



Duval County Public Schools

May 29, 2015, Board Member Meeting - Budget

Ms. Cheryl Grymes, Chairman
Ms. Ashley Smith Juarez, Vice-Chairman
Ms. Becki Couch
Mr. Jason Fischer
Dr. Constance S. Hall
Mr. Scott Shine
Ms. Paula D. Wright
Dr. Nikolai Vitti, Superintendent

ATTENDANCE AT THIS MEETING OF THE DUVAL COUNTY SCHOOL BOARD: All Board Members were present with the exception of Chairman Cheryl Grymes, and Board Members Jason Fischer and Scott Shine.

Call Meeting To Order

[Call Meeting To Order](#)

Minutes: The meeting was called to order at 1:15 p.m.

Public Comment

Items To Be Discussed

[BUDGET](#)

Minutes:
The budget documents that were distributed by the Superintendent for the May 19, 2015, Committee Meeting and Workshop were discussed.

Additional State Revenue - \$31,697,290

Board members expressed concerns of the potential impact of the upcoming legislative session regarding this amount in the 2015-2016 proposed budget. Ms. LeHockey indicated that our legislative lobbyist was comfortable with the amount of the anticipated difference between the Governor and the Legislature of \$5 million. Board members indicated that they would like to see the anticipated decrease in funding reflected in the 2015-2016 proposed budget summary document. Ms. LeHockey indicated that, although the \$5 million anticipated difference was not reflected in the document, it would be covered by the approximately \$4.8 million surplus at the bottom of the document.

Total Unassigned Fund Balance - \$61,800,000

Board members questioned whether a new projection was needed and whether the District actual was going to be close to the projection. Ms. Edwards indicated that normally the Budget Office would calculate a new projection in the February through April period. However, the Budget Office is comfortable with the current projection of \$61,800,000 in unassigned fund balance. The fourth calculation of FEFP was slightly higher than the beginning of the year calculation.

Charter and Contract Schools – Net of Categoricals - \$64,357,356

Discussion included the \$7.4 million projected impact of increased charter enrollment. Board members expressed concerns regarding the projected impact and indicated that they would like to see the amount reflected in the budget summary document. Ms. LeHockey indicated that, because the Board wanted to hold the schools harmless on FTE in the school allocation plan, staff anticipates that the projected \$7.4 million would be covered by amounts in the school allocation plan and be shifted in the fall (after the 10 day count) from the schools to the charter schools. Currently, the \$7.4 million increase is based on approximately 13,000 FTE in charter schools (compared to approximately 11,000 FTE this current year). Staff projections regarding charter school FTE have been fairly accurate in the past. The only amounts that may not be covered by the school allocation plan would be an increase in charter school enrollment from private schools or home school students. Ms. Begley indicated that this seemed to be a contradiction for budgeting purposes. Holding the schools harmless in FTE may have caused an over-allocation of funds at the schools and an under-allocation of funds toward the charter schools. This is not clearly explained or indicated in the budget summary document.

Lowest 300 Performing Elementary Schools

Board members requested an update on this issue and the potential impact on the 2015-2016 proposed budget. Ms. LeHockey indicated that some progress was being made on this issue, based on discussions with our legislative lobbyist. Staff is anticipating a financial impact of between \$8 million and \$12 million (including the schools added by the District to the list of schools). However, the final amount won't be determined until the budget conference is completed. Based on the discussions earlier, Board Member Wright clarified the potential shortage that the Board may have to deal with. The potential \$5 million shortage in State funding would be covered by the approximately \$4.8 million surplus indicated on the budget summary document. The remaining shortage could then range

from \$15 million to \$19 million (charter schools and Lowest 300 potential impacts combined).

Lapse Salaries

Ms. Begley explained that lapse salaries result from (1) budgeted positions that may not be filled sometime during the year and (2) the difference between budgeted average salaries and actual salaries. As the gap between budgeted and actual narrows, the amount of lapse salaries at the end of the fiscal year should decrease. Ms. Begley also explained the process of how excess salaries and benefits budget is adjusted out of the accounts and held in a holding account. There is a report in the system that projects the remaining salary and benefits to be paid for each active employee and compares that amount to the salaries and benefits budgeted as of the date the report is run. Staff uses that report to determine whether there are excess amounts budgeted in the salaries and benefits accounts and transfers the excess amounts into a holding account.

Board member discussion included the following:

- The use of lapse salaries and the effect on the projected ending fund balance.
- When the salaries and benefits accounts are swept for excess budget, in which holding account are the funds held and how much is in that account now.
- As the average salary in the School Allocation Plan comes closer to the actual salary, there will be less in lapse salaries (less cushion).

Cabinet Add-Ons

Board Member Hall inquired whether the School Allocation Plan had been adjusted for cabinet add-ons. She also indicated that there should be an adequate projection of FTE in order to ensure minimum movement at the school level in the fall. While Board members understand that the budget is always subject to change, we should be mindful of employees and the impact of budget and staffing changes on them. Ms. Begley indicated that there is approximately \$19 million of cabinet add-ons in the system for 2015-2016. Ms. LeHockey indicated that this amount included approximately \$13 million of reading and math coaches. There are other positions budgeted there that will ultimately be funded out of categoricals or federal funds. There should eventually be a reduction of this amount as positions are shifted to the other funding sources. Ms. Begley indicated that the \$19 million is consistent with the amount that is currently funded for cabinet add-ons (\$22 million). She questioned what is the likelihood that the \$19 million would actually decrease.

Board members discussed the cabinet add-ons information provided by the Superintendent for the May 19, 2015, budget workshop. Ms. Begley indicated that the total dollar amount provided for 2012-2013 and 2013-2014 seemed reasonable based on the information in the system. The dollar amount provided for 2014-2015 included \$5.4 million in elective class positions and planning period buyouts, \$3.6 million in class size positions, and \$2.7 million in school improvement positions (\$11.7 million total). It appears that these amounts include both salaries and benefits.

At this time, the system includes approximately \$22 million in salaries and benefits. Ms. Begley had previously inquired of the difference to Ms. Edwards, who indicated that staff would review this closer. The response is pending as of today.

Adjournment

[Adjournment](#)

Minutes:

The meeting was adjourned at 3:25 p.m.

MGB

We Agree on this

Superintendent

Chairman