

## **BUSINESS SESSION MINUTES**

### **MEETING OF THE GARRETT COUNTY BOARD OF EDUCATION Oakland, MD 21550**

**Thursday, January 30, 2014**

#### **Part I - Call to Order**

Mr. Thomas Carr, President, called the Business Meeting of the Board of Education to order at 6:01 p.m. Also in attendance were Mr. Rodney Reckart, Vice President; Mrs. Cynthia Downton, Associate Member; Mrs. Charlotte Sebold, Associate Member; Mr. Matthew Paugh, Associate Member, and Dr. Janet Wilson, Secretary -Treasurer / Superintendent of Schools. Ms. Miriam Sincell, Board Attorney; and John Major, III, Student Member, were also present. The meeting was held at Central Office in the Board Room.

#### **Part II – Consent Agenda**

Mr. Carr, President stated there were additions to the agenda. One item is the Legislative Bills that Senator Edwards is sponsoring: Senate Bill 431 and Senate Bill 534. The second item is the NSBA Conference. And the third item that will need to be added to the agenda is the School Visitation with Board Member signup sheet.

Upon a motion by Mr. Rodney Reckart, Vice President and seconded by Mrs. Cynthia Downton; Associate Member, the Board of Education unanimously approved to accept the consent agenda with the additions to the agenda.

#### **Part III – Fiscal Year 2015 Draft State Aid**

Mr. Larry McKenzie, Director of Finance presented this informational item. The discussion points of this presentation included four (4) items: Fiscal 2014 Loss Limitation – Update, Funding Formula Changes – Net Taxable Income, Fiscal 2015 State Aid Update, and Legislative and MSDE Budget Considerations.

Fiscal 2014 Loss Limitation was explained by Mr. McKenzie. During last year’s legislative session, a grant for 25% of the decrease between 2013 Direct Student Aid and 2014 Direct Student Aid where the decrease is greater than 1% was approved. The overall grant was \$2M and Garrett County Public Schools were supposed to receive \$297K of that \$2M with 3 other counties receiving funding as well. Garrett County and the other 3 counties “budgeted” to receive these funds in their fiscal 2014 budget.

The budget bill allowed the Governor to use \$2.2 million in excess funding that was appropriated in the Transportation Program to fund this grant. However, at this time, the Governor has not made these funds available.

## BUSINESS SESSION MINUTES

### MEETING OF THE GARRETT COUNTY BOARD OF EDUCATION Oakland, MD 21550

As a result, GCPS is holding some county approved carryover funds for projects to fill the \$297K operating budget gap in the fiscal 2014 budget.

Funding Formula Changes – Net Taxable Income was then presented by Mr. McKenzie. During last year's legislative session there were some changes to the calculation of the wealth formula. Previously, the Net Taxable Income (NTI) component of a county's wealth was computed as of September 1st after the current calendar year. Now there will be two calculations for state aid one with NTI as of September 1st and the other with NTI as of November 1st after the current calendar year.

So state aid will be calculated twice, once on wealth with September NTI and once with November NTI. If state aid to a district increases as a result of using the November NTI, the difference between the aid calculations will be phased in over five years:

- 20% in fiscal 2014
- 40% in fiscal 2015
- 60% in fiscal 2016
- 80% in fiscal 2017
- 100% in fiscal 2018

Garrett received an additional \$87K as a result of the formula change last year. For fiscal year 2015, we will receive an additional \$274K.

Fiscal 2015 State Aid Update was then presented by Mr. McKenzie. State aid is impacted by the wealth formula and enrollment for:

- Foundation Programs
- Compensatory Education
- Special Education
- Limited English Proficiency

The wealth formula is used to gauge a county's ability to fund school activities based upon its own resources. The formula is intended to be a wealth equalizer between state and local funding sources. The wealth formula is applied across all 24 school districts.

## BUSINESS SESSION MINUTES

### MEETING OF THE GARRETT COUNTY BOARD OF EDUCATION Oakland, MD 21550

In fiscal 2015, Garrett County remained the 5th wealthiest district per pupil for both calculations. Fifteen of the twenty-four districts in the state showed an enrollment increase as did the overall state average. Garrett's enrollment decrease was 3.38% or 132.50 students. Four of the past five years, Garrett had the largest percentage decrease in the state each year. Since 2009, no district has lost more students than Garrett's 13.86%. Garrett has lost over 23.33% of its enrollment since fiscal 2000 or 1,151.75 students.

Since fiscal 2000, Garrett's total state aid has increased 15.61% from \$16,252,745 to \$18,789,990 for 2015. This increase is the lowest percentage in the state, while the state average has increased by 156.08% during the same period of time.

No other district in the state has had to endure aid reductions of Garrett's magnitude of nearly \$5.8 million dollars or 23.5% since 2009.

Mr. McKenzie then shared Legislative Budget Considerations

- Senate Bill 534 Education – State grant to counties with small and declining student enrollment was introduced and read for the first time January 29, 2014. This bill is sponsored by Senator Edwards and Senator Hershey
- Senate Bill 431 Education – State Grant to provide county boards of education in certain fiscal years if total direct education aid in the current fiscal year is less than in the prior fiscal year.

Additional Legislative and MSDE Budget Considerations included the below 3 items:

- Recently adopted discipline policy that we believe may have a \$200,000 to \$250,000 budget impact on GCPS to implement.
- Also the increase in the minimum wage for Maryland is also high on the Governor's agenda. This change would impact the fiscal 2015 budget, if passed.
- The expansion of the Pre-K requirement bill if passed would also have an impact on GCPS, especially if not fully funded.

#### **Part IV – Budget Priorities for Fiscal Year 2015**

Mr. McKenzie then spoke about Budget Priorities for Fiscal Year 2015. Each school was provided a worksheet to complete their maintenance, building and repair requests. The principals, head custodians and Mr. Swift then prioritized their lists. The Budget Priorities for

## BUSINESS SESSION MINUTES

### MEETING OF THE GARRETT COUNTY BOARD OF EDUCATION Oakland, MD 21550

FY2015 is a summary of these projected expenses. Mr. McKenzie and Mr. Swift presented this information to the board for their consideration.

#### Part V – New Business

Mr. Thomas Carr, President, stated that he and Dr. Wilson are writing in support of opposing current legislation which is planning to make a statewide school calendar which could begin school after Labor Day. Due to the inclement weather in Garrett County it would not be feasible for Garrett County to follow the same schedule as other counties in the state.

Mr. Carr also mentioned that he would like to go to the National School Boards Association Conference in April. The Conference is in New Orleans, LA. Dr. Wilson stated that since we are not moving forward with school closures this year, we will not need to set aside funds for legal counsel. These funds can be made available for Mr. Carr to attend this conference as this will be important venue for Mr. Carr to learn new strategies to managing school district finances and operations, see the latest technologies that aid student learning, view demonstration of best practices gleaned from real-life experiences at other school districts, and to network with experts and peers.

Mr. Carr also mentioned there is a sign-up sheet for Board members to attend a school visitation with Dr. Wilson. He asked the board members to sign up before leaving that evening.

#### Next Meeting

The next regular meeting of the Board of Education will be held on Tuesday, February 18, 2014 at Central Office.

#### Adjourn

Mr. Rodney Reckart made a motion to adjourn the meeting. The meeting adjourned at 7:19 pm.

---

Mr. Thomas Carr  
President

---

Dr. Janet S. Wilson  
Secretary/Treasurer

Approved: