district five
OF LEXINGTON & RICHLAND COUNTIES

Minutes/July 23, 2012

The Board of Trustees of School District Five of Lexington and Richland Counties met at H. E. Corley Elementary School with the following members present:

Mr. Robert Gantt, Chairman
Mrs. Beth Burn Watson, Vice Chairman
Mrs. Ellen Baumgardner, Secretary
Mrs. Jan Hammond
Mrs. Kim Murphy
Mr. Jim Turner
Mr. Ed White (via telephone)
Dr. Stephen Hefner, District Superintendent

The following staff were in attendance:

Ms. Helen Anderson, Chief Instructional Services Officer
Dr. Angela Bain, Chief Human Resource Services Officer
Dr. Karl Fulmer, Chief Financial Services Officer
Mr. Michael Harris, Director of Student Services
Mr. Mark Bounds, Public Information Officer

Chairman Robert Gantt gave welcoming remarks.

The Invocation was given by Dr. Karl Fulmer. The Pledge of Allegiance was led by Beth Burn Watson.

During the superintendent's report, Chris Whitley gave a monthly update on new design and construction.

No one spoke during the public participation.

Dr. Hefner presented the proposed superintendent goals for 2012-2013 (Exhibit D).

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of July 23, 2012

	BAUMGARDNER	GANTT	HAMMOND	MURPHY	TURNER	WATSON	WHITE
1. M. Hammond S. Baumgardner Enter executive session to consider the following: a) selected employment items (Exhibit A)	X	X	X	X	X	X	A
2. M. Baumgardner S. Watson Approve the agenda	X	X	X	X	X	X	X
3. M. Watson S. Baumgardner Approve the selected employment items (Exhibit A)	X	X	X	X	X	X	X
4. M. Watson S. Hammond Approve the Phase 2 additions and renovations at Irmo High School (Exhibit B)	X	X	X	No	X	X	X
5. M. Watson S. Baumgardner Approve the additions and renovations at Dutch Fork High School Phases 1 & 2 (Exhibit C)	X	X	X	No	X	X	X
6. M. Watson S. Baumgardner Approve the minutes of the June 11, 2012 board meeting M. Murphy S. I move that the documents and statements attached to the minutes from the board members (Gantt, Watson and Baumgardner), which had not been requested by those board members to be included in the minutes, be withdrawn from the minutes Vote on the original motion	X	X	X	No	X	X	A
7. M. Murphy S. I move that we set up a special called meeting to discuss							

A = Absent
AB = Abstain
N = No
X = Yes
R = Recuse

SCHOOL DISTRICT FIVE
OF
LEXINGTON AND RICHLAND COUNTIES

Meeting of July 23, 2012

			BAUMGARDNER	GANTT	HAMMOND	MURPHY	TURNER	WATSON	WHITE
this very important issue and define the goals									
8.	M. Watson	S. Hammond	X	X	X	X	X	X	X
	Adjourn at 10:15 p.m.								

A = Absent
AB = Abstain
N = No
X = Yes
R = Recuse

Item 12 – Minutes June 11, 2012.

Prayer Lawsuit Statement

Recently, a lawsuit was brought against the District, challenging the constitutionality of the District's long-standing policy permitting student-led prayer at graduation ceremonies. At the Board meeting held June 25, 2012, the Board received a legal briefing on that litigation in Executive Session. Following executive session, Board Member Kim Murphy introduced a motion to direct the District's attorneys "to draft a new School Ceremonies and Observations policy that goes as far as legally possible to allow voluntary school prayer," a motion that the Irmo News reported was not supported by the other board members. The motion did not receive the required second to allow discussion and a vote and, although we cannot provide further information on the discussions and legal advice provided in Executive session regarding the policy and litigation, the District believes that the failure of the motion, at the entry level, was appropriate at this time. The District's current policy, which Ms. Murphy sought to change through further restrictions, presently allows for student-led prayer. The District and the entire Board wishes to ensure that the District has in place a policy that respects constitutional rights of all students, including those who wish to pray. However, to the extent that any changes are required to the current policy permitting student-led prayer, the District wishes to ensure that those changes are done in conjunction with the pending litigation.

Attachment 1 is included with the minutes of the 7-23-12 meeting, at the request of Board member Robert Gantt pursuant to S.C. Code Ann. § 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item **"For The Record"** requested by **Robert Gantt** for attachment to the Minutes.

Agenda Item # 19 Approval of Second Reading

(1)

Item **"For The Record"** requested by **Robert Gantt** for attachment to the Minutes.

Attachment 15 is included with the minutes of the 6-25-12 meeting, at the request of Board member Kim Murphy pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment. Robert Gantt

Kim Murphy – Statement + Attorney General's Opinion (10 pages)
June 25, 2012

Para 1 + (See Related Docs Attached pg 2)

I don't know what happened. I don't know what went wrong. I'm sure you guys are working very hard. But if we can't trust that the reports that you give to us to be accurate, how can the public trust us. I don't want to have to air our dirty laundry but I'm sorry this work unacceptable.

her opinion +

Para 2 You're asking us to approve a $150 million budget but the reports are wrong. I don't know which numbers are right and which aren't, but I have found numerous discrepancies. And there are reports missing that are needed to assess a budget.

+ nothing is ever right !

Para 3 Dr. Fulmer, you shared with us during the meeting when we had the First Reading of the Budget, that the Budget Book you had given to us to, initially, in preparation for the First Reading, was incorrect. You informed us that, even though you knew it was incorrect when you gave it to us, you didn't tell us. But just as in this case, we discovered it.

Para 4 In addition, I have asked for specific reports and documents, but the ERROR administration, at the guidance of the board Chair, has refused to give them to me. I have asked numerous questions, and my questions remain answered.

To LT an truth.

Para 5 Not only are there issues in this reporting, but there appears to be out of control spending. We cannot continue to sustain such spending, especially when there is not student growth to justify it. Raising taxes is not an option at times like this and increasing the budget so dramatically makes no sense.

Para 6 It is also not an option to continue secretly overtaxing our citizens so the money can be tuck money away to use at our discretion, without the knowledge of our citizens, as this district has done -- year after year. Annual audits / monthly reports

Para 7 And now that it is a school board election year, you are claiming that there will not be a tax increase. But, unbeknownst to taxpayers, that's partially true -- we don't have to have a tax increase this next year… because you have already over-taxed

Political Statement by Mrs. Murphy.
Lacks TRUST.

Item "For The Record" requested by Kim Murphy for attachment to the Minutes.

Attachment 2 is included with the minutes of the 7-23-12 meeting, at the request of Board member Robert Gantt pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise

Item "For The Record" requested by **Robert Gantt** for attachment to the Minutes.

Para 7 (cont.) them in previous years. You taxed them in advance so now you can apply some of that money to offset the budget to – "avoid a tax increase", and make claim that I believe to be false that the board leadership is being fiscally responsible and prudent. Totally a political erroneous statement by Mrs. Murphy.

Para 8 I'm going to be quite frank… this is just another example of why we need a change in leadership in November. . I'm talking about the Board leadership. Political statement (not relevant) by Mrs. Murphy.

Para 9 We have a wonderful district with so much going for us. I fully support our hard-working and dedicated teachers and staff and I cannot begin to tell you how much I appreciate the job you do in the face of all kinds of challenges. Insincere Statement voted NO to raises for all employees.

This is certainly not a popularity contest, but I cannot, in good faith, support a $150 million dollar budget, under these circumstances.

Along with this statement, I have an opinion from the Attorney General's office that I will also put on the record. It states I am entitled to the information that I have requested do the job that I was elected to do, but you have refused to provide to me.

* Mrs. Murphy is in violation of good Boardsmanship behavior.

Attachment 16 is included with the minutes of the 6-25-12 meeting, at the request of Board member Kim Murphy pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Attachment 3 is included with the minutes of the 7-23-12 meeting, at the request of Board member Robert Gantt pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item "For The Record" requested by Kim Murphy for attachment to the Minutes. 6/25/12

* This Statement made FTR by Mrs. Murphy is erroneous. It is politically motivated and far outside good Boardsmanship. This Board has been tolerant of the FTR statements by Mrs. Murphy but may need to revisit Board Policy related to the Minutes if these type erroneous statements continue. To use Mrs. Murphys words, "This is totally unacceptable behavior" by Mrs. Murphy.

For The Record: Rebuttal of False Statements by Kim Murphy
Re: On the Record Statement made by Mrs Murphy June 25, 2012 ERRORS. – Mrs Murphy's Statement fraught with inaccuracies & outright errors. Reference Para on 6/25/12 Document.

#2 Para Budget $150 million – Cited wrong budget reports in error. This is Mrs. Murphy's unqualified opinion only.

#3 Para – Dr. Fulmer explained on numerous occassions that the errors were due to an accounting software change.

Attachment 4 is included with the minutes of the 7-23-12 meeting, at the request of Board member Robert Gantt pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item "For The Record" requested by **Robert Gantt** for attachment to the Minutes.

#4 Para – "At the guidance of the Board Chair" specific reports asked for not given: "Refused" – Absolutely not a true statement. Political statement by Mrs Murphy

#5 Para – Cites out of control spending. Six Board members voted for this budget – It passed 6-1. Six members supported raises for all employees. Mrs. Murphy did not support the Budget or employee raises.

For the record - Item 12 - Approval of the minutes

Mrs. Murphy's contined minutia-filled questions & discussions about the minutes do Nothing to help With the education of children. Her attempts to ~~spe~~ waste time on the minutes is a waste of taxpayer money and a waste of the audience's time. It does Not help the education in our school district one bit.

Beth Burn Watson
7-23-2012

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

Attachment 5 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Burn Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item #14 - Adjourn
Submitted by Beth Burn Watson
7/23/2012

RESPONSE TO QUESTIONS SUBMITTED BY KIM MURPHY

ON THE MORNING OF JUNE 25, 2012,

THE DATE OF THE SECOND READING OF THE FY 2012-2013 GENERAL FUND BUDGET

1. **Please provide the report "GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY OBJECT", as in previous years. This is essential to review the budget request.**

The new software, Smart Fusion, is written in a different programming language than that of Accounting Plus, the previously used software. A special program was written by the District's software vendor to pull information from the old accounting software, Accounting Plus, to the new accounting software, Smart Fusion. The program was not written to include this information. The District can request this module be written to include comparison by object, but likely would have to pay extra for the work.

2. **Why does the Second Reading Budget book for 2012-2013 not show the *actual*audited revenue and expenditures from the COMPREHENSIVE ANNUAL FINANCIAL REPORT for the years 2010 and 2011, instead of ORIGINAL BUDGET's for those years, which are only best guesses? Last year's budget books provided that factual historical information (AUDITED ACTUAL) -- information that is essential in assessing a budget. Please provide the budget book showing the AUDITED ACTUAL for previous years.**

The new software, Smart Fusion, is written in a different programming language than that of the Accounting Plus software previously used. A special program was written to pull information from the old accounting package, Accounting Plus, to the new accounting software, Smart Fusion. The program was not written to include this information.

3. **Please provide me with a copy of the ENTERPRISE FUND Budget for the Tuition-based Four-Year Old Program at Irmo Elementary. You indicated that operational funds would not be budgeted or used for this new program.**

This budget was related to the Board during discussion of the tuition based four-year old program before it presented for approval by the Board. The tuition based four-year old program is not a part of the General Fund Budget. The program is based on a single classroom of 20 paying students at $150 per student for 36 weeks which generates total tuition of $108,000. Expenditures are projected to be $60,000 for salary plus fringe for teaching staff, $25,000 for salary plus fringe for a teacher aide, and $23,000 for supplies and related costs. The total cost for a single classroom is projected to be $108,000 for the program. The program will operate on the tuition charged and no General Fund money will be used.

4. **What is the value of a mil? As of what date?**

Mrs. Murphy asked this question during the Discussion Reading of the General Fund Budget presented on April 23, 2012. At that meeting the Board was given my millage calculation showing assessed value and millage. Regardless, the current value of a mill for General Fund Budget is approximately $218,543. Please remember that all owner-occupied 4% property is excluded from tax for General Fund Budgets and is excluded from the value of a mill for the General Fund Budget.

Item "For The Record" requested by **Beth Watson** for attachment to the Minutes.

Attachment 6 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Burn Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item **"For The Record"** requested by **Beth Watson** for attachment to the Minutes.

5. **Please explain the McKinney Vento Act? Where does this cost show up in the budget? What were transportation costs this year? Do we put that out for bid? Do we receive any State or Federal funds for this and, if so, where are those funds shown in the budget?**

Information regarding the McKinney Vento Act can be obtained from the Federal Government. The Act is a rather lengthy document and is best read online. Look for McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B. The District received funds from the McKinney Vento Act as a federal grant. These funds do not appear in the General Fund Budget. Last year the District received approximately $60,000 of which about $5,000 was budgeted to be used for homeless transportation. In Fiscal Year 2011-2012 the District spent approximately $56,735 to transport homeless children. Based on expenditures from last year, $50,000 has been included in the transportation budget for Fiscal Year 2012-2013. Transportation for these children is provided through the District Transportation Program when feasible and contracted out when contracted service is cheaper. All contracted service is at a prevailing rate as determined by the District's Procurement Policy.

6. **Please itemize OTHER FINANCING USES - Transfers & Payments ($906,891) under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON more specifically than those in the report by "Function"?**

Each year the District is required to make certain transfers and payments to other funds from the General Fund. Almost without exception, they are transfers to Special Revenue and to Food Service. The $906,891 shown in the budget is a projected amount that we think fairly represents the transfers the District will likely be required to make. They can be itemized at the end of the year after the transfers have been made.

7. **At the board meeting on April 23, 2012, I asked for the per pupil costs for the districts shown on the report on page 5, which reflects the millage rates of the surrounding districts. Please supply that information to me as I have yet to receive it. Also, please indicate the value of the mil for each district listed.**

The information you asked for I do not have. On page 5, I reported the millage rate for each school district. That information is available on each county website. Per pupil cost is available only through In$ite data, published from audited data sent to SDE. The In$ite report is about two fiscal years old by the time it is compiled and published. The millage rates I reported on page 5 are for Fiscal Year 2011-2012. With regard to the value of a mill for each district, that information would have to be supplied by the County Auditor from each county. I do not have that information.

8. **Please label Revenue Type listed on page 6 with account name.**

The Revenue Type is the account name. If you mean the revenue account number used for these funds by SDE, then please see attached printout from the SDE website.

9. **Mandated COLA and Step increase: How did you calculate Teacher Salary Support State Share of $1,272,353.53 (page 6)?**

I did not calculate Teacher Salary Support State. That information is calculated by SDE and sent to each school district. On page 6, I simply gave you a copy of the information as sent to District 5 by SDE.

Attachment 7 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Burr Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item **"For The Record"** requested by **Beth Watson** for attachment to the Minutes.

10. **If a teacher is on a 180-day contract and chooses to be paid monthly, how is the remainder of their pay reflected in the financial reports?**

The District budgets total salaries. All staff members are paid on a 24 pay cycle, two checks each month.

11. **I have previously asked for the Fund Balance history since 2000 and have not yet received this information. Please provide the report to me**

The fund balance history since 2000 was included in the Dr. Hefner's Vision 2015 Report as part of my five year projections and presented to you in September 2011. In addition, the Fiscal Years 2011-2012 to FY 2015-2016 have been updated to reflect changes from one budget reading to another in each presentation of the General Fund Budget.

12. **Why does the OTHER FINANCING USES number shown under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES not balance with the OTHER FINANCING USES number shown in the THREE-YEAR COMPARISON BY FUNCTION?**

They are not supposed to balance. In Other Financing Uses under General Fund Expenditures and Other Financing Uses, Community Services is shown separate and apart from Other Financing Uses. If the two are combined and totaled, as they are in Three-Year Comparison by Function, they do balance.

13. **The board just approved an increased annuity for the superintendent and the administration is recommending a salary increase to all employees -- District-wide -- verses just the mandate (employees working directly in the schools) from the state. Why are the additional expenditures for these increases not reflected in GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION - OFFICE OF SUPERINTENDENT?**

The additional expenditure is reflected. The action by the Board regarding the superintendent's salary was taken after this budget was compiled for review and presentation to the Board. However, the superintendent's contract contained the language that would potentially grant the annuity. The Board did not give the superintendent a raise. The annuity for the superintendent was paid from funds allocated for that purpose in the Board's Contracted Services account.

14. **Why has BOARD OF EDUCATION "Salaries & Bonuses ($13,750)" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION *decreased* below the salary amount paid to Board members ($3750 x 7 = $26,250)? In addition, since being elected, I have chosen not to take my annual salary of $3750. Where is that money, which is and has been collected from taxpayers, going?**

When Mrs. Kim Murphy was elected to the Board, she chose not to receive her pay as a Board member. As a result, all Board salaries were "hard keyed" into Accounting Plus to compensate for that exception within that system. After converting to new software, Smart Fusion, the conversion program did not pick up the "hard keyed" salaries. That line item in the budget includes $10,000 budgeted for additional compensation (which has never been used) plus $3,750, the salary for a single board member. This is a flaw in the conversion process of the movement of data for budget presentation from one program to another. The total budget is $32,250.

Attachment 8 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Ben Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item **"For The Record"** requested by **Beth Watson** for attachment to the Minutes.

15. **Why has "Contracted Services" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION - SUPERINTENDENT & BOARD increased by $25,000? (Last year it went up $87,000.) What is included in that $339,275 line item?**

The $25,000 increase is actually under Board of Education Purchased Services designated to cover purchased services attributable to the Board. An example of an expense in this account is the superintendent's annuity that was recently paid as required by his contract with the Board. Board Contracted Services include Purchased Services , $25,000; Management Services, $5,000; Policy Manual Services, $2,200; Audit Services, $40,000; Legal Services-Board of Trustees, $225,000; Board Travel, $12,000; Technology Software, $12,000; and Advertising, $18,075.

The increase last year of $87,000 included a $75,000 increase in Legal Services-Board of Trustees and a $12,000 addition for Technology Software.

16. **What is included in the $39,000 that was plugged into "Transfers and Payments" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON FOR SINGLE SITE - SUPERINTENDENT & BOARD this year and last year?**

This is a budgeted item for use when there is a need to make a transfer or payment. There were no expenditures in this account in FY 2011-2012. The account will not be used unless needed in FY 2012-2013.

17. **The budget has grown another half a million dollars ($500,000), which the equivalent of over 2 mils, since the First Reading, please explain**

The explanation for this is listed on page 8 in the Charts/Presentation section of the budget.

18. **Why are "Transfers from EIA up over $1,000,000 from the First Reading?**

The Senate version of the state budget included $1,272,353.53 in EIA funding as Teacher Salary Support State Share. This additional funding is shown on page 6 in the Charts/Presentation section of the budget.

19. **Under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES, please explain why "Supplies and Materials, etc has gone up over $100,000 from the First Reading where a savings had been projected?**

The explanation for this is listed on page 10 in the Charts/Presentation section of the budget. The District budgeted an additional $100,000 in supplies for opening of the Center.

20. **Please explain why INSTRUCTION "Salaries & Bonuses" and "Fringe Benefits" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES has gone up over $540,000 since the First Reading?**

In First Reading of the General Fund Budget, the District included additional costs for implementation of a new technology plan for the District. Additional costs related to the technology plan are included in this category and was a part of both the First Reading and Second Reading.

Attachment 9 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Bruce Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item **"For The Record"** requested by **Beth Watson** for attachment to the Minutes.

21. **Please explain why SUPPORTING SERVICES "Salaries & Bonuses" and Fringe benefits went *down* under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES since the First Reading?**

The pool of employees changes significantly at the end of each fiscal year due to retirements, resignations, replacements, and the employment of new employees. Vacant positions are entered into the budget at an average salary that can vary greatly dependent up who is employed to fill the position. In addition, employees are reassigned among account areas based on school scheduling and the grades or areas in which they will be working. All of these changes are reflected in the budget as such changes are made. Thus, the two readings are based on different employee pools.

22. **Please explain why SUPPORTING SERVICES "Fringe Benefits (+9%)" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES *increased much more dramatically* compared to the increase for "Salaries and Bonuses (+2.25%)"?**

Fringe costs are applied to all salary, including raises. Therefore, fringe costs, as a percent of salaries, will always increase at a greater rate than the percent of salary increase given. In addition, fringe costs also increased from Fiscal Year 2011-2012 to Fiscal Year 2012-13. The employer rate for retirement alone increased by 1.315 percent from 13.825 percent to 15.15 percent.

23. **Please explain why SUPPORTING SERVICES "Contracted Services" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES *increased dramatically* (+10.30% - almost $600,000) since last year?**

Principals budgeted more of their allocations under Contracted Services and the District had a number of increases under Contracted Services as well. All new Contracted Services costs that were not a part of the allocations to schools were detailed as increases. They were McKinney Vento Homeless Transportation, insurance coverage for the Center, additional security for Chapin High School and the Center, utilities at the Center, and IB training.

24. **Please explain why SUPPORTING SERVICES "Supplies and Materials" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES *increased dramatically* (+8.91% - almost $500,000) since last year?**

This increase is due primarily to the opening of the Center as is shown on page 13 of the Charts/Presentation section of the budget and the restoration of the 5% reduction in supply allocations that was imposed on schools in previous budget years as is shown on page 8 of the Charts/Presentation section of the budget

25. **Please explain why SUPPORTING SERVICES "Insurance, Principal, etc" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES *increased dramatically* (+114.6% - almost $400,000) since last year?**

This is a change in reporting budgeted expenditures from one category to another for Fiscal Year 2012-2013 as compared to Fiscal Year 2011-2012. The reclassification of the expenditures related to budgeted funds for Dead Head Miles (miles driven by bus drivers with no students on the bus) and athletic allocations to each high school. The change was made at the request of the District's auditing firm. No increases in budget resulted from this change in the location of these expenditures.

Attachment 10 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Burn Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item **"For The Record"** requested by **Beth Watson** for attachment to the Minutes.

26. **Please explain why "Primary Programs (+10% - $1,623,535), "High School Programs (+7.6% - $1,428,713)," "Educable Mentally Handicap (+9.84% - $70,302)," "Trainable Mentally Handicap (+19.9% - $134,480)," "Emotionally Handicap (+12.33% - $130,998)," "Pre-School Handicap Self-Contained (+5.79% - $66,651)," and "Autism (+14.77% - $170,732)" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION *increased substantially*? Are any new programs being added? If so, how many? If so, why has the Board not voted to implement the programs in order to consider, not only the benefit to students, but, the use of taxpayer dollars and use of school capacity)?**

No new programs are being added. Some of the increase is attributable to the salary and step increase given employees. The remainder is due to funding changes. For the two previous fiscal years, the District has received ARRA Funds from the federal government to supplement the District's General Fund Budget. ARRA Funds are not available for the FY 2012-2013 General Fund Budget. These funds, received through IDEA, Title Programs, and as direct assistance to the District, were used to offset General Fund expenditures over the last two years. In FY 2012-2013 all of these cost are charged to the General Fund Budget.

27. **Please explain why "Visually Handicap" and "Hearing Handicap" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION has *decreased dramatically* (between 21% - 25%)?**

See answer to question 26. The change in funding to these programs is also attributable to changes in funding from the state and federal government.

28. **Please explain why "Gifted & Talented Academy" under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION *increased dramatically* (49.85%) since last year?**

Funding for Gifted and Talented Programs has been significantly reduced by the state and reallocated under other funding sources. At the same time the number of Gifted and Talented students in the District has increased.

29. **"ADULT SECONDARY" subtotal is incorrectly labeled as "SUBTOTAL PARENTING/FAMILY LITERACY.**

Typographical error.

30. **Is PARENTING/FAMILY LITERACY under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION a new program? I thought this was already funded. Please explain.**

This is not a new program. This program was moved from the Instructional Department to Student Services during last fiscal year and the budget reflects that change.

31. **Why has CAREER SPEC SERVICES "Fringe Benefits (+15.27%)" line item under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION *increased dramatically* when "Salaries & Bonuses (-9.20%)" has decreased?**

See the answer to question 22.

Attachment 11 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Burn Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item **"For The Record"** requested by **Beth Watson** for attachment to the Minutes.

32. **Same as above for most line items under SUPPORTING SERVICES under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION?**

See the answer to question 22.

33. **What is STU TRANS FED/STATE MANDAT under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION?**

Irmo Middle School operates an after school detention program that the school pays for with part of their allocated funds. Expenditures for that program are accounted for under this heading.

34. **BOARD OF EDUCATION and OFFICE OF SUPERINTENDENT under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON BY FUNCTION does not balance with SUPERINTENDENT & BOARD under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON SINGLE SITE (DO DISTRICT WIDE).**

This is not an error in reporting. The budget is reported correctly. One schedule is shown by Function and the other is shown by Single Site. The schedule shown by site includes a pay out of leave bonuses as required by the Board's policy for administering employee leave, which is in the superintendent's location but is not, and should not be, in the superintendent's function.

35. **GENERAL FUND EXPENDITURES AND OTHER FINANCING USES THREE-YEAR COMPARISON BY FUNCTION does not balance with SINGLE SITE.**

The Finance Office was aware of the difference between the Comparison by Function and Single Site in this section of the budget and has accounted for that difference. The program that rolled up this section of the budget, as written by the District's software provider, failed to accurately round and compute that section by $473.29 within the total budget of $149,780,669.68. Finance recognized that since all other sections computed correctly, this amount was not materially large enough to justify paying additional money to the District's software provider to correct the error in that module.

36. **STUDENT SERVICES under GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON FOR SINGLE SITE does not balance with last year's report.**

This should not balance with last year's report. The budget for supplies was moved from the Instructional Department to Student Services last year after the budget was approved when Student Services was separated from the Instructional Department.

37. **What is "Education Foundation Supplement" listed on the Projected Revenue report? Has District 5 provided any kind of funding to the Education Foundation?**

The District does not provide any educational support for the Education Foundation. Education Foundation Supplement is a term used by SDE to describe a part of the funding SDE sends to each school district in the state. Education Foundation Supplement, as used by SDE, is best described as funds allocated that are to be directed toward the support of each district's basic educational foundation program of course offerings.

Attachment 12 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Burr Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item **"For The Record"** requested by **Beth Watson** for attachment to the Minutes.

38. **Why was $20,000 for security at Chapin High added to Budget between First and Second Reading? If construction related, why is this not covered by contractor or covered by Capital Improvement money? What account is this charged to?**

The additional security budgeted at Chapin High School is related to student security and not security of the construction site. Security of the construction site, if needed, would be covered by the contractor. The $20,000 is charged to costs for security within the General Fund Budget as it should be charged.

39. **Please explain "Core" teachers? If additional teachers are being added because of growth, please indicate the projected increase? Please place the budgeted dollar amount next to each position as you have done on page 14.**

Core teachers are teachers who teach in the core instructional areas of the District's educational programs. These are areas such as Math, Science, Social Studies, and Language Arts. The positions were added to ensure the District continues to meet the Board's policy regarding student and teacher ratio. The student and teacher ratio policy was waved, at the request of the administration, by the Board last fiscal year and was not waved by the Board for FY 2012-2013. The budget clearly shows projected enrollment in the Charts/Presentations section of the budget. The administration has been very clear as to why the additional teachers were needed. The Board was not asked and did not waive the ratios for FY 2012-13 and those positions keep the District in compliance with Board Policy.

40. **Please explain what happened to the new positions for special education teacher at IMS and IB teacher at IHS shown on page 11 of the First Reading (page 12 of Second Reading)?**

Nothing happened to them. They are still in the budget. The chart on page 12, Second Reading, does not show them.

41. **Please explain the addition of 9 new positions for Technology shown on page 12 of Second Reading?**

The technology plan was discussed in detail at First Reading of the budget. The plan includes a coordinator, three integration specialists, three technical support assistants, and two technical support employees.

42. **Please explain why additional costs for CATE shown on GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON FOR SINGLE SITE are not listed on Summary of Changes in Expenditures: First Reading to Second Reading shown on page 8 and why the All Cost Total on the Projected Annual Costs - The Center shown on page 13 <u>does not balance</u> with Single Site report for CATE?**

The chart on page 13 in the Charts/Presentation section of the budget was not updated for the Second Reading.

43. **Why is the $1,081,630 labeled as MOE (Maintenance of Effort) on page 7 and on page 19, when it is Fund Balance? Total Fund Balance projected to force this budget to balance is $2,455,052 ($1,373,422 + $1,081,630).**

MOE represents funds allocated by the state at the end of FY 2010-2011, a portion of which was set aside to be used in FY 2012-2013. These funds were allocated to allow the state to meet federal MOE requirements and must be spent according to federal law.

Attachment 13 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Burn Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Item **"For The Record"** requested by **Beth Watson** for attachment to the Minutes.

44. **Line items on Budgeted General Fund Revenue shown on page 19 are mis-labeled. Please correct.**

There is nothing to correct. The page shows consolidated funding by source. All line items on page 19 in the Charts/Presentations section of the budget are labeled correctly.

45. **According to GENERAL FUND EXPENDITURES AND OTHER FINANCING USES - THREE-YEAR COMPARISON FOR SINGLE SITE report for the CATE, start up costs are $1,974,381.20. The report on page 22 Projected Changes in Fund Balance Assigned for Opening of New Schools - FY 12-13 shows start up costs at $1,313,491. Actual start up costs are higher and, therefore, according to the District's numbers, the balance remaining for new schools should be $827,886.80.**

The chart is correct. The chart accounts for new costs only. Employees who were transferred from another site are not a cost increase since they worked in the District this past year and will continue employment at the Center. Their positions and programs simply moved from one site to another.

46. **During the superintendent's evaluation, he highlighted to a major initiative that was being implemented - RTI (Response to Intervention). There is a new charge in the Budget shown on page 10 for RTI Purchase Services, what is that? What is the cost to implement this program. On page 16 Principals FY 12-13 - Additional Requests Not Funded Elementary Schools there are two major requests related to RTI ($871,867.10 and $222,013.13). Can you please explain them?**

The $70,000 in purchased services for RTI listed as new costs in the General Fund for FY 2012-2013 has been funded in previous years from special revenue received from the state for that purpose. Those funds will not be available in FY 2012-2013. Thus, the cost has been budgeted in the General Fund. With regard to implementing the program, the District is not implementing a new program. RTI is a continuing program. RTI requests by principals were for additional teaching staff.

47. **On pages 16, 17 and 18 - Principals FY 12-13 - Additional Requests, please list the schools making the requests.**

These requests were not compiled by school for presentation in this budget.

48. **Please explain why the Teacher Salary Supplement shown on page 6 as $1,921,025 for FY 11-12 has not increased for 12-13?**

The Teacher Salary Supplement of $1,921,035 is an amount set by the State Legislature. I cannot answer for them as to why they did not increase this line item.

49. **What does the Teacher Salary Support State Share consist of? Please break it out?**

Teacher Salary Support State Share, comprised of state tax dollars, consists of an allocation given to each school district by the State Legislature. Since the allocation is shown as a single line item in state funding, I cannot break out this item in more detail.

50. **The numbers shown on the Revenue and Expenditure Projections - Next Five Years<u>do not balance</u> with budget such as Total Expenditures for FY 11-12 and FY 12-13. How do you arrive at the Fund Balance amount of $25,038,199 in FY 12-13?**

They are projections. They are not supposed to balance with budget. FY 2011-2012 and FY 2012-2013 are both active budgets that have not yet been closed and audited.

Attachment 14 is included with the minutes of the 2-23-12 meeting, at the request of Board member Beth Burr Watson pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

51. **For those who qualify, what is the District's expenditure amount for FY 12-13 for the proposed State mandated increase (the mandated 2% COLA plus step increase only)? How much of the increase (a dollar figure) will be reimbursed by the State? How did you calculate that amount? What would the total expenditure be for those who qualify for the mandated raises if no raise was given and what would be the State's reimbursement? Based on 0% increase in staff for the next year, what would be reimbursed by the State for that year? Is the reimbursement from the State calculated in the budget, if so, where? (As I have asked, please provide me with copies of the salary schedules - the States (current and proposed), our current and our proposed. Please indicate on each schedule your example employee discussed in your email of June 11, 2012.**

These estimates for this multi-question are shown in the Charts/Presentation section for each reading of the budget.

52. **What is the District's expenditure amount for all other salary increases (2% COLA plus step increase only). What would the expenditure be if there was no raise?**

This information is located on page 10 in the Charts/Presentation section of the budget.

Item **"For The Record"** requested by **Beth Watson** for attachment to the Minutes.

Attachment 15 is included with the minutes of the 7-23-12 meeting, at the request of Board member Beth Burr Watson pursuant to S.C. Code Ann. §30-4-80(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

IHS – Irmo High School

Item # 10

Kim Murphy

I am not opposed to the project per se, I am opposed to ~~the~~ the process and, in good faith, I cannot obligate millions and millions of taxpayers' dollars, especially for projects that weren't included in the bond referendum, based on very vague, partially complete conceptual drawings.

Item "**For The Record**" requested by **Kim Murphy** for attachment to the Minutes.

Attachment 14 is included with the minutes of the 7-23-12 meeting, at the request of Board member Kim Murphy pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Kim Murphy
Item # 11
Dutch Fork High

I am not opposed to the project per se, I am opposed to the process and, in good faith, I cannot obligate millions and millions of taxpayers' dollars, especially for projects that weren't included in the bond referendum, based on very vague, partially complete conceptual drawings.

Item "For The Record" requested by **Kim Murphy** for attachment to the Minutes.

Attachment 17 is included with the minutes of the 7-23-12 meeting, at the request of Board member Kim Murphy pursuant to S.C. Code Ann. § 30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.

Motions

Kim Murphy
June 12, 2012
Agenda Item #12

I move that documents and statements attached to the Minutes from board members (Gantt, Watson and Baumgardner), which had not been requested by those board members to be included in the Minutes, be withdrawn from the Minutes, ~~and discussion of the Minutes' policy be placed on the agenda for the next meeting in order to clarify what the Board can and cannot do as well as to simplify the process for the Board secretary~~.

Item **"For The Record"** requested by **Kim Murphy** for attachment to the Minutes.

Kim Murphy
June 12, 2012
Agenda Item #12

I move that documents and statements submitted by Board members "for" or "on the record" by placed in chronicle order by the Board secretary and that to assist the Board secretary, Board members note on their documents or statements the agenda item number to indicate when the Board member made the request. Documents and statements will be placed in the Minutes in the order the requests were made.

Agenda Item #13
I move that we set up a special called meeting to discuss this very important issue and define the goals.

Attachment 18 is included with the minutes of the 7-23-12 meeting, at the request of Board member Kim Murphy pursuant to S.C. Code Ann. §30-4-90(a)(4) and Board Policy BEDG. The Board majority did not approve, disapprove, or otherwise act upon the contents of this attachment.