

Half-Cent Sales Surtax Citizens Advisory Committee

Meeting Minutes

Monday, September 18, 2023

Opening

The regular meeting of the Half-Cent Sales Surtax Citizen Advisory Committee was called to order at 4:01p.m. on Monday, September 18, 2023, St. Johns County School District, The Fullerwood Training Center, 10 Hildreth Drive, St. Augustine, FL by Mr. Hardman, Chairman.

Attendance

CAC Members--Present: Michelle Dillon, Jack Hardman, Richa Jeetah, Elena Laguardia, Amy Lasswell, John Lasswell, Jason Lewis, Kim McManus, Jen Stevenson, and Norvie Veracruz. Alternates: None. Absent: Ed Albanesi, Damian Cook, Barbara Little, Terence Mahoney, Javelyn Arvay, Heather, Barnes, Derek Barrs, Virginia Morgan, and Dr. William McCormick.

School District staff--Present: Nicole Cubbedge, Gretchen Saunders, Brennan Asplen, and Judith Harvey.

Public Attendees—Mr. Bill Mignon.

Approval of Minutes

Minutes from the June 19, 2023, regular meeting were then approved with a motion by Mr. Lewis and seconded by Ms. Dillon. A vote was taken, and the motion was approved.

Project Reporting

Mrs. Cubbedge provided the project reporting on behalf of Mr. Rose. Currently, the District is in the ordering phase and starting the next round of projects so there was not a lot to report. The IT department has made some Wifi upgrades as well as sound system upgrades in classrooms. The utility project at South Woods Elementary School (SWES) is getting closer so there is movement on that project.

Financial Reporting

Mrs. Saunders presented the financial report. She stated that the School Board approved the 23-24 SY budget. She further stated that there would be upcoming presentations on the continuance of the sales tax. She said there was an informative School Board Workshop regarding the millage and sales tax. She stated that they would have more information at the December CAC meeting on educating the public and whether the School Board will move forward with the additional millage for positions and salaries. Mr. Hardman asked if they could share the presentation from the School Board meeting. Mrs. Cubbedge asked if they wanted the link and Mr. Hardman said just the power point is fine. Mr. Hardman noted that the CAC needs to be an advocate for the sales tax and be as informed as much as possible about the whole budget. He also asked about the draft of the presentation for January. Mrs. Cubbedge then noted that it is very important to be informed as the Committee takes the information to the community.

Ms. McManus asked about the location of the elementary school for the southern part of the county. Mrs. Cubbedge said they do not have the location yet. Ms. McManus then asked if it would be a K-8 school. Mrs. Cubbedge stated that it would not be a K-8 school. She stated they would not have enough funds for a K-8 since it will be a “pay as you go” project. She also stated that a middle school was needed more than a K-8 school, so it was a financial decision. Mrs. Saunders noted that K-8 schools are now in the \$85 million range. Mrs. Cubbedge stated that the last K-8 school was in the \$60 million dollar range and with costs escalating, the amount could go into the high \$70 million range. Ms. McManus asked about the cost of an elementary school. Mrs. Cubbedge said that the last elementary school was Picolata Crossing Elementary School (PCES) and it was about \$18-20 million so the estimate would be around \$26-30 million. Ms. Laguardia asked about needing a middle school and not a K-8 school. Mrs. Cubbedge explained that a middle school was needed more, and K-8 schools have a smaller middle school component. If it is elementary seats to middle school seats then a middle school is needed more than a K-8 school. She further explained that a K-8 school is better with a high population in a small area but if the area is spread out, then you can’t have a big attendance zone. Ms. Laguardia said they definitely needed to build an elementary school and Mrs. Cubbedge agreed because it is important to keep that promise.

Mrs. Saunders next reviewed the Sales Tax Receipts for 22-23 SY and the collections and dates received. She also reviewed the debt service and monthly, quarterly, and monthly/quarterly reports. She noted that the receipts ebb and flow with different months. Mr. Hardman noted that the three months of April, May and June were the same as the previous year and he also noted the increase from the 21-22 SY. Mr. Hardman asked if the budget ends in June 2024 and Mrs. Saunders answered in the affirmative. Mr. Lewis noted that there was less than \$18 million left to pay on the bonds. Mrs. Saunders reviewed the amounts left on the bonds. Mr. Hardman noted that more will be paid to principal and less to interest as the balance declines. Mrs. Cubbedge noted that there are two more payments after this payment. Mr. Hardman stated that the annual report would flush out more information.

Next, Mrs. Saunders gave a financial overview. She stated that no capital expenditures exceeded revenue, but the fund balance did drop. She noted that salaries, etc are a part of the Operating fund. Mr. Hardman asked what the state required in the fund balance and Mrs. Saunders stated it was 3% of incoming revenues. Mr. Hardman noted the \$17 million deficit and Mrs. Saunders explained that it was due to the teacher salary increase. Mrs. Saunders also explained that last year, the minimum wage was raised to \$15 per hour and that the Superintendent signed off on this on October 15, 2022, so no one is earning less than \$15 per hour.

Mrs. Saunders then reviewed the General Fund by object code. She explained that the district met class size and benefits were up so there more expenses than last year. She then reviewed expenditures in the various categories. She also explained that the FEFP program began in 1973 to equalize funds across the state. She noted that during the last legislative session, funding was changed with universal vouchers for private and home school programs. She said they would not know the impact of this change until the end of January since the survey period is in October. Mrs. Saunders explained that Mrs. Cubbedge does the student projections, and those numbers are used in the FEFP calculation. She noted that there is a new line item with 850 students in the voucher program. She reviewed each categorical since the items can only be used in certain categories. Mr. Lewis noted that the Exceptional Student Education (ESE) categorical was less and he asked if those funds could be transferred to something else. Mrs. Saunders answered in the negative. She also noted that we spend much more than the amounts in these categories. Ms. Laguardia asked where they get the money for the 850 FES scholarships. Mrs. Saunders explained that there are two nonprofits running these scholarships. Mrs. Cubbedge also explained that she asked for more specific information, but they would not give any additional information. She further stated that they gave a number in February, but the district will not really know how many until January. Mrs. Saunders stated that the district used to know ahead of time and students had to be here for one year. Mr. Mignon added that the family has to ask for the scholarship, but the district loses FTE. Mrs. Saunders also noted that if they register before February, then the district might get ½ year of FTE. She further noted that if the student starts and leaves before October then the voucher gets funded, and the district receives no funds for the student. If the student should come back before February, then the district could get some funding but not if they come back later like in March. Ms. Laguardia asked if there are two counts per year and Mrs. Saunders answered in the affirmative. Mrs. Saunders then continued reviewing the other categoricals. Mrs. Saunders then stated that the district had to look at the budget and see where corners could be cut, but not in the classroom. She also stated that she would bring an update in December. Mr. Mignon asked how the teachers can access the \$300 in classroom supplies. Mrs. Saunders explained that last year they used Amazon whereas before they had to turn in receipts. She said Amazon delivered to them at school and a link was sent to them via email for their use. Ms. Laguardia asked if other counties are facing similar challenges. Mrs. Saunders answered in the affirmative, but she also noted that we are growing at a rapid rate and other counties' growth is not as high as our growth. She further noted that our ESE needs are high.

Ms. Laguardia stated that it looks like the costs are outweighing the funds the district is getting. Dr. Asplen stated that they are trying to make up the deficit by looking at district level vacancies, removing 15% from district budgets, and removing 10% from school budgets. He stated that the

staffing committee has also reviewed every school budget with principals and has been looking at vacancies to make sure there was no over hiring as well as reviewing bus purchases and maintenance of schools. He further explained that other districts who found themselves in the same situation voted in a one (1) mill which would add \$54 million, and it would stay in district, so it would be local money rather than state. Ms. Stevenson asked if there was a hiring freeze. Dr. Asplen replied that there is not a hiring freeze but rather a priority review with a slow roll or later additional review. Mrs. Saunders said that bus drivers and teachers were not included in this plan. Ms. Laguardia asked if the 1 mill was just for teacher salaries. Dr. Asplen said they would have to see what is put on the ballot. Dr. Asplen also explained that the required local effort rolls with the property assessment. Mr. Mignon noted that the sales tax comes from tourists who pay the bulk of it. Mr. Lewis stated that the sales tax is only for capital. Mrs. Saunders said that also need operating, so the district needs both. Mr. Lewis stated that a short, easy way to get the information out was needed and if the public saw the unfunded mandates, then it has a better chance to pass. Mr. Hardman noted that the sales tax is easier to explain. Ms. Laguardia noted that it is important to understand how Florida state education is funded and Ms. Stevenson added that also how funding is categorized by the State is also important. Ms. Laguardia also stated that especially if a person moved from out of state, then they would not know why there was not more local funding. Mr. Lewis stated it would be a challenge to get the vision out there.

Mrs. Cubbedge reviewed the 23-24 sales tax budget. She reviewed each category. She noted that there have been 3 teacher refreshes with the sales tax. She also noted that they are staying conservative with projections. Any funds that exceed projections will go into a savings fund. Mr. Hardman asked about which school the funds were being saved for and Mrs. Cubbedge replied that it was for the elementary school in the southern part of the county. Mr. Lewis asked how much was on hand for this school. Mrs. Cubbedge replied about \$34 million. Mrs. Cubbedge said they are moving towards a plan and a location, but that it is not yet complete. She stated they are moving forward slowly. Ms. Lasswell said they needed to get the word out at SAC and PTO meetings and that the information presented today was very helpful. Dr. Asplen noted that with the cost avoidance in place since 2008 that the district has saved about \$73 million.

Public Comment

None.

Next Meeting Date/Time

The next meeting will be held on Monday, December 18, 2023, at 4:00pm at the Fullerwood Training Center, 10 Hildreth Drive, St. Augustine, FL 32084.

Adjournment

The meeting was adjourned at 5:23pm with a motion by Mr. Lewis and seconded by Ms. Laguardia.

Minutes submitted by Judith Harvey.