

TRANSCRIPT OF MEETING

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OAK RIDGE SCHOOLS - OAK RIDGE BOARD OF EDUCATION

SPECIAL CALLED MEETING

SCHOOL ADMINISTRATION BUILDING BOARD ROOM

MONDAY - MAY 13, 2013

5:30 p.m.

BOARD MEMBERS

MR. W. KEYS FILLAUER, CHAIRMAN

MS. ANGI AGLE

MR. DAN DIGREGORIO

MR. ROBERT EBY

MS. JENNIFER RICHTER

ALSO PRESENT:

DR. BOB SMALLRIDGE, INTERIM SUPERINTENDENT OF  
SCHOOLS

DR. LARISSA HENDERSON, INTERIM ASSISTANT  
SUPERINTENDENT

MS. KAREN GAGLIANO, DIRECTOR OF BUSINESS & SUPPORT  
SERVICES

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1 CHAIRMAN FILLAUER: I'd like to  
2 call to order a special meeting of the Oak Ridge  
3 Board of Education Monday, May 13th. This is a  
4 special-called Board meeting and the purpose of this  
5 meeting is to hear the Superintendent's budget  
6 presentation. After this presentation, which does  
7 not mean this is the budget the Board will pass, we  
8 will begin tomorrow night in earnest again at 5:30  
9 with a line-by-line item discussion of the  
10 expenditures in this budget. I will give an  
11 opportunity to the Board to make any comments that  
12 they might want to make after the presentation. I  
13 would like to say that I, probably speaking for  
14 every member of the Board, this budget is not  
15 acceptable. It doesn't have anything to do with  
16 preparation of the budget; it has to do with what we  
17 had to work with to prepare this budget. I think,  
18 and I would recommend, that we begin in earnest as  
19 soon as possible looking to next budget cycle. We  
20 have, over the last several years, worked from the  
21 back end into an amount of money that we have to  
22 spend. And consequently and I think I can go back  
23 all the way to Dr. Bailey's first year here as  
24 superintendent so that's been over ten years ago

1 that everytime we have looked at this budget we have  
2 looked at it from the standpoint of what we are  
3 going to have to cut and what we are going to have  
4 to reduce. Now that doesn't mean that we are still  
5 not supporting programs but it does mean we are  
6 losing programs, we are losing personnel. That's  
7 not acceptable. Also it's not acceptable to look at  
8 our most prized product and that is our teaching  
9 staff and look and say that we cannot give you a  
10 raise and possibly because of the increase in health  
11 insurance you may be making actually less than what  
12 you made the following year. So I think we need to  
13 work with the city to take a look at this process  
14 where we can come into this budget from the front  
15 end and we can say this is what we need to operate  
16 the Oak Ridge Schools to the standard that we are  
17 used to and this community expects and then work  
18 from that direction instead of the other way. We  
19 have been coming that other way for too long. So  
20 that's my statement.

21 Dr. Smallridge, it's all yours.

22 DR. SMALLRIDGE: Thank you, Mr.  
23 Chairman. I want to say I'm not very pleased with  
24 the budget that I'm presenting either. Such as it

2 1 is, working with the revenue that we have projected,  
2 it looks like we just had to make some very serious  
3 decisions and very tough cuts. It will be a fairly  
4 brief overview of the FY '14 proposed budget. I'm  
5 going to get Karen to jump in here whenever I  
6 misspeak or leave something out. I'll try to  
7 operate the remote here for the budget at the same  
8 time. This Superintendent didn't come with a  
9 warranty on technology so you have to bear with me.

10 Starting off with the first budget  
11 we are talking about you will see some very  
12 significant decreases in state and local revenues  
13 and I think that's going to continue, as the  
14 Chairman has pointed out, to continue to have an  
15 impact on future budgets. We will break that down,  
16 I will break that down in a few minutes so you can  
17 see what I'm talking about. Also, due to the  
18 current federal budget sequestration, the estimated  
19 FY'14 allocation for federal programs is down by  
20 5.2%, or more in some cases. Again, we don't have  
21 all the information. We have a pretty good fix on  
22 our revenues; in some other areas we don't have all  
23 the information we need but if we get any additional  
24 information, we will bring that to the Board right

3 1 away.

2 Impacts and challenges; we've been  
3 recently informed by the Tennessee Department of  
4 Education that they have determined that LEA  
5 expenditures for services to intellectually gifted  
6 students cannot be included in the special education  
7 calculation. For maintenance of effort we currently  
8 have 243 intellectually gifted students.  
9 Eliminating this group from that formula could mean  
10 that we would have to provide additional local  
11 funding for special education. That is something we  
12 just have to continue to follow and make an  
13 adjustment as we learn more.

14 English language learners, testing  
15 requirements, we are not required to screen students  
16 identified as possible English language learner  
17 students for St. Mary's private school. It's not  
18 entirely clear at this point if we will be required  
19 to also provide service for these students. So  
20 again we will have to see what the future holds for  
21 this change.

22 Changes in the kindergarten  
23 enrollment dates. The state has moved the date from  
24 September 30th to August 31st. So we will have a

1 group of kindergarten students who would normally  
2 have qualified this year who have birthdates in  
3 September and they will not qualify because of the  
4 cut-off date. So it could impact the number of  
5 kindergarten students we have for the coming year  
6 and then again it could impact us for the 2014-2015  
7 year.

8                   Impacts of the Affordable Care  
9 Act; it does carry a potential impact for the budget  
10 and our employees. We are learning more about the  
11 requirements as we go along, again, but they will  
12 affect a limited number of our employees who maybe  
13 don't work full time or in some cases do work full  
14 time but do not receive hospitalization. We must  
15 provide affordable insurance to all full time  
16 employees and full time employees are identified as  
17 those with 30 hours or more. So this is an area  
18 that we will have to keep tabs on and could have  
19 some financial impact.

20                   Completion of the fiberoptics  
21 project. I'm pleased to say we are moving ahead  
22 with this project in partnership with the city.  
23 And, as you know, you all have set aside \$175,000  
24 which has been carried in the budgets over the past

1 couple of years. And then we do have \$240,000 that  
2 we will be receiving from the governor's technology  
3 initiatives. So we should have enough and, again,  
4 working with the city to complete this project this  
5 coming year.

6                   This is year four of First to the  
7 Top federal funding. And that is funding which  
8 supports a number of district initiatives;  
9 inservice, staff development, curriculum projects.  
10 It's money that we have some flexibility in terms of  
11 supporting these types of initiatives. And the  
12 coming year is the last year that we will have for  
13 that money.

14                   And then there are some state  
15 curriculum changes, impacts that will probably  
16 affect us maybe somewhat this coming year but  
17 especially in 2014 and 2015. And that's the new  
18 park assessments, the 2014-15 we need to get ready  
19 for them this year.

20                   All districts and schools will be  
21 required to develop and begin implementation of a  
22 three-tiered response to intervention model. And  
23 the full implementation will be required again by  
24 July 1, 2014. But a lot of work to do during the

1 coming year to get ready for those initiatives.  
2                   Enrollment; we of course always  
3 look at enrollment in terms of the budget year.  
4 It's fairly stable. We are projected to lose about  
5 20 students. Most of those at the elementary level  
6 and then the middle school and the high school are  
7 pretty stable. But it's a fairly minor adjustment  
8 in our enrollment.

9                   Now we get to the dollar figures.  
10 The general purpose school fund is projected to be  
11 \$49,610,735. The change is decrease of \$1,012, I'm  
12 going to use round figures here, \$1,012. Federal  
13 projects fund 142 projected to be \$2,263,000, a  
14 decrease of \$132,000. And then our grand total all  
15 funds \$55,517,000, a decrease of a little over a  
16 million dollars. And there are some things I'll  
17 point out that those numbers really probably aren't  
18 as good as they look.

19                   We have four major sources of  
20 revenue, as the Board knows very well. Property tax  
21 and the sales tax, combined county funds represent  
22 about round figures 28% of the budget. The State of  
23 Tennessee \$20,391,000, about 41% of the budget. And  
24 then the City of Oak Ridge about 28% of the budget.

1 We are showing, projecting a slight increase in the  
2 property tax, less than one percent, about \$78,000.  
3 The sales tax is down significantly and that's not  
4 only as we are projecting for next year but because  
5 the sales tax revenues for the current year are not  
6 going to be as high as we anticipated. So that is a  
7 very significant reduction. The State of Tennessee  
8 reflects an increase of \$334,000 but that's a number  
9 that looks pretty good on the surface but in a  
10 minute I'm going to break it down and I think show  
11 that it's not as good as it looks. And here is the  
12 breakdown of state funds. The major funding source  
13 under state funds are the BEP, the Basic Education  
14 Program. We are anticipating \$18,700,000 for that  
15 program. It's obviously the largest source of  
16 funding from the state. In this year it included  
17 funds for salary increases and some additional money  
18 for capital outlay. But our BEP funding is still  
19 decreasing by \$122,000. In other words, those two  
20 items are built into the \$18,700,000. And we are  
21 still looking at a decrease. And we just got the  
22 latest update from the state today and it's right at  
23 about what we projected with the April number we got  
24 from the state.

1 So career ladder; this is really  
2 basically pass-through money and I wanted Karen to  
3 make a comment about that. There is an increase of  
4 \$63,000 but it's again pass-through money. Karen.

5 MS. GAGLIANO: Yeah, this was just  
6 printed on Friday and I've already got a list of  
7 adjustments for the next round and this is one of  
8 them. Normally for this line item I use the  
9 previous year's actual amount and that is what the  
10 339 represents. However, this year we did receive  
11 the final payment for the year we are in. So I can  
12 revise that number to reflect what that really is.  
13 And the actual amount that was passed through in the  
14 year we are in is \$273,000. So actually the plus  
15 63,230 is going to be changed to a minus 26,005. We  
16 usually don't have the actual by the time that we  
17 are doing the budget so that is a pattern I've used  
18 before. For example, we've budgeted for the year we  
19 are in \$275,000 and you can see we got an actual of  
20 273. So normally it was pretty close. But this  
21 increase in career ladder, it shouldn't be going in  
22 that direction because, as you know, it's a state  
23 program that originated years ago and it's kind of  
24 tagged to individuals and as those individuals leave

1 and retire then that flow-through money for that  
2 person goes away. So I'll be adjusting that.

3 DR. SMALLRIDGE: Again that really  
4 doesn't impact the bottom line of the budget. It  
5 just comes in on one side and goes directly to  
6 teachers, those who have already qualified for the  
7 career ladder.

8 Extended contracts. Decrease of  
9 \$97,000. Again these are funds that we use to  
10 support a lot of curriculum initiatives in the  
11 service staff development. So that's a real loss  
12 that we are not going to be able to do some programs  
13 or offer some programs that we have in the past.

14 Early childhood money stays the  
15 same; 450,000, that obviously goes to our preschool.

16 These next two I wanted to mention  
17 a minute. Other state technology funds fiberoptics,  
18 that shows an increase of \$253,000 but 240 of that  
19 or the majority of those funds will be going to our  
20 fiberoptics project, along with the 175,000 that the  
21 Board has set aside previously. So it does help us  
22 certainly with the technology with the fiberoptics  
23 project but it's again not funds that we have any  
24 flexibility with if we want to do the fiberoptics,

1 which I think we certainly do.

2 Then other state funds 300,000  
3 shows an increase of 236,000. Again that's a  
4 placeholder just put in on both sides in the event  
5 that we do get some state grants but it doesn't  
6 really help us. So you can basically discount the  
7 253,000 and the 236,000, not discount them, but they  
8 really don't help us with the budget. So the bottom  
9 line is we are probably looking at a reduction  
10 altogether if you take the 122 and the 97, those are  
11 the two that we have flexibility with, we are  
12 looking at a reduction in the state funds of about  
13 219,000.

14 And I'll be glad to answer any  
15 questions the Board members have about that.

16 Going on to federal projects fund;  
17 you can see all the negative numbers obviously due  
18 to the sequestration. Again, we have a number here,  
19 the 191,438, that is represented by a transfer, or  
20 most of it is represented by a transfer of \$178,000  
21 from a separate fund. The state said we must put it  
22 in federal funds so again it looks nice up there to  
23 see 191,438 but again it really doesn't help us.  
24 And if you take the amount that we are showing

1 reducing here with the 178 we are probably looking  
2 at about a \$300,000 reduction in federal funds.

3 Other budgeted revenues; and I  
4 have not done anything really with some of the --  
5 like the extended care program, the food service  
6 program, I've not really treated them in the budget.  
7 We can talk about that when we get into the line  
8 item details but we are proposing \$965,059 from the  
9 undesignated fund balance. That is a decrease.  
10 Last year you all had a little more in the budget,  
11 well, quite a bit more \$387,000. And the equipment  
12 rental and replacement fund 139,000, which covers  
13 some vehicles and bus leases and so on. And the  
14 First to the Top money that we mentioned that was  
15 transferred from Fund 148 to 142.

16 Significant expenditure increases;  
17 again I have not tried to list everything here, just  
18 some of the more major changes. The cost of our  
19 salary steps \$467,000. And I'll say I'm not pleased  
20 about it but it is the only salary change that I  
21 have in the budget that I'm presenting tonight.

22 Staff addition; we are proposing  
23 one additional staff that is for a special education  
24 class that we feel is definitely needed. So that

1 will run about \$87,000.  
2 Our health insurance; I'm going to  
3 let Karen comment on that. Again, we have had a  
4 recent change and that will be something that will  
5 help us somewhat. Karen.

6 MS. GAGLIANO: Ok, this will be  
7 another adjustment. This one will help us as well.  
8 I had budgeted originally an estimate 12% increase  
9 for the year, which our health insurance runs on a  
10 calendar year so that would equate to a 6% increase.  
11 Then last week I went to the fiscal workshop for the  
12 state and the latest number was 7%. So I came back  
13 and in a rush to put this all together I thought,  
14 oh, I need to add a percent to what we have in the  
15 budget. So their 7% was for the entire year. So  
16 the half a year amount should be 3 1/2%. So if I  
17 back out the 7% down to 3 1/2 it's going to gain us  
18 about \$123,000 so that number would be an increase  
19 of about \$282,000.

20 DR. SMALLRIDGE: Some of our other  
21 kind of fixed costs; water, sewer, electricity,  
22 liability insurance. For the most part, these are  
23 costs that we don't have a lot of control over and  
24 we can't ignore, we know that costs are going up in

1 some of these areas so...but if you total up the  
2 numbers here in this increase it comes to about a  
3 million dollars, a little better than a million  
4 dollars, if you take out the 123 that Karen just  
5 mentioned. So we are looking at again the  
6 expenditure increases the major items of about a  
7 million dollars. Since over 80% of our budget,  
8 about 81 to 82% of our budget goes for salaries and  
9 benefits, unfortunately it's an area we have to look  
10 to for significant cost reductions. And this is in  
11 the general fund we are proposing reduction of  
12 almost 15 positions, \$971,646 including benefits.

13 And then in federal projects full  
14 time equivalents a reduction of three positions for  
15 \$136,543 again including benefits. And a grand  
16 total in staff reductions almost 18 positions so  
17 \$1,108,000.

18 I mentioned the one teaching  
19 position we are adding so that is an addition.

20 Other expenditure decreases; we  
21 looked at every line item to see where we could make  
22 reductions. We looked at our current spending for  
23 each line item. And based on where we were the  
24 current year projecting the last couple months of

1 the year to see if we could make a reduction and we  
2 were able to do that in a number of areas listed  
3 there. Natural gas, transportation, dental  
4 insurance. So we are able to make some reductions  
5 in those areas.

6 I don't know how well you can see  
7 this but this is proposed use of the fund balance.  
8 The number of the items as you look at the next  
9 three slides you look at this slide the equipment  
10 rental and replacement fund and then the city money  
11 for CIP projects 250,000, we are quite a bit of them  
12 devoting to school security and it's great that we  
13 are able to continue to make some progress on  
14 different security items for the school. One thing  
15 again that I'm not pleased with because I think the  
16 best thing to use a fund balance for is non  
17 recurring funds. But you can see from the list here  
18 that we have a number of recurring funds in here  
19 that will come back next year, obviously, trustee's  
20 commission, legal services, unemployment, all those  
21 costs are costs that you can expect to have in the  
22 future. Equipment rental also comes from the  
23 separate fund but part of our fund balance is used  
24 for buses and vehicles, basically for vehicles. We

1 have one district van, one bucket truck and we have  
2 lease payments on five buses. And this is what we  
3 are proposing to use the city CIP money for. Again  
4 the big cost the card reader access for our security  
5 system 182,000 so I am glad we are going to be able  
6 to do a number of projects that will be very  
7 helpful.

8 Percentage distribution; I think  
9 members of the Board have seen this before. And  
10 I've talked about the numbers, the percentages. And  
11 that was revenue and appropriations.

12 And finally the grand total of all  
13 funds \$55,517,596, a decrease of a little over a  
14 million dollars.

15 Looking at the budget I'm going to  
16 say basically it's a revenue story. We are trying  
17 to cope with the cuts in revenue. We have revenue  
18 decreases, as I've pointed out, in the general  
19 purpose school fund of over a million and federal  
20 projects fund of 132,000. But if you add in the  
21 240,000 for technology, 237,000 projected  
22 placeholder for grants that if we get the grants,  
23 great. But it comes in one side and will go out the  
24 other. And then the federal projects transfer, we

1 are probably looking close to a million eight in  
 2 revenue reductions. Looked like the only real  
 3 increase we have in revenue is the property tax, a  
 4 small increase of 78,000, which is less than 1%. I  
 5 looked back over the last three budget years that  
 6 we've had and I think in each case we have been able  
 7 to look at some increase in revenue. Maybe not  
 8 enough to cover all of the expenses of all the  
 9 things that are going up in cost but at least we had  
 10 some revenue increase to help us a little bit. But  
 11 that's not the case in FY'14. I see some real  
 12 challenges ahead with the revenue picture if we  
 13 don't somehow pick up our revenue or in some way  
 14 obtain some more financial help. We have obviously  
 15 struggled with the budget and, as the Board has  
 16 said, I'm not happy, it's a very tight budget and I  
 17 know we've made some tough decisions. Certainly not  
 18 a budget that I relish to present to the Board  
 19 tonight. But I guess that's where we are and that's  
 20 a quick overview. I know we will be discussing  
 21 these in much more detail over the next few days.  
 22 That's all I have, Mr. Chairman.  
 23 CHAIRMAN FILLAUER: Thank you, Dr.  
 24 Smallridge.

1 Are there any comments from Board  
 2 members at this time? Mr. Eby.  
 3 MR. EBY: I know we are going to  
 4 go line-by-line but can we ask for points of  
 5 clarification just because I think it will help us  
 6 in our thought process over the next couple of days  
 7 if that's possible.  
 8 When you talk about the health  
 9 insurance increase of 7% and it also says that the  
 10 employees will have to pick up any additional  
 11 out-of-pocket expenses. And we also talk about  
 12 there is no money in there for raises, just the step  
 13 change. What percent of our employees will get a  
 14 step versus what percent don't get a step? That's  
 15 something I'd like for you to bring back.  
 16 DR. SMALLRIDGE: We will get that  
 17 information.  
 18 MR. EBY: Because the percent of  
 19 people that don't get a step, they are not only not  
 20 getting a step, they are going backwards. So that  
 21 would be helpful. I have other questions. I mean,  
 22 my question is where is the good news.  
 23 MS. GAGLIANO: If you have  
 24 anything else like that that I can prepare and have

1 It ready for tomorrow night, let me know.  
 2 MR. EBY: I mean, the good news is  
 3 the news that we hear like the news that comes out  
 4 of how the students are doing, winning competitions  
 5 in Ohio and we want to continue that. We need to  
 6 continue that. The city needs to continue that.  
 7 And it requires support and funding and we are going  
 8 to have to find a way to motivate and keep this  
 9 school system going the way it has in the past.  
 10 CHAIRMAN FILLAUER: Karen, I can't  
 11 find this right at the moment. It may not have come  
 12 from you. Did you send an e-mail that projected  
 13 over the next several years if money continues to  
 14 come from fund balance? Did that come from you?  
 15 MS. GAGLIANO: Yes.  
 16 CHAIRMAN FILLAUER: If you haven't  
 17 read that e-mail or seen that e-mail before tomorrow  
 18 night, go back and look at that. And I appreciate  
 19 that information because that does paint the picture  
 20 of if we continue to draw from fund balance where we  
 21 are going to be in the next several years. And  
 22 that's not good news either. Mr. DiGregorio.  
 23 MR. DIGREGORIO: I think I got  
 24 this. There are no raises in this, right?

1 MS. GAGLIANO: That's right.  
 2 MR. DIGREGORIO: Is the governor  
 3 going to mandate a raise?  
 4 MS. GAGLIANO: The governor has,  
 5 within his budget, he has proposed an increase of  
 6 1 1/2 percent and the BEP has generated a dollar  
 7 amount equal to that. Unfortunately, the difference  
 8 between the actual cost to give that raise to the  
 9 people and what is being generated in the BEP is  
 10 significantly different. The BEP generated 142,000  
 11 and the cost would be 541,000. So the one thing  
 12 that is very different this year is that in the past  
 13 the state required that any money that was generated  
 14 to go towards a raise must go towards a raise. This  
 15 is the first year that they have lifted that  
 16 requirement. The only requirement is that the money  
 17 be spent in the area of instruction. And when I  
 18 spoke with the fiscal consultant or the head of the  
 19 fiscal at the state, she said that what that meant  
 20 was it could be used to off-set additional staff  
 21 that are needed or medical health insurance  
 22 increases, that kind of thing, as long as it -- and  
 23 we definitely have that much of an increase in both  
 24 of those areas. So that is the only new

1 stipulation. I'm guessing that many districts are  
 2 struggling with the same thing we are.  
 3 DR. SMALLRIDGE: I just wanted to  
 4 add that even though that money salary increase was  
 5 part of the BEP supposedly, along with some  
 6 additional capital money, we are getting \$122,000  
 7 less, even though those initiatives are included, we  
 8 are getting 122,000 less than we got this year.  
 9 MR. EBY: Why is that, Dr.  
 10 Smallridge? I know the formula...  
 11 DR. SMALLRIDGE: Well, I think one  
 12 of the things is we have had in the past a state --  
 13 what's the word?  
 14 MS. GAGLIANO: Stability.  
 15 DR. SMALLRIDGE: Stability  
 16 initiative. For three years you are allowed a  
 17 stability clause that says you won't get less than  
 18 you got the previous year. We have been through our  
 19 three years with that so this year we got a  
 20 reduction. And part of it may relate to some  
 21 changes in student enrollment or shifts and changes  
 22 in student enrollment.  
 23 MS. GAGLIANO: Those two items as  
 24 well as there was a shift in, we've mentioned it

1 briefly in the slide presentation, there was a shift  
 2 in the accounting for special education gifted  
 3 students. So the revenue that's generated per pupil  
 4 is a little higher for special ed students than  
 5 regular ed students. So those of a hundred or so  
 6 students were shifted from special to regular so  
 7 that was part of it as well.  
 8 CHAIRMAN FILLAUER: I think Ms.  
 9 Richter was next.  
 10 MS. RICHTER: I have to shake my  
 11 head about that since the state is the one who  
 12 included those gifted students forever in that kind  
 13 of funding to just pull the rug out from under us  
 14 this year is unbelievable but that's not my  
 15 question. My question was what did you use to  
 16 derive your expectations for the local option sales  
 17 tax collection?  
 18 MS. GAGLIANO: Both the property  
 19 tax and the sales tax estimates are based on what I  
 20 believe we will receive in the year we are in. And  
 21 because it's such a bleak forecast I'm not brave  
 22 enough to add anything to it at this point. I'm  
 23 hoping we even end up the year with what I'm hoping  
 24 we get for this year.

1 CHAIRMAN FILLAUER: Ms. Agle.  
 2 MS. AGLE: On the special ed  
 3 funding, does the state require us, or federal  
 4 government either one, require us to provide the  
 5 services for gifted students even though we are not  
 6 allowed to count that funding as part of our  
 7 maintenance of effort?  
 8 DR. HENDERSON: The feds do not  
 9 recognize our gifted kids, just the state. Even  
 10 when we have had reports to send in we have to pull  
 11 those numbers out and any dollars that are connected  
 12 to that with like gifted teachers' salaries, and so  
 13 forth. So like Ms. Richter said, that was a state  
 14 initiative to include those kids in there and now  
 15 they are taking it back.  
 16 MS. AGLE: But is it a state  
 17 requirement that we provide those services?  
 18 MR. JARNIGAN: It is a state  
 19 requirement that we provide the services. As Ms.  
 20 Richter mentioned, I would have to research to see  
 21 how many years back that goes. But the two  
 22 different categories that the state has as special  
 23 education categories that the federal government  
 24 doesn't have and one of those is intellectually

1 gifted which we have I think about 243 students  
 2 identified in that category. The other is a very  
 3 small group of kids and it's a category called  
 4 functionally delayed. Neither of those are federal  
 5 definitions within the IDEA. What has changed, we  
 6 are told from the state, has been the federal  
 7 acceptance of including those students within our  
 8 special ed allocation of funds. It's basically if  
 9 you want to provide those services as a state they  
 10 are saying we can't count that within the monies  
 11 that we say that we provide each year for special  
 12 education services. So it's still a state mandate  
 13 that we provide those services, we just can't count  
 14 them within the funds or the amount of money that we  
 15 spend on those services as services that we provide  
 16 for special ed students. I've got actually a  
 17 handout that I can give you, that information came  
 18 very late this Spring, I think toward the end of  
 19 April. We had, I had heard some rumors that that  
 20 might happen around the first of the year in January  
 21 and it didn't arrive until just a few weeks ago.  
 22 MR. EBY: Dr. Smallridge, I also  
 23 noted that you are eliminating something like a net  
 24 17 teaching positions, if I read this correctly.

1 What portion, if you know, of those would be coming  
2 from retirements, etcetera versus just...do you know  
3 any of that yet?

4 DR. SMALLRIDGE: We looked at that  
5 very carefully. In five cases, I believe it was  
6 five cases, people would be losing their positions.  
7 The rest of them would come from retirements or  
8 people leaving for whatever reason.

9 MR. EBY: Do you have any idea...?

10 DR. SMALLRIDGE: I'm sorry, may be  
11 six, I'm being corrected. It may be six, Mr. Eby.

12 MR. EBY: I'd like to know when  
13 the last time was that we had a force --

14 DR. SMALLRIDGE: Reduction?

15 MR. EBY: Yeah, a reduction.  
16 Where it wasn't handled by attrition.

17 CHAIRMAN FILLAUER: Mr.  
18 DiGregorio.

19 MR. DIGREGORIO: Are we going to  
20 get into the level where we find out what the  
21 positions are that are being lost?

22 CHAIRMAN FILLAUER: We will do  
23 that tomorrow when we do line item by line item.

24 MR. DIGREGORIO: I got that 7.72

1 teaching positions and I'd like to know what we are  
2 losing.

3 DR. SMALLRIDGE: Okay. I think  
4 there is some more detail in your budget but we will  
5 supply that on a separate sheet.

6 MR. DIGREGORIO: I haven't gone  
7 through that part yet. I'm scared.

8 CHAIRMAN FILLAUER: Anyone else?

9 I'd like to remind everyone we  
10 will meet again tomorrow at 5:30 and we will begin  
11 line item by line item review of the budget. I'd  
12 like to thank the mayor and city manager and  
13 Councilman Hope and Chamber President Parker Hardy  
14 for being in the audience tonight. And welcome one  
15 of our former administrators, Dr. Bill Burris also  
16 here. Thank you for being here.

17 The City Council will be meeting  
18 tonight at 7:00 with their first reading of the  
19 City's budget.

20 We are adjourned.

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*w. fillauer*

Oak Ridge Board of Education

W. Keys Fillauer, Chairman

*Dr. Bob Smallridge (by Dr. Bruce Baker)*

Interim Superintendent, Oak Ridge Schools

Dr. Bob Smallridge, Ed.D.

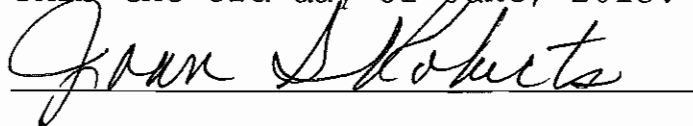
6/24/13

Date Approved

C E R T I F I C A T E

I, Joan S. Roberts, Notary Public at Large for the State of Tennessee, and Licensed Court Reporter do hereby acknowledge that the foregoing 28 pages are a true and correct transcript of the proceedings taken by me in this cause on the 13th day of May, 2013.

This the 3rd day of June, 2013.

A handwritten signature in cursive script, reading "Joan S. Roberts", is written over a horizontal line.

Joan S. Roberts, Court Reporter