

03 14 2017 Work Session 12 30 PM

NEW BUSINESS

1. [12:30 - 12:50 PM School Board Comments](#)

Minutes:

Hazel Sellers

Mrs. Sellers discussed her participation on the Legislative Committee for the Florida School Boards Association. She reviewed some of the legislative bills raising concern during the weekly conference calls:

- The half cent sales tax referendum that will be on the November ballot must have 60% approval. This is concerning because crowding it onto a general election ballot may cause it to receive less priority by voters; therefore, it should be in front of as many people as possible. If it were on a special election ballot there would be time to educate the public about the referendum.
- In regard to capital outlay purposes, it appears the legislative body has established a practice of not funding capital outlay. There is a movement to make capital outlay a local responsibility instead of a state responsibility. This is concerning because the Florida Constitution states that class size will be totally funded by the state and there is a direct correlation between class size funding and capital outlay. Approximately 20% of Polk classrooms are due to class size. Restricting the number of students results in the need for more classrooms which must be built and maintained.
- The House of Representatives is adamant about no taxes being raised. Senator Simmons is trying to return the local 2 mills as opposed to the current 1.5 mills because of the desperate capital needs across the state. Lee and Duval Counties are particularly concerned about this and would like School Districts to put together some facts for the State. It is being proposed that capital outlay funds be shared with start up charter schools. The formula would be based on total student population including charter schools and that percentage would be shared among all schools. This does not take into consideration any priority of need.
- Senator Montford will propose Senate Bill 964 that would eliminate all state tests that are not required by the federal government, with the exception of Algebra and Language Arts End of Course (EOC) exams. It would also limit the testing window to the last four weeks of school and eliminate the Value Added Model (VAM). Senator Flores has a similar bill that would require fewer, higher quality exams. Local tests used for progress monitoring would be eliminated. It would also redefine proficiency as level four instead of level three. Representative Diaz has an accompanying House Bill.
- A House Bill is being presented that would expand all McKay and Gardiner scholarships allowing more people to be eligible to apply and provide more funding.

These legislative topics are also available on the FSBA website, www.fsba.org.

Sara Reynolds

Ms. Reynolds stated there was a Central Florida Public School Boards Coalition meeting this week. She also

commented on Representative Beshears' Bill #1249 that is identical to Senator Montford's Bill.

Billy Townsend

Mr. Townsend commented his understanding of Senator Simmons's Bill is that he is trying to put together the option for the local .5 mill and his negotiating tool is that the money will be shared with charter schools. He stated the Board should continue to monitor the negotiations of this package.

2. [12:50 - 1:15 PM Process to be Used for Superintendent's Evaluation](#)

Attachment: [2017 PCSB Superintendent Evaluation Proposal.pdf](#)

Minutes:

Dr. Tom Freijo, Consultant, discussed the process to be used for the Superintendent's evaluation.

Mr. Townsend asked when the goals were set. Dr. Freijo explained the goals were set in June 2016 at the last School Board retreat.

Mrs. Sellers asked if the evaluation would be submitted electronically or using a paper and pencil format. She suggested an electronic format would make it easier to complete the evaluation by the deadline of March 22nd. Dr. Freijo commented his intent was for the evaluation to be submitted on paper and he plans to provide the Board Members with an accompanying self-addressed, stamped envelope to mail them to him.

Mr. Townsend asked when part two of the performance measure will take place. Dr. Freijo commented this will be determined by the Board. Once the initial process has been completed, he will return with the final report. At that time, discussion can take place regarding the method for part two, i.e. when it can be accomplished and the development of a normal schedule for future evaluations.

Mrs. Fields asked if the deadline could be changed. Dr. Freijo changed the submission deadline to March 27th.

BOARD AGENDA REVIEW

3. [1:15 - 1:25 PM Review the March 14, 2017 School Board Agenda](#)

Attachment: [03 14 2017 Board Agenda.pdf](#)

Minutes:

Item C-11 Resolution to Amend District School Board Budget 2016-2017 (January):

Mrs. Sellers commented on the proration for Full Time Equivalent (FTE) for students. She asked what the change would equate to per student and how does that affect the fund balance or percentage. Jason Pitts, Director of Budget, commented it was an approximately \$2.5 million loss or .4%. The total recalibration, or proration, is \$1.7 million which represents approximately \$17.00 per student. The additional funds that were lost were due to McKay scholarships.

Item C-13 Title I Programs 2016-17 School Improvement Grant:

Mr. Townsend asked why the Title I School Improvement Grant is built around instructional coaching instead of teaching.

Dr. Michael Akes, Chief Academic Officer explained the grant specifically targets building capacity of staff at struggling schools. He stated the grant was released in September, submission was in October, and notification of the grant award was just received. These funds can be used for instructional coaches or professional development opportunities for teachers.

Mr. Harris asked if the professional development is similar to "train the trainer" programs. Dr. Akes stated it is

similar and it will be used to build the instructional capacity of teachers.

Mr. Townsend stated he would like to have discussions about this grant prior to its submission in future years.

Mrs. Fields commented this grant was submitted in September 2016.

Dr. Akes explained the allocation process begins with staff members that will be affected being identified in April and May.

Mr. Wilson stated he would also like to discuss this grant during the submission process. He commented that people are being hired, especially principals, with backgrounds in turning schools around. He asked if the training has been viewed as a help or a hindrance, since they have less time available. He also commented that teachers have voiced the need for help in the classroom.

Mrs. Fields commented this has been received positively in the schools she has visited.

Mrs. Sellers commented on the concept of modeling in the classroom and asked if the coaches are doing that. Dr. Akes stated they are modeling in the classroom and commented coaches are participating in a coaching cycle practice where they plan with the teacher, model with the teacher, release to the teacher, then come back and debrief. He explained these are among the best practices to help shape instruction within the classroom. He also commented on efforts that are being made to minimize classroom traffic because struggling schools need direct, intentional support.

Mrs. Fields stated it would be interesting to look at the leadership at the schools and identify how many principals and teachers are new.

Item C-14 First Amendment with Learning Resource Center:

Dr. Akes explained this grant is intended for after school tutoring. It was determined by need and the grant is written specifically for each school. There are two schools per grant and two grants; therefore, there are four schools affected.

R-45 Amended Contract - Kelly Services, Human Resources:

Mr. Wilson commented that he has verified this amendment does not add any additional cost to the budget.

Item R-46 FOCUS Student Information System:

Mr. Townsend stated that staff should be prepared to discuss this item at this evening's Board Meeting. He said he feels there is some public objection to the cost due to lack of understanding as to why this money cannot be used for personnel costs. He also commented he would like to have regular updates on the implementation progress.

Mr. Harris discussed the inability to use capital outlay funds for other areas.

Superintendent Byrd commented there will be monthly progress updates to her Cabinet Members as well as School Board Members.

Mrs. Cunningham suggested that Dr. Tina Barrios, Assistant Superintendent of Information Systems and Technology, speak briefly at the School Board Meeting regarding the financial constraints of this project.

DISCUSSION ITEMS

Item 4

4. [1:25 - 2:00 PM Health Plan Annual Financial Report \(112.08 Filing\)](#)

Attachment: [Actuarial Report Presentation.pdf](#)

Attachment: [Polk County School District Draft Exhibits 3 2 2017.pdf](#)

Minutes:

Joy Myers, Director of Risk Management, and Janice Bush, Representative from RobinsonBush, Inc., presented the health plan annual financial report.

Mr. Wilson asked for elaboration on the \$3 million transfer. Mike Perrone, Chief Financial Officer, commented that during budget deliberations in the spring and summer of 2016, there was a discussion with the School Board about setting money aside to go into the health plan as a result of last year's annual financial report. At that time, it was recommended that the money be set aside with the intent of only using it if necessary at the end of the plan year; however, it became necessary so the money was transferred out of the fund balance. Mr. Perrone explained the same procedure will be followed for the second half and he will return with options during the budget process to determine how much should be set aside.

Mr. Townsend asked if the projected total was based on actuarial or on a claim track. During the years 2011-2015 expenses appeared comparatively stable but experienced a large jump during the last year. Ms. Bush commented this is based on claims and other expenses, such as clinics, with one time Capital Outlay expenditures that are placed into the plan. Mr. Townsend asked how much money was put into the plan. Ms. Bush explained that approximately \$4.5 million was placed into the plan for 2017 for clinic expenses, with some offsetting claims because people utilize the clinics then the claims do not run through the self-funded plan. She elaborated the "unknown" from an actuarial perspective is how much money comes out of the self-funded plan and goes through the clinics. Mr. Townsend reiterated that he was still unclear as to while there was a jump last year. Ms. Bush explained there is currently some large claim activity going on in the plan and in 2016 there were three claims that were over \$3 million with some of them ongoing.

Mr. Wilson asked if, based on the unusual claims last year, it is reasonable to assume they will continue to see those types of large claims. Mrs. Myers commented last year was one of the worst claim years since 2009-2010. The actuarial concern is this may recur, since there has been such a flat trend on large claims. The high dollar claims that impacted the plan so tremendously this year were all motor vehicle accidents. They were not medically associated and nothing could have been done to improve the health of the employee. She also stated there are some claims ongoing that will continue into 2017, which is what creates the expectation.

Mrs. Sellers commented on the days that were accumulated in reserve. She asked how these days will be brought back up. She also explained the hope is that last year was an anomaly and the projected expenses will not be reached which will cause the days in reserve at the end of 2017 to be higher. Mrs. Myers commented this will be taken into consideration during the budget process and allow for funds to be earmarked as it was last year. If the funds are needed, they will be transferred in December of 2017 because that is the last month that the transfer can be made to hit the plan year. If it is not needed the funds stay in the 2017-2018 general fund budget. She also commented that when the plan design stays exactly the same and the contribution level stays exactly the same, the escalation factor of the cost of healthcare causes the trend to smooth upward which is the pattern that we are currently experiencing. The plan design and premium structure have not changed and a very high volume of clinic utilization is being experienced. The Risk Management Department will return at a later meeting to make a presentation to the Board regarding the employee health clinics. Mrs. Myers also commented that one of the benefits of the clinics is they make it possible for teachers to stay in the classroom and seek medical care without applying for one half day of leave, which should be considered when discussing expenses.

Mrs. Fields commented that in 2016 the balance was 46 days. Currently, the projected balance is 27 days. She would like to know what the goal is because when the balance becomes too low, it affects the District's audit and also draws the attention of the State. She would also like to know what options are available. Ms. Bush commented if the School District achieved the safe harbor of 60 days it would create a fund balance of \$15.263 million. In order for the District to reach that goal in 2017 based on the projections, \$8.3 million would need to be transferred into the health plan. If the District wants to maintain the balance of 46 days, without eroding any further, \$4.8 million would

need to be transferred. The current projected balance with no transfer is 27 days. The years 2018 and 2019 have also been projected but that data becomes significantly less reliable when you look ahead that far in the future. Based on the projections and current assumptions, in order to maintain the safe harbor balance of 60 days, the balance would need to be \$16 million in 2018 and \$16.9 million in 2019.

Mrs. Sellers commented it appears that \$5 million will be necessary just to maintain the current balance without digressing any further.

Mr. Perrone said based on the projections by actuarial standards the Polk County plan is extremely healthy. The fund balance is 12%. If the fund balance in the general fund were at 12% the District would be adding another \$50 million to the current balance. He also reflected on a conversation with the actuary who discussed making suggestions to the Office of Insurance Regulation to appeal the 60 day balance due to its excessive nature, since the Florida Department of Education's required general fund balance is 5% average for schools.

Ms. Bush commented that falling below the mandatory number of days in reserve requires a letter to be sent to the Office of Insurance Regulation from someone in a position of authority in the School District that states there are unrestricted funds that will be transferred in the event money is needed to cover costs.

Mrs. Sellers commented on the confusion of restricted versus unrestricted funds. She also discussed the implication that funds are restricted if they are being carved out of the fund balance.

Mrs. Myers explained the likelihood of the fund balance being accessed in this instance is very low because the revenue covers the cost of the claims. Enough money is available to cover the claims and some funds may need to be accessed from the reserve; however, there has never been an instance of falling below zero; therefore, she feels it is unlikely to occur now. She elaborated that the State asks if there are unassigned funds to ensure in the event that the reserves and all of the revenue are exhausted, you have access to those funds.

Mrs. Sellers asked Mrs. Myers what her recommended days in reserve would be. Mrs. Myers commented that the actuary's feeling was the 46 days reported in December was a good amount because of the size of the health plan. The 60 day reserve requirement originated many years ago by an actuary from the State.

Mr. Wilson commented there is a possibility that the high threshold may be reached again but there is also a significant possibility that it won't and \$2-\$3 million could be picked up there. He also stated the current balance seems like a reasonable place to be.

Mr. Harris commented that the cost to maintain the current balance of 46 days will be \$4.8 million. He stated the Board has to make a choice if it wants to put that money into the health plan, raises, or anything else in the general fund and that will not bring the balance up to the reserve the State says must be available.

Mr. Townsend commented the Board's contribution has not been changed since 2013 whereas private sector premiums increase every year. Healthcare inflation is going to occur and he suggested the Board consider a future discussion about building an index into the plan. He also commented that maintaining the balance would not require a straight \$4.8 million transfer and that the plan could possibly be redesigned.

Ms. Bush commented the amounts specified are without any changes to the plan. This information will be sent to the Office of Insurance Regulation for review where they will respond with an approval or they will ask additional questions.

Item 5

5. [2:00 - 2:20 PM Literacy Collaboration Update](#)

Attachment: [Literacy Resource Directory.pdf](#)

Attachment: [Literacy Tactical Plan 2 24 16 \(1\) \(3\).pdf](#)

Minutes:

Mr. Townsend commented he serves on the Literacy Committee. He encouraged anyone who has connections to community members working with literacy services to reach out to the group to join the collaboration. He commented one of the biggest challenges has been making the connection with individuals who provide these services and steering them into the process.

Mr. Wilson thanked Polk Vision for the assistance they give all K-12 students in Polk County

Mrs. Cunningham also thanked the group and commented that literacy is where it all begins because if a child cannot read they cannot solve problems.

Item 6

6. [2:20 Executive Session](#)

INFORMATION ITEMS

ADMINISTRATION - SUPERINTENDENT'S OFFICE

7. [Naming of the Haines City HS Athletic Field](#)

Attachment: [HCHS Letter of Support.pdf](#)

Attachment: [HCHS SAC Minutes.pdf](#)

Attachment: [Board Member Approval.pdf](#)

Business Services - General

8. [December 2016 Financial Statements](#)

Attachment: [December 2016 Financial Packet Eagenda.pdf](#)

9. [January 2017 Financial Statements](#)

Attachment: [Jan 2017 Board Eagenda.pdf](#)

Teaching and Learning - Federal Programs - Grants

10. [Students Attired For Education Grant \\$623,336](#)

Attachment: [Students Attired For Education Agenda Backup Documentation 16-17.pdf](#)

11. [Head Start Grant Monthly Services Report](#)

Attachment: [February Board Executive Summary 2017.pdf](#)

Attachment: [2017-18 HS Selection Criteria approved PC 2-23-17.pdf](#)

Meeting adjourned at 2:20 PM. Minutes were approved and attested this 25th day of April, 2017.

Kay Fields, Board Chair

Jacqueline M. Byrd, Superintendent