

BUDGET WORK SESSION

MINUTES

The Maggie L. Walker Governor's School for Government & International Studies Regional School Board

Thursday, January 22, 2015

10:10 a.m.

Call to Order

Kevin Hazzard, Chairman of the Maggie L. Walker Governor's School Regional Board, called the budget work session to order in Room 153.

Present:

Mrs. Barbara Crawley, *School Board*, Charles City Public Schools
Mrs. Dianne Smith, *School Board*, Chesterfield County Public Schools
Mr. Kevin Hazzard, *School Board*, Goochland County Public Schools
Mr. Henry Lowry, *School Board*, Hanover County Public Schools
Mrs. Michelle Ogburn, *School Board*, Henrico County Public Schools
Dr. Deborah Marks, *School Board*, Hopewell Public Schools
Ms. Cora Armstrong, *School Board*, King & Queen Public Schools
Mrs. Sarah Grier Barber, *School Board*, New Kent Public Schools
Mr. Kenneth Pritchett, *School Board*, Petersburg Public Schools
Mrs. Valarie Ayers, *School Board*, Powhatan County Public Schools
Mr. Jerry Warren, *School Board*, Prince George Public Schools
Ms. Kimberly Gray, *School Board*, Richmond Public Schools
Dr. David Gaston, **Superintendent**, Charles City Public Schools
Dr. Marcus Newsome, **Superintendent**, Chesterfield County Public Schools
Dr. James Lane, **Superintendent**, Goochland County Public Schools
Dr. Jamelle Wilson, **Superintendent**, Hanover County Public Schools
Dr. Pat Kinlaw, **Superintendent**, Henrico County Public Schools
Dr. John Fahey, **Superintendent**, Hopewell Public Schools
Dr. Eric Jones, **Superintendent**, Powhatan County Public Schools
Dr. Jeff McGee, **Director**, Maggie L. Walker Governor's School
Mrs. Barbara Marshall, **Clerk**, Maggie L. Walker Governor's School
Ms. Megan Rainey, **Deputy Clerk**, Maggie L. Walker Governor's School

Absent:

Dr. Stanley Jones, **Superintendent**, King & Queen Public Schools
Dr. David Myers, **Superintendent**, New Kent Public Schools
Dr. Joseph Melvin, **Superintendent**, Petersburg Public Schools
Dr. Bobby Browder, **Superintendent**, Prince George Public Schools
Dr. Dana Bedden, **Superintendent**, Richmond Public Schools

Also present:

Phil Tharp and Wendy Ellis – MLWGS Administration
Wendy DeGroat and Karen Hoover – MLWGS
Others Not Recorded

FY16 Funding Proposal Reviewed by Dr. McGee

Proposal Highlights

Overview:

- Timeline review anticipating budget approval March 2015,
- Proposal assumes \$200/student tuition increase, flat state funding and flat VRS requirements, and an additional \$10/credit hour dual-enrollment fee increasing from \$20/hour to \$30/hour,
- Anticipated total revenue = \$7,614,884 with tuition comprising 73% and state funding 27%,
- Total students = 746, with all revenue streams combined = \$10,207/student,
- Total personnel expenditures are 82% of budget,
- 2% compensation and supplement increase,
- 5% benefit cost control,
- \$123,000 textbook adoption,
- \$13,000 to update admission assessments,
- \$81,313 capital contribution (*estimate*),
- \$16,000 lease/purchase activity bus (5-7 yr. term),
- \$82,000 technology,
- Maintains width and depth of curricular offerings,
- Offering (6) overages for class size control. MLWGS has (8) periods with teachers instructing (5). Overage value per teacher = 1/8 salary.

Discussion:

- Ms. Gray expressed concern that the healthcare estimate seemed low. Dr. McGee explained that last year insurance companies built in an extra 4% into premiums to cover required regulatory changes, but those are now satisfied and we've been advised to anticipate a regular 4-6% increase. If necessary, this issue can be revisited and adjusted.

Later in the discussion, Dr. Lane recommended Administration seek obtaining a different healthcare renewal cycle that would be better for budget planning.

- Instructional Staff Other (VCU instructors) – 2% increase (however, total overall dollars in this category are decreased as a result of offsetting dual enrollment fees).
- Custodial contract at 3% increase; reflecting third year of 3-year contract.
- Legal services: Dr. McGee is investigating establishing a retainer with counsel rather than paying by the hour. Proposed retainer would cover both general legal and special education consultation requirements. Dr. Lane suggested different services might be covered through two different retainers and will assist Dr. McGee to explore this matter with counsel.
- 3% over-all projected utility increases; however, MLWGS anticipates ESCo savings to be captured as follows: electricity = \$26,398, water = \$2,510, normal usage natural gas = \$58. The Director called attention to the line item for natural gas rate projections which were increased by \$1,925 to accommodate scheduled use of the generator during part-time operation which currently is not utilized in this capacity. Projected savings once captured will be moved into the designated CIP account (*see CIP statement below*).
- Pursuant to the athletic fee discussion from the Superintendent's Steering Committee meeting, textbook adoption is now submitted at \$123,000 instead of \$137,000 to reinstate athletic dollars. Administration will continue to work through this and perhaps find ways to make textbook adoption more robust and still maintain a balanced budget.

Dr. Jones inquired if specific textbooks had been identified for adoption. Dr. Ellis responded yes and outlined the process that initially began with department chairs submitting requests totaling \$154,000. Asked to re-submit for only critical needs the new total became \$137,000. Specifically, by department, the area of essential needs are as follows: **Social Studies** – requested necessary textbooks for AP US History due to new AP curriculum; however, the department was asked to delay AP Human Geography and AP Psychology because there has not been recent curricular changes to these courses by the College Board. **Fine Arts** requested \$500 for replacement books. **Foreign Language** - most department requests are being postponed to align with a VDOE directive to wait until SOL's are changed in 2016. For consideration are assorted replacement textbooks and new Italian III, should the course make. **Mathematics** – critical need for Trig Analysis textbooks that are extremely expensive, this purchase alone is almost \$47,000.

Dr. Ellis reminded that Walker's last textbook adoption happened in 2010/2011.

Concluding, Dr. Ellis stated she cannot think of anywhere to cut textbooks as the list provided already reflected only critical needs.

- Walker’s athletic program costs approximately \$64,000 annually to operate of which the Regional School Board funds \$18,000 (equivalent to VHSL memberships). Remaining funding has been provided by the Athletic Boosters.

Should the athletic fee proposal be considered for reinstatement, the Superintendent’s prefer a recommendation come from the Booster group to the Regional School Board.

- CIP funding accrual (*see utilities statement above*) – funded with \$50,000 capital contribution plus ESCo saving dollars.
- Mrs. Ayers questioned why the reduction to repairs/maintenance line item. As explained by Dr. McGee, FY14 included one-time expenses associated with generator replacement, with the anticipation for FY16’s decreased needs credited to ESCo upgrades. Ms. Hoover confirmed the Director’s remarks for the Board, adding that in FY15 she has made a budget change in this category based on anticipated needs this year recommended by the Facilities Manager.
- Any line item overages would be covered by ‘unassigned’ monies in the reserve category should they occur.

Mr. Lowry and Mr. Warren left the meeting at approximately 10:40am.

There being no further business to discuss, on motion by Deborah Marks, seconded by Barbara Crawley and unanimously approved, the budget work session was adjourned.

W. Kevin Hazzard, Chairman

Jeffrey McGee, Ph.D., Director

Minutes Recorded by:
Barbara Marshall, Regional Board Clerk