

## Attachment A

December 2, 2016

Financial Emergency Board  
School District of Jefferson County  
Meeting Record  
November 15, 2016

Chairman Philoron Wright convened the meeting of the Financial Emergency Board for the School District of Jefferson County (board). In addition to Chairman Wright, board members Jim Parry and John Newman were present. A quorum of the Board was noted.

A motion was made and seconded to approve the proposed agenda for the meeting. The motion was approved unanimously by the board (Attachment A).

The next item for approval was the October 12, 2016, meeting record. A motion was made and seconded to approve the meeting record as presented. The motion was approved unanimously by the Board.

For the fourth item on the agenda, Chairman Wright asked Mark Eggers, assistant deputy commissioner, to review the notebook materials for the board. He highlighted the new or revised information organized in the notebook's 13 tabs. It was noted that the Jefferson County School Board (school board) approved 2016-17 budget has a positive fund balance, but the fund balance is still below the required 3 percent acceptable threshold for the general fund. Noted as new information, the release of federal funds that have been withheld due to audit findings will be released to Jefferson County School District (district) based on the adoption by the district of the necessary administrative procedures. The release of funds will help the district with its cash position.

Although the annualized October 2016 FTE student information for calculation of a revised distribution of Florida Education Finance Program (FEFP) funds had not been finalized, it was noted that the enrollment in the district appears to be less than the 2016-17 appropriated enrollment of 766.82 FTE students. Preliminary data indicate that the enrollment is likely to be approximately 697 students. Jefferson County District Superintendent of Schools (superintendent), Al Cooksey, commented that he thought the district would have 715 pre-kindergarten through grade 12 students. It was noted that the superintendent's data included 15 students funded from the voluntary pre-kindergarten appropriation, not the FEFP.

Although a capital outlay budget was provided to the board, Mr. Eggers indicated that the budget was the one filed by the district as part of the Truth in Millage (TRIM) budget procedures. The budget did not include funds for the repair and maintenance of the middle/high school Heating, Ventilating, and Air Conditioning (HVAC) system.

In addition to the data provided by the district about staff attrition, the board had requested information about how the attrition data for Jefferson compared to data for other Florida school districts. A 2015-16 report revealed that district's average years of teaching experience was 5.54 years, the lowest in the state.

The district had provided data about the professional certification of the staff. It was noted that four teachers had no information listed for their certification. Superintendent Cooksey was asked to comment about the staff attrition and non-certificated staff. He explained that teacher recruitment and retention was a challenge. The district has been using the Panhandle Area Educational Consortium (PAEC) for teacher training and has been recruiting more widely geographically. The board commented that the district must get the budget right and find ways to provide incentives for teachers to stay in the district.

The board expressed concerns about a 10 year trend of declining enrollment from 1,196 students in 2006-07 to an estimated 700 students in 2016-17.

There was a discussion whether a consolidation of the schools for the 700 students currently enrolled at the Jefferson County Middle/High School campus with a capacity of 781 students would facilitate the fiscal recovery of the District.

Superintendent Cooksey commented that there needs to be an increase in education resources to raise student achievement. He believes the academic student performance will show improvement and that the school grades will be better in the future.

The board observed that the district needs to provide a fiscal recovery plan. While the immediate concern should be the 2016-17 budget, the district must look beyond June 30, 2017, for long-term solutions for declining enrollments, education excellence and financial stability.

Superintendent-Elect Marianne Arbulu was recognized to address the board. She indicated that she is committed to getting the district back to financial stability. She wants time to assess the financial and facility situation. It was her opinion that the middle/high school was not built as a kindergarten through grade 12 school. She asked for time to develop a plan.

A motion was made and seconded by the board, which recommended that the Commissioner of Education reject the budget that was adopted by the Jefferson County School Board on October 17, 2016, and that the district be directed to adopt a budget which addresses annual expenditure requirements with updated revenues based on the October FTE survey, and provide for a minimum unassigned general fund balance of 3 percent upon the close of the 2016-17 fiscal year by the end of November 2016, for submission to the commissioner no later than December 2, 2016.

The board then asked for an update on agenda item 5. Mr. Hightower was asked to brief the board about the middle/high school HVAC system project. He has been talking with persons from the Haskell Company about the installation of the undersized system. Although documentation has not been provided to the district by Haskell, personnel have said that the contract provided for the design and construction gave the contractor authority to reduce costs to stay within budget. The district will continue to gather information about the HVAC chiller situation. Furthermore, he indicated that the bids for the repair of the HVAC system were to be opened on November 17, 2016.

The board reverted back to the previous motion which was seconded. The board was concerned that it could be difficult for the superintendent and school board to achieve the needed budget adjustments without consolidation of school facilities, the board felt that it was the district's responsibility to bring forward a plan and budget to achieve the 3 percent or better fund balance target. However, a plan for consolidation of schools was requested. The motion was approved unanimously.

A motion was made and seconded that the Jefferson County School District adopt a financial balanced capital outlay budget for the 2016-17 year which includes provisions to address the HVAC system at the Jefferson High School under the same timeline described in the previous motion. The motion was passed unanimously.

Chairman Wright recognized school board Chair Washington for comments. She indicated that the community was concerned about the prospect of consolidation of schools. If the budget can be balanced without consolidation, so be it. However, she is concerned that the budget is not likely to be balanced without consolidation.

In the discussion that followed, the board reminded the audience that they only make recommendations and that the district is responsible for implementation.

The board agreed to meet for its fifth meeting on December 7, 2016. The meeting will be scheduled for 1:00 p.m., room 1706, Turlington Building, Tallahassee. Chairman Wright adjourned the meeting.



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State Board of Education

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Michael Olenick  
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Pam Stewart  
Commissioner of Education

November 18, 2016

Al Cooksey, Superintendent  
Jefferson County School District  
1490 West Washington Street  
Monticello, Florida 32344

Dear Superintendent Cooksey:

Thank you for providing information to the financial emergency board (board) in advance of its November 15, 2016, meeting, and for attending the meeting and addressing concerns raised by the board. This letter summarizes all actions the board has requested Jefferson County School Board (JCSB) take, pursuant to the motions adopted by the board at its November 15, 2016, meeting. The board requested that these actions be accomplished and information provided to the Florida Department of Education (department) staff by November 30, 2016. As you are aware, Superintendent-Elect Marianne Arbulu attended the meeting and agreed to provide the requested items by this deadline.

The board recommended that the Commissioner of Education deny approval of the school district's operating budget adopted by the JCSB at its October 17, 2016, meeting, and that the district provide a new operating budget, approved by the JCSB, that provides for a 3 percent or greater assigned and unassigned fund balance as of June 30, 2017. The operating budget is to include the amount of estimated Florida Education Finance Program revenue, which will be provided to school district staff by the department no later than Wednesday, November 23, 2016. The estimated revenue will be based on the results of the October 2016 full-time equivalent student membership survey.

The board also requested that the JCSB provide a capital outlay budget, approved by the JCSB, to include estimated expenditures for repair of the Heating, Ventilation and Air Conditioning system at the Jefferson Middle/High School (JMHS), as directed by the board at its September 29, 2016, meeting. Expenditures at the Jefferson Elementary School (JES) must include justifications for these expenditures.

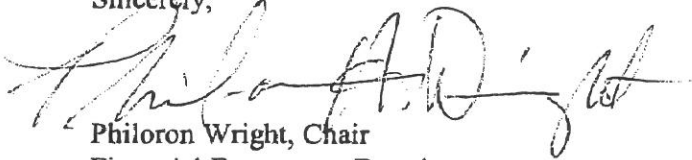
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In addition to the operating and capital outlay budgets described above, the board requested that the district provide a plan, approved by the JCSB, to consolidate the JES and JMHS on the JMHS campus. Such plan should identify the costs that will be eliminated from closing JES, one-time costs associated with consolidating the schools and any additional fixed costs at JMHS.

As directed by the board at its October 14, 2016, meeting, the measures established by Commissioner Stewart's letter of August 10, 2016, remain in place.

The district's efforts in providing the two budgets and consolidation plan to department staff by November 30, 2016, will be greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Philon Wright", written over a faint, larger version of the same signature.

Philon Wright, Chair  
Financial Emergency Board

PW/me

cc: Marianne Arbulu  
Robert Lloyd  
Linda Champion  
Mark Eggers  
Link Jarrett  
Tom Inserra  
Judy Bone