

THE SCHOOL BOARD OF ALACHUA COUNTY, FLORIDA  
APPROVED MINUTES - **BUDGET** WORKSHOP  
July 22, 2013

The Board met in workshop session duly called at 3 p.m. in the Boardroom, 620 East University Ave., Gainesville, Florida. Present were: Eileen Roy, Chairman; Gunnar Paulson, Vice-Chairman; April Griffin, and Leanetta McNealy, members; W. Daniel Boyd, Jr., Superintendent; and staff. Board member Carol Oyenarte was absent.

The meeting was called to order by Chairman. Roy. Superintendent Boyd reported that Mrs. Oyenarte is keeping up with issues during her recuperation. Mrs. Roy stated that Dr. Paulson will speak, prior to the Budget Update presentation.

Dr. Paulson stated that he requested this workshop because of the following concerns/recommendations:

- **Capital Outlay** – questions were asked in March about available funds, and the information we used was \$6,996,000. In the audit (the Board received at the April 16, School Board meeting), however, it stated that \$1,259,000 had to be returned from Operating Funds to Capital Outlay, as those funds couldn't be used to pay FSBIT insurance. Dr. Paulson asked whether this years' \$1.15 million will also have to be returned.

At the September 3, 2013, Board meeting, the following statement was approved by the Board, as an amendment to the July 22, 2013, Budget Workshop minutes: *Dr. Paulson asked in March of 2013, "Doesn't the available expected revenue in the budget include \$6,996,000 from Capital Outlay?" At the April 16, 2013, Board meeting, an Audit presented to the District on February 18, 2013, stated that \$1,259,000 had to be returned from Operating Funds to Capital Outlay. Why wasn't this information provided to school Board members when asked for, prior to April 16, 2013?*

- **McKay Scholarships** – Were those costs taken out of the Unrestricted Reserves? He does not feel that they should have been.
- **Reserves** – In order to keep the reserve, and we also bargained with teachers about a pay raise, we need to know exactly where we stand and be sure we have sufficient reserves. If the reserve is not what it should be, he recommends holding back the 18 units. When the final budget is presented, he wants to know not just the expenses, but the exact income that will be used to balance the budget.
- **Reserves** - What are the exact reserves? Wants an unrestricted reserve of at least 4%.
- **Units** - Not using the extra 18 units would save \$950,000. Dr. Paulson feels it would cost less to pay any fine that might be involved.
- **Extended DROP** - is a privilege, not a right. Dr. Paulson feels salaries should be reduced by the extra cost for FRS.
- **People drawing retirement and working** - Should be put on Step 13 for Instructional and Step 15 for Administration.
- **TSAs** - Recommends looking at TSAs; some may have to go back to the classroom. First two priorities are protecting the classroom and the Reserves.
- **Teacher Units** – How many have been requested? Hiring practices may have to be looked at.
- **Other Funds** – Look at other funds (especially 420), Special Revenue, Professional Services Contracts.
- **Rock Plant** - What effect will the \$700,000 loss from the Rock Plant have?

- Dr. Paulson's other comments:
- **Tentative Budget** – Have ready next year in April, as well as plans for anything that could happen before the end of the legislative session.
- **Health Insurance** – he thinks the cost will be \$820,000 rather than \$1.2 million.
- **Step Increase** – Have projection broken out by Instructional, ESPs, PTs and Administration.

Mr. Ward responded to Mrs. Roy's questions about the transfer of General Funds to Capital Outlay, as detailed in the March 2013, which the Board received at the April 16 School Board meeting. Mrs. Roy felt information was not provided in a timely manner and also that completed projects were not reported to FSBIT.

It was suggested that the McKay Scholarships allocation should be a line item in the budget, rather than taken out at the end of the year. Mr. Ward will follow up on the suggestion.

Discussion was held on legalities of extra costs being shifted to Extended DROP employees. Dr. Boyd stated that he is uncomfortable with this, in that it seems to be an ex post facto law that would be imposed. He will speak with Attorney Moore.

Dr. Paulson also believes that employees who are drawing retirement and working should be placed at mid-point of the salary schedule. He thinks no one should be grandfathered.

Mrs. Roy stated that she agrees with Dr. Paulson that the line on hiring must be held.

Mrs. Griffin stated that she understands the budget aspects, but pointed out that the reasoning behind adding units was not just to avoid fines. It was also because adding units several weeks into the school year requires that children be moved to new classes or be put in combined classes, both of which are upsetting to parents. She noted that at Middle and High Schools, there could be difficulty finding needed teachers, if you are several weeks into the year.

Discussion was held on hiring needs and the 'freeze' on units. Mr. Lyons conveyed that staff is very persistent when looking at ways to manage with the least number of units.

Dr. McNealy agrees with Dr. Paulson that Extended DROP employees should be responsible for the increased cost. She also agrees that units need to be held back if we don't have the information needed. She felt, however, that exact figures should be available by this time of the year. Mr. Ward responded that exact figures have never been possible at this point in time. It is a requirement of the state that the budget for next year is on a timeline simultaneous with the annual financial preparation. Mr. Ward stated that next year's fund balance cannot be available, as the adjustment phase for last year has just begun.

Dr. Paulson stated that his idea of a fairly close budget is 4% or below. Mr. Ward noted that \$2 million in a \$200 million budget is 1%. He does not disagree with starting the budget process earlier in the year, but noted that the earlier it is started, the less exact the numbers are.

Dr. Boyd stated that the budget is based on the number of students estimated to enter the district. Then there are different funding categories K-3, 4-8, and 9-12, in addition to ESE students and Career Technical programs. All of this is based on estimates, and the accuracy is not known until the students are counted in the October FTE week. Budget Amendments are made throughout the year.

Dr. Paulson stated that amendments should have been made 18 months ago. The Board should have been kept up to date, as it could have made a difference in decision-making. Costs need to be controlled until we know exactly what our income is.

Mr. Ward stated that the Board will be asked at tomorrow night's meeting to approve the requirement to approve the tentative budget for advertising. He noted that considerable expense is involved, if the process is stopped.

Mr. Ward explained the remainder of the TRIM process and provided the following seven schedules, showing proposed millage rates, millage comparisons, and budget hearing notices, as required by law:

- Schedule I - Notice of Budget Hearing
- Schedule II - Percent Change Over Rolled-Back Rate
- Schedule III - Comparison of Proposed 2011-2012 to the 2010-2011 Actual Millage Rates
- Schedule IV - Budget Summary Notice
- Schedule V - Budget Ad Percent Decrease Over Prior Year Expenditures
- Schedule VI - Notice of Tax for School Capital Outlay

The Budget Workshop was adjourned at 4:25 p.m.