Attendance:
55 attendees at start, 56 at end of meeting

Objectives:
– Recap of work done to date
– General understanding of needs for Early Learning and Technology
– Question and answer for Bond Committee Planning
– General understanding of bond funding history.

1. **Introduction, Agenda Overview and Group Norms**

2. **Recap of Last Meeting**
   a) Last meeting, we had District departments present for Safety & Security, Special Education, and Student Services around health and counseling.
   b) We continue to build our knowledge base looking at data, district programs and current initiatives. In our next meetings we will be creating guidelines on how we interpret all this information to help make informed decisions and recommendations to the Board.
   c) Recap of the District Strategic Initiatives from the Strategic Plan and the 4 goals and measures. Every department is working towards fulfilling these goals by using the building blocks.

3. **Early Learning – Doreen Milburn**
   a) Goal 1: Success in the Early Years. Early Learning is a foundation for all future learning and serves children birth to 3, and in school 3-5 year olds. Enrollment numbers have increased over the years.
      - Currently serving over 500 children ages 3, 4, 5 and enrollment numbers have increased over the years.
      - In 2013 served 118 and by 2018 served 293. (106 children increased).
      - Highlight Special Education numbers because primarily population served.
      - Shared data with notes that in 2014-15 had limitations to space so did not contract with Head Start. Contracted and started Head Start in 2017, and Early Childhood Education and Assistance Program (ECEAP).
      - 250 children qualify for Headstart and ECEAP. Prior to Head Start contract only way to serve was in Ready Start program.
      - In 2019-20, served 71% of students who are income eligible.
   b) Long term goal creating more spaces to serve children.
   c) Early Learning is now transitioning to general education classrooms for all early learning classrooms. This means when Head Start and ECEAP came on they were general education classrooms and then transitioned Special Education Early Learning classrooms

into Co-Teach (general education early learning, Special Education early learning, and para-educational staff).
d) In past years, huge increase in Ready Start program (both at-risk and tuition based).

Question/Answer:
a) Have you expanded eligibility criteria for children meeting Special Education criteria? What is the increase?
   - There's a couple factors - population growth in the community and continuing to grow as a district so enrollment has increased, support with community partners through Child Find and Birth-to-3 partners to identify students that need services, and ability to find support for parents that seek programs.
b) How much is funded by government?
   - Head Start is federally funded and in general is cost neutral program. The district reports back in-kind support and grants cover costs. ECEAP is a WA state program and pays less per child than Head Start so more district funds goes to ECEAP than Head Start.

4. **Technology – Jon Wiederspan**
   a) History Technology Bond Funding
      - 1995 Internet opened to public access. As use of internet resources has grown so has our need for connections. We now have 22 Gbps which can be extended to 200 Gbps if needed.
      - Key 1: Increase in network to high speed access.
      - Key 2: Network Speed within Buildings
         ▪ Early 90's T1 lines at 1.5 Mbps. Currently all schools have minimum of 10 Gbps connection and HS has up to 40 Gbps. However, computing devices increased from 6,000 to over 20,000. In addition content has changed from text/email to live streaming videos and audio.
      - Key 3: Types of projects that have been funded
         ▪ Bond funds have built WAN that connects all schools to central offices and then to internet. Project spread over 3 bond measures and has already paid for itself. $8.5M estimate but paid $7M.
         ▪ Other projects Phone Systems, wireless network, instructional presentation systems, classroom audio enhancement and entire server infrastructure.

   b) 2022-26 Technology Proposed Projects
      - Maintenance – We built up large infrastructure to support 20,000+ computing devices as well as phones, printers, cameras, intercoms, lights, and other devices.
         ▪ Wireless hit hard by pandemic such as products no longer shipping and/or no longer available. Replace 80% of wireless access points.

- Switches – Generally good for 8-10 years and then need to be replaced. More devices use power over ethernet where they draw power from the network. The District needs more switches that provide more power connections. 200 switches to replace those aging out and provide more power.
    - Firewalls and Internet Equipment – There is equipment that is 10+ years that needs to be replaced. Firewall also includes web filtering, intrusion detection, VPN security.
    - Phone System Replacement – Over 10 years old. Next system will be cloud/hybrid model.
    - WAN Fiber Pathways – Major paths need to be replaced due to state construction.
- Construction - Major portions need to be modernized every 8-12 years to keep it working properly and up-to-date with modern technologies. Remote instruction is increasing network traffic and overloading WAPS on old copper cable. Secondary schools have already been completed, but a majority of the elementary schools have network cable that need to be replaced.
- Classroom Technology – Increased classroom support and in need of modernization.
- New Projects – These are new projects that will enhance our existing services or bring in new technologies altogether. Through surveys outdoor wireless network coverage and cellular enhancement have been forefront.

5. **Bond Committee Planning Q&A**
   a) Where did the Early Learning Annual Income Numbers come from? These are Federal guidelines.
   b) How often are cellular phones used for educational purposes? Includes phones and tablets that may be used in the education. Cellular includes all uses.
   c) How did you get to the 71% in the % of Children Served for Headstart/ECEAP slide? Gave up slots because we didn't have capacity. Limited by classroom and capacity.
   d) Where does the estimated eligible children number come from? Released every 5 years from OSPI. Saturation study.
   e) What's the Levy vs Bond for Technology? Levy funds for software, instructional devices like computers or tables. Bond funds building (cable we install, projectors, audio).
   f) Wifi calling vs cellular? Anyone can connect to public network. Wifi calling can be used.

6. **Committee Member - Katrina Rose**
   a) Shared her involvement with Northshore School District starting in 2003 as a parent, involvement with different committees including the last bond measure.

7. **Bond Funding Overview and Opportunities – Presentation Mark Prussing & Gina Bullis, ESD #112; Paul Field**
   a) Capital Funding Sources

- State Assistance – OSPI's State School Construction Assistance Program (SCAP). This doesn't fund entire projects and there is a gap between state funding and what the actual project costs are. Generally, districts will ask voters for what the projects are going to cost. SCAP is not guaranteed money and is reimbursable after the local match is met.
- Bonds – This is the primary method used by WA school districts to finance the local share of capital projects. Cash is generated upfront and payments can be spread over time.
  - Taxpayer Equity – period of benefit matches payment responsibility.
  - District has some control over taxpayer impacts. (Voter approved bonds only).
  - Unlimited Tax General Obligation (UTGO) Bonds. Voters are authorizing the District to levy district property to whatever's necessary to make payments on bonds. Paid through property taxes collected by county.
  - Require 60% "yes" vote and must have 40% validation.
  - Limited on voted debt capacity is 5% of assessed value and 40-year maximum term. Most district use 20-21 year repayment terms and maximum of 25 years.
- Non-Voted Bonds – These are Limited General Obligation (LGO) Bonds repaid with existing revenue sources. They cannot be used for "new" construction. Generally these are used for smaller districts such as purchasing land.
- Capital Projects Levy (Technology Levy) – Pay costs to construct, modernize or remodel school facilities including technology improvements.
  - One to Six year collection. No interest cost.
  - 50% voter approval requirement.

b) Northshore has a history of going out about every 4 years for both bond and lev(ies) with continual success. The average tax rate from surrounding school districts is about $3.50/$1000 Assessed Value which is about where Northshore School District is currently at. Most Districts go out in February as it has the highest passing rate for schools. Filing date for February 2022 election is December 10, 2021.

c) Assessed Value and Tax Rate Overview
- Tax Rates equal dollars levied by District / (Assessed Value of District/1000).
- Tax Amount per Property equal Assessed Value / $1,000 X Tax Rate)
- Example Tax Scenarios: To show the committee how tax rates may look we used two different rates for demonstrating.
  - $250 million new bond authorization; $2.50/$1000 operating levy; level technology rate
  - $300 million new bond authorization; $2.50/$1000 operating levy; level technology rate

- Election in 2022.
- Assessed Value Growth: 2022 and later at 4.00%
- We reviewed both example scenarios. Some take-aways:
    - An increased bond value ($250M vs $300M) would slightly increase the tax rate now, but there is less money to borrow for subsequent years.
    - *Note on Operating Levy Amounts* - This Committee will make a recommendation for the Bond and there are other committees that will make recommendations for the Technology and Operating Levies. Part of the McClearly decision in 2018 limited school districts to $1.50 per $1,000 assessed value and the District asked voters to approve this amount. Since then, supplemental levy laws increased (a little) and legislature realized it wasn't sufficient funding and increased the limit to $2.50 per $1,000. The scenarios presented included the max allotment of $2.50 per $1,000 to show how it factors in the big picture and overall decision making; however, this will be determined through committee recommendations and Board approval.
    - The increase of the operating levy by $1.00 does not increase the tax rate by $1.00. This is because there would be a new bond and increased operating levy, but the existing bond component decreases.
    - Through the CBPTF and the levy committees, the Board would refine the operating and bond amounts to eventually come up with an appropriate balance.

d) Operating Levy Planning – EP&O are collected similarly as bonds. Generally these are replacement levies and not a new tax even if the amount has increased. Levies are approved through simple majority, run 1-4 years and can run two times per calendar year.
- Public Disclosure Commission (PDC) Guidelines. Reminder that committees need to be careful about PDC guidelines. The keypoint in communications with district and stakeholders. At some point, information will be turned over to the Citizens Committee.

e) Why do we need the EP&O Levy?
- The levy makes up the difference between the state and federal funding a district receives and the costs to educate students. The levy helps provide funding for basic education not fully funded by the state or federal governments, providing the quality of education that students and families expect. (For example: Per 400 ES schools, state will fund 7% of nurse's salary. In Northshore School District almost every school has a nurse.)

Question/Answer

- Some school districts are business heavy and some are residential. Are the tax rates presented for homeowners or businesses? Tax rate is same for every property. The factor is districts with high commercial is that they pay a bigger portion.
- How do you get the tax rate? Committee comes up with amount then analysis will be run against that exact number. This involves the bond and levy committees.
- Will available funds fluctuate with assessed property values? If so is there a cap if values go up significantly or do we have a funding problem if they go down? Voters are asked to approve a maximum borrowing amount. This won't change over approved period of time. Generally assessed value growth projections are conservative.

8. Zoom Poll / Next Steps

Next steps include defining criteria, rules and guiding principles. How are we going to prioritize projects? These will include things like equity, fiscal responsibility, geographically defined resources, building condition, enrollment count, etc.