

MINUTES OF THE BOARD OF EDUCATION OF HOWARD COUNTY

February 28, 2006

The members of the Board of Education of Howard County held a regularly scheduled meeting on Tuesday, February 28, 2006, at 9:00 a.m., in the Board Room of the Department of Education, located at 10910 Route 108, Ellicott City, Maryland, to adopt its FY 2007 Operating Budget Request and FY 2007 Capital Budget Request, FY 2008-2012 Capital Improvement Program, and Ten-Year Long-Range Master Plan. The following were present:

Joshua M. Kaufman, Chairman
Diane B. Mikulis, Vice Chairman
Patricia S. Gordon
Mary Kay Sigaty
Courtney Watson
Jeff Lasser, Student Member

Sydney L. Cousin, Superintendent of Schools
Sandra Erickson, Chief Academic and
Administrative Officer
Raymond Brown, Chief Operating Officer
David White, Budget Officer
Patti P. Caplan, Public Relations Officer
Susan A. Shown, Recording Secretary

Chairman Joshua Kaufman called the meeting to order at 9:00 a.m., and Mr. Lasser led the group in the *Pledge of Allegiance*.

Approval of Agenda

Action: A motion to approve the agenda as presented was made by Mrs. Watson, seconded by Mrs. Mikulis, and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

FY 2007 Operating Budget Request

Administration

Discussion:

- Funding for Legal Fees was increased to the FY 2006 authorized level.
- Mileage reimbursement for the Student Member can be provided from the Board Member Expense line item.

Action: Mrs. Watson moved approval of Administration in the amount of \$9,162,030. Mrs. Mikulis seconded the motion, and it was approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Instructional Salaries

Discussion:

- If the 12 athletic/activities lead teachers were eliminated from the budget, funds for athletic director positions and stipends would have to be added back in.

Approved – March 9, 2006

Action: Mrs. Watson moved approval of Instructional Salaries in the amount of \$233,273,680. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Discussion:

- Add two transition assistants in Program 3501 (\$40,000 plus benefits in Fixed Charges) for the Oakland Mills/Owen Brown and Wilde Lake communities to support Hispanic achievement.

Action: Mrs. Mikulis moved to reconsider the previous motion. The motion was seconded by Mrs. Watson and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Action: Mr. Kaufman moved approval of Instructional Salaries in the amount of \$233,313,600. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Instructional Texts/Materials

Action: Mrs. Watson moved approval of Instructional Texts/Materials in the amount of \$11,784,900. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Instructional Other

Action: Mrs. Mikulis moved approval of Instructional Other in the amount of \$2,699,230. The motion was seconded by Mrs. Watson and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Pupil Services

Action: Ms. Sigaty moved approval of Pupil Services in the amount of \$2,400,190. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Health Services

Action: Mrs. Watson moved approval of Health Services in the amount of \$4,438,680. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Transportation

Action: Mrs. Mikulis moved approval of Transportation in the amount of \$30,006,000. The motion was seconded by Ms. Sigaty and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Operation of Plant

Action: Ms. Gordon moved approval of Operation of Plant in the amount of \$34,873,960. The motion was seconded by Mrs. Watson and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Maintenance of Plant

Action: Ms. Sigaty moved approval of Maintenance of Plant in the amount of \$17,122,320. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Fixed Charges*Discussion:*

- Category was adjusted for added or deleted positions to include funding for FICA and medical benefits.

Action: Ms. Sigaty moved approval of Fixed Charges in the amount of \$90,016,770. The motion was seconded by Ms. Gordon and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Mid-Level Administration*Discussion:*

- Category was adjusted to move 12 positions for athletics/activities lead teachers and the transition specialist from Instruction.

Action: Ms. Gordon moved approval Mid-Level Administration in the amount of \$42,567,840. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Community Services

Action: Mrs. Mikulis moved approval of \Community Services in the amount of \$4,813,680. The motion was seconded by Mrs. Watson and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Category 12 – Capital Outlay

Action: Ms. Sigaty moved approval of Capital Outlay in the amount of \$1,015,470. The motion was seconded by Ms. Gordon and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Category 15 – Special Education

Action: Mrs. Mikulis moved approval of Special Education in the amount of \$70,318,280. The motion was seconded by Ms. Gordon and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Summary – FY 2007 Operating Budget Request

Action: Ms. Gordon moved approval of the FY 2007 Operating Budget Request Summary, as amended, in the amount of \$554,533,030. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Food and Nutrition Services – Revolving Fund

Action: Ms. Sigaty moved approval of the Food and Nutrition Services Revolving Fund in the amount of \$10,998,750. The motion was seconded by Ms. Gordon and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Worker’s Compensation Self-Insurance – Revolving Fund

Action: Mrs. Mikulis moved approval of the Worker’s Compensation Self-Insurance Fund in the amount of \$1,950,110. The motion was seconded by Ms. Sigaty and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Health and Dental Self-Insurance – Revolving Fund*Discussion:*

- Budget request reflects the most current actuarial reports and projections. At least one more estimate will be provided prior to approval of the final FY 2007 budget.

Action: Ms. Gordon moved approval of the Health and Dental Self-Insurance Fund in the amount of \$69,828,920. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Information Management/Computer Services – Revolving Fund

Action: Ms. Sigaty moved approval of the Information Management/Computer Services Fund in the amount of \$3,618,900. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Printing and Duplicating – Revolving Fund

Action: Mrs. Mikulis moved approval of the Printing and Duplicating Fund in the amount of \$2,405,100. The motion was seconded by Ms. Gordon and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Grants Fund

Action: Ms. Gordon moved approval of the Grants Fund in the amount of \$25,000,000. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Revenues

Action: Ms. Gordon moved to approve revenue sources from:

County Appropriation	\$396,530,390
State Sources	152,195,600
Federal Sources	540,000
Other Sources	<u>5,267,040</u>
Total Revenue Request	\$554,533,030

The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

FY 2007 Capital Budget Request (Attachment B)

Mr. Brown explained that the only change in the capital budget is the distribution of funding sources to reflect actual state funding.

Action: Mrs. Mikulis moved approval of the FY 2007 Capital Budget Request in the amount of \$99,975,000. The motion was seconded by Ms. Sigaty and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

FY 2008-2012 Capital Improvement Program Request (Attachment C)

Mr. Kaufman stated that the capital improvement program remains unchanged because the feasibility studies for constructing additions to three elementary schools vs. constructing a new elementary school have not been completed.

Mr. Brown explained that if the feasibility studies determine that the additions cannot be constructed, an amendment to the capital improvement program would be made before the final budget approval.

Action: Ms. Gordon moved approval of the FY 2008-2012 Capital Improvement Program Request for the total amount of \$399,689,000. The motion was seconded by Ms. Sigaty and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

FY 2007-2012 Long-Range Systemic Renovation Projects (Attachment D)

Mrs. Watson stated that the Board gave preliminary approval to the systemic renovation projects in October, and she asked how the County Executive's action will affect this schedule.

Mr. Brown responded that based on the budget submitted by the County Executive to the Planning Board, funding for systemic renovation projects will be decreased by \$10,000,000. The decrease in funding will mean that systemic renovations scheduled for Worthington ES and Clarksville MS will have to be deferred. The remaining funds will fund the second year of renovations to Centennial Lane ES and Clarksville ES, miscellaneous projects, and technology projects.

Mr. Brown reminded the Board that there were no responses when bids were solicited for the Clarksville ES project and, as a result, funds may be moved from that project to the Centennial Lane ES project because the costs are over budget. Dr. Cousin added that the Clarksville ES renovation project would have to be reviewed to determine why no bids were received.

FY 2007-2016 Long-Range Master Plan (Attachment E)

Mr. Brown noted that there were no changes to the Long-Range Master Plan from the originally approved proposed budget.

Action: Mr. Kaufman moved to approve the FY 2007-2016 Long-Range Master Plan for the total amount of \$715,264,000. The motion was seconded by Mrs. Mikulis and approved by the members of the Board (5/0). Mr. Lasser supported the motion.

Further Discussion

In response to Mrs. Watson, Mr. Brown explained that the total funding for capital projects in FY 2006 was \$87,000,000, with \$15,000,000 coming from state funds. This year the County Executive has proposed local funding in the amount of \$64,214,000.

Mr. Kaufman stated that the difference is the excise tax revenue, a temporary dedicated funding source for school construction, which will no longer be available. Dr. Cousin commented that the County Executive's proposed budget shows no pay/go money (cash) to make up the shortfall.

Mrs. Watson expressed concern that older school renovation projects are easy targets when funding falls short of the budget request. She pointed out that two new schools are being constructed – Northeastern ES and Bushy Park ES Replacement – to accommodate the increase in enrollment; however, older schools are not getting the renovations they need. She pointed out that the Board and staff projected the needs, and they are not being met.

Mr. Kaufman stated that housing construction will have to slow down; and a dedicated funding source, which is now exhausted, would be needed to meet the needs of the school system.

Mr. Brown recalled that some renovations at Clarksville MS were deferred with expectation that they would be part of the systemic renovation project; now, the renovations will have to be deferred again.

Dr. Cousin stated that part of the resolution would be to receive additional state funds and to ensure that the state funding that is received is not used to supplant local funds. Mr. Brown added that the County Executive has indicated that he would not require local funds to be supplanted by state funds.

Mrs. Watson pointed out the need to enlist the support of state representatives to try to get additional state funding.

Ms. Sigaty stated that the County Council needs to be convinced not to reduce the property tax cap to a 4 percent assessment. Mr. Kaufman noted that the reduction would also impact the operating budget. Dr. Cousin agreed and commented that the most significant impact will be on the operating budget. Mrs. Watson pointed out that the argument could not be defended if there is a revenue surplus.

Dr. Cousin stated that the school system would face the same problem for several more years, as long as there is a need to build new schools.

Mr. Kaufman commented that if the general fund is required to provide retirees' pension and health benefits, the county might have to borrow more money in the future. He pointed out that a fiscal uncertainty would exist for the next few years.

Mr. Brown stated that there is also a \$2,000,000 reduction for the renovation project at the Applications and Research Laboratory which must be accomplished in order to meet the school system's commitment to implement the automotive program.

Mrs. Watson thanked the Superintendent and staff for putting together a responsible budget. The Board is being constrained by factors beyond its control, including both state and federal unfunded mandates and the increasing costs of health care and fuel.

Mrs. Mikulis noted the improved clarity of the responses to the Board's questions, and she expressed appreciation for the continued involvement of the members of the Operating Budget Review Committee.

Ms. Sigaty also thanked staff and the committee members. She pointed out the importance of the community to recognize that the budget request is being driven by mandates and the responsibility of the Board and school system to ensure that all Howard County students graduate from high school. Community participation and support are needed during the budget process.

Ms. Gordon agreed with the previous comments of other Board members, and she expressed confidence in the budget process. She also thanked staff and committee members for their hard work.

Mr. Kaufman stated that staff did a good job of identifying items in the budget which represent new money, most of which is attributed to new mandates. The FY 2007 budget request

is in line with past budgets, and funding has been targeted where it is needed. He pointed out the need for the Board and staff to stay informed about revenue.

Dr. Cousin expressed his appreciation to staff, the budget advisory committee, and the Board. He thanked the Board for asking questions, which helped to improve the budget process. He pointed out that the Board's Approved FY 2007 Budget Request would now go to the County Executive and the County Council for final approval.

Adjournment – The meeting was adjourned at 9:58 a.m.

Attachments

- A - FY 2007 Operating Budget Request Summary
- B - FY 2007 Capital Budget Request
- C - FY 2008-2012 Capital Improvement Program Request
- D - FY 2008-2012 Long-Range Systemic Renovation Projects
- E - FY 2007-2016 Long-Range Master Plan