

LAGRANGE AREA DEPARTMENT OF SPECIAL EDUCATION  
FISCAL COMMITTEE OF THE WHOLE MEETING  
Open Session Meeting  
Monday, January 9, 2012

Board Members Present: Dr. Sandra Martin (53); Dr. Robert Carlo (61); Mr. Steve Griesbach (62); Dr. Jean Sophie (92½); Dr. Jon Lamberson (96); Dr. Brian Barnhart (101); Dr. Warren Schillingburg (102); Dr. Michael Warner (103); Dr. Glenn Schlichting (105); Dr. Robert Dyer (106); Dr. Mark Fredisdorf (107); Dr. Tim Kilrea (204); Dr. Kevin Skinkis (208)

Board Members Absent: Mr. Neil Pellicci (94); Dr. Mark Kuzniewski (95); Dr. Nicholas Wahl (86)

LADSE Staff Present: Dr. Sheri Wernsing, Lois Miller, Don Leonard, Deb Malnar, Betsy Miller

Visitors Present: None

CALL TO ORDER

Dr. Fredisdorf called the meeting to order at 8:30 a.m.

STRATEGIC GOAL 1 – REVIEW PROPOSED CHANGES TO THE FINANCIAL MODEL

Dr. Wernsing explained that developing the two-tiered model was an important process. At this time, however, she is recommending not going to the two-tiered model next year. As a result of developing this model, and then talking to individual districts about it, administration has a clearer idea of what would be considered equitable and fair to all. Don Leonard will review equitable practices to consider for next year. After taking the year to assess the impact of these practices on districts and the cooperative, the Board can then decide if it wants to move to a tiered system the following year. Don will provide district-specific information today for board review and discussion.

Don Leonard recapped the proposed changes: roll administrative costs into user pay programs and services; remove IDEA subsidies from tuition and purchased services; credit all personnel reimbursement to purchased services; remove high school IDEA subsidy from ECE; eliminate ECE related services packages and move to purchased service. He reviewed Tiers 1 and 2 and the amount of Tier 2 subgrants for each district.

Don then explained administration's proposal for an alternative to the Tier-Model.

- IDEA funds would remain at LADSE;
- IDEA funds would be used to offset local district-specific expenditures;
- Unallocated IDEA funds would be sub-granted back to districts.

Don also provided projections of costs to districts if administrative costs were attached to specific programs and services as opposed to the current method of districts paying a percentage of administrative costs as a whole.

Don distributed to each superintendent two sets of information specific to his/her district: *Admin Costs Rolled into User Pay Programs and Services* and *Admin Costs as a Percentage of Cooperative (IDEA and/or Local Assessment)*. Each set includes: current model (A); all districts in Tier 1 (B); and, four different scenarios reflecting various combinations of district choices of the tiers (C, D, E, F).

After review and discussion of the information provide, there was Board consensus not to go to the two-tiered model next year. Instead LADSE will phase in and evaluate the impact of proposed equity practices in FY13. Dr. Wernsing will base her recommendations to the Directing Board at its January 18 meeting on the following:

- Implement the new equity practice of using only each district's IDEA allocation to off-set its own share of costs for both consolidated services and individual (user fee or pay as you go) services. This is Model B-2 of the spreadsheets distributed at this meeting.
- Implement the practice replacing IDEA-subsidized ECE packages with ECE purchased services agreements, subsidized only with the IDEA dollars available to each district.
- Remove subsidies from tuition and purchased services.
- Do not implement the two-tier system.
- Do not implement the practice of billing the proportionate share of administrative costs to district tuition and purchased services.
- Evaluate the financial and programmatic impact of the above changes on LADSE and each of its member districts.
- When planning the FY14 budget, make decisions whether or not to implement the tiers, whether or not to include administrative costs in tuition and purchased services, and whether or not all districts will have the appropriate level and types of services available to them.

#### STRATEGIC GOAL 2 COMMITTEE PROPOSAL FOR REVIEW OF COST/BENEFITS

Don Leonard explained the committee proposal. Districts would receive from Don a spreadsheet which would show costs of a LADSE service and the charge of a vendor for like service (when known). The spreadsheet would have a space for districts to enter their district-specific costs for these services, with prompts on what is included in the cost of a LADSE/vendor employee, e.g. professional development, benefits, mileage, TRS, etc. There was consensus that this responds to districts' needs and to move forward with approving the action plan for this goal.

#### ADJOURNMENT

Motion #1: That the Directing Board adjourns at 10:30 a.m.

Moved by Mr. Griesbach; seconded by Dr. Martin.

Voice Vote: All Aye.

Motion carried.