

LARRY G. BRYSON, P.S.C.

318 WEST DIXIE STREET
LONDON, KENTUCKY 40741

(606)878-7123

lbryson@brysonlawky.com

(606)864-8418 fax

December 15, 2015

Karen Timmel
Office of Education Accountability
475 Coffee Tree Road
Frankfort, Kentucky 40601

Re: OEA Investigative Final Report
McCreary County Board of Education/Roxanne Shook

Dear Ms. Timmel:

As you know from our previous conversations, I represent Roxanne Shook, Board Member for the McCreary County Board of Education. I have reviewed the Preliminary and Final Investigative Report to the Board of Education of McCreary County School District. I have also reviewed the response of the McCreary County Board of Education.

It is important that the OEA be aware that Mrs. Shook was never contacted in any manner by anyone to respond to the preliminary report of the OEA. Mrs. Shook states that the McCreary County Board did not at any time take formal action to approve the formal Response and did not meet with Mr. Owsley to supply responses as a Board at any time. It is the belief of Mrs. Shook that the only individuals responsible for the responses of the McCreary County Board of Education were Board Chair Brandon Kidd and Acting Superintendent Michael Cash, based on Mr. Owsley's response in an email sent to Mrs. Shook when she questioned how the "Boards" responses were developed and by whom. Mrs. Shook was not consulted in any manner in regard to the response that was made.

Mrs. Shook wishes to respond to the allegation against the McCreary County Board of Education as a whole and the responses supposedly given by the "Board":

Allegation: The McCreary County Board as a whole are violating KRS 160.290 by failing to use district resources for the promotion of public education and general health and welfare of the pupils in the district and by usurping the statutory authority of the superintendent pursuant to KRS 160.370 and KRS 160.390.

Response of the McCreary County Board: In its response to the Investigative Preliminary Report, the Board states that the enrollment at the Academy was 86 students instead of 34.

Response of Roxanne Shook: Mrs. Shook states that during the December 18, 2014 Board Meeting (Minutes attached hereto as Exhibit 1) a McCreary Central Academy Financial Feasibility Study (attached hereto as Exhibit 2) was produced to all members of the McCreary County Board and discussed. The Feasibility Study shows the enrollment trends for McCreary Central Academy (“MCA”). The Average Daily Attendance for MCA was never higher than 35.60 during the 2014-2015 review. This dialogue was due to the proposal to move the MCA from McCreary Central High School back to McCreary Middle School to which Mrs. Shook voted “Nay” because of the statutory language in KRS 160.550 which places a legal prohibition upon each individual school board member from voting for any expenditure which is in excess of the available revenue and income for the year. Superintendent Wright received a letter dated January 20, 2015 from Associate Commissioner Hiren Desai which was forwarded to all Board Members and discussed at the Board Meeting prior to the vote. (attached at Exhibit 3.)

Response of the McCreary County Board: In its response to the Investigative Preliminary Report, the Board states that it did not vote to end its agreement with the Job Corps and provides a copy of an email from the Job Corps director which was forwarded to the Board by Superintendent Wright. The email is dated February 2, 2015. It is from the Center Director stating that the Job Corps does not intend to renew its agreement with McCreary County Schools past June 30, 2015.

Response of Roxanne Shook: The Board, including Mrs. Shook, was not afforded an opportunity to have an open discussion or give consideration to the email dated April 16, 2015 from Superintendent Wright to Board Chair Brandon Kidd in regards to the offering of “open dialogue” between Pine Knot Job Corp and the McCreary County Board of Education with regard to the Pine Knot Career Institute. Board Chair Brandon Kidd never placed this on the agenda for consideration by the entire Board. Mrs. Shook further states that she voted “Nay” to the Tentative Budget at the April 28, 2015 Board Meeting (see attached Exhibit 4). When discussion occurred regarding the budget, Mr. Kidd’s response was that he did not believe that PKCI was generating revenue, despite the December 2014 email from Superintendent Wright to the Board Members discussing the success of the program; each Board Member also received the attached packet (attached hereto as Exhibit 4) with information regarding the revenue, expense, and profit of the Pine Knot Career Institute. Pine Knot Career Institute was abolished (see line item no. 6 attached exhibit 5) in the Tentative Budget. In a subsequent email (see attached exhibit 6) from Interim Superintendent Aaron Anderson, dated May 19, 2015 to all Board Members, he advised the Board that he was searching for ways to prepare to offset the loss of income from the Pine Knot Career Institute. Mrs. Shook states, if Pine Knot Career Institute was not generating income why was Mr. Anderson searching for ways to offset this loss. She also states, that Pine Knot Career Institute was a mutually beneficial program not only for the school system and for Pine Knot Career Institute/Pine Knot Job Corp itself, but for the community as a whole wherein the Pine Knot Job Corps has been and continues to be a contributing entity to this county by providing volunteer services such as clean up on our roads, construction services, money spent by employees and residents and by employing members of this community.

Response of the McCreary County Board: In its response to the Investigative Preliminary Report, the Board states that the funds approved in the budget for the Juvenile Drug Court Program were for the salary of a district employee. The Board concedes that the individual does

perform duties related to the Juvenile Drug Court Program but that her employment by the district is as a counselor.

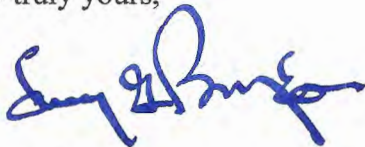
Response of Roxanne Shook: Mrs. Shook states that she voted “Nay” to the Tentative Budget on April 28, 2015 (see attached Exhibit 3) as well as “Nay” to the Relocation of McCreary Preschool to Pine Knot Primary School and Whitley City Elementary School. This is the same budget which included the salary of this district employee for the duties related to the Juvenile Drug Court Program.

Response of the McCreary County Board: In its response to the Investigative Preliminary Report, the Board states that OEA reached the conclusion that the Board made decisions at the expense of student achievement based on “highly suspect and anonymous” interviews.

Response of Roxanne Shook: Mrs. Shook states that the board was informed by email dated October 6, 2014 regarding the test scores released October 2014 that all schools were progressing with the exception of Whitley City Elementary School. Mrs. Shook further states that videos of the Board Meetings were made during this time and OEA can view certain Board Members repeatedly claiming that the McCreary County schools were not progressing, despite Superintendent Wright informing them of the positive progress of the district.

Mrs. Shook further states that she has tried to the best of her ability, based on information given to her to abide by KRS 160.290 and has always voted in accordance with the statutes that guide her authority as a Board Member for the McCreary County Board of Education. Mrs. Shook states that she is currently and continues to be prevented from seeing and participating in some or certain correspondence and dialogue related to certain issues that come before the McCreary County Board of Education, as evidenced by the fact that no formal Board Meeting was called by Chairman Brandon Kidd in conjunction with legal counsel to formulate responses to OEA’s Investigative Report by all members of the McCreary County Board of Education. Mrs. Shook has given thoughtful consideration into these responses and she appreciates your time and considerations in this matter.

Very truly yours,



Larry G. Bryson
Counsel for the Roxanne Shook

CC: Roxanne Shook

LB/rm

The McCreary County Board of Education met in Special Session on December 18, 2014 at 6:00 PM at the Board of Education Central Office. Superintendent Wright welcomed everyone then called the meeting to order and asked for a roll call. Present were: Roxanne Shook, Deborah Gibson and Larry Davis. Absent from the meeting were: Nelda Gilreath and Brandon Kidd. Also present were: the media, school system staff, and interested parties.

APPROVE AGENDA - #9520

A motion was made by Ms. Deborah Gibson and a second by Mrs. Roxanne Shook to approve the agenda as presented. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

COMMUNICATIONS:

MCHS Recognition

At this time, Superintendent Wright introduced Mr. Lucian Musgrove, MCHS Cross Country Coach, (and Mr. Chad Starrett, Assistant Cross Country Coach was present). Mr. Musgrove shared with the Board that Tanner Carson was named to the KY All State Cross Country Team-Region 8. Mr. Musgrove shared with the Board that Mr. Carson trained all year and that he was 7th in State Competition with over 250 runners and all Coaches voted for the Region 8 Team. Mr. Carson has worked hard and is an outstanding student athlete.

Kentucky Safe Schools Recognition

Superintendent Wright wanted to thank all the Teachers and Staff in the district and the Parents and Students who signed onto the website and participated with the KY Safe Schools survey. He also shared that Ms. Mitzi Stephens sent an email to all staff that our district was in the top 10 in the State for this recognition.

APPROVE AUDIT REPORT FOR THE YEAR ENDING JUNE 30, 2014 - #9521

Mr. Artie White of White Associates presented the Audit Report for the year ending June 30, 2014. Mr. White explained what he looks for when doing the audit. He shared there was only one finding and the recommended action had already been cleared when he did the audit, but that it did take place and that is why he still reported it. He congratulated the Board for doing a great job. He also shared that the General Fund balance improved this past year which most school districts in the state did not improve their General Fund balance. Mr. White complimented Superintendent Wright and the Board for working together which made a positive turn on the General Fund balance. Mr. White explained all the areas and levels that he looks at when working on an audit. Mr. White shared that the

McCreary County Board of Education had an excellent report for the 2013-2014 school year.

A motion was made by Mrs. Roxanne Shook and a second by Mr. Larry Davis to approve the Audit Report for the year ending June 30, 2014. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

APPROVE PINE KNOT PRIMARY SCHOOL, McCREARY COUNTY MIDDLE SCHOOL AND McCREARY CENTRAL HIGH ANNUAL PROGRESS REPORT - #9522

Pine Knot Primary School Annual Report

At this time Superintendent Wright introduced Ms. Anita Coffey, Assistant Principal at Pine Knot Primary School. Ms. Coffey presented the annual report to the Board as directed by Board policy 02.44. This report shall describe the school's progress and goals set forth in KRS 158.649/KRS 158.6451/KRS 158.6453 and district goals established by the Board. Ms. Coffey shared with the Board the following:

Academic progress addressing the Next Generation Learners Accountability Goals
Review of October 1, 2014 Achievement Gaps & Goals
Review of Comprehensive School Improvement Plan Goals
-Strategies & Activities
-Implementation and Impact Checks

McCreary County Middle School Annual Report

At this time Superintendent Wright introduced Mr. Clint Taylor, Principal of McCreary County Middle School. Mr. Taylor presented the annual report to the Board as directed by Board policy 02.44. This report shall describe the school's progress and goals set forth in KRS 158.649/KRS 158.6451/KRS 158.6453 and district goals established by the Board. Mr. Taylor shared with the Board the following:

Academic progress addressing the Next Generation Learners Accountability Goals
Review of October 1, 2014 Achievement Gaps & Goals
Review of Comprehensive School Improvement Plan Goals
-Strategies & Activities
-Implementation and Impact Checks

McCreary Central High School Annual Report

At this time Superintendent Wright introduced Ms. Sharon Privett, Principal of McCreary Central High School. Ms. Privett presented the annual report to the Board as directed by Board policy 02.44. This report shall describe the school's progress and goals set forth in KRS 158.649/KRS 158.6451/KRS 158.6453 and district goals established by the Board. Ms. Privett shared with the Board the following:

McCreary Central High School Annual Progress Report
Academic progress addressing the Next Generation Learners Accountability Goals
Review of October 1, 2014 Achievement Gaps & Goals
Review of Comprehensive School Improvement Plan Goals
-Strategies & Activities
-Implementation and Impact Checks

A motion was made by Ms. Deborah Gibson and a second by Mrs. Roxanne Shook to approve the Annual Progress Report for Pine Knot Primary School, McCreary County Middle School and McCreary Central High School. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

Superintendent's Report on Personnel/Employment Authorization

No Action Required - Information only

APPROVE ACTIONS BY CONSENT - #9523

A motion was made by Ms. Deborah Gibson and a second by Mr. Larry Davis to approve the Actions by Consent as presented. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

A. Approve Minutes

Special Meeting, November 18, 2014

B. Approve Leaves of Absence

C. Approve School Fundraisers

1. McCreary Central High School

Cheerleaders - Jan 2015 - Pampered Princess Party (make overs for young girls)

Cheerleaders - Feb. 1st thru 15th - McCreary Voice Ad Sales

Sophomore (c/o 2017) Class - Volleyball (sell tickets and concessions)

2. McCreary County Middle School

Archery - Dec. 20th thru May 20th - Rada Utensils

Cheerleading - Jan. 1st thru May 30th - Sell New York Style Snacks (pretzels), carnations/roses, Pancake Breakfast, Staff vs. Students

Basketball game, 5K run in spring

Cheerleaders - Jan. 1st thru Mar. 1st - Lanyards, Scentsy Scent Circles, Pork Rinds

8th Grade Gold Team - Jan 5th thru May 15th - Big 4 Variety Pack

3. McCreary Academy

4. Whitley City Elementary School

5. Pine Knot Intermediate School

All Grades (4th, 5th, 6th) - 2014-2015 school year - sell-water, fruit snacks, string cheese sticks, beef jerky, sno cones, Krispy Kreme Donuts

6. Pine Knot Primary School

7. McCreary Preschool

All Students - January 2015 - Penny War

D. Approve Field Trips

1. McCreary Central High School

HOSA - March 12th thru 14th - Louisville (leadership skills in competition events related to healthcare)

Choir - Jan. 13th - Whitley City (Larry's - Community Stakeholder Involvement)

Band - Jan. 13th - Pine Knot (Genoe's - Community Stakeholder Involvement)

Boys Basketball - Jan. 13th - Whitley City (Arby's/KFC - Community Stakeholder Involvement)

Girls Basketball - Jan. 13th - Pine Knot (Speedco/Shell - Community Stakeholder Involvement)

Raider Crusaders - June 10th thru 14th - Washington D.C. (students will visit Capitol Hill, the White House, the Smithsonian Institute and various memorials)

Cheerleaders - Jan. 10th - Richmond (KAPOS Cheer Competition)

Special Needs Class - March 10th - Somerset (The Center for Rural Development-transition fair for students with disabilities)

2. McCreary County Middle School

3. McCreary Academy

4. Whitley City Elementary School

5. Pine Knot Intermediate School

4th Grade - March 2015 - Whitley City (to learn the water treatment process and the recycling of water)

4th Grade - April 20th - Frankfort (State Capitol-to learn about our State Government)

6. Pine Knot Primary School

E. Approve American Red Cross Disaster Shelter Agreement

F. Approve District Representatives for the 2014-2015 school year

G. Approve Speech Language Pathologist Agreement for Pine Knot Primary School

H. Approve Pine Knot Intermediate School Fees for 2014-2015

New rates for all ball games:

* Adults: \$3.00

* Students: \$2.00

*PKI Students: Free

* Kids 2 & under: Free

I. Approve McCreary Central High School Athletic Request

Abolish Girls Basketball Level I Assistant Coach (1 position at \$2500)

Abolish (1) Level Football Assistant Coach (1 position at \$2000)

Create (3) Level III Girls Basketball Assistant Coach (3 positions at \$1500)
J. Approve Monthly Financial Report - November 30, 2014

APPROVE PAYMENT OF BILLS AND CLAIMS - #9524

A motion was made by Ms. Deborah Gibson and a second by Mrs. Roxanne Shook to approve the payment of bills and claims as presented. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

APPROVE PAYMENT OF BILLS AND CLAIMS THROUGH THE END OF DECEMBER 31, 2014 - #9525

A motion was made by Mrs. Roxanne Shook and a second by Mr. Larry Davis to approve the Payment of Bills and Claims through the end of December 31, 2014. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

APPROVE McCREARY CENTRAL HIGH SCHOOL TEXTBOOK REQUEST - #9526

A motion was made by Ms. Deborah Gibson and a second by Mrs. Roxanne Shook to approve the McCreary Central High School Textbook Request not to exceed \$38,000. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

APPROVE SPGES STEERING COMMITTEE DOCUMENTS AND PROCESS FOR SUPERINTENDENT EVALUATION - #9527

A motion was made by Ms. Deborah Gibson and a second by Mrs. Roxanne Shook to approve to use the SPGES Steering Committee Documents and Process for Superintendent Evaluation. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

APPROVE 2014 COMPREHENSIVE DISTRICT IMPROVEMENT PLAN PROGRESS NOTES - #9528

A motion was made by Mrs. Roxanne Shook and a second by Mr. Larry Davis to approve the 2014 Comprehensive District Improvement Plan Progress Notes. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

APPROVE 2015 COMPREHENSIVE DISTRICT IMPROVEMENT PLAN - #9529

A motion was made by Mrs. Roxanne Shook and a second by Mr. Larry Davis to approve the 2015 Comprehensive District Improvement Plan. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

APPROVE ENERGY INFORMATION INTERVENTION - #9530

A motion was made by Mrs. Roxanne Shook and a second by Ms. Deborah Gibson to approve the Energy Information Intervention not to exceed \$248 to participate. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

DISCUSSION: COST OF MOVING McCREARY CENTRAL ACADEMY TO McCREARY COUNTY MIDDLE SCHOOL AND ACADEMIC INFORMATION REGARDING THE ACADEMY - #9531

Discussion - Financial Feasibility Study Transition from MCHS to MCMS 2014-2015 and Academic Information Regarding the Academy – No Action Taken

TABLE CREATE A FORM/PROCEDURE REGARDING BULLYING AND FIGHTING - #9532

A motion was made by Ms. Deborah Gibson to Table Create a Form/Procedure regarding Bullying and Fighting to the next regular board meeting. The motion failed due to a lack of a second.

ENTER INTO EXECUTIVE SESSION PURSUANT TO KRS 61.810 (1) (k) and KRS 161.700 TO DISCUSS INDIVIDUAL STUDENT ISSUE - #9533

A motion was made by Mrs. Roxanne Shook and a second by Mr. Larry Davis to enter into Executive Session pursuant to KRS 61.810 (1)(k) and KRS 161.700 to discuss individual student issue. This motion failed due to lack of a quorum. Members voted as follows:

Gibson – NAY; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

RETURN TO OPEN SESSION (DID NOT ENTER INTO EXECUTIVE SESSION)

APPROVE SETTING THE NEXT MEETING AND ADJOURN - #9534

A motion was made by Mrs. Roxanne Shook and a second by Mr. Larry Davis to set the next meeting of the McCreary County Board of Education for Thursday, January 22, 2015, at 6:00 PM at the Board's Central Office and to adjourn. Members voted as follows:

Gibson – AYE; Shook – AYE; Kidd – Absent; Gilreath – Absent; Davis - AYE

Chairperson

Secretary

**McCreary Central Academy
Financial Feasibility Study
Transition from MCHS to MCMS
2014-2015**

Based on the 4th month attendance data, the McCreary Central Academy currently has 35 students enrolled in the program. The average daily attendance (ADA) for the McCreary Central Academy is 31.19. The 2014-2015 budgeted revenues were based upon the prior year end of year adjusted average daily attendance (AADA) of 29.11. According to the prior year end of year AADA, the McCreary Central Academy generates approximately \$167,004 (29.11 x \$5,737 per pupil amount based upon 2014-2015 Final SEEK Adjusted Calculation). Below is a comparison of the ADA and enrollment from June 30, 2014 to December 1, 2014:

McCreary Central Academy		
	ADA	Enrollment
June 30, 2014	29.11	35
1st Month Attendance	35.60	41
2nd Month Attendance	31.58	37
3rd Month Attendance	32.19	37
4th Month Attendance	31.19	35

The budgeted expenses for the McCreary Central Academy consist of salary, fringe and operating expenses. The salary and fringe allocation is based upon the staffing allocation ratio of 22 students to 1 classroom instructor. According to the average enrollment of 37 students, the staffing allocation for the program is 1.68 or 2 full-time classroom instructors. *(Please note: the staffing allocation for the McCreary Central Academy is lower than any other school within the district.)* Of the total number of students, 6 students are expected to graduate at the end of the 2014-2015 school. If the number of students expected to graduate is deducted from the total number of students and no additional students are transferred into the program, the staffing allocation for 2015-2016 is projected to be 1.40 or 1 full-time classroom instructor.

The McCreary Central Academy currently staffs the following at its current location: 2 full-time regular education classroom instructors, 1 part-time special education classroom instructor, 1 full-time drug court counselor, and 1 full-time instructional assistant. *(Please note: the salary and fringe costs for the full-time drug court counselor and full-time instructional assistant are paid from local and state grants, respectively.)* The total costs to the General Fund for salary and fringe is currently \$141,223.

If the McCreary Central Academy is moved to the McCreary County Middle School, the General Fund would incur additional salary and fringe cost. The administrative cost for the full-time principal salary and fringe is \$85,472. *(Please note: the salary and fringe for the administrative cost has already been budgeted for the 2014-2015; however, the administrative cost for 2015-2016 of \$88,907 will be charged to the General Fund.)* Dependent upon the needs of students with special needs, the part-time special education classroom instructor may need to be increased to full-time which will cost an additional \$29,146 to the General Fund for 2014-2015 for McCreary Central Academy,

**McCreary Central Academy
Financial Feasibility Study
Transition from MCHS to MCMS
2014-2015**

which, in turn will leave a part-time vacancy at McCreary Central High School. Pending the continuation of McCreary Central Academy students participating in Career and Technical courses at McCreary Central High School, there will be a need for transportation. The transportation costs for a mid-day bus driver with no prior years of experience is \$9,359. The grand total salary and fringe costs of moving the McCreary Central Academy to McCreary County Middle School is \$123,977. *(Please note: the cost of the part-time vacancy at McCreary Central High School as a result of need for additional special education staff is not reflected in the grand total salary and fringe cost.)*

The McCreary Central Academy is allocated \$5,363 for fiscal year 2014-2015 operating expenses. The allocation is based upon the SBDM Section 6 Instructional Materials calculation in which the prior year end of year ADA for 2013 was multiplied by the amount per pupil.

If the McCreary Central Academy is moved to McCreary County Middle School, the General Fund would potentially incur the following operating costs during 2014-2015:

Technology Equipment	\$26,000 ¹
Textbooks	\$9,000 ²

¹ Based upon 40 workstations at the average cost of \$650 per workstation.

² Based upon \$75 per student multiplied by each content area for a total of 40 students.

The grand total operating costs of moving the McCreary Central Academy to McCreary County Middle School is approximately \$35,000. *(Please note: there will be additional unknown cost identified throughout the transitioning process that is not reflected in the total operating costs.)*

The grand total salary, fringe and operating costs to the General Fund for moving McCreary Central Academy to McCreary County Middle School is projected to be \$158,977 for fiscal year 2014-2015. The reoccurring staff and operating costs for the upcoming school year 2015-2016 will be reevaluated and presented in future budgets presented to the Board.

Steven L. Beshear
Governor



Terry Holliday, Ph.D.
Commissioner of Education

**EDUCATION AND WORKFORCE DEVELOPMENT CABINET
DEPARTMENT OF EDUCATION**

Capital Plaza Tower • 500 Mero Street • Frankfort, Kentucky 40601
Phone: (502) 564-4770 • www.education.ky.gov

January 20, 2015

Superintendent Arthur D. Wright
McCreary County Public Schools
120 Raider Way
Stearns, KY 42647

RE: Clarification on KRS 160.550

Dear Superintendent Wright:

This is in response to your request for clarification on the applicability of KRS 160.550 to certain actions taken at a meeting of the local school board on January 8, 2015. You have provided me with documents relative to these actions and the information herein is based on that documentation.

As the provided board minutes demonstrate, the McCreary County Board of Education took action at this meeting to abolish the staffing allocation at the McCreary County Academy and increase current staffing levels, by adding three additional full-time teachers, increasing a part-time teaching position to a full-time position, and adding a full-time secretary position for the Academy.

As noted by the district finance officer, and reflected in the documents shared with the board at its January 8, 2015 meeting prior to their vote to increase staffing, staffing these additional positions will constitute an expenditure of funds in excess of this school year's income and revenues for the district. The documents demonstrate that the present members of the local board voted at that meeting in favor of increasing the staffing level of the district, after being informed of these concerns.

KRS 160.550 places a legal prohibition upon each individual school board member from voting for an expenditure which is in excess of the available revenue and income for the year, as shown by the budget adopted by the local board and approved by the Kentucky Board of Education (KBE). This statute also prohibits a superintendent from recommending to the board such expenditure. My understanding from reviewing the board minutes is that the district already has a current projected deficit of \$36,000 for this year, which needs to be addressed. In addition, the proposed changes to the staffing levels outlined above will increase this deficit significantly and cause the school district's general fund balance to drop below the 2% minimum reserve requirement in KRS 160.470(6)(a), with this action of dipping into the contingency fund putting the district precariously close to a true negative balance.

If this is accurate, the Kentucky Department of Education (KDE) would advise that caution is warranted, before proceeding in this manner. As you correctly stated and as noted in the board minutes, district expenditures

Superintendent Arthur D. Wright
January 20, 2015
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cannot exceed revenues. The consequences under KRS 160.550 for knowingly incurring expenditures which exceed revenue are severe. KRS 160.550(2) allows the commissioner to take over fiscal management of a district's finances if such actions occur and are certified to the KBE. In addition, KRS 160.550(4) imposes personal liability upon the superintendent and each board member who knowingly act in violation of its prohibitions. Moreover, in a situation triggering KRS 160.550, KRS 156.132 may also apply (removal for misconduct). Finally, KRS 157.410 only permits the commissioner to issue payments of any funds (including SEEK) to districts, when the districts have fully complied with school laws under the jurisdiction of the KBE.

With all this in mind, I would urge that the district only incur obligations and expenditures for which adequate revenue and income is available. I would also advise that the district proceed with caution in planning a budget for the upcoming fiscal year, because revenue will be extremely tight, given the 2% salary mandate and other factors.

Please do not hesitate to contact me if you have any additional questions or concerns.

Sincerely,



Hiren Desai
Associate Commissioner
Office of Administration and Support

Cc: Kevin Brown, KDE General Counsel
Amy Peabody, KDE Deputy General Counsel
Kay Kennedy, KDE Director of Division Support

The McCreary County Board of Education met in Regular Session on April 28, 2015 at 6:30 PM at the Board of Education Central Office. Chairman Kidd welcomed everyone then called the meeting to order and asked for a roll call. Present were: Nelda Gilreath, Brandon Kidd, Roxanne Shook, Deborah Gibson and Rhonda Armijo. Also present were: Superintendent Wright, the media, school system staff and interested parties.

APPROVE AGENDA AND ADDENDUM - #9614

A motion was made by Mrs. Nelda Gilreath and a second by Ms. Deborah Gibson to approve the agenda and addendum as presented. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

COMMUNICATIONS

Judge Kathy Prewitt

At this time, Chairman Kidd introduced Judge Kathy Prewitt. Judge Prewitt shared with the Board the Juvenile Drug Court Program. The Drug Court was funded by the State until 2009. For the 2009-2010 school year, the school district was asked to help fund this program which the district did for the 2009-2010 school year. For the next school year, Judge Prewitt got a grant that funded the Juvenile Drug Court and paid for the Substance Abuse Counselor. She asked the Board for funding from the school district to continue to support the Juvenile Drug Court Program. Chairman Kidd asked Mrs. Kristi Curry, Finance Officer, if we had the funding to assist with this program. Mrs. Curry shared with the Board that this was included in the draft budget that was presented in January. Judge Prewitt thanked the Board for their assistance.

Superintendent's Report on Personnel/Employment Authorization
Information - No action required.

ACTIONS BY CONSENT - #9615

A motion was made by Ms. Deborah Gibson and a second by Mrs. Nelda Gilreath to approve the actions by consent as presented. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

A. Approve Leave of Absences

B. Approve Minutes

Regular Meeting - March 24, 2015

Special Called Meeting - March 30, 2015

Special Called Meeting - April 8, 2015

C. Approve School Fundraisers

1. McCreary Central High School

Cross Country - July 25th - 5K Race

HOSA - May 1st to 29th - American Cancer Society Feet (paper feet for \$1 donation)

Peer-Tutoring - June 3rd - He's A Lady Contest (admission and concessions)

Sophomore - May 2015 - Avon

Wrestling - May thru Sept - Car Wash

Wrestling - May thru Sept - Bake Sale

Girls Basketball - May 2015 - Car Wash

2. McCreary County Middle School

7th Grade Maroon - May 1st - Spring Fling Dance (admission and concessions)

Cheerleaders - May 1st thru Oct. 1st - Cheer & Stunt Clinic, Lanyards, Car Washes (during summer break), Back to School Dance

3. McCreary Academy

4. Whitley City Elementary School

5. Pine Knot Intermediate School

Art - April thru June 2015 - Snack Sales, Beef Sticks, Chocolate Bards

Library - May 4th to 8th - Scholastic Book Fair

Annual - April thru June 2015 - Yearbook

Science Garden - May 2015 thru - Donations to create a Science Garden to do observations and plant growth activities

6. Pine Knot Primary School

2nd Grade - May 6th - Old Fashion Days (Pioneer Days)

D. Approve Field Trips

1. McCreary Central High School

HOSA - April 30th & May 7th - Somerset (Lake Cumberland Regional Hospital-hospital tour)

HOSA - May 9th - Sevierville, TN (Dollywood-to gain awareness of a variety of cultures and a reward for working/career after high school)

HOSA - May 27th - Somerset (Somerset Cinema 8-reward for students who passed Health Science KOSSA or Nurse Adie Exam)

HOSA - June 3rd - Pine Knot (McCreary Health and Rehabilitation-community service/leadership)

ETS Juniors - June 11th - Pigeon Forge, TN (Dollywood-cultural-arts)

ETS Freshmen - June 9th - Newport, KY and Cincinnati, OH (Newport Aquarium and Underground Railroad-Educational Talent Search-Berea College)

G & T - May 28th - Whitley City (Local Businesses: McCreary County Public Library, Courthouse, United Cumberland Bank, McCreary County Tourism, Kristina's Kitchen)

JROTC - May 23rd and May 27th - Richmond, KY (Blue Grass Army Depot-Leadership)

Math - June 3rd - Cincinnati, OH (Kings Island-connection to Engineering/Calculus/Physics through roller coasters)
Archery - May 2nd - Campbellsville (Green River Park-competition)
Archery - May 16th - Lucas (Barren River Park-competition)
Archery - May 31st - London (Laurel County Fairgrounds-competition)

2. McCreary County Middle School

Academic Team - May 8th or May 9th - Pigeon Forge, TN (Dollywood-learn culture based activities life glass blowing, gain exposure to live shows: singing, dancing, drama - program reviews)

7th Grade Maroon - May or June on a Friday or Saturday - Pigeon Forge, TN (Dollywood-learn about local culture and gain exposure to live shows-singing, dancing, etc.)

7th Grade Maroon - June 1st, 2nd or 3rd - Williamsburg, KY (University of the Cumberlands and Kentucky Splash-tour college and rewards)

7th Grade Maroon - June 4th - Corbin (Movies and Bowling-reward trip)

7th Grade - June 3rd - Richmond (Planetarium-to gain an appreciation of a combination of theater, music, and Science and how powerful it can be)

8th Grade Gold - May or June - Corbin (Movies and Bowling-Enhance Math Skills and Physical Education)

8th Grade Gold - June 2nd - Pigeon Forge, TN (Dollywood-Explore various cultures and experience life skills, i.e.: time management, money management)

8th Grade Gold - May 20th to 22nd - London (Feltner 4H Camp-experience hands on Life Science activities and make real life connections to Science.)

8th Grade Gold - June 5th - Corbin (Tri-County Complex-rewards and End of Year trip)

8th Grade Gold - June (1st week of June) - Williamsburg (University of the Cumberlands and Kentucky Splash-tour campus and rewards trip)

8th Grade Maroon - June 3rd - Corbin (movies and bowling-reward trip)

8th Grade - June 2nd - Richmond (Planetarium-to gain an appreciation of a combination of theater, music, and Science and how powerful it can be)

8th Grade Maroon - June 3rd - Corbin (Corbin Theatre and Mr. Gattis-reward trip)

3. McCreary Academy

4. Whitley City Elementary School

2nd Grade - May 8th - Whitley City (Courthouse, United Cumberland Bank, McCreary County Public Library, McDonald's-tours)

3rd Grade - May 1st - Mammoth Cave-The History of Mammoth Cave-(Science and Caves)

4th Grade - May 1st - Corbin (Bowling-Math Skills, Physical Education)

4th Grade - May 13th - McCreary County (Cumberland Falls and Natural Arch-history, habitats, ecosystems, weathering erosion)

5th Grade - June 4th - McCreary County (Hiking Trails: Eagle Falls, Yahoo Falls, Blue Heron and other destinations in our County and Mexican Restaurant)

Boys & Girls Basketball and Cheerleading - May 8th - Pigeon Forge, TN (Dollywood)

Cheerleading - May 4th to 6th - London (The Party Palace-Cheerleading Awards Day and Banquet)

Choir - May 7th - London (Party Palace-reward trip for Choir students)

5. Pine Knot Intermediate School

6. Pine Knot Primary School

3rd Grade - June 2nd, 3rd or 4th (when class can get in) - Knoxville, TN (Wasabi-Japanese cultural dining experience)

Accelerated Reading - June 2nd - Somerset (Kangaroo Kidz-rewards students who have met their Accelerated Reader goals each 9 weeks)

PTO/School - June 2nd - Williamsburg (Kentucky Splash-physical activity and sportsmanship)

STC After School Program - June 1st - Whitley City and Somerset (McCreary County Public Library and Mr. Gattis-incentive trip for afterschool program attendance/reading with legos at McCreary Public Library)

7. McCreary Preschool

All Students - May 14th - Kindergarten Tour PKPS (AM and PM sessions-to help graduating students transition to Kindergarten-tour building and meet staff)

All Students - May 14th - Kindergarten Tour WCES (AM and PM sessions-to help graduating students transition to Kindergarten-tour building and meet staff)

E. Approve McCreary Health and Rehabilitation Transportation Agreement

F. Approve SRO Vehicle Bids

Recommend the Board take action on the SRO Vehicle Bids and award the bid to: Chief Tom Smith

Bids:

Chief Tom Smith with the McCreary County Sheriff Department

G. Approve Soft Drink Bids for 2015-2016

Recommend the Board take action on the Soft Drink Bids for 2015-2016 school year and award the bid to: Pepsi Cola Bottling Company

Bids:

Pepsi Cola Bottling Company of Corbin, Inc.

4.H. Approve Snack-Vending Machine Bids 2015-2016

Recommend the Board take action on the Snack-Vending Machine Bids for 2015-2016 and award the bid to: BreakTime Vending

Bids:

Modern Vending

BreakTime Vending

I. Approve Use of District Property

PKIS GYM - May 23, 2015 - School Reunion

MCMS GYM & Kitchen - June 18, 2015 - Basketball Camp for kids

J. Approve Appalachia Service Project Lease Agreement for the Use of Whitley City Elementary School

- K. Approve Monthly Financial Report-March 31, 2015**
- L. Approve Pitney Bowes Lease Agreement**
- M. Approve KISTA's Equipment Acquisition Program Equipment Lease and Security Agreement**
- N. Approve One Call Now 3 year Agreement**
- O. Approve Lake Cumberland District Health Department Nursing Program Agreement 2015-2016**
- P. Approve Abolish One .66 Part-time Arts & Humanities/Heath and PE positions at McCreary Central High School**

At this time, Chairman Kidd explained that item 5.R. would be moved to 5.A., Tentative Budget 2015-2016. He shared that he would go line by line of the Budget Reduction list that he presented to the Board. He started with the Grand Total Deficit Balance for the 2015-2016 Budget before projected reductions which was -\$654,103, add the Capital Outlay total of **\$174,017** (revenues originally budgeted to be transferred from Capital Outlay Fund to General Fund for operating expenses) and **\$117,096** SEEK Reduction (projected SEEK shortfall for 2015-2016). The Grand Total Deficit Balance for the 2015-2016 Projected Budget is -\$945,216. Chairman Kidd then started going line by line with all the reductions that was listed and explaining what the item was and the amount of the reduction. Once all the reductions listed were shared, then Chairman Kidd shared that these reductions totaled: \$1,673,691. He then shared what the cost of adding 2 school resource officers would be (\$56,700) and took this off the total of the Budget Reductions. Then took the Grand Total Deficit Balance for the 2015-2016 school year of -\$945,216 off the balance of the budget reductions, this will leave \$671,775 surplus budget. There was discussion and questions from interested parties at this time.

APPROVE TENTATIVE BUDGET 2015-2016 BUDGET REDUCTIONS - #9616

A motion was made by Ms. Deborah Gibson and a second by Mr. Brandon Kidd to approve the 2015-2016 Budget Reductions for the Tentative Budget as presented by Chairman Kidd with the exceptions of: \$7,815. - Reduction in operating cost for exceptional children, \$112,472. - Pine Knot Primary School's Music & Physical Education staffing overages by (2) teachers and \$121,941. - Pine Knot Intermediate School's Music & Physical Education staffing overages (2) teachers taking these reductions off the list.

Members voted as follows:

Shook – NAY; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

APPROVE NON-RESIDENT CONTRACT SOMERSET INDEPENDENT SCHOOLS FOR 2015-2016, 2016-2017 AND 2017-2018 - #9617

A motion was made by Mrs. Nelda Gilreath and a second by Ms. Deborah Gibson to table Non-Resident Contract with Somerset Independent Schools for 2015-2016, 2016-2017, and 2017-2018 school years.

At this time, Mrs. Mitzi Stephens, DPP, asked the Board if they had any questions regarding the non-resident contract. She shared with the Board this was a residual contract that the district has participated in with the surrounding counties for the past several years. There was one student from our district attending Somerset Independent School District because the Parent of that student worked there. She also shared with the Board that they didn't have to participate, but that neither the McCreary County School District nor the Somerset Independent School District would receive the ADA funding for that student, this would go back to the State. Chairman Kidd shared with everyone that a motion and a second had been made and if Mrs. Gilreath wanted to withdraw her motion she could do so. Mrs. Gilreath withdrew her motion to table the non-resident contract with Somerset Independent School District.

A motion was made by Mrs. Roxanne Shook and a second by Ms. Deborah Gibson to approve the Non-Resident Contract with Somerset Independent Schools for 2015-2016, 2016-2017, 2017-2018.

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd – AYE

TABLE RANDOM DRUG TESTING BIDS 2015-2016 - #9618

Bids:

Lake Cumberland Drug/Alcohol Testing
Winchester, Patton and Burgess, PSC
Industrial Wellness Services of Kentucky, PLLC

A motion was made by Mr. Brandon Kidd and a second by Ms. Deborah Gibson to table the Random Drug Testing Bids until the next regular board meeting to review the bids again. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

APPROVE FINANCIAL AUDITING SERVICE BIDS FOR 2015-2016 - #9619

A motion was made by Ms. Deborah Gibson and a second by Ms. Rhonda Armijo to approve the Financial Auditing Service Bids for 2015-2016 and award the bid to: White & Associates, PSC. Members voted as follows:

Shook – AYE; Gilreath – NAY; Armijo – AYE; Gibson – AYE; Kidd - NAY

BUILDING AND GROUNDS MONTHLY REPORT - #9620

No Action Taken

SCHOOL REPORTS - #9621

No Action Taken

APPROVE FIXED ASSETS ANNUAL REPORT 2015 - #9622

A motion was made by Mrs. Nelda Gilreath and a second by Ms. Rhonda Armijo to approve the Fixed Assets Annual Report 2015 as presented. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

APPROVE THE BG-2, BG-3 AND TO ADVERTISE TO BID FOR PINE KNOT INTERMEDIATE SCHOOL'S ROOF REPLACEMENT PENDING KENTUCKY DEPARTMENT OF EDUCATION APPROVAL - #9623

A motion was made by Mrs. Roxanne Shook and a second by Mrs. Nelda Gilreath to approve the BG-2, BG-3 and to advertise to bid for the Pine Knot Intermediate School's Roof Replacement pending Kentucky Department of Education approval. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

APPROVE THE FIRST READING OF THE POLICIES REGARDING TOBACCO FREE SCHOOLS: POLICY(S): 03.1327, 03.2327, 05.31, 06.221, 09.4232, and 10.5 - #9624

A motion was made by Mr. Brandon Kidd and a second by Ms. Deborah Gibson to approve the First Reading of the Policies regarding Tobacco Free Schools as presented: 03.1327 Tobacco-Certified, 03.2327 Tobacco-Classified, 05.31 Rental Application and Contracts, 06.221 Bus Drivers' Use of Tobacco and Other Substances, 09.4232 Tobacco and 10.5 Visitors to the Schools. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

APPROVE CRITICAL SHORTAGE TITLE II SIGNING BONUS - #9625

A motion was made by Mrs. Nelda Gilreath and a second by Mrs. Roxanne Shook to approve the Critical Shortage Title II Signing Bonus for Two Teachers at McCreary Central High School for \$3,000 each. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

TABLE 2015-2016 McCREARY COUNTY SCHOOL DISTRICT CALENDAR - #9626

A motion was made by Mr. Brandon Kidd and a second by Ms. Rhonda Armijo to table the 2015-2016-McCreary County School District Calendar. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

APPROVE PAYMENT OF BILLS AND CLAIMS - #9627

A motion was made by Mrs. Nelda Gilreath and a second by Ms. Rhonda Armijo to approve the payment of bills and claims as presented. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

At this time, Chairman Kidd asked Mr. Phillip Hunt if he had anything he wanted to share with the Board. Mr. Hunt reiterated what he share at the March 24, 2015 board meeting. Chairman Kidd asked Mr. Buddy Wilson if he had anything he wanted to share with the Board. Mr. Wilson reiterated what he shared previously and asked the Board to be the Agent of Record.

APPROVE 2015-2016 PROPERTY & LIABILITY AND WORKER'S COMPENSATION INSURANCE POLICIES - #9628

A motion was made by Mr. Brandon Kidd and a second by Ms. Rhonda Armijo to approve Mr. Buddy Wilson with Crabtree Wilson Insurance Agency and Mr. Phillip Hunt with Ohio Casualty Insurance to take bids and bring proposals back before the Board for consideration. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

APPROVE RAISE STUDENT TEACHER RATIO TO 29/1 AT McCREARY CENTRAL HIGH SCHOOL - #9634

A motion was made by Mr. Brandon Kidd and a second by Ms. Deborah Gibson to approve Raise Student Teacher Ratio to 29/1 at McCreary Central High School. Members voted as follows:

Shook – NAY; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

NON-TRADITIONAL INSTRUCTION PROGRAMS A.K.A. "THE SNOW BOUND PILOT" - #9635

No motion made, there was discussion and no action taken.

APPROVE SET THE NEXT MEETING AND TO ADJOURN - #9636

A motion was made by Mrs. Nelda Gilreath and a second by Ms. Deborah Gibson to approve setting the next meeting of the McCreary County Board of Education for Tuesday, May 26, 2015, at 6:30 p.m. at the Board's Central Office and to adjourn. Members voted as follows:

Shook – AYE; Gilreath – AYE; Armijo – AYE; Gibson – AYE; Kidd - AYE

Chairperson

Secretary

**McCreary County Board of Education
2015-2016 Budget Reductions**

\$ 654,103.00	Grand Total Deficit Budget FY2015-2016 Before Projected Reductions	
\$ 174,017.00	Capital Outlay	Superintendent Recon
\$117,096.00	Seek Redtuction 2015-2016 Recommendation	Superintendent Recon
\$ 945,216.00	Grand Total Deficit Budget FY2015-2016 Before Projected Reductions	Superintendent Recon
\$121,409.00	Pre-School (Grant) (1) Speech Therapist, (4) Bus Monitors (1) Bus Driver	Superintendent Recon
\$198,559.00	Abolish Pine Knot Career Institute	Superintendent Recon
\$247,198.00	Abolish 3 Instructional Supervisor Positions	Superintendent Recon
\$ 9,800.00	Reduction in plan operaton of preschool	Asst. Super Recomme.
\$ 25,000.00	Reduction in Central Office Operating Costs.	Asst. Super Recomme.
\$ 7,815.00	Reduction in operating cost for exceptional children	Asst. Super Recomme.
\$ 1,000.00	Reduction in projected operating cost for home and hospital	Asst. Super Recomme.
\$ 8,050.00	Reduction in the projected operating cost for transportation.	Asst. Super Recomme.
\$ 7,254.00	Reduction in the projected cost for the school board activities	Asst. Super Recomme.
\$ 2,368.00	Reduction in the projected cost for other district supported programs	Asst. Super Recomme.
\$86,287.00	Total of above Reductions	Asst. Super Recomme.
\$68,579.00	Abolish (1) MCHS Counselor; BOE will only provide (1) Counselor Position, not 2	
\$30,015	Reduction Principal to 220 Day (MCHS, MCMS, PKI, PKP, WCE, MA)	
\$6,345	MCHS Supervision to 14%	
\$10,830	MCMS & MA Supervision to 12%	
\$22,104	PKCI, PKP, WCE Supervision to 10%	
\$69,294.00	Projected Total	
\$15,290.00	Reduce Guidance Counselor Ext. Days to 10 (6 Counselors)	
\$10,614.00	Reduce All Asst. Principal Ext. Day to 20 Days	
\$22,341	Reduce Director of Special Eduation Ex. Days 210 Days & Supervision(5%)	
\$22,143	Reduce Director of Pupil Personnel Ex. Days 210 Days & Supervision(5%)	
\$5,804	Reduce Asst. Superintendent Ex. Days 220 & Supervision (10%)	
\$19,579	Accountant II, Payroll Clerk, DPP Secretary & Program Asst. 220 Day	
\$69,867.00	Total Central Office	
\$201,385.00	MCHS 31/1 Ratio 4.5 Teaching Positions	
\$ 19,500.00	McCreary Central High School SBDM over staffing allocation by 0.5 teacher(s)	Superintendent Recon
\$ 62,504.00	McCreary County Middle School SBDM over staffing allocation by 1 teacher(s)	Superintendent Recon

\$ 79,384.00	Pine Knot Primary School SBDM over staffing allocation by 2 teacher(s)	Superintendent Recon
\$ 25,182.00	Whitley City Elementary School SBDM over staffing allocation by 0.5 teacher(s)	Superintendent Recon
\$186,570.00	Total	Superintendent Recon
\$112,472.00	Pine Knot Primary Music & Physical Education Staffing Overages by (2) teachers	Superintendent Recon
\$121,941.00	Pine Knot Intermediate Music & Physical Education Staffing Overages by (2) teachers	Superintendent Recon
\$80,415.00	Funding Source for (5) Special Ed. Instructional Assistants pay from IDEA B Grant	Superintendent Recon
\$10,615.00	Abolish Pre-School Director (Add Duties to PKP & WCE Principal)	
\$30,240.00	Abolish MCHS Part-Time Special Ed. Teacher	Superintendent Recon
\$9,517.00	Reduce Chief Information Officer Supervision (10%)	
\$8,938.00	Abolish Part-Time Traffic	
\$2,980.00	All Maintenance that was not reduced 5 days in previous cuts from 240 to 235	
\$600.00	Transportation Secretary reduce 5 days from 240-235	
\$20,789.00	Abolish Pre-School Custodian	
\$1,673,691.00	Total Budget Reductions	
\$56,700.00	Create two (2) SRO Positions	
\$1,616,991.00	Total Budget Reductions	
\$ 945,216.00	Deficit	
\$671,775.00	Surplus	
\$ 174,017.00	If don't Transfer Capital Outlay	
\$117,096.00	If Don't Transfer Projected SEEK Shortfall (Only recommendation)	
\$962,888.00	Surplus for 2015-2016	

Roxanne Shook

From: Anderson, Aaron <aaron.anderson@mccreary.kyschools.us>
Sent: Tuesday, May 19, 2015 11:32 AM
To: Brandon Kidd; Debra Gibson; Nelda Gilreath; Rhonda Armijo; Roxanne Shook
Subject: FW: Missing Household Income Forms (HIF)

Follow Up Flag: Follow up
Flag Status: Flagged

Right now I'm having to burn the candle at both ends as well as the midnight oil to try to get done what needs to be done immediately, while still planning for things we need to do differently in the future.

You can see below I had a report ran of missing Household Income Forms (HIF), which is how we determine free/reduced lunch money. This is important because those forms are used by KDE to calculate a portion of our At Risk funds as well as many other funding we receive.

We will take care of this and see if we can prepare to offset of loss of income from the Job Corps that will take place in the 2016-2017 school year. If so, that will be a big plus and one less issue to worry about.

If any of you have any questions about this please be sure to let me know.

-Aaron

Aaron Anderson, EdD
Assistant Superintendent

McCreary County School District
120 Raider Way
Stearns, KY 42647
Office: 606-376-2591 (Ext 1002)
Cell: 606-310-6574
Fax: 606-376-5584

From: Anderson, Aaron
Sent: Tuesday, May 19, 2015 11:26 AM
To: Stephens, Mitzi; Tucker, Keegan; Sumner, Marlo; Durham, David; Strunk, Linda; Daugherty, Holly; Littrell, Melissa; Sizemore, Kristi; Blakley, Rebecca; Cash, Michael M.; Taylor, Clint; Coffey, Anita; Coffey, Charlotte; Daugherty, Roger; Jones, Foster; Kenney, Ricky; Moore, Cindy -WCE; Ross-Privett, Sharon; Tucker, Susan
Subject: Missing Household Income Forms (HIF)

Folks, we have been reviewing the number of missing Household Income Forms (HIF) that we currently have.

Unfortunately we have over 200 missing forms. That is potentially over \$100,000.00 that we are not taking advantage of for our kids (probably much more than that when you consider Title I funding and other areas that are not as easy to calculate).

Here's the deal. We have a big problem. It doesn't matter how it happened, but we have to fix it....like yesterday.

I think everyone is very aware that shortages in funding is an issue all over the state. However, we can't complain about shortfalls when we are not taking advantage of funds that can easily be claimed with a little bit of work.

We will begin running this report daily (just like an attendance report) until we have all of these taken care of. We will also begin meeting monthly on ways we can improve this process and how we handle transfers in throughout the school year as well as changes in income that can occur with families.

I have no doubt we will have this process working like a fine oiled machine before school goes out. That way we will start the year next year with a better handle on the situation.

-Aaron

Aaron Anderson, EdD
Assistant Superintendent

McCreary County School District
120 Raider Way
Stearns, KY 42647
Office: 606-376-2591 (Ext 1002)
Cell: 606-310-6574
Fax: 606-376-5584

Pine Knot Career Institute 2014-2015

Revenue:

The McCreary County Board of Education receives SEEK funding based upon the prior year end of year AADA plus any growth in August and January. (If no growth occurs during the month of August, then no growth is calculated or funded for the month of January.) The prior year end of year AADA for Pine Knot Career Institute is 52.75. The current fiscal year AADA for Pine Knot Career Institute is 46.35 – a decrease of 6.4 AADA.

The prior year end of year AADA plus any growth is multiplied by the total state SEEK per pupil amount to get the total revenue generated for the Pine Knot Career Institute. According to the 2014-2015 Tentative SEEK calculation, the total state SEEK per pupil amount of \$5,757; therefore, the total revenue generated for Pine Knot Career Institute is \$303,381.75 (52.75 x \$5,757).

Expense:

The McCreary County Board of Education currently employees the following: three full-time classroom instructors, one part-time special education instructor, and one part-time administrator. The total salary and fringe costs for 2014-2015 are \$267,748.

The McCreary County Board of Education budgets \$2,615 for substitute costs.

The McCreary County Board of Education budgeted \$24,750 for other operating costs including: \$2,500 for general supplies and \$22,250 for the purchase of curriculum software. (Please note: Pine Knot Job Corp reimbursed the school district \$9,000 for the purchase of the software.)

The total expenses for Pine Knot Career Institute are \$295,113.

Profit:

The total profit for the Pine Knot Career Institute is \$8,268.75 plus \$9,000 reimbursement equals \$17,268.75.

It is important to understand the effects of losing the agreement with the Pine Knot Job Corp, too. If the agreement is not renewed for the 2015-2016 school year, then the district will lose all revenue generated by the students at Pine Knot Career Institute, as well as, carry the cost of the tenure staff. The district will potentially lose approximately \$571,129.75.

Please Note: The school district has been tracking the enrollment and communicating with the Pine Knot Job Corp. We anticipate from the communications that the Pine Knot Career Institute enrollment will increase with the potential of being an excess of \$100,000 profit for the 2015-2016 school year (including the cost of transfers to personnel).

Full Day AADA Summary Attendance Report for School Year Ending: 14

DistNo Schno CalendarId	Reported Entry	Reported P-12	Total Before Adjustments	EL Adjustments	P-12 Adjustments	EL Weather Substituted	P-12 Weather Substituted	EL Adjusted Reported	P-12 Adjusted Reported	Full AADA KD	Full AADA Upper	ADM	Enrollment	Membership	% ATTN	HH AADA	Number of Days Reported
	A1	A2	B	C1	C2	D1	D2	E1	E2	F1	F2	G	H	I	J	K	L
401-McCreary County																	
010-McCreary Central High School	.00	113,320.50	113,320.50	.00	-2,498.50	0.00	0.00	0.00	110,822.00	.00	684.09	752.21	787	745	90.21%	6.197	167
012-McCreary Central Academy	.00	4,810.50	4,810.50	.00	-95.00	0.00	0.00	0.00	4,715.50	.00	29.11	33.27	44	35	85.58%	2.426	167
013-Pine Knot Career Institute	.00	10,660.00	10,660.00	.00	-1,956.00	0.00	0.00	0.00	8,704.00	.00	52.75	62.71	145	48	100.00%	0.000	170
014-McCreary County Middle School	.00	70,636.00	70,636.00	.00	-1,693.50	0.00	0.00	0.00	68,942.50	.00	425.57	458.30	467	456	92.29%	2.281	167
015-Pine Knot Intermediate School	.00	62,686.00	62,686.00	.00	-1,485.00	0.00	0.00	0.00	61,201.00	.00	377.78	401.37	415	398	93.52%	0.707	167
016-Pine Knot Primary School	19,335.50	67,198.00	86,533.50	-550.50	-1,709.50	0.00	0.00	18,785.00	65,488.50	115.96	404.25	558.50	572	556	92.78%	0.437	167
330-Whitley City Elementary School	13,995.00	85,509.50	99,504.50	-323.00	-1,975.00	0.00	0.00	13,672.00	83,534.50	84.40	515.65	636.00	651	630	93.68%	0.730	167
District Total	33,330.50	414,820.50	448,151.00	-873.50	-11,412.50	0.00	0.00	32,457.00	403,408.00	200.35	2,489.20	2,902.36	3,081	2,868	92.42%	12.778	

M Last Years' Full ADA	2721.388
N Weather Days	0.000

2013-2014 AADA without Kindergarten adjustment = 2,689.55
2013-2014 AADA with Kindergarten adjustment = 2,589.375

KENTUCKY DEPARTMENT OF EDUCATION

SEEK Calculations

District: 401 McCreary County - School Year: 2014 - 2015

Date Generated: October 1, 2014 11:48:51 AM

2014 - 2015 Tentative

SEEK INPUTS:						SEEK CALCULATION:				SEEK STATE CALCULATION:	
						Per Pupil	Total			Total	
Assessment	\$	498,173,803	Prior Year End of Year AADA	2,589,372		Guaranteed Base *	\$ 3,911	\$ 10,127,034	Guaranteed Base *	\$ 10,127,034	
Per Pupil Assessment	\$	192,392	Growth	0.000		At Risk	498	1,290,172	At Risk	1,290,172	
91-92 State Per Pupil Funding	\$	3,304.00	Prior Year AADA Plus Growth	2,589,372		Home & Hospital	19	48,697	Exceptional Child	2,182,260	
Transportation (Unprorated)	\$	1,760,915	At Risk	2,199,220		Exceptional Child	843	2,182,260	Home & Hospital	48,697	
Maximum Tier I Rate		46.9	Prior Year December 1 Child Count			Transportation	400	1,035,916	Limited English Proficiency	0	
Levied Equivalent Rate		53.2	Low (Severe; Weight 2.35)	64		Limited English Proficiency	0	0	Hold Harmless	0	
Base Year Levied Equivalent Rate		53.2	Moderate (Moderate; Weight 1.17)	318		Calculated Base Funding	\$ 5,671	\$ 14,684,079	Prior Year Adjustment	36	
Current year Levied Equivalent Rate		55.1	High (Speech; Weight 0.24)	148		Less 30 Cent Local Effort	577	1,494,521	SFSF **	0	
Current Year Second Month Growth %		0.000	Prior Year Home & Hospital	12.778		Calculated State Portion	\$ 5,094	\$ 13,189,558	January Growth **	0	
			Limited English Proficiency	0		Base Prorated Adjustment	0	0	4% Adjusted Assessment **	0	
						Prior Year Adjustment	0	36	Negative Payment	0	
						Adjusted State Portion	\$ 5,094	\$ 13,189,594	Less 30 Cent Local Effort	1,494,521	
						State Tier I	663	1,717,654	Less Capital Outlay	258,937	
						State Tier I Prorated Adjustment	0	0	Base Prorated Adjustment	0	
						Adjusted Tier I	\$ 663	\$ 1,717,654	SEEK State Amount	\$ 11,894,741	
						Hold Harmless	0	0			
						Total State SEEK *	\$ 5,757	\$ 14,907,248			
						January Growth **		0			
						4% Adjusted Assessment **		0			
						Total State Funds		\$ 14,907,248			
						Less Capital Outlay		258,937			
						Net General Fund SEEK		\$ 14,648,311			

* CAPITAL OUTLAY in the amount of \$258,937.00 is included in the total guaranteed base.

Statewide Equalization is \$749,000.00.

** These line items are totaled in the 'Adjustment to Appropriation' column on the SEEK Output spreadsheet.

Division of District Support
15th Floor Capital Plaza Tower
500 Mero Street
Frankfort, KY 40601



Support Education Excellence in Kentucky

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JOURNAL DETAIL 2015 1 TO 2015 13

ACCOUNTS FOR: 1	GENERAL FUND							
ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED		
<u>0131918 PKCI INSTRUCTION BD PAID</u>								
0110 CERTIFIED PERMANENT SALARY								
135,483.00	163,884.00	43,227.34	0.00	0.00	120,656.66	26.4%		
0111 EXTENDED DAY								
15,945.00	18,709.00	5,242.13	0.00	0.00	13,466.87	28.0%		
0120 CERTIFIED SUBSTITUTE SALARY								
2,500.00	2,500.00	4,398.50	0.00	0.00	-1,898.50	175.9%		
0222 EMPLOYER MEDICARE CONTRIBUTIO								
2,232.00	2,683.00	661.25	0.00	0.00	2,021.75	24.6%		
0231 KTRS EMPLOYER CONTRIBUTION								
3,463.00	4,164.00	1,189.54	0.00	0.00	2,974.46	28.6%		
0253 KSBA UNEMPLOYMENT INSURANCE								
381.00	457.00	105.23	0.00	0.00	351.77	23.0%		
0260 WORKMENS COMPENSATION								
1,539.00	1,851.00	528.60	0.00	0.00	1,322.40	28.6%		
TOTAL PKCI INSTRUCTION BD PAID								
161,543.00	194,248.00	55,352.59	0.00	0.00	138,895.41	28.5%		
<u>0131921 PINE KNOT SPECIAL INSTR BD PD</u>								
0110 CERTIFIED PERMANENT SALARY								
56,800.00	28,400.00	5,916.70	0.00	0.00	22,483.30	20.8%		
0111 EXTENDED DAY								
5,527.00	2,763.00	575.65	0.00	0.00	2,187.35	20.8%		
0222 EMPLOYER MEDICARE CONTRIBUTIO								
904.00	452.00	77.90	0.00	0.00	374.10	17.2%		
0231 KTRS EMPLOYER CONTRIBUTION								
1,402.00	701.00	146.05	0.00	0.00	554.95	20.8%		
0253 KSBA UNEMPLOYMENT INSURANCE								
152.00	76.00	0.00	0.00	0.00	76.00	.0%		
0260 WORKMENS COMPENSATION								
623.00	312.00	64.90	0.00	0.00	247.10	20.8%		
TOTAL PINE KNOT SPECIAL INSTR BD								
65,408.00	32,704.00	6,781.20	0.00	0.00	25,922.80	20.7%		
<u>0131977 PKCI PRIN OFFICE BOARD PAID</u>								



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MC CREARY COUNTY BOARD OF EDUCATION
YEAR-TO-DATE BUDGET REPORT

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FOR 2015 13

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ACCOUNTS FOR: 1	GENERAL FUND							
ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED		
0110 CERTIFIED PERMANENT SALARY								
28,400.00	28,400.00	10,650.06	0.00	0.00	17,749.94	37.5%		
0111 EXTENDED DAY								
5,526.00	5,526.00	2,072.43	0.00	0.00	3,453.57	37.5%		
0112 EXTRA SERVICE								
7,464.00	7,464.00	5,140.80	0.00	0.00	2,323.20	68.9%		
0222 EMPLOYER MEDICARE CONTRIBUTIO								
600.00	600.00	221.49	0.00	0.00	378.51	36.9%		
0231 KTRS EMPLOYER CONTRIBUTION								
931.00	931.00	401.94	0.00	0.00	529.06	43.2%		
0253 KSBA UNEMPLOYMENT INSURANCE								
76.00	76.00	0.00	0.00	0.00	76.00	.0%		
0260 WORKMENS COMPENSATION								
414.00	414.00	178.65	0.00	0.00	235.35	43.2%		
TOTAL PKCI PRIN OFFICE BOARD PAID								
43,411.00	43,411.00	18,665.37	0.00	0.00	24,745.63	43.0%		
TOTAL GENERAL FUND								
270,362.00	270,363.00	80,799.16	0.00	0.00	189,563.84	29.9%		



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MC CREARY COUNTY BOARD OF EDUCATION
YEAR-TO-DATE BUDGET REPORT

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ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
270,362.00	270,363.00	80,799.16	0.00	0.00	189,563.84	29.9%

GRAND TOTAL

** END OF REPORT - Generated by KRISTI SIZEMORE **

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YEAR-TO-DATE BUDGET REPORT

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FOR 2015 13

JOURNAL DETAIL 2015 1 TO 2015 13

ACCOUNTS FOR: 1	GENERAL FUND							
ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED		
0131918 PKCI INSTRUCTION BD PAID								
0610 GENERAL SUPPLIES								
2,500.00	2,500.00	528.55	0.00	0.00	1,971.45	21.1%		
0650 SUPPLIES - TECHNOLOGY								
0.00	22,250.00	22,250.00	0.00	0.00	0.00	100.0%		
TOTAL PKCI INSTRUCTION BD PAID								
2,500.00	24,750.00	22,778.55	0.00	0.00	1,971.45	92.0%		
TOTAL GENERAL FUND								
2,500.00	24,750.00	22,778.55	0.00	0.00	1,971.45	92.0%		



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MC CREARY COUNTY BOARD OF EDUCATION
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ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
2,500.00	24,750.00	22,778.55	0.00	0.00	1,971.45	92.0%

GRAND TOTAL

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