

Board Special Meeting



2445 – 3rd Avenue South, Seattle WA 98134

Work Session: Superintendent SMART Goal #5: Bell Times;
and Work Session: Budget

Wednesday, March 30, 2016, 4:30-7:30pm

Auditorium, John Stanford Center

Minutes

The meeting was called to order at 4:36pm.

Directors Burke, Patu, Peters and Pinkham were present. Dir. Blanford was unable to attend. The meeting was staffed by Deputy Superintendent Stephen Nielsen, General Counsel Noel Treat, and Assistant Superintendent for Operations Pegi McEvoy. Director Geary arrived at 4:38pm. Director Harris arrived at 4:39pm.

Work Session: Superintendent SMART Goal #5: Bell Times

Pegi McEvoy noted that today's work session was to update the Board on SMART Goal #5, which is now a couple of years into analysis and implementation. She noted the bell times resolution approved by the Board, and discussed the agenda for the presentation. Ms. McEvoy noted the Superintendent SMART Goal Rubric document and identified the three main evaluation areas. She provided an overview of the three components on the presentation slide and stated that the district is currently moving beyond the "basic" designation as identified at the previous November 2015 update. Ms. McEvoy noted monthly reporting to the Operations Committee and regular updates to President Patu, who also attends the Task Force meetings to provide suggestions. Dir. Geary and Harris arrived. Ms. McEvoy noted that they will know more once the implementation of the new bell times occurs next school year.

Ms. McEvoy noted discussions at the 2014 summer retreat which developed the theory of action for making and implementing this policy change and noted a slide on the value of community involvement. Ms. McEvoy noted the decision making process, and the importance of building credibility and trust within the community. Ms. McEvoy discussed the cycle of community involvement including the use of the task force and when it was appropriate in the process of decision making to gather information. She noted benchmarking other school districts, addressing equity concerns, and understanding school day planning for families are all necessary to make an informed decision. Ms. McEvoy noted three bell times alternatives that were taken to the community and the Board, and discussed the iterations of the final recommendation.

Ms. McEvoy discussed guiding questions with the Task Force and the Board, and the type of input that guided the work. Ms. McEvoy noted there has been a 2-part process that was divided into 8 phases and she discussed each phase and provided examples. Part 1 contained the first 3 phases and was called the Feasibility Analysis which culminated in the Superintendent's recommendation to the School Board, and Part 2 is the Implementation of the Board's decision. Ms. McEvoy discussed the data gathered that went in to the preparation for the August 2015 Work Session. She noted Phase 2, and discussed the timeline of feedback from Principals, Parent Teacher Student Associations (PTSA's) and community organizations. Ms. McEvoy noted when the action report was introduced to the Board, and

noted that there were asks to make updates prior to Board action on November 18, 2015. She discussed the work on finalizing Part 1, Phase 3.

Ms. McEvoy noted the State Environmental Policy Act (SEPA) analysis, which will be discussed in further detail later in the presentation, and then discussed key findings as outlined on the slides in the various Part 1, Phases 1-3. She provided findings and concerns for Title I schools being in Tier 3, the elementary and middle schools in Tier 3, as well as maximizing the number of schools in Tiers 1 and 2. Ms. McEvoy noted that the team used these key findings to make changes to the Superintendent's recommendations that were introduced to the Board. She noted that the community was surprised that their feedback was used to make the changes to the recommendation. After Introduction, Ms. McEvoy noted the changes to five minutes earlier Tier times, as per feedback from the community, and also the responsiveness to adding a volunteer list for the potential of moving schools to a different tier once enrollment projections are completed and if it is budget neutral for transportation. Ms. McEvoy noted the approved Bell Times fit in to the American Academy of Pediatrics (AAP) recommendations, the elementary Title I schools had that been moved to earlier start times, and the cost neutrality of the 2016-17 bus schedules for the district.

For Part I, Ms. McEvoy noted the Superintendent recommendation and discussed a chart which shows the tiers, the school start times and the end times. She also noted a comparison of the number of schools in each tier. Ms. McEvoy noted that there were community discussions and recommendations to have 2 bell time tiers and the analysis was done, however, it was not cost neutral. She noted that they moved as many schools as possible into the first two tiers. Ms. McEvoy discussed the changes in number of schools in each tier, comparing this current school year to next school year.

Ms. McEvoy noted the SEPA process that looks at environmental issues and impacts. She noted the programmatic Environmental Impact Statement (EIS) that was published on November 3, 2015. Ms. McEvoy noted a district appeal, and there wasn't standing to challenge the adequacy of the EIS. She noted the Superior Court process that will be happening on Friday, April 1, 2016.

Directors asked about lessons learned regarding the outreach to communities that are not English language speakers. Directors also noted budget neutrality and wanting to see a spreadsheet with the numbers laid out for transportation. Ms. McEvoy noted that in terms of reaching out to underserved populations, there were conversations with the Board and Bernardo Ruiz to help guide those discussions, from which the Neighbor 2 Neighbor (N2N) program was initiated. The purpose of the N2N program is to target those communities that aren't typically attending community meetings or answering surveys and are underrepresented in our community engagement data. Ms. McEvoy noted the Board allocated funds to support the N2N program to create all of the translated documents, conduct the outreach, and for a project manager for this process. She noted lessons learned including more training opportunities for community leaders after the initial engagement process has begun. She noted that now many community based organizations understand the purpose of the N2N program and therefore this process will likely become even more useful in the future. Regarding budget, Ms. McEvoy discussed that it was not the directive of the Board to ensure that the entire bell times initiative be budget neutral, rather that the budget neutral conversation was around transportation as other districts that they researched with bell times flips had not moved forward as transportation costs were too high.

Directors asked how transportation is funded in the district, including the ORCA card program. Stephen Nielsen noted the transportation is funded by the State, and there was a major

overhaul per the *McCleary* ruling with the State being required to fully fund transportation. He noted that Seattle Public Schools (SPS) is still spending more in overall budget than what is received from the State. Mr. Nielsen noted that the funds are calculated by ridership, efficient routes and miles driven- a formula that is calculated by the State. He provided examples of the funding process. Regarding ORCA cards, Mr. Nielsen noted that it is a piece of the process that shows how much the students are riding the busses to and from school. He noted that SPS is not fully reimbursed for the costs, and some levy dollars are being used. Mr. Nielsen noted the need for efficiency, safety of SPS students and walking restrictions. He noted that it's a complicated formula.

Directors asked about community engagement, where it shows that there were 29,000 respondents to the survey, and asked where the information can be found. Ms. McEvoy noted that it can be found on the website, in two places- feasibility part 1 section, and on the Bell Times task force website. Ms. McEvoy noted she can send the details on the surveys as well. Dir. Pinkham asked for the survey demographics and noted that he hopes the N2N program use will increase as he feels the Native American population wasn't represented well. Ms. McEvoy noted that at least one member of the Native American community did participate in the N2N initial trainings however it appears that no community meetings were hosted. Understanding how to support the community members in this process is one of the lessons learned as we strengthen the N2N program.

Directors asked about page 15, regarding the Superintendent recommendation showing that middle schools are on Tier 2, and asked if all middle schools are in Tier 2. Ms. McEvoy noted Denny Middle School didn't fall in to tier 2. She noted that because Denny and Sealth share the same site there is an agreement that each school be on separate bell time tiers. It was Denny's request to remain in Tier 1. Directors asked if SPS were to move the 13 schools off Tier 3, how much it would cost. Ms. McEvoy noted the estimate in September 2015 projected \$5-8 million, and that the range was large as the final Tiers had not been agreed to at the time of the estimate.

Ms. McEvoy noted Part 2 and the 5 phases included. She discussed phases 4-8, and provided examples. Ms. McEvoy noted the voluntary opt-in list, and noted the schools that are included on this list. She discussed working with the school leaders who decided they wanted to be on this list, and noted the historical requests for schools that had requested to be on an alternate schedule in the past. Ms. McEvoy provided reasoning for making adjustments that were requested by specific schools. She noted the work of the transportation staff on all of the routing scenarios to accommodate what they can for the schools on the opt-in list. Directors asked if there was a standard process for the list. Ms. McEvoy noted that there was a survey for the schools to send to their families to gather data and outlined the process for the data collection. Directors asked if this was exclusively PTSA or a Building Leadership Team (BLT) decision. Ms. McEvoy noted that it was a broader community decision.

Ms. McEvoy noted the district-wide issues that the bell time's implementation task force is looking at, with grade level analysis, nutrition services, before/after programs, athletics, and transportation. She discussed the issues and outreach that the task force has been conducting throughout their year. Ms. McEvoy noted the challenges and impacts that have been found and provided examples. She noted the need for a much more directed conversation with our community and noted President Patu stated she would be discussing this at the Education Summit with the Mayor regarding opportunity gaps. Ms. McEvoy noted the next meeting of the task force is to further discuss transportation and ensuring safe walks for SPS students, and noted the cameras that are put around schools to ensure that there are safe passages for students. Ms. McEvoy noted that more challenges are expected in the

November time frame, as that is when it gets darker earlier. Directors noted challenges with athletics, and that bus transportation would have to take students much earlier to events to accommodate for other students to be picked up to go home from school. Ms. McEvoy noted a contract for busses to move students to and from school and also to and from athletics and noted the challenges with releasing athletes earlier in the day to get to the activities. She noted perhaps a second contract that is solely focused on athletics may be required, and it may be included as a task force recommendation to the Superintendent. Directors asked when the Collective Bargaining Agreement (CBA) is up for the bus contract. Mr. Nielsen noted it is not a CBA, just a contract. Ms. McEvoy noted the contract is one more year, and that if there were to be a second contract that it would be with a different company. Directors asked about the part time people and their benefits. Ms. McEvoy noted that a certain level of benefits are provided, and that it is not fully encompassing and can be looked at more closely at the next contract.

Directors asked about the options of the different tiers, the opt-in list, and asked the status. Ms. McEvoy noted that the spring routing needs to be done first, and discussed the criteria that they are looking in to regarding equity, cost neutrality, free and reduced lunch numbers, and other criteria. Directors noted an agreement that is multiyear with the City Parks & Recreation Department. Flip Herndon noted current negotiations with the City and that the bell times changes will have a significant impact. He noted the current contract is on an extension until August 2016, and that there will be a new contract in place at that time, perhaps a 2-3 year contract. Dr. Herndon discussed the shifts and impacts with fields and multi-use spaces in elementary schools. Directors asked if SPS has wrapped those negotiations in to the Mayor's Education Summit process. Dr. Herndon said he was unaware. Dir. Patu noted she could add that in to her conversation, as she did with the bell times.

Ms. McEvoy provided an overview of the Task Force Charter and some upcoming meetings. She discussed Phase 6, and noted the initial work and future work from the Task Force members' recommendations regarding surveys to families and school based community partnerships, PTSA meetings, and master scheduling. Ms. McEvoy noted that in a Friday Memo she will be providing a document that the Board can send out to families. She noted successes and challenges with the process and discussed staff turnover, budgets, capacity, limited fields and master scheduling. Ms. McEvoy noted tight timelines to notify families as soon as possible to be prepared for the fall. She noted the interdisciplinary collaboration throughout the process. Ms. McEvoy noted being at "Proficient Minus" as the current status on SMART Goal #5 and highlighted some of the public engagement, decision making and problem solving implementations. Ms. McEvoy noted being able to provide further status updates in the future after the upcoming meetings are held.

Directors asked for the impacts on the addition of 20 minutes to the school day in upcoming years as mandated by the State. Ms. McEvoy noted that change will be to the 2017-18 school year, and the labor management department is working on that, and noted challenges to adding 20 min to each of the 3 tiers. She noted that the community doesn't feel that is viable, and noted that there will be challenges in the future that need to be considered. Directors noted that those schools in Tier 3 will not likely be excited, especially the ones that are facing a change this year. Ms. McEvoy noted that those schools that are in Tier 3 for next year were already in Tier 3 this year, so there is no tier change for them in 2016-17. Directors noted that some of these changes are State mandates that SPS cannot control and that SPS needs to grapple with these changes regardless. Directors noted the capacity crisis and the need for more space and taking out before/after school care to accommodate. Directors asked about the AAP recommendations for later school times for adolescents and what age they are referring to. Ms. McEvoy noted that researchers start to see major changes around age 13 in

the circadian rhythm, and the changes become greater as they progress as teenagers. She also noted variability within each child. She noted conversations with the community and that for most the desire was for elementary to start earlier, which was a surprise. Directors noted parent work schedules.

The work session recessed at 5:39pm and reconvened at 5:50pm.

Work Session: Budget

Stephen Nielsen spoke about the vacant position for the Assistant Superintendent of Business & Finance. Mr. Nielsen explained an advertisement for the new CFO position has been placed and the District has some viable candidates and are interviewing the week after spring break. Mr. Nielsen spoke about the budget the lack of new dollars for kindergarten through grade 12 schools. The 2017-2018 sessions will be up to us to remind legislature to do what is best for the children.

Mr. Nielsen spoke about delaying the capital fund discussion to an April meeting. Capital items will be removed from the agenda and presented in April.

Mr. Nielsen spoke about the projected \$800M general fund next year, and explained the pending list from staff for 108 million in want list. Mr. Nielsen spoke about how we as a district are over a billion dollars in expenses per year. Every new dollar we receive from the state costs us 1.25-1.60 to have. The state has not fully funded compensation and that cuts into our levy dollars.

Linda Sebring spoke about the legislature coming to an agreement last night on the budget. Ms. Sebring summarized the process of the update with the new budget information. The legislature didn't follow the rule for the Cost of Living Adjustments (COLA) update and that caused the budget department to be off by \$200k. Ms. Sebring spoke about the COLA possibly being taken back in the 2017-2018 year. Ms. Sebring spoke about how the ghost funding is scheduled to be removed in FY17-18. Ms. Sebring spoke about the McCleary lawsuit and funding compensation during a long legislative session. Ms. Sebring read from the official legislature recommendation regarding the "levy cliff". Ms. Sebring summarized the plan to deal with the levy cliff for the Fiscal Year (FY) 2017-18 school years and going forward. Ms. Sebring spoke the planning already beginning for impact in 2017-18 year. Ms. Sebring spoke about the FY 2016-2017 budget development calendar. Ms. Sebring summarized the challenges ahead and the successes. Ms. Sebring spoke about having the budget book available for the board at the June 9th Audit and Finance meeting. Ms. Sebring spoke about changes coming from enrollment planning. The District is still growing but it has slowed down significantly and some schools enrollment is actually going down, even though as a district we are still going up. Mr. Nielsen spoke about the importance of student headcount and the definition of headcount in terms of the slide on page 6. Ms. Sebring summarized the historical budget gaps.

Directors asked if this meant adding new programs we cannot fund. Mr. Nielsen said if we do then we have to figure out what we will cut instead.

Ms. Sebring spoke about one time resources; these resources are unpredictable and are not the same from year to year. Ms. Sebring spoke about this is typically due to salary savings. Ms. Sebring spoke about how the district does not count of this based on lessons learned in the past. It is anticipated this number will go down as hiring is streamlined and started earlier. Ms. Sebring noted salary savings will continue to be monitored.

Directors asked about what a budget gap actually represents. Ms. Sebring explained the budget gap is a delta between what we plan to receive in revenue and what we believe will be our program cost increases. Ms. Sebring spoke about on Slide 13 Projected FY 2016-2017 budget for examples. Mr. Nielsen explained for the past 15 years we have always had a budget gap. Ms. Sebring spoke about how we had a medium risk and high risk; we want to avoid making cuts in the current year, however due to legislative action or inaction we don't currently plan to make any additional investments for FY16-17. Ms. Sebring summarized the typical recommended budget in each year.

Mr. Nielsen spoke about not harvesting savings for Associate Student Body (ASB) funds, specific grant dollars that requirement. Ms. Sebring spoke about one of the big savings in 2014-2015 was bus fuel, and utilities and any department under spends. Mr. Nielsen spoke about how this practice is not ideal, it doesn't allow managers to plan out beyond a year, it doesn't help us long term.

Directors asked where the PTSA is at in this to balance the budget. Ms. Sebring spoke about PTA funds are not considered nor used at the district level to balance the budget. Ms. Sebring spoke from an individual school perspective they may believe PTA funds are critical to balance their program needs.

Directors asked would the same be said for grant funds of IB programs. Mr. Nielsen spoke about that is correct. Mr. Nielsen spoke about we do look at the sustainability prior to taking a grant.

Directors spoke about hearing about the things we get from the legislature and how it ties our hands and the adverse consequences of these "gifts". Accepting the funds is really costing us money and huge disruptions on the budget level and school level.

Mr. Nielsen spoke about the huge problem of not having enough legislators that understand schools needs.

Directors asked about slide 9. In the case where our cost is less than the funding do we still receive the funds. Ms. Sebring explained yes the funds are still received, and explained the school funding formula.

Michael Stone spoke about the largest grant revenue sources coming in for FY16-17. Mr. Stone explained that Title I is showing some decreases, the new programs are coming out and the funds are being distributed more. Mr. Stone also spoke about how the decrease is also related to city poverty levels.

Directors asked about the decrease in head start. Mr. Stone spoke about how this was reviewed at the last Audit & Finance committee meeting and it is decrease in number of students we are able to provide for. Mr. Stone summarized slide 11, and noted a more detail report is available at the A&F monthly committee meetings.

Directors asked if we including Seattle preschools in this. Mr. Stone explained that it is what Cashel Toner explained to the Board members at the recent board meeting.

Directors asked how this is not including the kids in the weighted staffing formula. Mr. Nielsen explained that is correct, and it is done for a specific reason. The correct way to do this would be to look at the grant that is received.

Directors asked what is the logic in the formula, and are we over providing/ over spending. Ms. Sebring spoke about the biggest issue is for special education service costs. Ms. Sebring spoke about making decisions at the local level and our services are more expensive than what we are receiving.

Directors spoke about how the District and the Board Members are always in favor of offering high quality special education and ELL services.

Directors asked if the pre-k grant has a conditional and family education levy. Mr. Stone spoke about how we receive 75% and a reimbursement model. Directors felt putting the full amount in the presentation is inaccurate. Mr. Nielsen explained that this is showing the total representation of the expected reimbursement. Directors are concerned that the Gates grant is back filling for the reimbursed grants. Mr. Stone will make adjustments to this slide the next time it is presented to show the performance of the current grants. Mr. Stone explained that only two schools did not meet its goal which was \$1000 not received.

Directors requested Mr. Stone break out the city of Seattle for prek be split out on the next presentation.

Ms. Sebring reviewed again slide 13 and the process of stability for the current year.

Directors asked if slide 13 is a view of a carry forward. Ms. Sebring confirmed that is correct. Ms. Sebring spoke about the logic behind the budget flexibility view. Ms. Sebring spoke about the budget categories within the flex view. Ms. Sebring spoke about the difficult decisions the district made in the past to balance prior year budgets.

Directors asked if we saved money by closing schools and then spent money by reopening. Ms. Sebring spoke about how the savings was done out of the operating costs. Brining the closed schools back up to code to open comes from a different budget source. Mr. Nielsen explained this conversation should be done at a different time because it would be incorrect to tell our voters that we shouldn't have closed our schools.

Directors confirmed they knew of costs that were incurred how they are closed schools. Directors also wanted to know what cost analysts where done when food services were centralized. Directors also felt the district was bullied into closing schools by the legislature and hope that never occurs again. Mr. Nielsen spoke about how it is agreed these are not good cuts.

Directors find the flex view very helpful however doesn't show what is truly needed and would like to know how they can use that to see what they can suggest in the future. Ms. Sebring spoke about activity based budgeting and how that was not done this year and the plan is to bring that back next year.

Ms. Sebring summarized the changes is the school funding model Weighted Staffing Standards (WSS). She spoke about the biggest changes occurring in special education. But mostly it was moving it around and rolling it out to schools. Mr. Nielsen spoke about the WSS in the next year is an increase of the total budget but that a lot of that relates to we are spending more in compensation costs. And it doesn't reflect the needs of the schools. Ms. Sebring summarized the alignment with the state funding requirement. The schools were scheduled to finish last week however they are still working on it. The goal is to stabilize the schools.

Directors asked how many mitigation requests have been funded. Ms. Sebring spoke about it was 4 out of 84. Mr. Nielsen spoke about the enrollment projections coming out in June. Ms. Sebring spoke about how we also have a reserve of approximately \$2M to be used to try and prevent disruption that has been caused in the past year. Ms. Sebring spoke about how the splits were adjusted and needed to be changed, the goal for June adjustment process is to avoid disruption.

Directors spoke about having a hard time believing our enrollment is slowing down.

Directors spoke about having the feeling the City of Seattle not having a good grasp on the homeless problem, families being pushed out because they cannot afford to live in the city.

Directors asked if we have representation on the housing committee. Mr. Nielsen spoke about how we do work with the city currently.

Directors asked in Grants that are not spent show up in the one-time resources. Ms. Sebring explained that is not shown in the one-time resources. Mr. Stone explained how the carry forward numbers are not known until October.

Directors asked what is the impact of that historically. Mr. Stone will show that in a slide next time.

The Board Special meeting adjourned at 7:36pm.