

Board Special Meeting

State Auditor's Office Exit Conference; Limited Waiver of Policy No. 2415, High School Graduation Requirements; Work Session: Budget

Wednesday, May 24, 2017, 4:30 - 7:00pm

Auditorium, John Stanford Center

2445 – 3rd Avenue South, Seattle WA 98134



Minutes

Call to Order

This meeting was called to order at 4:31pm.

Directors Burke, Geary, Harris, Patu, Peters, and Pinkham were present. Director Blanford arrived at 4:33pm.

State Auditor's Office Exit Conference

This session was staffed by Dr. Nyland, Director of Accounting Services Amy Fleming and Assistant Superintendent of Business and Finance JoLynn Berge. The Office of the Washington State Auditor was represented by Director of Local Audit Kelly Collins, Audit Manager Joseph Simmons, Assistant Audit Manager Sherry Chang, and Audit Lead Igor Shishov.

Ms. Chang presented an overview of the audit report, highlighting the findings. She provided an update on the previous year's findings noting the progress. She clarified that the current year's findings were not very significant and that they were already improving. Mr. Shishov provided an overview of the financial statement audit and noted that the findings would not significantly affect the District. He also provided information on the special audit and thanked staff for their cooperation and support in completing the report and working to remedy any findings. Mr. Simmons discussed the agreement and the concluding remarks within the District's representation letter. He noted the cost of the audit and that Directors were welcome to provide feedback. He noted that there will be an accountability exit audit scheduled in July and mentioned that if the legislature votes for a state employee wage increase, the cost of next year's audit will increase. He outlined the information within the changes in the modified accrual financial statement, noting the basis for the adverse opinion regarding the U.S. Generally Accepted Accounting Principals (GAAP). Ms. Berge explained the requirement to report the GAAP and noted that all state requirements are met in the report. She further discussed the cost that would be associated with switching to a new reporting method and provided a cost-benefit analysis of staying with the current reporting system. Mr. Nielsen noted that not reporting the GAAP does not place the school district in any jeopardy and assured the Board that the GAAP is only a different way to report the information already being reported, but that it would be cost prohibitive and not provide any additional benefit or transparency. Ms. Chang noted that it is common for districts in the state to not comply with the GAAP reporting requirements; nonetheless, they were required to report the non-compliance. Directors and staff discussed GAAP.

This session ended at 5:00pm.

Limited Waiver of Policy No. 2415, High School Graduation Requirements

This session was staffed by Associate Superintendent of Teaching and Learning Michael Tolley.

Mr. Tolley provided an overview of this item and the reason for the waiver request. He noted that this waiver was only for students who did not pass the Biology Assessment requirement but passed all other assessments. He further noted that students who did not meet the credit requirement would be able to participate in commencement but would still not qualify for graduation unless the state removes the requirement. He provided background on the State Legislature conversation on this issue. He noted that the waiver affects 109 students.

Directors asked questions about the timing of this request, how this request relates to other assessments, and the discretion allowed in waiving graduation requirements. Staff emphasized the high likelihood that the Legislature will remove this requirement after commencements have taken place. Mr. Tolley noted that there are exceptions provided for principals to waive the GPA requirement but that they would still be required to follow policies and procedures for such waivers. Director Peters noted that this waiver would contribute to reducing the achievement gap. Director Harris noted her interest in obtaining demographical information at a building level. Director Geary provided her opinions on lowering expectations and concerns around the types of support provided to students when these assessment requirements are set upon them. Director Pinkham reiterated his concerns in waiving only this one exam for a certain set of students. Mr. Tolley noted that, of the 358 students who are not able to participate in graduation, 109 students did not pass the Biology Assessment only. Director Blanford discussed the history of standardized testing and the benefits to obtaining data. He also noted the importance of high expectations in conjunction with high levels of support for students but that the support levels haven't matched expectation levels.

Director Harris moved to approve this item. Director Pinkham seconded. This motion passed unanimously.

This meeting recessed at 5:23pm.

Work Session: Budget

The Board returned from recess at 5:35pm. This session was staffed by Superintendent Nyland, Deputy Superintendent Stephen Nielsen, Assistant Superintendent of Business and Finance JoLynn Berge and Associate Superintendent of Capital, Facilities and Enrollment Flip Herndon.

Ms. Berge reviewed the agenda, the outcomes for the meeting, and previous rounds of Board budget decisions for the coming fiscal year's budget. She provided an update from the Washington Legislative session, noting that it is looking more unlikely that education funding issues would be resolved this year. She reviewed the areas within the district that could receive additional funding, should more funding become available. She noted that staff would recommend a budget with limited new revenue anticipated and that decisions about these priorities would be made at the next budget work session. She highlighted the \$6.1 million in funding for additional school staffing in 2016-17 that is not currently in the 2017-18 budget.

Ms. Berge provided an update on the status of a potential transportation funding grant from the City that would enable two tiers of bus transportation and school start times instead of three, noting that the district has communicated a June 15 deadline to the City. Director Harris asked for clarity about whether the increased costs for a two-tier transportation system would be one-time or ongoing; Ms. Berge noted recent guidance from Office of Superintendent of Public

Instruction (OSPI) that indicated the additional costs would not receive full reimbursement from OSPI in future years, but that the conversation with state officials is ongoing. Director Geary asked for a staff recommendation about future funding. Mr. Nielsen provided some additional context about funding. Ms. Berge noted that if the Board wanted to accept funding for two tiers, it should be prepared to fund it in future years so as not to go back and forth. Director Peters asked for more detail about the reimbursement gap amount in future years. Mr. Nielsen noted that current estimates of future reimbursement of the full district transportation cost from OSPI would be 90-95% of cost.

Ms. Berge provided an update for deploying the \$2.8 million in funding allocated by the Board for high needs schools. In response to a question from Director Peters, she noted additional staffing would be rolled into the June staffing adjustments. Director Blanford highlighted that additional funds would need to be allocated to refill the Economic Stabilization Account, starting in 2018-19.

Introducing a conversation on school wait lists, Ms. Berge provided background on the three times each year school staffing allocations are adjusted. She noted that for the June staffing adjustment, only teacher positions are adjusted. She also provided an overview of policies related to wait lists, noting that kids are moved off of wait lists if there is capacity in terms of physical space and staffing. Dr. Herndon noted differences between option schools and attendance area schools.

Ms. Berge gave an overview of considerations taken into account when looking at whether to move wait lists. Director Harris asked how these considerations align with the Student Assignment Transition Plan. Dr. Herndon noted that the Student Assignment Transition Plan does not get to this level of detail and acknowledged a lack of transparency about the process, but that these considerations have been taken into account for many years by staff; he noted that the budget crisis this year makes the staffing and funding challenges more acute. Director Harris emphasized the community concern about this issue and asked about wait list priorities. Dr. Herndon noted the difference between the prioritization of names on the wait list and the priorities considered when decisions are made to move wait lists. Director Harris asked for a rationale to be provided when these decisions are made in the next round in June.

Director Burke called for the need to create transparent messaging and asked whether option school wait lists are treated the same way as attendance area schools. Dr. Herndon answered that they are the same. Director Blanford noted community concerns about subjectivity in wait list decisions and asked whether there was consistency. Ms. Berge replied that there are assumptions necessary within the process, but that staff apply criteria consistently. Dr. Herndon stated that he could see why some families feel like there is disparate treatment and discussed the challenging nature of the decisions, especially in schools with low enrollment. Director Geary stated that students in low-capacity schools do not seem to get the same level of school choice as students in high-capacity schools. Ms. Berge noted the importance of figuring out the implications of moves and the desire to use an equity lens. Dr. Nyland explained that, when attempting to keep schools from seeing staffing reductions, some schools may be able to lose more students than others without seeing a reduction in staffing, which can create a perception that students are being treated differently.

Director Peters noted the problem with having practice that is not established in policy or procedure. She also asked about why a low-enrollment school like Center School does not receive more staff to allow the students on the wait list into the school. Dr. Herndon replied that that might happen in the June staffing adjustments, depending on the numbers. Ms. Berge reiterated the importance of knowing the full landscape before making these final decisions.

Director Burke noted that this problem is system-created, highlighting that staffing allocations are based on enrollment projections from February. Dr. Herndon noted that there are updated and refined enrollment projections in June, but actual enrollment figures are not known until after the school year starts.

Ms. Berge reviewed the impacts of moving current wait lists for both sending and receiving schools. She reviewed a few areas where improvements can be made in the system for future cycles and she highlighted the next steps for the current cycle.

Directors raised additional concerns about specific school allocations, including Whitman, Eagle Staff and Licton Springs.

Ms. Berge asked for direction from Board directors on priorities for future funding and whether there needs to be an additional work session for wait lists. Director Geary noted that any conversation would have to happen after the June 15 staffing update. Director Blanford noted his strong desire for a work session where staff can clearly articulate the rationale behind wait list decisions. Regarding the question about future funding priorities, he expressed his preference to keep any potential future revenue unallocated to deal with contingencies.

Director Harris raised the importance of sharing information and data with interested community members. Director Patu noted her desire for the use of an equity lens. Director Burke noted his concerns about disruptions and the need to look at impacts on experiences of families; he also expressed his desire to be more conservative with any new funding.

Director Harris said she also wanted a work session for wait lists and felt that it was premature to make restoration funding decisions. Director Peters and Pinkham expressed similar comments.

Adjourn

This meeting adjourned at 7:22pm.