

THE SCHOOL BOARD OF ALACHUA COUNTY, FLORIDA
APPROVED MINUTES OF REGULAR BOARD MEETING
SEPTEMBER 17, 2002

The School Board of Alachua County, Florida, met in regular session duly called at 7 p.m. in the Boardroom, 620 East University Avenue, Gainesville, Florida. Present were: Jeannine Cawthon, vice-chairman; Bev Carroll, Chester Leathers and Barbara Sharpe, members; Mary L. Chambers, superintendent; and James F. Lang, attorney for the Board. Board member Bill Cake was absent.

The meeting was called to order by Vice-Chairman Cawthon. Students from Chiles Elementary School portraying Betsy Ross and George Washington Carver led the Board in the Pledge of Allegiance to the Flag.

APPROVAL OF MINUTES

Motion by Mrs. Sharpe

Seconded by Mrs. Carroll

Moved to approve the minutes of September 3, 2002, as presented.

The question was called.

Upon Vote: Motion passed 4-0

ADOPTION OF AGENDA

Motion by Mrs. Sharpe

Seconded by Dr. Leathers

Moved to adopt the agenda for the meeting of September 17, 2002, as presented.

Add as Action Item H.4., Student Cases: (a) Student Case No. 02-21-SB; (b) Student Case No. 02-22-X; and (c) Student Case No. 02-23-X.

The question was called on the agenda as amended.

Upon Vote: Motion passed 4-0

BOARD MEMBER/
SUPERINTENDENT
ANNOUNCEMENTS

Vice-chairman Cawthon announced that Chairman Cake was absent due to not feeling well.

Mrs. Sharpe noted she had the opportunity and privilege to attend GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Programs) for Lincoln Middle School last week and to participate as a facilitator. She thanked the coordinator and advisors involved for all their efforts and hard work.

Superintendent Chambers, on behalf of the Board, extended condolences to the family and friends of school bus driver David J. Haire. Mr. Haire was a bus driver for 23 years, and his wife Barb was a former bus driver.

Condolences were also extended to Holt Browning, principal of Springs Hill Middle School, and his family on the loss of his father-in-law, L. B. Lindsey, retired principal of Santa Fe High School.

Dr. Chambers announced that the district has been awarded a congressional citation from the Congressional Black Caucus, the Education Brain Trust and the Education Technology Think Tank for minority students in math, science and engineering.

RECOGNITION(S)/
PRESENTATION(S)/
REPORT(S)

Citizenship Day Presentations

Social Studies Teacher Specialist Debbie Gallagher introduced student presentations in commemoration of Citizenship Day. Students from Lawton Childes Elementary School presented living biographies of Betsy Ross and George Washington Carver. Duval Elementary School students recited lines from the Declaration of Independence and students from Howard Bishop Middle School recited the Preamble to the Constitution. Board members and the Superintendent signed a 'mock' Constitution while choral students from Gainesville High School sang patriotic songs.

District School Assistance Plan Update

Dr. Bill Cliett, deputy superintendent, Curriculum and Instruction, gave an update on the District School Assistance Plan, which provides targeted assistance to low-performing schools in Alachua county as determined by the state grading system. Ms. Lea McNealy, principal, Duval Elementary School, presented information regarding assistance provided to Duval and thanked the Board for the additional resources and staff time being devoted to Duval.

Board members applauded the efforts of the district and the teachers, staff and principal of Duval. Mrs. Sharpe officially requested that the principal, staff, teachers, parents and students come over for a hug.

Vice-Chairman Cawthon noted that she visited two elementary magnet programs in Marion County, one of which is a performing arts program that scored the highest FCAT scores in that county.

Budgeting/Financial Update

Mr. Keith Birkett, deputy superintendent, Planning, Budgeting, and Systems Accountability, reviewed the results of the 1999-2000 FEFP Audit, which required an adjustment of over \$202,000 to be paid back to the state. He also presented an analysis of school utility costs relating to food service kitchen areas, and explained in order for Food Services to pay utility costs, an approved methodology must be followed. The district has followed an approved format established by the Department of Education. Food Service funds are restricted dollars

that must be spent only on Food Service expenses and cannot be used to supplement the General Fund. Mr. Birkett also reviewed the budgetary process for instructional staffing and explained how the budget is built on actual salaries. He also provided an analysis of the district's Fund Equity for the period ending June 30, 2002.

SCHEDULED AGENCIES

Alachua County Council Parent Teacher Association (ACCPTA)
Ms. Mary Zinger, president, ACCPTA, presented information about a new PTA program called Parental Involvement, Schools of Excellence. She also provided a flyer with information about ACCPTA that included the 2002-2003 calendar of events.

United Way

Mr. Steve Reardon, executive director, United Way, thanked the Board for school and district level support of the organization and presented the 2002 Campaign video.

CITIZEN INPUT

The following comments/suggestions were presented to the Board for consideration:

- The process for citizen input during public hearings was pointed out as provided in policy.
- With regard to the budget, ACEA president, Gunnar Paulson, reviewed items he felt were presented to the public incorrectly in the last year: energy increases; fund balances; cost of class size reduction; the average teacher salary; spending general funds to pay for electricity and energy for food service and pupil/teacher ratio.
- Comment made that in discussing curriculum decisions, reference is made to FCAT content and Sunshine State Standards. By the omission of F.S. 232.061, the district continues to break the law.
- Suggested a public hearing on cost overruns at a specific time earlier in the meeting for public participation.

Superintendent Chambers noted that when talking about fund balances and undesignated fund balances, revenues and expenditures, one thing important to point out is that when Food Services dollars are distributed to pay utilities, it is determined by the facilities department in conjunction with the finance department in accordance with the standards of DOE. We cannot use nonrecurring dollars for recurring expenditures. When talking about the monies left available in the general fund, these are unrestricted dollars. The Food Services balances are restricted dollars. We still have not funded the 4% unrestricted fund balance the Board has in Board policy. We are working toward that. It is very important that the terminology be used correctly

Mrs. Carroll also noted that the district is still building in the \$2 million transfer from the maintenance fund.

Mrs. Carroll pointed out that one thing wrong with the agenda format for the Board meeting is that there is no place for Board Member response. The public leaves with either no answer or a wrong answer.

She requested that Mr. Eldon Chambers, executive director, Food Services, come up and walk the Board through how Food Services receives its monies and how the monies are put out there; what's restricted and what's not in terms of the commodities; whatever is left in the fund balances; does Food Services have a 14% fund balance and all the issues on the table.

Mr. Chambers first pointed out that DOE with the annual report monitors Food Services funds, fund balances and excess funds. Any funds spent in the Food Services area are monitored not only by DOE but state/local auditors, and we must comply with the rules and regulations. As it relates to energy resources, at one time that was a part of the indirect cost allocation. It was pulled out and now may be applied as a direct expense; however, DOE set the guidelines by which we pay that. He reviewed the guidelines for the Board.

Mr. Chambers continued that in terms of the Food Services fund balance that is inclusive of USDA donated commodities, we cannot transfer those to the operating fund; they are restricted and go into our fund balance—inventory of products on hand, not all cash. Secondly, in the fund balance is non-commodities, which is purchased foods we must have on inventory. In addition, supplies to run the 42 operations are part of the fund balance.

We have about a 70/30 ratio of federal funds versus local monies received with about a 60-day wait time for these funds. We have to have monies on hand to operate until those monies come in. We are funded through the USDA. One month's operation is a little more than one million dollars. We have an operating budget of about \$10 million that is spread over the 10-month period.

Mr. Chambers confirmed that providing funding for teacher salaries is illegal, but as part of the Capital Outlay workshop, a prioritized list was provided to the Board of special facilities projects funded through Food Services.

Food Services received an exemplary rating last year from the DOE that was a 5-year comprehensive audit. The last several state audits were acceptable in the area of Food Services.

Dr. Paulson felt the question the Board needed to ask was for a complete breakdown of the Food Services fund balance. We are saying you are using general fund money to pay for things that restricted money could pay for.

DORI SLOSBERG DRIVER
EDUCATION SAFETY ACT

Motion by Mrs. Carroll

Seconded by Mrs. Sharpe

Moved the administration’s recommendation to endorse the concept of the “Dori Slosberg Driver Education Safety Act” asking the Alachua County Commission to pass an ordinance adding a \$3 surcharge to all civic traffic violations to be used for student driver education programs.

The question was called.

Upon Vote: Motion passed 4-0

AMENDMENT TO POLICY
5.11, SCHOOL ATTENDANCE
ZONES/AREAS/CHOICE, TO
DELETE THE PRESCRIBED
IMPLEMENTATION DATE

Dr. Mel Lucas, director, Research, Evaluation and Testing, noted the reasons for delaying the implementation of school choice are (1) the constitutional amendments on class size and the pre-k program which could have a substantial impact on the capacity of our schools, and (2) the possibility of a comprehensive rezoning plan developing in the near future. These reasons make it difficult to implement school choice next school year as currently in Policy 5.11. In February 2002, a major change was made in this policy to incorporate elements of school choice to be implemented in the 2003-2004 school year. At the time it was hoped to have had the spot rezoning plan passed and implemented this school year and be ready for school choice next school year.

It is likely the Board will be asked to make amendments to Policy 5.11 that might derive from the community groups that will be considering comprehensive rezoning in the future. It is felt this detail change is needed now as there are a lot of activities that would need to be undertaken this year in order to implement school choice next year. We are asking that school choice, by necessity, be delayed until after rezoning and to see what happens statewide as far as the constitutional amendments.

Dr. Lucas noted that the recommendation is to replace the language “for the 2003-2004 school year and thereafter” with “at a time to be determined by the superintendent.”

Motion by Mrs. Carroll

Seconded by Mrs. Sharpe

Moved the administration’s recommendation to schedule a public hearing 7:30 p.m., October 1, 2002, to consider an amendment to Policy 5.11, School Attendance Zones/Areas/Choice.

Responding to Mrs. Carroll, Dr. Lucas stated there are about 4000 zoning exceptions requests each year and the district grants about 75% (about 3000). If school choice is implemented, a large percentage of those in zoning exceptions would switch over to school choice mode and essentially be immune from rezoning. It would substantially complicate the rezoning, reducing the capacity of many of the popular schools where we need more flexibility in our rezoning plans, particularly if the recommendation comes back to the School Board to balance the schools economically.

Mrs. Sharpe noted that she is glad to see this delayed as the class size amendment would have a tremendous impact on the district in terms of facilities, teachers and whatever else goes along with small class sizes. Also, the Board must keep in mind that all schools need to be socio-economically balanced.

Mrs. Carroll noted that she has concern with the language “to be determined by the superintendent.”

A citizen suggested that the language be “to be determined by the Board” rather than “by the superintendent.”

The question was called.

Upon Vote: Motion passed 4-0

APPROVAL OF 2001-2002
GENERAL PURPOSE
FINANCIAL STATEMENTS
AND RELATED COST
REPORT

Mr. Richard Trainor presented an overview of the financial statements and the new format for the statements and noted that these documents are required to be filed with the Department of Education and with the official records of the Board.

Mr. Trainor pointed out that the district’s total assets of \$262.4 million and total liabilities of \$187.6 million leave a total net asset of \$74.8 million. The unrestricted net asset is a negative number in excess of \$28 million. One significant factor influencing this negative unrestrictive asset figure is that the district must show the amount of compensated absences (the amount of time accrued to employees that is payable in the future) as a liability in this presentation.

Of major concern is the fund balance of the general fund. At year end the fund balance of approximately \$29,000 is far short of the \$4.5-\$7.5 million that would be considered a healthy fund balance. The district’s policy indicates that the district should strive for a reserve of 4% or about \$6.3 million.

Responding to Dr. Leathers, Dr. Chambers noted that the district has a plan in place to comply with district policy and as stated in priorities for next year, if the district continues to be frugal and can create more

money through the year, we would look to enhance that fund balance.

Mr. Trainor noted that the total fund balances are down by \$3.1 million this fiscal year.

Some of the contributing factors to the decline in the fund balance which overall would affect the net assets are:

- Increase in terminal leave payments
- Soaring property and casualty insurance costs
- Decrease in FTE (students)
- Increase in Charter School enrollment
- Significant decline in investment earnings due to a depressed market

Mrs. Sharpe requested the number of students coming back into the system from charter schools.

Mr. Trainor noted that the new reporting model changed the focus of fund reporting which is on reporting any fund that meets the testing requirement of the major fund. The district has four major funds: General Fund; Special Revenue Fund (Federal Programs); Local Capital Improvement Fund; and Other Capital Projects. Remaining funds are considered nonmajor and are reported together as "Other Governmental Funds" on the statements.

Mr. Trainor referred to the Cost Report required by Section 237.34 of the Florida Statutes. The purpose of this report is to take the financial data of the district and recast it to show expenditures by programs rather than by function and object. The report has two central elements:

- Identification of direct program costs and aggregation of the costs by program
- Attribution of indirect costs to programs on an appropriate basis.

Motion by Mrs. Sharpe

Seconded by Mrs. Carroll

Moved the superintendent's recommendation that the School Board approve the 2001-2002 General Purpose Financial statements and related Cost Report for submission to the Department of Education.

Dr. Leathers commented that he has been concerned his entire four years on the Board with the process related to the budget. Seems there is a better way to arrive at questions and conclusions about the budget process that would help bridge the credibility and trust levels between

the union and the staff. Would like to see if it is appropriate for a Board member to sit in on discussions and participate in the process.

Mrs. Carroll noted that some boards past costs on to their employees particularly health insurance. She asked if it is anticipated that the insurance costs will level off. Mr. Birkett stated that there is no indication that our experience ratio is getting any better and his understanding is that health care costs are still going up. The terminal leave payment is starting to level off.

Mrs. Sharpe asked for clarity on Dr. Leathers' request.

Dr. Leathers stated that it seems when a member of the union questions a budget item it is cold water at a Board meeting. If we have a board member sit in on discussions about an item on the budget, it may be a way to get better information for the board.

Mrs. Sharpe stated that Board members can go to whomever to ask questions about the budget but for Board members to sit in on anything else when they have to go through negotiations may have to recuse themselves when voting. She asked Mr. Lang to check into this.

Mary Chambers stated that regarding property insurance there is a statewide committee that has been appointed that is looking at ways to deal with these increasing costs from a state perspective.

Mrs. Carroll pointed out that Dr. Leathers is talking about a process. No one likes contentious relationships, particularly when you are a part of public education you should try to work together for solutions. If the solution would be to have a weekly meeting with a Board member and staff, then she is all for that solution if it can be legally done; but there would have to be perimeters and trust that those issues brought to that meeting would be brought with good reason, good faith and would be dealt with in an honest and open-minded manner from all parties.

Dr. Leathers stated that he is open for discussion on the best way to do this. Would like to see it discussed maybe as an item at the end of the next meeting.

The question was called. Upon Vote: Motion passed 4-0

Board Members commended and thanked the staff on all the hard work that went into these documents.

STUDENT CASE
NO. 02-21-SB

Mr. Dukes, deputy superintendent, reported that the student is charged with demonstrating threatening behavior toward the bus driver while riding the school bus.

Motion by Dr. Leathers

Seconded by Mrs. Carroll

Moved the superintendent's recommendation to extend the student's bus suspension through October 1, 2002.

The question was called. Upon Vote: Motion passed 4-0

STUDENT CASE
NO. 02-22-X

Mr. Dukes reported that the student is charged with disorderly conduct and battery of another student.

Motion by Dr. Leathers Seconded by Mrs. Sharpe

Moved the superintendent's recommendation to extend the student's suspension through October 1, 2002.

The question was called. Upon Vote: Motion passed 4-0

STUDENT CASE
NO. 02-23-X

Mr. Dukes reported that the student is charged with disorderly conduct and battery of school personnel.

Motion by Mrs. Sharpe Seconded by Mrs. Carroll

Moved the superintendent's recommendation to extend the student's suspension through October 1, 2002.

The question was called. Upon Vote: Motion passed 4-0

CONSENT AGENDA

Motion by Mrs. Carroll Seconded by Mrs. Sharpe

Moved to approve the consent agenda as described in items 1-18 . (See Supplementary Minutes Book.)

The question was called. Upon Vote: Motion passed 4-0

BOARD MEMBERS/
SUPERINTENDENT
REQUESTS

Mrs. Sharpe reiterated her requested that the students, teachers and staff of Duval elementary come through for a big hug.

Dr. Leathers formally requested to discuss what he raised earlier. He would be happy to talk with the superintendent, Mr. Lang or whoever is appropriate.

Dr. Chambers stated that she would talk with Dr. Leathers and Mr. Lang and see what can be done.

ADJOURNMENT

The meeting was adjourned at 9:44 p.m.