

**MINUTES OF MEETING OF BOARD OF SCHOOL TRUSTEES
OF
CLAY COMMUNITY SCHOOLS**

A Special Session of the Clay Community Schools Board of Trustees was held at North Clay Middle School, 3450 West State Road 340, Brazil, IN 47834, on Tuesday, August 31, 2010. Dottie King, Tina Heffner, Forrest Buell, Rob Miller, Ron Scherb, and Amy Burke Adams were present. Jennifer Kaelber was absent.

I. Call to Order

Mr. Miller, president of the board, called the special session meeting to order at 6:35 p.m.

II. Budget Hearing on 2011 Budget, Capital Projects Plan, School Bus Replacement Plan and Levy Neutrality

Business Manager Mike Fowler stated that, regarding the budget, the corporation is in great shape compared to other school corporations and in light of these fiscal times. The corporation is fiscally stable and there has been no Reduction In Force of teachers due to planning ahead. The governor has said that he does not expect education spending cuts in 2011, and Mr. Fowler did not base the budget on unknown cuts. The corporation has received notification that it could receive approximately \$900,000 from the stimulus package that was passed in the last couple of weeks once the state's application is approved by the federal government. However, Dr. Bennett, the State Superintendent of Public Instruction, has recommended not spending the funds too quickly, so Mr. Fowler has not made any immediate plans for that money because of all the unknowns. He noted that everything that has been projected up to this point has come true. Because the corporation has neither spent down the cash balances nor RIF'ed teachers, Mr. Fowler would consider the corporation near the top financially in the State of Indiana, and he takes a lot of pride in that. The budget reflects a continuation of providing the same level of quality education that is now being provided.

The budget hearing was then opened to discussion from board members. Dr. Buell asked Mr. Fowler how he defined the quality of education. Mr. Fowler responded that whatever definition one may have, if the corporation was achieving that definition last year, he does not plan on cutting that within this budget this year. However, if Dr. Buell does not believe the corporation was achieving that definition and he has a way to improve on that, it is a whole other conversation. The budget is not a takeaway budget that will reduce the overall educational opportunities or programs. In response to Dr. Buell's question about whether the budget had anything to do with the curriculum or dropouts or if that was part of the quality of education, Mr. Fowler stated that he thinks it is, but it is not something that can be defined in a number. He added that those issues are not a reflection of the budget; rather, it is more a reflection of the strategic plan and whether the strategic plan is meeting that.

Mrs. Heffner asked if an amount in levy neutrality had increased. Mr. Fowler replied that levy neutrality is simply the amount needed for the pension bonds each year and it won't vary a lot. She asked to clarify that the corporation was not presenting to the state any increase in county tax, which it is not. Mr. Fowler added that he does not

know what assessed values will do next year, but if the county still had the same assessed valuation as when Mr. Fowler started employment with the corporation, the tax rates would be significantly less. He is hesitant to comment on anything with specific tax rates without knowing what the AV is. This budget does not intentionally increase any of those things.

Regarding bus leases, Mrs. Heffner wanted to know if the corporation would save money by using twelve-year leases rather than ten-year leases (NOTE: buses are not leased, they are purchased). Mr. Fowler's response was that the decrease in trade-in value and the maintenance costs for two additional years had to be considered, but the State has mandated that school corporations go to twelve year plans. Mrs. Heffner then asked if the State would allow a ten-year plan if the corporation could substantiate the need to do so. Mr. Fowler stated that it is a plan and the State wants corporations to develop a plan for twelve years. However, there have been occasions when a bus that requires a lot of maintenance is traded sooner while another bus is traded later. He is gradually switching from eleven to twelve years and it takes a couple of years to make the transition. Dr. Schroeder pointed out that owning the buses longer saves the expense of buying buses from the Bus Replacement Fund; however, maintenance expenses for the additional two years come from the Transportation Fund, which is limited by the State as to how much revenue can be raised. The additional two years has the potential to be a lot more costly to the Transportation Fund. Mr. Misner added that the twelve-year plan bill was written by a State legislator from Greenwood, Indiana, whose school district is about twelve miles square and has all paved roads. Clay Community Schools has a much larger area and not all roads are paved. He noted that transportation directors across the state fought this law and lost. Mr. Misner's opinion is that the law will cost the corporation money rather than save because many buses are worn out after eight years.

Dr. Schroeder commented on a statement Mr. Fowler had made regarding the fact that Reduction In Force is not built into the budget. He pointed out that the budget year is based on the calendar year from January to December. This school year, 2010-2011, will take up half of the proposed budget, and the other half of the budget, from July to December, will be for the first half of the 2011-2012 school year. At this time, the school corporation is looking at the same type of revenue, but if there are big cuts, a RIF is something that would have to be looked at again next spring. Mr. Fowler noted the budget is based on what is known today.

Mr. Scherb questioned an item in the Capital Projects Fund for improvements to the administrative building totaling nearly \$100,000 for the current year with an additional amount totaling about \$50,000 over the next two years. He asked if the plan was to spend \$150,000 to upgrade or renovate the administrative building. Mr. Fowler replied that he had put that item in the budget every year for the last several years. He explained that it is mainly for unexpected repairs that need to be made, i.e. windows that blow out or a window air conditioner that breaks down, so that there is a line item to make needed repairs. He does not anticipate spending the entire line item, but it provides a means to make repairs in a worst-case scenario. Mr. Scherb, noting that this was tax money that was being raised, asked what would be done with the money if it is

not used. Mr. Fowler replied that it stays in the cash balance and is available for use next year, under capital projects only.

At this time, the hearing was opened to the public. Mr. Leo Southworth spoke first, with comments about how to judge quality education. He asserted that the school corporation is an average corporation in an average state in an average nation. As he sees it, the purpose of the budget is to fund the operational plan, the tactical plan, and the strategic plan to improve education. He believes if the corporation is holding large sums in a cash balance, it is not investing the taxpayers' dollars in what the taxpayer is paying for. As for the leasing or buying of new buses, Mr. Southworth's opinion is that if the leases are extended, the corporation will pay more in maintenance costs. If not, buses will be replaced. His question: If either of those funds has an overage, won't the school corporation move it into the Rainy Day Fund and use it wherever it is needed? He thinks that is what has happened in the past since the Rainy Day Fund was established. He is not saying that the corporation doesn't spend money that it needs to; rather, he is saying that sometimes the corporation spends money that it doesn't have to because the corporation doesn't change anything. Mr. Southworth noted that there really wasn't much that could be done with this year's budget. It is his belief that the corporation does not have a tactical plan to get to the strategic goal and that there is very little definition of a strategic goal. Mr. Southworth suggests the corporation needs to do something different to get education back in the main focus instead of a building, a bus, or an air conditioner. Dr. Buell agreed with Mr. Southworth's comments: He, too, would like for the quality of education to improve each year along with the quality of the buildings, and he doesn't think that is happening.

In response to Mr. Southworth's comments, Dr. Schroeder noted that math scores on ISTEP+ have increased and are slightly above the state average while language arts scores are slightly below the state average as a corporation. When Dr. Schroeder came here, the corporation was on improvement status and it is no longer on improvement status. Schools are accredited by the state, with the middle school and high schools being accredited by the North Central Accrediting Agency. For the last three years, Goals, Strategies, and Activities have been established and quite a bit of accomplishments have been met. Technology has increased a lot and money has been put into capital projects. A grant was received to allow fiber optic cable to be installed to Clay City. The graduation rate has improved. Clay City has been on the "Best Buy" and "Honor Roll" lists for the last four years. Dr. Schroeder also noted that the corporation has tried to judiciously pick programs and technology and areas where there will be a return on the dollar. He pointed out that it is important to keep the core educational process going. As for the Rainy Day Fund, dollars have been moved over (approximately \$2 million) to cover the unfunded liability for teacher retirements. Money (\$900,000+) was also set aside for the bus garage, but that can be changed by a subsequent board. There are also funds earmarked for special education/pre-school costs due to the discontinuation of the Special Education/Pre-School Fund. He stressed that the dollars that are set aside are not for the ongoing operations to pay for salaries and fringe benefits, and materials and supplies. However, any board can change that resolution and spend it however they want. Dr. Schroeder explained that, through negotiations with the Classroom Teachers Association, the corporation was able to transfer from the General Fund to the Rainy Day Fund for retirement funds.

Mr. Fowler expressed his opinion that the corporation was being strategic with the way it is using the money. He shared that he had heard of other school corporations that have standard class sizes of 36 students at the elementary level. Also, he has heard others say that high school programs that are not on the Core 40 list are being cut. In other corporations, there have been as many as 160 teachers RIF'ed. His question: Is maintaining the staff you have strategic or is it just doing what you have been doing? He suggested that, in light of these times, maybe doing what you have been doing is strategic because others seem to be unable to do that. Mr. Fowler pointed out that, technology-wise, 100 interactive white boards are being put in classrooms, both at the elementary and secondary levels, as are projectors. He does not believe the corporation is standing still.

Dr. Schroeder stated that one of the goals set a few years ago was to maintain at least a 10% cash balance and it has been in the Goals, Strategies, and Activities for at least the last three years. He noted that the federal government and state government would like at least 65% of school spending to be directed to instruction and Clay Community Schools spends in the low 60% range and has moved up that percentage.

Mr. John Brush was the next patron to speak. He stated that, although he understood Dr. Buell's point of wanting to make education better, he thinks everybody associated with the school corporation, from Dr. Schroeder to the last janitor hired should be commended, to see financially what has been done with the schools: Continue a building project in some of the worst economic times in 60 years; put buses on the road that are very dependable and always pass inspections; and, not RIF teachers. Mr. Brush considers it a job well done and he is impressed that the corporation has the money to do the things it does. He is not a person that proposes to change for the sake of changing. He suggested that if changes were to be made, there should be a strategic plan based off the professionals in this corporation that know what education is about. He believes an excellent job has been done with taxpayer dollars in this corporation.

Dr. King commented that when she first ran for the school board, she was pretty naive. She thought the board would talk about students and learning and all that goes with that, but when she came on the board the cash balance was precariously low and that's all that was talked about. She believes it takes a long time to learn the in's and out's. She noted that she is an educator and education is her environment, and she still found it daunting to figure it all out and make wise votes. But she was surrounded by people who had a lot of wisdom and she listened to them carefully. She does not believe that decisions have been made without the children in mind. She referred to "clickers" that are used with white boards, a new technology being used in the classroom, which she described as very progressive. Dr. King stated that it has been proven that the physiology of the brain in children is different than adults because of what they've been exposed to and at what level. They learn differently. Dr. King has chosen to raise her family in this community and she thinks the community has a great education system. As for whether new ideas are still needed, she noted that they are, but she also noted that the school corporation sits in the midst of this economic time and is not RIF'ing teachers, has another year of security in the cash balance, and there are great improvements in buildings. She noted that the buildings where the most significant

dollars have been spent are serving the most needy children, those whose families will not attend after-school events if they cannot walk to the building. She also noted that class sizes have been kept small by keeping that neighborhood concept. To her, that says that Clay County does value children. She believes there is a whole lot more to be proud of than we do to knock each other around about. She concluded her comments by stating that it is time to celebrate what has been accomplished and who we are and move down the road together.

Mr. Miller commented that, as a new board member, he appreciates coming on to a situation where there are not large deficits to face and he commended prior board members for that.

Mr. Russ True, a teacher at North Clay Middle School, stated that the corporation does have a strategic plan: When Clay City, Northview, and North Clay receive accreditation from the NCA, it is because they have a strategic plan. The basis of that is: what are you doing that works; what are you doing that doesn't work; use your strengths to shore up your weaknesses. When the plan is put together, the NCA sends a team of educators from around the state to come in and see if the plan is a viable, correct, workable plan. The fact that those schools are accredited means they have a good strategic plan that has been viewed by the eyes of a lot of outsiders and they are saying it works. Part of the strategic plan is to bring in individuals such as Kirk Freeman to re-teach experienced teachers how kids are learning today. He believes the technology improvements have been fantastic and he encouraged board members to get into some classrooms and see the new technology in use. Mr. True referred to the "clickers", which he described as dedicated cell phones that are hooked directly into the teacher's computer. He stated that in years past he would stand in front of a board and tell students to work a problem and maybe five students would actually work on the problem while the others sat there hoping the teachers wouldn't call on them. Now, he punches a button on his smart board, every student's name pops up, the students text the answer to Mr. True, their names light up when their answer is texted. It does not say whether the student is right or wrong, but it suddenly becomes real competitive for the students and they are working on the problem. The technology is making the classroom exciting again. He closed by noting that a lot of good things are being done in the schools.

Dr. Buell asked what the corporation was doing to reach a second or third generation of an uneducated individual. Dr. Schroeder replied that the Title I program, a federal grant geared towards that kind of individual, is based on census and poverty data. There are parent agreements that are sent home with students in this program. Also, after-school tutoring is offered in the Title I schools. He noted that it is a constant effort that has to be made. Dr. King pointed out that the CAPE Grant funds attempt to deal with that. The CAPE Grant is multi-faceted: it created the alternative program for students who don't necessarily succeed in the traditional classroom; it created the pre-school that includes parenting skills; and, it includes adult education because if the parents are educated, that goes a long way towards educating the future children of the value of education. Dr. King noted that the grant committee was so impressed by the first round that the corporation received a second round of funding. Dr. Schroeder added that

instituting full-day kindergarten will help disadvantaged students catch up. Pre-school special education students are also identified and served by the corporation.

Returning to discussion of the Capital Projects Fund, Mr. Scherb stated that he had asked Mr. Reberger for a projection of capital projects that Mr. Reberger thought would need to be done for 2010, 2011, and 2012. Mr. Scherb had also asked for the work that had been done for 2008 and 2009. Mr. Scherb stated that he had not yet found anything for 2008 and 2009 and wanted to know if Mr. Reberger was still working on that. Mr. Reberger replied that all of the information had been sent to board members three weeks ago, including a complete print-out of the Capital Projects budget beginning January 1, 2008, by cost center and vendor.

At this time, the budget hearing was closed.

III. Personnel

III.	A.	LEAVES OF ABSENCE		
		1. Certified	None	
		2. Non-Certified		
		a. Medical Leave	CCE	Kim Bettenbrock
		b. Medical Leave (FMLA)	ME	Ronald Morris
		c. Medical Leave (FMLA)	NHS	Nikole Lalen
	B.	RETIREMENTS		
		1. Certified	None	
		2. Non-Certified	None	
		3. Place on Retirement Index	None	
	C.	RESIGNATIONS		
		1. Certified		
		a. Teacher	FPE	Emilee Whitaker
		2. Non-Certified		
		a. Instructional Assistant	ME	Mary Ellen James
		b. Custodian/Groundskeeper (260 days)	NHS	Bradley Hardesty
		c. Instructional Assistant	NCMS	Jody Newton
		3. ECA Resignations		
		a. Fall Play Assistant	NHS	Chrystal Chrysler
		b. Student Council Sponsor	VBE	Jaime Bailey
		4. ECA Lay Coaches	None	
	D.	TRANSFERS		
		1. Certified	None	
		2. Non-Certified	None	
	E.	EMPLOYMENT		
		1. Certified		
		a. Teacher – Elementary	FPE	Audra Duling
		b. Teacher – Math	CCHS	Chandra Burns

(1 additional period)

- 2. Non-Certified
 - a. Custodian 2nd shift 260 days NHS Roberta McCullough
 - b. Health Careers Instructor Corp Rexanne Laue
- 3. Extra-Curricular Certified
 - a. Art Club NHS Rayna White
 - b. Student Council NHS Joey Bennett
 - c. Elementary Club VBE Janine Mullinix
 - d. Student Council (50%) VBE Anna Berry
 - e. Dept Chair – Social Studies NCMS Nathan Hopf
 - f. Dept Chair – Fine Arts NCMS Diana Hines
 - g. Dept Chair – FACS NHS Michelle Burk
 - h. Band Director NCMS Michael Alsop
- 4. Extra-Curricular Non-Certified
 - a. Ambassadors Sponsor NCMS Jackie Chastain
- 5. Extra-Curricular Lay Coach/Lay Sponsor
 - a. Soccer Varsity Asst – Girls NHS Brian Page
 - b. Volleyball 7th grade CCHS Kasi Thatcher
 - c. Football Asst (50%) NHS Neil Vanatti
 - d. Fall Play Assistant NHS Trevor Hanson
- 6. Volunteers
 - a. Attendance NCMS Diana Lancaster

F. CHANGES

- 1. Certified None
- 2. Non-Certified
 - a. Karen Sutherland at Northview High School to move from an Instructional Assistant to an Instructional Assistant/Medical Assistant
- 3. Extra-Curricular
 - a. Nathan Hopf from 50% Varsity Football Assistant to 100% Varsity Football Assistant
 - b. Craig Trout from 100% to 50% Varsity Football Assistant. He is teaching in Marshall, Illinois and will be a lay coach for football.

G. TERMINATION

- 1. Certified None
- 2. Non-Certified None

H. INFORMATION ONLY None

I. CLASSROOM VOLUNTEERS

Forest Park Elementary
Joseph Freeman

Mrs. Adams moved to approve the personnel items. Mrs. Heffner seconded, and the motion was approved by a 6-0 vote.

V. Adjournment

Mrs. Heffner moved to adjourn the meeting. Dr. Buell seconded. By a 6-0 vote, the meeting was adjourned at 7:24 p.m.

The meeting was audio recorded and copies may be requested by contacting the Central Administration Office.