

BUDGET WORK SESSION

MINUTES

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

Thursday, February 20, 2014

10:45 a.m.

Call to Order

Kevin Hazzard, Chairman of the Maggie L. Walker Governor's School Regional Board, called the workshop 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. John Montgomery, Jr., *School Board*, Henrico County Public Schools
Mrs. Sarah Grier Barber, *School Board*, New Kent Public Schools
Mrs. Valarie Ayers, *School Board*, Powhatan County Public Schools
Ms. Kimberly Gray, *School Board*, Richmond 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. Eric Jones, **Superintendent**, Powhatan County Public Schools
Dr. Bobby Browder, **Superintendent**, Prince George Public Schools
Dr. Jeffrey 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:

Mr. John Axselle, *School Board*, Hanover County Public Schools
Dr. Deborah Marks, *School Board*, Hopewell City Public Schools
Ms. Cora Armstrong, *School Board*, King & Queen County Public Schools
Mr. Kenneth Pritchett, *School Board*, Petersburg City Public Schools
Mr. Jerry Warren, *School Board*, Prince George Public Schools
Dr. Janet Crawley, **Superintendent**, Charles City Public Schools
Dr. John Fahey, **Superintendent**, Hopewell City Public Schools
Dr. Stanley Jones, **Superintendent**, King & Queen County Public Schools
Dr. Robert Richardson, **Superintendent**, New Kent Public Schools
Dr. Joseph Melvin, **Director of Schools**, Petersburg City Public Schools
Dr. Dana Bedden, **Superintendent**, Richmond City Public Schools

Also present:

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

Funding Proposal Presented by Jeffrey McGee

A proposal was presented that is based on the school mission which is providing broad based opportunities plus the arts, with focus on the unique needs of high-ability learners and an empowerment piece covering contribution, leadership and participation in global environments.

Strategic planning is built around the core standards of excellence, vision and purpose, teaching and learning, access to teaching and learning, support structures, and making sure every student has full access to the breadth and depth of the curriculum.

Overview

Revenue:

- Revenue trend FY09-FY14 reflects a \$682,000 or 9.57% decrease,
- Per pupil expense FY09-FY12 demonstrates that MLWGS was slightly above state averages for budget decreases,
- FY14 revenue generated from: 72% tuition, 26% Governor's School add-on. The remainder is covered by operational expense recovery (GS Foundation personnel, state technology funding, Erate),
- FY14 expenses equate to 83% personnel and instruction, 17% operations,
- FY15 proposal built around a projected enrollment of 729 students and includes projections for state revenue,
- Strategic investing and savings are built around instruction and operations.

Expenditures +/- FY14 to FY15:

- Nonprofessional services reduced by \$49,000 representing dual enrollment credits received for VCU fees,
- Transportation increase of \$3,000 to cover increased VHSL travel,
- Library (Books and Periodicals) increased by \$6,800 to restore funding that has been inadequate for several years,

- Textbooks increased by \$10,500 to \$25,000 for replacement of some current adoptions with new editions,
- Professional Development increased by \$25,000 in line with adopted PD policy that provides for training that includes Advanced Placement classes and technology,
- Additional Equipment, line 5860, increased to cover costs associated with instructional technology and internet access and to strengthen the technology infrastructure. Also includes laptop replacement parts and technology applications,
- Athletics increased to cover costs associated with officials,
- Total personnel includes 2% salary increase,
- Total additional costs based on approved FY14 to FY15 are \$221,917 including VRS.

Operations +/- FY14 to FY1:

- Service Contracts decreased with the anticipation of a smaller need for technology consultants as this proposal includes providing a one period release for one teacher to serve as chief technology integrator,
- Professional Services (legal) reduced by \$1,000,
- Repairs & Maintenance reduced by \$12,100 in line with CIP,
- Liability Insurance increased,
- Utilities decreased with anticipated savings,
- Postage increased to cover machine rental,
- Communications decreased with anticipated FIOS contract,
- Materials and Supplies slightly decreased based on actuals for custodial supplies,
- Copier Leasing slightly increased by \$2,500,

Contingencies:

- Increased but includes capital expenditures.

Summary:

- Net adjustment, +\$322,250,
- Proposed expenditures = \$7,455,760,
- Estimated additional revenue = \$423/student.
- Context for tuition increase: \$116 supports salary increases, \$28 supports increased cost of benefits directly associated with 2% increase, \$178 supports VRS, and \$101 supports operations.

Possible Areas for Reductions:

- Facility Contingency: with maintenance costs indexed at \$100/student or \$72,900 and normal expenditures totaling \$85,000, transitioning in approximately \$30,000 for CIP contingency,
- Personnel Contingency: used for an unanticipated overages or replacement of faculty,
- Professional Development,
- Reduce laptop cart labs from two to one,
- Design Lab (aka Mac Lab): three year proposal put forward by Jeff Hall, Fine Arts Department Chair, recommending hardware and software updates. Current software is outdated and will not function on new machines. The proposal projects an outlay of \$48,000 in the first year (FY15) that includes twenty machines and Adobe software.
 - Design Lab discussion: Ms. Gray reminded that the last DOE assessment for MLWGS noted technology as an area that needed to show improvement.
 - Reduction of the number of machines would limit access.
 - Adobe software.
 - All mobile labs offer additional support during SOL's and are integral to Walker's initiative around technology integration.
- Should reductions become necessary, Dr. McGee recommends starting with the Design Lab.

General Discussion

- Engaging with ESCo (Energy Service Company) regarding infrastructure upgrades that would pay MLWGS back through energy credits. This process would require capital outlay for viable projects but in effect the Board would pay itself back through these credits. ESCo companies will be looking at double pane window replacement, lighting exchange and the HVAC system.

- Bus Replacement:
 - Estimate for new: \$100,000. Estimate for refurbished: \$45,000.
 - Life expectancy for new: 15 years; used: 7 years.
 - Is it possible to join a purchasing consortium for better pricing?
 - Lease/purchase comparison.
 - Trade in value for current equipment to offset purchase.
 - Current full size bus maintained by RPS, white bus maintained by MLWGS.

- Determine what is the appropriate reserve fund balance level verses anticipated capital needs so the account is not overfunded. If the Board used a 60% model, it would free up some cash but is a riskier proposition to cover funding of a catastrophic system failure; however, it does keeps the current budget while reducing tuition by \$25/student. Appropriate funding levels would be open for review annually.

- Sections of the roof membrane require repair and should be accomplished during the coming summer. A roof replacement is probably 5-10 years out and believed to cost in the range of \$600,000-\$700,000.

- The proposed budget includes a capital account designated for technology that is funded at \$200,000 and gives the Board another opportunity to consider use for funding instructional technology needs.

- As clarification, Dr. Lane stated the \$423 tuition increase is entirely funded by localities and does not include any anticipated additional state funding. Should the Board decide to execute reductions to this proposal, tuition rates would in turn be reduced to localities but state monies would not be impacted.

- The Design Lab (Mac Lab) upgrade was not included in the January proposal submitted.

- Estimated cost for each computer cart \$20,000-\$25,000.

- Prior budgets were developed from amended line items, while this proposal was created from approved line item totals, and accounts for changed totals from earlier versions.

- Consider reduction of proposed salary increase to 1% resulting in savings for localities.

- Delay software purchase for the Design Lab for one year while all machines are configured or procured for adaptability.

- Henrico is considering rebalancing its classes to 45 students in each grade which would require an additional purchase of eight slots next year, with shifting totals for three years thereafter. Would the slots be available?

- Concerns discussed about the ability of smaller divisions to absorb a \$423 tuition increase.
- Student offer letters are scheduled to be mailed March 15th.
- Floating slots (also see Henrico rebalancing above). Slots committed to each fall are just that, committed. Future year commitments are a different issue.

There being no further business to discuss the workshop was adjourned.