tax dollars goes right into the classroom. What they didn't tell you was that 66 of 67 counties using Grade 2 Funding on the red book (instructional – teachers, paraprofessionals) are already at 65%. Most of the counties, especially on the east coast, are almost at 70%. What they also did not tell you is that provision took the words out in Article 3, Section 4 of the Constitution of Florida which said it was the paramount duty of the State to provide for public education. It took the words "paramount duty" out of the constitution because the Supreme Court ruling, strictly on vouchers, said you can't do vouchers because you can't guarantee that if you give vouchers that you can provide through your paramount duty to provide for public education.

Status of Bargaining

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Mr. Letcher informed the committee that as of right now, the bargaining has been put off until October when the next meeting will take place. The contracts are reopened at this time to address teacher raises.

Mr. Hall asked how a freeze was put on if a contract is in place. Mr. Teuber responded that they had provisions in the contract for insurance and state funding. Dr. Browder shared that there is a \$3 billion dollar difference statewide in what was originally estimated and what was estimated again.

**Chair's Open Discussion
Any 2008-09 committee priorities**

The handout from Mr. Chilmonik will be discussed at our next meeting. The committee recommended that Dr. Browder submit another letter to the state. Dr. Browder stated that after the October FTE occurs (week of October 13th), he will send a letter. Motion made, seconded and passed unanimously.

There was brief discussion regarding the School Board's Association (SBA). Dr. Browder confirmed that a lawsuit has been filed due to inadequate funding throughout the state. Mr. Chilmonik inquired as to how much we have in Bank of America as the result of the recent transfer. Dr. Browder stated that it is approximately \$100+ million, not the \$200 million.

In response to Mr. Riggs's e-mail request to receive an update on SBA Funds A & B, Ms. Letcher distributed a memo from Ms. Greta Campbell, Director of Financial Accounting, that shared information on SBA Pool A and Pool B funds.

Good of the Order

Dr. Browder and Mr. Chilmonik made comments regarding Mr. Chilmonik's Report Card.

Committee members were informed of the Advisory Committee Organizational Meeting with Keith Martin in the Board Room. The meeting adjourned at 5:55 p.m.

**The next meeting is scheduled for October 22, 2008 at 4:30 p.m., in the
Lee County Public Education Center
Community Training Room – South Wing**

Follow-Up Action List

Topic/Description	Action By	Action	Due Date
Lee County Schools Report Card 2003-2008	Mr. Robert Chilmonik	Handout and agenda item on 10/22/08	10/21/08
Resubmit letter to the state, Re: FTE	James Browder, Ed.D.	Consult School Board Attorney	Week of 10/20/08
Academic Data relating to Report Card 2003-2008	James Browder, Ed.D.	Handout and agenda item on 10/22/08	10/21/08
Data comparing Adopted FY08 v. Amended FY08 and Adopted FY09 v. Amended FY09 FY08	Ms. Kelly Letcher	Include in 2008-09 Final Budget Book	Upon completion of Final Budget Book

Approved October 22, 2008

Number of students enrolled from local private schools	Earthine Caldwell	Contact Mike Smith (Handout)	10/21/08
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