

## 06 06 2012 Special Work Session

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New Business

Board Agenda Review

Discussion

Item 1

1. [2012-2013 Budget Development](#)

Minutes:

Mark Grey, Assistant Superintendent of Business Services provided an update on the new Health Clinic. Mr. Grey reported the clinic opened on Friday, June 1st and already t has seen 23 patients and has 96 appointments scheduled. Mrs. Cunningham said this tells her that this is something the community needs and wants. Mrs. Sellers asked if the 85% capacity is reached how soon before a second clinic would be opened. Mr. Grey responded that several of the potential sites are no longer available and we may consider space the District is already leasing.

Mr. Harris asked if BCBS is still on track with their Winter Haven clinic. Mr. Grey said yes but reminded everyone that the BCBS clinic will be shared with all BCBS insureds.

Dr. Nickell shared highlights from the FADSS (Florida Association of District School Superintendents) report.

- Polk' student membership grew 2.2% between 2007- 2012.
- Approximately 12% of our students attend charter schools. She said it is

important to realize that a significant portion of our students no longer attend regular public schools.

- Polk County was the only district that reported an increase in full time staff from 2007-2011. Duval is larger and has over 1,000 less staff members than Polk. All other districts showed a decline in staffing even when their enrollment increased. The Superintendent said she would like for everyone to keep this in mind for the upcoming budget discussion. Mr. Harris asked if there was a way to determine how many staff members were covered by grants.
- Polk has the highest percentage of free and reduced lunch of the districts cited in the report. Mr. Harris said we also have more charters per capita than any other district.
- Polk increased its full time staff by 208 while its student membership only increased by 0.3%.
- Polk is the lowest in administrative staff as a percentage of full time staff (2.9%). This includes charter school administration. We are below the state average.
- Polk reported 7.2 % more staff per students than our comparative districts. This could be connected to Title I employees.
- Polk has a high percentage of teachers with only a bachelor's degree. This could mean we have a higher proportion of new teachers.

Mrs. Wright said our pay scale could be a factor in our inability to attract teachers with higher degrees. Mrs. Sellers pointed out that we do not pay a significant increase for the master's degree which makes obtaining one less desirable and/or affordable. Mr. Harris pointed out the length of time it takes to earn back the cost and said that our supplement amount has only doubled in the last 35 years. He remembers that at one time over a third of our teachers had advanced degrees.

- Polk's average salary for teachers is \$1,884 lower than the state average which goes back to the Board's priorities regarding salary.
- Almost 66% of our students are eligible for free and reduced lunch. The Superintendent said this is a factor to consider.

Nancy Woolcock, Assistant Superintendent of Learning Support provided information on the Budget Control Act. Sequestration is new, we now have to sequester (hold back) 9% of our Federal funding and wait to see if the state is taking any or all of the 9% back.

- Geographic size of Polk compared with other districts: we have 265 people per square mile, the lowest among our comparable districts and lower than the state average of 293. An implication of this data is that we have small schools in many areas because we have to. Dr. Nickell pointed out the efficiency of our Transportation Division. She went on to discuss the amount of time district staff spends traveling to other areas (schools, etc.).

Mr. Grey provided information on the Revenue Estimating Conference Post-Session Update which looked at actions of the legislature and the Governor.

According to the revenue estimates done in January 2012, the total general revenue funds available was \$24.38 billion, the funds available in May, 2012 are \$23.35 billion, which was only a difference of about \$30 million. The 2011-2012 effective appropriations increased by about \$360 million. The total revenue available for 2011-2012 is \$600 million higher than the total effective appropriations, this amount will carry forward into the 2012-2013 budget year. Non-recurring revenues are up which is good but it does not provide a great deal of benefit for the district. In the last few years when revenue has been down the state has used non-recurring money to fill in the gaps. The additional non-recurring sources are because the Governor has vetoed some line items making that funding available again. Collections are a little higher than the state expected, if this continues for the rest of the fiscal year, it's estimated they could collect \$300 million more than was budgeted. The State is spending less money than what is available and revenue is higher than expected.

Mr. Grey said that Dr. Hamilton looked at these factors and said if that trend continues for the 2012-2013 fiscal year, the State will have over \$2 billion more available for the 2013-2014 fiscal year. He said that historically the FEFP receives about 36.5% of the State's revenue and approximately 3% of that comes to Polk County. Based on that information, Polk County would receive approximately \$12 million more (which is with our Charter Schools). Dr. Nickell said while the news sounds good, other budget areas will be competing for the new revenue. We have to keep in mind that we have continued to grow and more support is needed.

On June 1st the property appraiser predicted a 4.3% decline in school taxable values. This is important because the taxable value for the county is different than the taxable value for schools. The county has a 5% decline, ours is 4.3% and the government only planned for a 3% reduction. Either the State will appropriate additional funds or they will re-equalize everyone which means we could receive less. Mr. Grey believes the state will equalize; we will be held close to the final budget conference figures.

Mr. Grey stated that Dr. Hamilton is looking another year in advance and said our potential funding could be \$18.1 billion for public education. But when you look at the total potential funding it is still below the 2006 level. Dr. Nickell pointed out that these projections are very early and very preliminary.

Ann Tankson, Associate Superintendent, presented the Budget Team Activity Update / Status Report which has been meeting with union leaders in an effort to obtain a higher level of trust.

- funding is likely to be flat.
- national standards are becoming more challenging and that instructional programs in Polk County must be enhanced.
- need to ensure that every school has a rich learning environment.
- need to ensure competitive wages.

Mrs. Tankson reminded everyone that Dr. Hamilton said we need to capture

and repurpose 15% of our budget when the Board's priorities were set. She said the initial recommendations regarding schools are to:

- maintain annual school budget carryover of 5%
- reduce school budgets by 15%
- no school budget carryovers for the 2013-2014 school year
- provide professional development on budgeting to schools ( Budget 101). Dr. Nickell said the principals are aware of how to deal with funds allocated to them at the school level, but need a better understanding of funding streams.
- build trust with schools. They need to trust that the District will meet their needs after budgets are reduced.
- study the efficiency of operating small schools
- a reduction of operating budgets by \$1.2 million
- capture of all unspent funds (\$500,000+)
- freezing District vacancies; all mission critical positions will be filled.
- review services provided to charter school - what is required and what is not

Mrs. Wright said she thought this had already been done. Dr. Nickell said an example is that, historically, the District has provided maintenance services on conversion charter schools even though it is not required by law. If it is not a state requirement, we need to stop the practice. The team also suggests a partnership with other organizations regarding to charter language and review of the enrollment/withdrawal patterns.

Mrs. Tankson reported we will continue a thorough review of District operations and bring forth recommendations. Mr. Mullenax asked when and the Superintendent said it has to be this month, the tentative budget will be presented on June 26th, the Board will have about a month before the vote on July 31st.

Mrs. Wright is uncomfortable with school budget reductions and wants actual evidence to support the need for further charter services review.

Mrs. Tankson said the team looked at all the recommendations and grouped them according to the Board's strategies.

- Student discipline was a very hot topic. The team thinks there is a need to evaluate the District's Alternative Education Programs and create effective ways to address discipline issues at the school level.
- Under Department and Program Budgets and Staffing Review, a review of warehouse services was number one on the list.
- In the area of Economies and Efficiencies, the need to cut the amount of paperwork and documentation needed district wide was identified. Mrs. Tankson said we need to look at streamlining processes and automate when possible - not just electronic. The Superintendent asked Abdu Taguri, Assistant Superintendent of Information Systems and Technology, for an update on the student enrollment process. Mr.

Taguri said the goal is to reduce paperwork by 50-60% next year.

- Look at effective ways to conserve energy. Mr. Murphy said we currently pay the least per square foot for energy but this does not mean we cannot do more.
- Under Curriculum and Instructional Support the suggestion was made to re-purpose the elementary academic coaches and to increase high school capacity at the career/technical centers.
- Under the area of Leases, Contract Services, and Purchasing the recommendations are to review services to charter schools and create a process for reviewing all contracts.
- Under Funding and Revenue Sources we need to consider options to generate revenue and address funded mandates and requirements- keeping in mind what is essential and what is non-essential.

Dr. Nickell said some mandates are out of date. On Monday Neola's review of the School Board policies will begin.

She reminded the Board that FCAT scores came out yesterday and school grades will be out in the next few weeks. It is not possible to address every issue before the tentative budget is presented and reiterated the implications of the cut score changes. This could mean extending schools days, which would require negotiations with unions, and could cause some loss of efficiency in the transportation area. If we do have 'F' schools, the State mandates a variety of interventions with no additional funding. If we do not receive school grades before the budget is finalized, staff will have to go back and re-evaluate.

Information

Adjournment

Meeting adjourned at 11:25am. Minutes approved this 26th day of June, 2012.

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Hazel Sellers, Board Chair

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Sherrie B. Nickell, Ed. D, Superintendent