

09 28 2010 Work Session

New Business

1. [8:30 - 8:45 AM School Board Comments](#)

Minutes:

Frank O'Reilly reported that the Lakeland area McKeel Academy charter schools achieve their "A" status because they withdraw students that do not meet their attendance, discipline, and academic criteria and return them to their zoned public schools. If the state would allow us to treat our students the same way, we, too, could have all "A" schools. Mr. O'Reilly read a letter from South McKeel Elementary to a parent whose child did not pass the third grade FCAT. It stated that a screening committee reviewed the academic, behavioral, and attendance history of the student and determined that he/she did not meet the criteria to continue as a McKeel student. The student's records were sent to his/her zoned school.

During 2009-10, the number of students transferred out of McKeel Academy Charter Schools were: South McKeel Elementary- 77; McKeel Academy- 130; McKeel Elementary - 15. Only one of those students went out of state.

The third grade student who failed the FCAT with a Level 1 in Reading and Math at the charter school transferred to a public school where teachers worked with him and he achieved a Level 3 in Reading and Math. Now, this same student received another letter from McKeel welcoming him back to the charter system.

Our public schools are 65% free and reduced; McKeel Academy- 21%; McKeel Elementary- 15%; and South McKeel Elementary- 19%. Percentages at surrounding area public schools: Oscar Pope Elementary- 80%; Crystal Lake- 72%; Philip O'Brien Lime Street- 67%; Dixieland- 64%; Southwest- 65%; Cleveland Court- 50%; Carlton Palmore- 43%; and Highlands Grove- 44%.

There were high school students that attended McKeel Academy for 3 1/2 years that were returned to their zoned public school after taking the FCAT, then the school claimed they had a 100% graduation rate.

It's not about kids - it's about egos. Public schools must take every child, successful or not, and educate them to the best of their ability. McKeel charter schools are public schools paid by taxpayers dollars.

Mr. O'Reilly would like a record maintained on those students who leave the charters and magnet schools to return to traditional schools and the reason why they left and when. If the charter schools are as fabulous as newspaper articles are saying, why are students returning to their zoned public schools. This information should be shared with charter schools to stop this selective enrollment.

Mrs. Fields commented that there should not be a belief that students of poverty cannot learn. Poor students can learn as well as economically advantaged students. Mobile, Alabama has a 94% poverty school that was recognized in Washington, DC this past month for having almost a 100% progress rate.

Carolyn Bridges reported it would take Legislative action to change the process. Currently, the McKeel Charter schools have contract language that allows them to withdraw students for lack of academic success. If we go on appeal to the State on that area, the State Board will not support our view. There are cases where it is the student or parents that request to withdraw from a charter school. It could be the work assignments are more than the parent/student envisioned or the student is missing their friends at their previous school.

Mrs. Cunningham suggested we document the unfair practices for a meaningful dialog. Where is it happening? How many times? When in the school year?

Mrs. Lofton asked if information from the past 3-4 years can be correlated and provided to the Legislators.

Mrs. Bridges commented that student data on withdrawals can be provided; however, the reason for the withdrawal is not retrievable. Mrs. Lofton confirmed that documentation in both areas could be collected from this point forward.

Dr. McKinzie commented that being a high free and reduced school is not a reason for students of poverty not to succeed. It may take those students longer to achieve academic success with specialized help. The elimination of the summer school program saw an increase in failure within the low economic students. We have been able to maintain our summer reading camps, which helps; but with funding issues, this program might be cut as well. Florida has a high percentage of poverty. You need meaningful programs to help students achieve. Poverty is not an excuse but it does have an impact.

Mrs. Bridges announced that Congressman Adam Putnam's office notified us that we are the recipient of an \$11.3 million Magnet and Choice grant. This will allow us to fund the Crystal Lake Middle School changes and revamp our enrollment system.

Mrs. Sellers requested the name of teachers that assisted in writing the grant.

Board Agenda Review

2. [8:45 - 9:15 AM Review Agenda of September 28, 2010](#)

Attachment: [09 28 10 SB Agenda Revised 092110.pdf](#)

Minutes:

Item 18: Continuation of Dental grant at Traviss Career Center

- Mrs. Cunningham noted that the grant will fund a portion of the program; where does the remaining funds come from and what is the total cost of the program?

John Small was not in attendance, Marcia Ford will have him provide the answers.

Item 20: Contract with 10th Judicial Circuit, Polk County Drug Court

- Mrs. Sellers asked what drugs are screened? Mrs. Woolcock stated it is narcotics, prescription, and recreational drugs.

Mrs. Cunningham questioned the different amounts provided, \$96,733 and \$190,441.

Mrs. Woolcock, Assistant Superintendent of Learning Support, explained that the overall grant is \$190,441. Today's request is to approve the \$96,733 for the 10th Judicial Circuit.

Item C-40 Purchase of Follett Software

- Mrs. Cunningham inquired about the difference in the figures on the two contracts.

Paula Leftwich, Senior Director of K-12 Reading, reported that the error had been noted by a Board Member earlier and was corrected.

3. [9:15 - 9:30 AM BREAK](#)

Discussion

Item 4

4. [9:30 - 10:15 AM Health Insurance Status Update](#)

Attachment: [20100924_2011_Renewal_Summary_09.24.10.pdf](#)

Minutes:

Joy Myers, Director of Risk Management, provided a history on the district's self-funded health plan. Prior to the implementation of Blue Cross Blue Shield of Florida in October 2003, the district had a \$2.5 million deficit. By the end of the first year, 2004, the district experienced a cost savings of \$10 million. By September 2006, the surplus reached \$28 million. It was at that time health care costs began to rise, but the district did not change funding for spouse and dependent coverage. Each year thereafter, we saw a deficit in the amount of revenue collected and an increase in the expenses of the plan. By December 2010, it is anticipated that we will deplete the \$6 million in reserves and have a negative balance of \$1 million. We can no longer afford to subsidize the spouse and dependent coverage.

- In 2003, Board funding per employee per month was \$391; the actual cost per employee was \$275. The \$116 excess was used to subsidize cost of dependent coverage.
- In 2003, the monthly funding for spouse per month was \$322 yet actual cost was \$409; creating a negative variance of \$87. Since that time, the cost of spouse coverage has been more than the revenue generated. This year, we fund approximately 1000 active spouses (does not include retirees).
- In 2008 -10, we experienced heavy claim expenses for spouses; monthly funding is \$387 where the actual cost is \$627; creating a \$240 per spouse per month deficit. The belief is that the majority of people work for the school district to gain insurance for spouse/dependents.

Mr. O'Reilly doesn't believe all employees should be funding spouse/dependents of others.

Mrs. Fields commented that most employees cannot afford dependent insurance and will choose to use emergency rooms which will increase the cost for all.

- There are approximately 2677 active members who have 1 or 2+ children covered by the plan at a monthly funding cost of \$97; the actual cost per child is \$114, a deficit of \$17 each child each month.

Limiting the insurance premium on two children is the main rumbling. Parents with 3 or more children pay premiums for only two.

Mr. Harris clarified that the cost to fund all spouse and dependent coverage is taken from revenue to run the district or provide raises. Mr. Grey concurred.

- Since July 2010 we have had 28 high dollar claims that total \$9.8 million: of those claims, 3 were children and 4 were spouses.

Our stop loss insurance increased significantly on high dollar claims. We could place it out for bid, but the stop loss history will not support lower premiums. In most cases it is best to remain with your current carrier because of your history with them.

Member Cost Responsibility 3160/3161 Plan is fully funded by district to the employee and has the HRA (Health Reimbursement Account card of \$1000). The HRA was to assist member with the \$1250 deductible.

3160/3161 Plan

- 13,445 employees, spouses, and dependents enrolled in the 3160/3161 Plan
- 960 employees have used none of their HRA; unused balance rolls over. Employees have the opportunity to receive another \$250 to re-enroll in the plan plus an additional \$500 when they attend a health screening.
- 291 members have reached the \$5000 maximum out of pocket expenses; this means a claim of \$20,000 plus is now covered 100%.
- Plan has a surplus of \$10 million

3566 Plan

- Employee pays \$40 monthly premium
- \$750 deductible, office co pay \$25 primary care/\$50 specialist
- \$5000 maximum out-of-pocket for employee/\$10,000 for family.
- Plan has a surplus of \$1.8 million

704 Plan

- Employee pays \$101 monthly premium
- \$250 deductible, \$2,500 individual out-of-pocket/\$5,000 for family
- \$20 co-pay for primary care/\$30 specialist (includes chemotherapy visits)
- Plan pays for all other chemotherapy treatments above \$30 co-pay.
- 704 has a \$16.6 million deficit - it is a high dollar plan and claims create a huge deficit;
 - Employee pays \$101 and Board pays \$440 each month: a total of \$541; monthly expenses are \$2,059
 - Spouse monthly premium totals of \$469; expenses are \$3,878 (about 9 times what they are contributing);
 - Child monthly premium is \$113; expenses total \$1,188 monthly

- Total of 3,076 enrolled in the plan: 1,858 employees and 1,218 dependents

The Obama Health Care Reform becomes effective 1/1/2011.

- Elimination of lifetime maximum: we have never reached our current maximum of \$5 million (highest this year was \$3 million)
- Increase child dependent age coverage to 26 (prior to 2011 you had to be a student or financially dependent on parent) We now have to cover whether they are students, employed, or married with children (grandchild can be covered up to 18 months of age). They do not have to be financially dependent on parent.
- In this open enrollment, employees are enrolling their adult children at a rate of \$92 monthly premiums; extremely less than what that child can obtain on open market.
- Flex dollars can only be used with prescriptions - this will force employees to go to doctor (an added co-pay expense) for typical over the counter medication: allergy medicine, etc.
- Preventive Care is to be covered 100% in all plans: 3160/3161 and 3165 plans have been changed; 704 plan remained the same.
- Mental illness is to be treated as any other medical illness.

The Early Retiree Re-Insurance program was the beginning of the government health plan. To help offset costs, claims between \$15,000-\$90,000 on our retirees between the ages of 55-65, can be submitted for reimbursement to government as long as funds available through 2014.

Mr. Mullenax asked where we are in the district's Health Clinics. Mr. Grey reported that the clinics are not moving forward because it is not financially feasible. Savings would not be seen for several years.

Mrs. Cunningham asked if recommendations are forthcoming on health plans?

Mr. Grey said Union negotiations continue.

Item 5

5. [10:15 - 10:30 AM Retiree Group Health Plan - 2011 Plan Year](#)

Attachment: [2011 Retiree Renewal.pdf](#)

Attachment: [2011 Retiree Renewal_092210_FINAL.pdf](#)

Minutes:

Joy reported that by law retiree health premiums for those under age 65 are to remain the same as active employees. With retirees over age 65, the

plan will evaluate and rate the premium on experience but can be no more than the active plan.

Current premium for under 65 under the

3160 Plan Retiree - \$440; Spouse - \$368; Child - \$92; Child 2+ - \$184

3566 Plan Retiree - \$480; Spouse - \$408; Child - \$102; Child 2+ - \$204

704 Plan Retiree - \$541; Spouse - \$464; Child - \$113; Child 2+ - \$226

Once a retiree becomes eligible for Medicare (at age 65) our plan becomes secondary to Medicare. Retirees are encouraged to enroll in Medicare Part B. Currently, the district receives a retiree drug subsidy; however, we don't think we qualify for the 2011 subsidy because a large number of retirees will move to the fully insured Medicare Advantage Plan. We anticipate a subsidy revenue of \$500,000 this year.

A fully insured Medicare Advantage Plan was introduced January 1, 2010 and has been well received by the retirees. A revenue estimate is \$4.8 million, medical claims of \$3 million, and pharmacy claims usually mirror medical claims. Even with the \$500,000 drug subsidy, we anticipate a loss of \$502,000 by the end of 2011.

Medicare Part B has an enrollment fee and to help offset that the district provided a discount of \$100. If we continue to do so and keep the rates as they are, we expect to lose \$1 million by the end of 2011. The proposal to the Insurance Committee is to eliminate the \$100 discount so the retiree rates would match the current active rates \$440, \$480 and \$541; the spouse/dependent rates would reflect the active rates as well. This generates a \$337,000 revenue; however, with the \$502,000 negative, we remain in the negative but are not adding to the deficit.

The lowest recommendation rate from Blue Cross Blue Shield for the Medicare Advantage Plan for 2010 was \$218.21; for 2011 it was a blended utilization rate \$273 (which changed the plan design by increasing out of network deductible from \$100 to \$1000; out of pocket maximum in network remained at \$1000, out of pocket increased to \$3000; and pharmacy changed preferred brand increased from \$30 to \$35 and covered \$60 to \$65; but the biggest concern was specialty drugs increased from \$60 to 25% of the cost.

To keep the current Medicare Advantage plan, the rate would be \$309. Under this plan, the total out of pocket expense for medical would be \$4600 (includes co-pay and premiums). This was the recommendation to the Insurance Committee.

The Insurance Committee passed the recommendation with a 10-9 vote. Amazingly, an over 65 retiree committee member cast the swing vote for the plan.

Mr. Harris asked why the district is trying to break even with the retiree group to be self-sustaining but not in the employee's spouse and dependent children premiums? Joy explained the employee coverage is a union bargained item.

Mr. Grey reported that the current collective bargaining agreement does not include spouse/dependent premiums, only that the Board will pay for a free health care plan for employees. The agreement says that spouse/dependent rates will be paid by the employee. The Board can vote on whatever they want it to be. It goes to the Board for approval at the October 12, 2010 meeting.

Item 6

6. [10:30 - 11:15 Charter Review Committee Recommendation to the Superintendent on the applications submitted on or before August 2, 2010](#)

Attachment: [WS Charter Review Committee Recommendation to Superintendent 9 28 10.pdf](#)

Attachment: [Our Children's Middle Form B-Fasel 9.21.10.pdf](#)

Attachment: [Polk Pre-Collegiate Form B 9.21.10.pdf](#)

Attachment: [PIVOT Form B & Attachments 9.21.10.pdf](#)

Attachment: [New Beginnings-Form B Response 9.21.10.pdf](#)

Minutes:

Carolyn Bridges, Senior Director of Magnet, Choice and Charter, commented that of the six original charter applications submitted, two withdrew.

In charter law, six components are to be included in the application:

- demonstrate how the school will use the guiding principals and statutorily defined purposes of the charter school to include:
 - high standards of student achievement;
 - promoting enhanced academic success and financial efficiency
 - provide parent with sufficient information on whether child is at reading grade level;
 - child is receiving a year's worth of learning for every year at the charter school
- detailed curriculum plan
- goals and objectives for improving student learning and measure that improvement
- describe the reading curriculum and differentiated strategies
- contain annual financial plan,
- document that applicant has participated in the training provided by DOE.

New Beginnings

One concern was that New Beginnings' services overlapped with that provided

by LifeSkills Charter. Today, LifeSkills notified the district that they do not plan to renew their contract. However, we have not received this in writing.

- not met on assessment and evaluation - appropriate and detailed goals
- partially met ESE and ELL
- partially met budget requirement

Mrs. Sellers asked if the financial concerns rise to the level that the school won't survive. Carolyn referred the Board to Pages 27 and 28 of their packet. The application's dollars to classroom are extremely lower than other districts across the state and Polk County.

Mrs. Lofton voiced concerns with the \$50,000 donation in their budget. Carolyn reported that the application notes a donation to the school but doesn't name the entity and it was not included in the budget.

Mrs Lofton referenced form B page 8 that refers to the necessity to apply for a loan; is this normal? Carolyn stated this was not unusual for start up charters.

Carolyn informed the Board that the re-vote upheld denying the application. Original vote was 8/7; revote 8/4 (not all committee members were available to attend for re-vote).

Dr. McKinzie stated that she evaluates with different parameters: what can or cannot be addressed in contract negotiations, and, looking at what charters HAVE to do and meet; can it be supported through an appeal process? Is it significant enough to be successful on appeal?

Our Children's Middle Academy

Two areas not met: (but not in the areas designed by law as critical areas): Management and construction. Partially met in two areas: ELL and Assessment

PIVOT Charter

Did not meet mission, education design, ELL, ESE, governance, assessment, school climate, and no measurable goals. Partially met employment, student recruitment, facilities,

Pre-Collegiate Academy Grades 7 - 8 (Berkley bridge to Polk Collegiate High)

- partially met all of the 6 components (5 were in the critical areas): Assessment, ESE and ELL, Budget, and Financials
- curriculum design and courses offered.
- budget - no teachers on staff in first year: employed by Berkley Accelerated and would volunteer to teach extra period.

Vote: and Revote: 9/3

Mrs. Lofton commends applicant responses- Question 3 - fully intends to maintain those students who do not score higher than level 3 on FCAT.

Item 7

7. [11:15 - 11:30 AM 2011 Legislative Platform](#)

Attachment: [2011 Platform Draft 1 for Work Session.pdf](#)

Minutes: To be resubmitted for the October 12th Work Session and School Board Meeting.

Information

Adjournment

Work Session adjourned at 12:10 PM. Minutes were approved and attested this 12th day of October, 2010.

Kay Fields, Board Chair

Gail F. McKinzie, Ph. D., Superintendent