

06 26 12 AM Special Budget Work Session

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New Business

Board Agenda Review

Discussion

Item 1

1. [8:30 AM 2012-2013 Tentative District Budget](#)

Attachment: [PUBLISHED TENTATIVE 062612 WS.pdf](#)

Minutes:

Superintendent Sherrie Nickell announced that information will be provided today regarding the tentative budget, progress of the budget team, and the financial impact of school grades ("D" and "F" schools).

Mark Grey, Assistant Superintendent of Business Services, and Audra Curts, Senior Director of Finance, provided information on the tentative budget.

- The budget begins with first calculations using estimated revenues; once property values have been established, a second calculation is provided. The fourth calculation is developed using the most recent FEFP projections from the State. Most of the increase in funding is based on an increase of student enrollment. The projections are submitted in December of the previous year for July/August enrollment.
- DCD (District Cost Differential) purchasing power of the dollar of each Florida county/district. The cost has increased slightly but a dollar doesn't purchase what it did three years ago).
- BSA (Basic Student Allocation) is the funding source for salaries. We are significantly lower than Hillsborough and Orange Counties. We are one of three counties in the state that are negatively impacted by the BSA

(Volusia and Escambia are the other two counties).

- The State is providing \$15 million for an additional one hour of instruction for the lowest 100 performing schools; however, funding will be given to all districts whether they have a school identified in the lowest 100 schools or not. This will have a cost impact on teacher negotiations and transportation.
- We could have an "F" school that is not identified as one of the lowest performing 100 schools. Students are to be offered an opportunity scholarship if they attend or are zoned for that school.
- The Property Appraiser anticipates a decline of \$53 million in property value revenues (3% - 4%). Values must be set by July 1.
- The average cost to educate a student is \$6,284.43. Some students may cost in excess of \$20,000, others less than \$6,000.

- School Personnel Allocations

Dr. Nickell reported that, according to the Department Of Education, a cost effective elementary enrollment begins at 800 students. The majority of our elementary schools have less than 500 students. Dr. Nickell will provide information on the capacity of each school as soon as the data is collected.

- School Budget Allocations

A significant amount of funds allocated to schools are unspent each year (approximately 40%). A discussion with principals resulted in a 15% reduction of school budgets. The biggest line item is operating supplies-- staplers, scissors, paper, pencils, pens, crayons, paper, etc.

- Technical, Charter and Contracted Programs

Approximately \$75,904,404 is paid out annually to charter schools.

- Departmental Budgets

This area is misleading because all bus drivers, custodians, and county-wide staff appear under the District's departmental budgets yet they are assigned to schools. The operating budget for all district departments has been reduced by \$1,853,341.19. These staff reductions will cause a delay in response time in services provided to district/schools: i.e. telephone repair/computer repair, etc. Mrs. Wright felt that the report should clarify that the 18 eliminated positions are in fact, retirees whose positions are not being filled.

Mrs. Fields requested a clarification statement be included when large variances are shown in the categories under the operating budget.

- Local Capital Improvement (LCI)

Our millage in the past was set at 2.0 mills, the State reduced that amount to 1.5 when it moved .25% to Operating budget (requires specific use).

For the past three years, PECO (Public Education Capital Outlay) funds have been given only to the charter schools. This is approximately \$50 million given exclusively to charter schools with no funds to public schools.

- Tentative Budget Comparison

FEFP (Florida Education Funding Program) is our largest revenue source. ERATE funding dropped to \$0 dollars and these funds are now paid directly to the vendors (approximately \$800,000). We have \$633 million in total revenue to operate the school system (minus \$74.6 million to charters)

- Maintain \$1.75 million in fuel reserve.
- Summer program funding is anticipated to increase substantially once school grades are released.
- 4.92% is percentage identified as unrestricted fund balance (Board policy is to have a unrestricted fund balance of 5%).

During a work session with Dr. Jim Hamilton, it was projected that \$25 million was needed to fund the Board's desire of salary increases.

Differentiated Accountability District Protocol - Florida's DOE ESEA Flexibility Agreement requires schools that receive a school grade of "F" will be assigned to the Priority/Intervene status subject to more intensive intervention efforts. The identified schools are among the lowest 5% of Title I schools in the state based on both achievement (FCAT) and lack of learning gains of 'all students' group. This year it addresses elementary and middle schools and high schools are to begin next year. Dr. Nickell distributed a draft outline to meet state requirements for the 9 schools that have the potential to drop from a 'D' to an "F". If a school does not exit Priority/Intervene status during the first year, the District must implement a turnaround model option.

Options to turn the school around:

- Replace Principal/Administration, replace teachers, new curriculum focus, alternative governance/autonomy
- Close school
- Convert to charter or employ an outside management company
- New proposed flexibility option that may blend both LEA control with

governance and autonomy found in external provider

When the district has a priority/intervene school, it is required to replace the principal, all assistant principals and coaches unless assigned to the school for less than one year where the school is a district-management turnaround school.

The school will be given sufficient operating flexibility, such as staffing decisions calendar/time, and budgeting to implement fully a comprehensive approach to substantially improve student achievement outcomes and increase high school graduation rates. Work schedule variations may include but are not limited to:

- a. In units lost, the school will be held harmless except in cases of rezoning or closure
- b. School will not be required to receive displaced teachers
- c. School must extend the learning day to a minimum of 360 minutes of instructional time per day; be paid for any additional time at the teachers' daily rate of pay; core subject teachers will be provided a substitute one day per month to work as a team for planning and professional development.

District must

- Provide coaches in: math, science, reading
- Ensure the school is fully staff on the first day of school
- Provide teacher performance pay for raising student achievement ; teachers will receive \$500 for 65% of their students making learning gains, \$750 for 75%
- District ensures that appropriate resources are provided to redesign the master schedule to allow for common planning time for data-based decision making within the problem-solving process.
- District must create and maintain a pool of highly-qualified reading, mathematics, and science teachers and instructional coaches to serve in DA schools
- District will prescribe interims (benchmark baseline, mid-year, and mini-assessments) in reading and writing.
- Must monitor implementation of SIP plan
- Sample Intervention Time line
 - under the enhanced - no delay
- If a school improves a letter grade for "F" to "D", they retain the Priority/ Intervene designation and qualify for a hold status allowing additional time in their current intervention model based upon improving the school grade. The school must meet the Priority/Intervene exit criteria by the end of the second year or more to implement an Intervene Option Plan: closure, district-managed turnaround, charter, external management company, or a hybrid model.

Consequences:

- If schools/districts do not act within the terms of the state's DA plan, the district must submit an assurance of compliance with requirements outlined in the DA plan and Priority/Intervene schools must submit an Intervention Option Plan to reconstitute the school should it not improve. Non-compliance may lead to:
 - State Board of Education intervention in operations
 - State funds withheld
 - Report of non-compliance to the State Legislature with recommended legislative action
 - Conditions placed on Title I or Title II grant awards
 - Redirection of Title II, Part A funds
 - Movement to a more severe category

Budget Committee update:

- Repurposed reoccurring funds - \$2,315,000
- Non-reoccurring \$2,785,726. Total \$5,100,726
- Proposed 10% additional district departments

Revenue: \$3,691,022 Grand total \$8,791,748 repurposed through overall operating budgets and current district-level vacancies not deemed mission critical.

Team will continue to identify funds to be repurposed over the next few months. The intent is to repurpose funds to ensure that the Board's three Priorities are met:

1. Improve employee salaries with a focus on teacher salaries
2. Invest in programs, materials and training to improve student achievement
3. Invest in programs, materials, and opportunities that will recruit and retain high performing students in district schools.

Dr. Nickell stated that the FADSS study recommended that we look at warehouse operations, central storage for food shipments, school size and capacity, revisit 5-year plan and sales tax projects, disposing of portable classrooms, and construction projects.

July 18, 2012 Work Session will look at the results of the Strategic Plan. Look at additional data on goals set by the Board in February. Dr. Freijo will be the facilitator and he will introduce SWOT (strength, weakness, opportunities, and threats).

August 6, 2012 will be an all day work shop to share the budget ideas, and staff members' view of SWOT, DA schools, salaries, and directions on how we meet the priorities of the Board.

Mr. O'Reilly suggested that staff look at "F" schools for closure to avoid all the

requirements. If it is only one or two, it may be feasible. Those sites can be repurposed as medical facilities for our staff or in other ways. Mrs. Sellers concurred.

Mr. O'Reilly stated you minimize heart aches - do the best you can.

Mrs. Wright stated the priority should be with students - even above salaries.

Mr. Harris said it would be consolidating schools for efficiency as well. A few might be caused by the school earning an "F" but look also at the efficiency of low enrollment schools.

Information

Adjournment

Work session adjourned at 11:45 AM. Minutes were approved and attested this 31th day of July.

Hazel Sellers, Board Chair

Sherrie B. Nickell, Ed. D, Superintendent