

## MINUTES

The Campbell County Board of Education Finance Committee met on Tuesday, May 29, 2012, 5:30 p.m., in the Central Office conference room. The following school board members were present: Scott Hill, Josh Parker, Rector Miller, David Lynch, Mike Orick, Johnny Byrge, and Homer Rutherford. Director of Schools, Donnie Poston was present and Gail Parks kept the minutes.

Meeting called to order.

I. Discuss the 2012-2013 school year budget.

Finance chairman Hill stated that he would turn the meeting over to Director Poston and Tammie Lay for discussion of the upcoming budget. Board member Hill stated this school year budget would be challenging. Department of Finance representatives were present for the meeting. Director Poston thanked Tammie Lay for her hard labor into the budget. Tammie Lay distributed out a packet of information regarding BEP, student enrollment, listing of potential retirees and reading recovery program elimination. Director Poston discussed the May BEP estimated allocation. Mr. Marlow stated he did not think there would be any changes. Director Poston discussed pupil/teacher ratio. Director Poston stated it was difficult to project how kindergarten would be so this year's kindergarten enrollment was used. Director Poston discussed the remaining budgetary shortfall to be addressed. The positions proposed for budgetary shortfall to be addressed due to the decrease in BEP allocation estimates for the 2012-2013 school year are 21 positions. Retirement or resignation was discussed. Board member Hill asked if we are in compliance. Director Poston stated we currently are in compliance. Elimination of the Reading Recovery Program was discussed. The reduction of classroom teaching positions due to the decrease in BEP allocation will be absorbed by the elimination of the reading recovery program. By eliminating this program 8 teachers will return to regular program full time classroom positions. Board member Miller asked Director Poston due to decreased enrollment if the classrooms would be over capacity. Director Poston stated there could be possible BEP violations. Split grades are not permissible. Board member Lawson stated this was another good reason why they needed to close Elk Valley and White Oak. The board closed Stony Fork and Ridgewood for the same reasons. The parents and students are happy now and getting a good education. We need to start planning on doing this because the numbers are getting low in our smaller schools. Board member Lawson discussed the pupil expenditures for both Elk Valley and White Oak. Board member Lawson asked how much in personnel it cost for Elk Valley Elementary and what the current enrollment was. Director Poston stated \$758,000 with approximately 116 students. Board member Lawson stated there were no mountains between those schools and where the students could go. Board member Lawson also commented that if he thought making a change of this would hurt a child or put a real inconvenience on parents he wouldn't even mention it. This would place less pressure on this budget.

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Board member Parker asked why we were out of line on assistant principals. How do we only earn 3 positions? Mr. Marlow stated in previous years we only had assistant principals at the high school level. About 6 years ago the process started to implement the larger schools needed pull out assistant principals such as LaFollette and Jacksboro Elementary, LaFollette and Jacksboro Middle. This was the first step. When this occurred others made the request for assistants. Before this occurred the assistant principal was a teacher which received an 11 month contract with a \$2,500 supplement. Over the last 6 years more assistant principals became pull out and no longer had teaching duties. This is how you started with 3 and ended with 13. Board member Miller stated to him this was a no-brainer. Board member Lawson stated he could understand the need now with all the required evaluations. Board member Miller stated he thought they had cut the number of evaluations from 6 to 2. Tammie Lay stated this was true but there was a lot of work. Board member Miller asked if any other areas had been looked at cutting for cost savings. Is there any waste or over staffing? Director Poston said there were areas that had not been looked at such as supplies. Director Poston stated they looked at cutting 12 month issues to 11 months. If you try to lay off classified personnel you would have to pay unemployment benefits which would cost \$15,000. All of our project managers are being paid from grants. Director Poston stated there would be no savings in laying off classified employees. Our enrollment has declined by 136 students which affects our MOE. Mr. Marlow stated the state has shifted in percentage to make up local funding. Board member Miller asked if there were any saving in transportation. Mr. Nidiffer replied no and we are fortunate to get what we are getting. Board member Parker asked what would occur if we were in BEP violations. Director Poston stated they could withhold funding but doesn't ever recall this happening. Board member Parker asked Jeff Marlow if Campbell County gets their fair share of the BEP formula.

Mr. Marlow stated in 1992 when BEP started only TACIR Index instrument was used. Now we also have CBER/Fox Index. CBER is specifically designed to offset the effect of the small schools to receive disproportioned funds compared to larger schools. Board member Miller stated to Director Poston that it appeared that he as director has given his best effort to cut the budget and asked if he would asking the County Commission for funds and to request enough funds not to hurt the school system. Director Poston stated he would if he had to.

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Board member Orick asked Mr. Marlow if the current MOE was 4 cents. Mr. Marlow responded it would take a 4 cent tax increase to meet the required local match. Mr. Marlow stated he has prepared a letter to send out to County Commission and School Board members. This will help to begin the budget process. Mr. Marlow informed the board he has supplied both boards with information but is needing a conclusion to proceed with any kind of general decision of what the board is anticipatory of doing to raise \$280,000. If the plan is to request an additional 4 or 5 cents about the 4 they have to come up with he needs to be able to tell the commission the dynamics of this year's upcoming budget. This is significant beyond the school system. Other revenue problems within the county are occurring because of a dying tax base. Board member Hill stated the board needed to ask for additional 4 cents which would be reoccurring and not come out of fund balance. Mr. Marlow stated a need to address an increase in transportation cost was needed. Bus drivers have not received a pay increase in the last 3 to 4 years. A decision needs to be made either way. The Board agreed to request a 10 cent increase and recommendation to accept proposed letter as drafted by Mr. Marlow.

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Scott Hill

Chairman of Finance Committee