

Board Special Meeting

John Stanford Center – Board Office Conference Room

2445 3rd Avenue South, Seattle, WA 98124



**Audit & Finance Committee of The Whole;
Executive Committee of the Whole;
Work Session: Budget
Thursday, June 30, 2016
4:00 – 6:00 pm**

Minutes

Call to Order Meeting began at 4:13pm

Directors present were Patu, Pinkham, Geary and Burke

Director Peters called in on the phone. Director Harris arrived at 4:23pm.

Staff present was Superintendent Larry Nyland, Deputy Superintendent Stephen Nielsen and Assistant Superintendent Business & Finance JoLynn Berge

DISCUSSION AND/OR ACTION

I. Audit & Finance Committee of the Whole: Items Requiring Board Introduction/Action on July 6 2016

1. BAR: Purchase of Technology for new BEX IV Schools, Capacity Classrooms, K-3 Class Size Reductions, and Special Education Classrooms

Deputy Superintendent Stephan Nielsen spoke about the need for this Board Action Report (BAR) to be in place for purchase of new computers at the start of School. Mr. Nielsen is asking that this go forward for intro and action on July 6th.

Director of Technology Infrastructure David Oestreicher summarized the purpose of the new computer purchase. Mr. Oestreicher explained the purchase is for Dell and Apple computers. The amount requested on this BAR only requested the Dell computers and is incorrect, it should include the Apple computers as well which would increase the amount from 1.5M to 2M.

Director Patu is not happy about the short amount of time the community and the Board has to review this BAR. Director Peters explained how was this previously brought to A&F as a cluster of purchases and questioned process then. Director Peters agrees with Director Patu and this short time span does not allow for proper review to have intro and action on the same day.

Director Harris arrived at 4:23pm. Director Pinkham passed chair duties on to Director Harris.

Director Harris spoke about having a fiduciary duty, and did not want to see her name in the Stranger because of this cluster. She stated while she is disappointed that this is coming here today, she will be voting for intro and action at the July 6th meeting. But she swears she will not ever do that again. The important thing is Schools need computers at the start of the year.

Director Peters made sure Director Harris is aware of the new increased amount requested.

Director Pinkham asked what the options are. Mr. Oestreicher explained if the BAR is not approved one option is that there will be no computers in those classrooms or school offices at the start of school. The other suggestion is to purchase computers only for the minimal core number of computers needed.

Director Harris has requested from Mr. Oestreicher a spreadsheet of the minimal order backup plan which will be available for the July 6th Board meeting.

Director Geary asked where these funds are from. Mr. Oestreicher explained these funds are from BTAll and BEXIV funds.

Director Geary spoke about how families will feel like we have violated the spirit of the levy funds.

Director Burke is asking why this coming forward now. Mr. Nielsen explained the purchasing policy and how it

was perceived differently by the former CIO. Once the error was discovered the plan was put in motion to have it come before the Board.

Director Geary asked if this was discovered in April why is this just now coming forward. Mr. Oestreicher explained how this was brought to Audit and Finance Committee (A&F) before and it was reviewed and it was fine. It wasn't until it was brought forward to the Assistant Superintendent Business & Finance JoLynn Berge who then realized it was being processed incorrectly.

Director Peters asked about on page 7, a date that says has a delivery date are the computers already purchased. Mr. Oestreicher explained nothing has been purchased yet.

Director Peters asked can the District ask Dell and Apple to expedite the shipping. Mr. Oestreicher explained we can rush the shipping, the typically a 4-6 week turn around because of warehouse inventory tagging.

Director Peters spoke about sometimes we don't have all the equipment needed to start the school year. And she questions if it would not be the end of the world if not all the items were not in place at the start of school.

Director Peters made a motion for intro only at the July meeting and action in August. The motion was not seconded.

Action: Director Harris made a motion for the BAR for approval intro and action on the July 6th meeting at the amended amount of 2M and to be reviewed by internal Audit with presentation on August 18th at A&F. It was seconded by Director Pinkham.

Follow Up: Director Harris wants this to be presented by Andrew Medina at the August 18 A&F meeting. Director Harris wants Mr. Oestreicher to provide a spreadsheet of the minimal order backup plan for the July 6th Board meeting.

2. BAR: One-Year Additional Support Agreement with PowerSchool

Mr. Nielsen spoke about how this BAR is for an upgrade for the PowerSchool software. This contract has exceeded the 250K amount and is coming to the board for approval.

Director Enterprise Apps & Data Services Nancy Petersen spoke about bringing this forward as an extra service from PowerSchool for an additional 50K. Ms. Petersen summarized the additional costs and quotes received from PowerSchool for additional work.

Director Harris asked for the consequences if a vote is not made today. Ms. Petersen explained the District has been doing its own software upgrades but not staying current, and summarized why the latest upgrades typically are not done. Department of Technology Systems (DoTs) began speaking with PowerSchool about this upgrade in May and became convinced we would benefit from the latest version now rather than waiting. Upgrading now would allow SPS to pilot some needed new features this coming school year as well as having better support from the vendor on subsequent releases.

Director Harris asked how big the pilot project is. Ms. Petersen explained it would be small but the upgrade would benefit all of the schools. If our existing staff cannot manage the upgrade, then we risk not having enough time to get this in place within our one-month timeline. If we wait to make such a major upgrade during the school year more impact would occur to our schools and families.

Director Pinkham asked if we had already been billed 241K, and haven't paid that amount. Ms. Petersen confirmed that is correct, and that is for support and maintenance in the amount of 241K plus 50K for an additional level of service level.

Director Geary summarized everything that was just said and asked what the consequences are to the classrooms. Ms. Petersen explained we are usually putting in a version that was released the year before and DoTs would like to release the version for this year and be on the latest version. This 50K also covers a higher level of service and we want to see if this service level is better than what we currently have.

Director Geary asked if we have upgraded service from PowerSchool will we save money in house. Ms. Petersen explained this will save us time. It will allow our staff additional time to work on enhancement projects and new features that are needed by our schools.

Director Geary asked Dr. Nyland of the \$80M how will this free up costs. Dr. Nyland explained this may not help with the \$80M, but will help with the BEX funds we are trying to frontload. The services are needed and will free up time for staff to keep up with work.

Director Burke asked how many FTE support PowerSchool. Ms. Petersen said approximately 15.

Director Burke would like a summary of services provided from PowerSchool.

Director Patu asked how long have we been with PowerSchool. Ms. Petersen explained we are on our third year with PowerSchool.

Director Peters is confused about the timeline, specifically why does it have June 8th date. Ms. Petersen explained the quote was given to DoTs on June 7th, and that it was explained to the vendor that fees would not be paid until after board approval was given.

Director Peters asked if we have been provided services since June 8th. Ms. Petersen explained yes with the understanding that it may not go forward and services provided since June 8th may not be compensated. Director Harris would like to see the words retroactive on the BAR. Director Peters asked if the District is required to purchase the new version each year. Ms. Petersen explained that is included in the annual support cost. Ms. Berge asked if we could negotiate a start date after July 6th meeting and have a new quote. Ms. Petersen explained she can and will request that but was uncertain whether or not the vendor could manage that internally. Director Harris asked how that would be reflected in the BAR. Mr. Nielsen explained that date on the BAR could be changed. Directors disagreed about the date that should be on the BAR for the start date. Director Patu asked Deputy General Counsel John Cerqui for the recommend start date. Mr. Cerqui recommendation is to show work retroactive to June 22. Director Pinkham asked is the date on page 2 would also be changed to June 22. Director Harris made a motion to have this added to the internal audit list for review. Director Harris is very unhappy, and wants staff to be focused on the real work of this District. This is a pinky promise with DoTs. Director Peters made a motion to move this forward to the board for intro on July 6 and action in August. This did not have second motion. Director Harris moved it forward with a recommendation on the July 6th board meeting for intro and action. With revisions made to the start date. Director Pinkham seconded. **Action:** Director Harris made a motion for the BAR for approval intro and action on the July 6th meeting with start date revisions and to be reviewed by internal Audit with presentation on August 18th at A&F. It was seconded by Director Pinkham. **Follow Up:** Director Harris wants this to be presented by Andrew Medina at the August 18 A&F meeting. Director Burke wants a summary of services provided from PowerSchool.

II. Executive Committee of the Whole: at 5:27pm

1. Review of the July 6 Legislative Agenda

Director of Policy, Board Relations and Special Projects Erinn Bennett spoke about items on the agenda that were requested to be removed and added. Director Harris asked if there is a community engagement meeting for the PASS contract. Director of Human Resources Clover Codd explained we are still in negotiations. And will be until the beginning of August. And once that is completed we will bring that to you for your approval. Mr. Cerqui explained once we have gotten to the board for ratification all the negotiations are done. It is up to the board to vote up or down. Mr. Nielsen spoke about it not being a public process, which is why the RCW allows the Board to have closed session meetings on this matter. Director Harris stated keeping people informed of the timeline is of the utmost importance. Ms. Codd explained that the District does want to make sure the Directors have enough time to review the documents. Ms. Bennett explained on page 2 #15 suggestion would be to take it off consent. Director Harris moved to move it from consent to action. Director Peters agrees that would be fine. Director Geary is asking that Northwest School of Innovative Learning (NW SOIL) be removed from consent to action. Director Geary stated that she is speaking with Executive Director Special Education, Wyeth Jessee, regarding the issues within the NW SOIL contract that may not abide by District policies, especially around restraint. Director Pinkham asked the June 15 minutes be changed to his daughter winning Fitness award which is incorrect, it was the Physics award. Annya Ritchie, noted that those minutes are not finished and that the incorrect notation may have been in a different document, but was not reflected in the Board Meeting minutes. Director Harris voted to approve the July 6 agenda as amended. Director Patu seconded. The agenda passed as amended.

Work Session: Budget 5:44pm

Stephen Nielsen spoke about going through the one time resources and to focus in on how the board would like to see those expenditures made. Mr. Nielsen explained the process Cabinet members used determine the best use of the resources. Mr. Nielsen used the easel and paper to show SMART Goals at 6.9M, School resources at 2.3M and compliance 1.9M. Director Harris asked if legislature meets every year, how one time resources are not included in the budget. Mr. Nielsen explained the budget is built in March. And every year what they do is different and would be hard to

anticipate what those changes would be. Mr. Nielsen explained we do not have a contingency for what the legislature does. Ms. Berge explained what they are trying to do is have a higher level of transparency. Ms. Berge outlined the suggested process they proposing to use tonight. The same process used by cabinet members by using the white board with all the possible expenditures and dots to highlight the Directors priorities for FY17-18.

Director Harris loves the idea of spending 11M however, last time information was given to the Board it was with less than 24 hour. She is not a fan of the WSS and not having the public understand what decisions are based on that formula. Therefore she will not be playing with the dots, it is an embarrassment.

Director Burke is also uncomfortable with dots. This subject deserves a conversation on how we decide to spend the funds.

Ms. Berge explained the dots were an idea to start a conversation, to help the board to see if there was some level of conversation.

Director Patu doesn't want to put dots on anything.

Director Peters also has a logistic problem with dots since she is on the phone.

Mr. Nielsen is using the white board to outline the priorities as suggested by the Directors. Directors suggested the following with amounts: School mitigation 2.2M; SMART goals; Compliance 1.9M; IB x3 750K; Reserve TBD; Middle School Math Adoption 3M and Escrow account TBD.

Director Harris wants to be clear that the escrow account would show up on the monthly A&F report and would go nowhere until the board directs it.

Director Burke asked what the difference between Mitigation and School Resources. Director Berge explained the mitigation amount is 2M and if you want to add to that balance or not. Assistant Superintendent for Teaching and Learning Michael Tolley explained it is 2M to buffer against schools that might not reach their projected enrollment from staffing reductions.

Director Harris asked about the end of the year EG. Mr. Tolley spoke about a June staffing adjustment and the Finance Office takes those numbers and runs the WSS. They determine if there is a staffing difference between those.

Superintendent Dr. Larry Nyland explained there are about a dozen schools being asked to give up a staff, all staff is going to other positions that are open and needed at other schools.

Director Harris is hoping to keep the master schedule high on the priority list.

Director Burke stated this conversation is great but not relevant to our goal.

Mr. Tolley explained that there are \$2.3 million of high priority requests within the \$7.7 million total mitigation requests. And funding in mitigation and everyone needs to be reminded these are one time dollars. And it is potentially not sustainable.

Director Burke would like to recognize when we fund mitigation requests that is determined to be the new normal and is deemed. Class size reduction in elementary schools would be for splits.

Mr. Tolley explained we do have 18FTE for split reduction. Ms. Codd is in agreement on a conversation for a possible 15-18 FTE for splits.

Mr. Nielsen summarized the board interests this far: Mitigation for 2.3M, Compliance 1.9M and IB x3 750k.

Director Burke asked does it have to be the full 1.9M. Mr. Nielsen explained that could go up or down.

Director Harris if the 1.9M is not spent does it go back to the general pot. Mr. Jessee explained of the 1.9M in compliance it would be partly interpreters and translation. Dr. Nyland also confirmed that also includes truancy.

Director Peters asked is the 1.9M a total. Mr. Nielsen explained 1.9M is the best guess and hopefully it is too high. And the Directors asked to come back to that 1.9M.

Director Harris explained promises were made to other schools and these programs are starving. And it all 11th graders are taking at least one IB class and it is not unique.

Majority of the directors agreed to fund IB.

Middle School Math 3M was agreed by just three directors

Directors Peters and Burke have strong feelings about the importance of the math adoption.

Director Geary does not think the Math Adoption is a priority compared to other things on the white board. She also spoke about the past adoption that wasn't fully accepted.

Director Peters stated things are not being faithfully adopted and that is a different issue. That is not something we are responsible for. By not being fully adopted it is damaging to students and families are going outside to get the materials that are needed.

Director Geary asked if we have the data to prove we are losing kids from Middle School to High School to prove this. Director Harris appreciates Director Geary frustration but there are people that are no longer here and made decisions that are now being dealt with. We have to give kids the tools to do so.

Director Harris asked when the last time when was a math adoption last done. Mr. Tolley explained the last time it was done; the last adoption did not have common core standards because they were not around yet. Mr. Tolley explained there are areas in greater need. Critical areas are needed within our system, such as World

Languages we have no materials and Middle School English Language Arts (ELA) was last adopted in the 1990's.

Mr. Nielsen spoke about why the reserves was skipped past on the white board, but was noted that Director Blanford has made it clear this was his priority.

Director Geary would like to hear more from Mr. Jessee. Mr. Jessee summarized his data process to meet his SMART goal.

Director Harris feels they are inappropriate to spend the funds on for a one time spending and she would be more comfortable for them to be place in an escrow account.

Ms. Berge summarized the costs of what has been given so far. Goal 1 is around 40% of the dollars, 27% in goal 2 and 1% in goal 5 and in goal 9 the low end is 16%.

Director Peters would like to see more money going directly to our schools. She is questioning the 8M amount and would support putting funds in mitigation.

Mr. Nielsen explained previous MTSS funding. Mr. Tolley explained in the past the funds are from Title II grants.

Mr. Tolley explained we have an opportunity to invest in our personnel this way and increase their capacity.

Director Research & Evaluation Eric Anderson spoke about data analyst at the school level, and gave an example of where this would be well received at schools.

Director Pinkham spoke about a lot of what is being asked for should have been built in the budget already. And does not feel it is fair to cut positions at the schools and have hiring at the administrative level.

Director Burke questioned if there is a way for MTSS to be coupled with WSS to create success. And the professional development is high risk/ high reward. He worried that is we put a lot of professional development is something that is only half baked.

Mr. Tolley agrees best professional development is ongoing and embedded within the work for a summer institute the funds would need to be identified now in the FY 17. Director Harris is not prepared to vote without information, she appreciates good data. And she thinks there is a disagreement in MAP and if that appropriate in Kindergarten- second grade, and no agreement in type of assessment needed. Mr. Jessee explained this vetting an RFP process.

Director Patu feels these should be part of the main budget and is concerned and stated main priority is the schools. Director Harris stated it doesn't go very far. Director Patu stated it may not go far but it is better than nothing and it is needed in the schools.

Director Geary left at 7:23pm to attend her husband birthday.

Mr. Nielsen spoke about Director Peters questions of how 11M turn into 9M. Mr. Nielsen explained why the 11M is now 9M.

Director Peters asked Mr. Nielsen to include this explanation in an upcoming Friday memo.

Director Peters would like to put 4M in the baseline amount of the SMART Goal.

Director Harris would like a better pitch, and to show it in an escrow account. The numbers are not parsed out and she needs to be able to sift it.

Mr. Nielsen explained then if it's not agreed then asked if it should be moved to escrow. Mr. Tolley will prioritize the list and send it to the Directors.

Mr. Wyeth summarized his data in priority order. Director Harris and Burke do not think these items are equally rated.

Mr. Nielsen explained it is short amount of time during the summer is for all of these items to move forward for before the start of the next school year.

Ms. Codd asked do we really have 3M for SMART Goals and 3M for math adoption or do we put 6M in escrow.

Director Pinkham asked Staff present if the Directors do not have 11M decided would that mean you could do your job. Director Harris said yes, that is what they are saying.

Director Burke has submitted his suggestions in priority order. He is comfortable to put a small amount lump sum into escrow.

Director Peters, Harris and Burke agrees with the idea of having the money in an escrow fund and be able to come back to decisions as needed.

Director Patu agrees with Director Harris to put the money in the escrow account.

Mr. Nielsen spoke about a possible timeline development. He stated July is tough, and the earliest they can get back together is in August. It will slow down the process but that is where we were by default.

The room spoke about additional cost to other SMART goals. 2M on the table for smart goals.

Director Peters does support having funds to support the goal.

Director Patu adjured the meeting at 7:55pm

Follow Up: Stephen Nielsen to include an explanation of why it went from 11M to 9M in an upcoming Friday memo. Michael Tolley will prioritize the list and send it to the Directors.