



**SPECIAL BOARD MEETING MINUTES**  
**Mead School District Board of Directors**  
**Wednesday, April 17, 2019**

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The Board of Directors held a Special Board Meeting on Wednesday, April 17, 2019. The meeting began at 6 pm and was held at Northwood Middle School. Directors Green, Burchard, Olson, Denholm and Wylder were present. Also attending were Superintendent Tom Rockefeller and Assistant Superintendent Wayne Leonard.

**I. Approval of Agenda**

Director Burchard made a motion to approve the agenda, as presented. Director Denholm seconded the motion. The motion carried unanimously.

Before moving to the main agenda item for the evening, presentation of a Modified Education Program to address an anticipated \$12 million budget shortfall for the 2019-2020 school year, Director Green welcomed all in attendance and stated there would be no public comment on the presented Modified Education Program at the April 17 meeting. The community (staff and patrons) were invited to the April 22, 2019, Regular Board Meeting (6 pm @ Northwood) and April 24, 2019, Special Board Meeting (6 pm @ District Office) where the board will take public comment on the proposed Modified Education Program.

Superintendent Rockefeller addressed those in attendance stating he is “both personally and professionally saddened that the Mead School District, as well as many other Washington school districts, are in this current situation with budgets.” He went on to express his “hope that the legislature provides some relief before the end of the session.” He concluded by stating that the district, given the current reality, must take steps to address the anticipated budget shortfall.

**II. Modified Education Program**

Business Services Assistant Superintendent Wayne Leonard, before presenting the list of proposed reductions, shared background information on how schools are funded, talked about the state’s Prototypical School Staffing Model and provided a comparison of 2017/2018 and 2018/2019 district expenditures. A copy of the proposed Modified Education Program PowerPoint presentation is attached. The proposed reductions were presented in no particular order.

No action was taken.

**III. Executive Session**

At 6:45 pm Director Green called for an Executive Session of approximately 30 minutes to review the performance of a public employee.

At 7:15 pm Director Green returned the meeting to Open Session. No other business was discussed and no action was taken.

**IV. Adjourn**

The meeting was immediately adjourned at 7:15 pm.

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President

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Secretary

# Mead School District #354

## Financial Emergency and Budgetary Uncertainty 2019-2020

# McCleary Solution EHB 2242

- Changed the structure of K-12 funding beginning in 2018-19
  - Compensation no longer based on a staff mix factor, based on an average
  - Levy and Levy Equalization calculations changed
  - New Accounting and Audit requirements were added
  - 4 year budget plan and 4 year enrollment projections is required
- Funding would be Phased in over two year period
- The prototypical school funding model was kept for number of staff positions
- Began the shift of funding of Basic Education salaries from local levies to the State

# Levy and Levy Equalization

- Currently – levy authority is determined by multiplying the district's levy base (state and federal revenues) by a fixed percentage – 28%
  - Was scheduled to reduce to 24% in 2018
- Levy equalization reduces the amount collected from the property owners and funds are received from the State in lieu of those taxes
- New Calculation - under 2242 levy authority is lesser of \$1.50/\$1,000 of assessed value (AV) in district and \$2,500 per student FTE
- Levy equalization fills gap for districts whose \$1.50/\$1,000 is less than \$1,500 per student FTE
- Creates new disparities among districts throughout the state

## Where are we now?

- Basic Education must be paid by the State
- Increased Salary Allocation / Reduction in Levy
  - Addresses McCleary intent
    - State funding of Basic Education salaries
    - Reduce reliance on levy for Basic Education salaries
- Offsetting decrease in the 2019 levy and levy equalization
  - Takes place over two fiscal years
- Sustainability is the big concern?
  - Local Levy drops again in 2019-20, K-3 compliance goes into effect in 2019-20, SEBB medical plan puts more of costs on employers in 2019-20, new schools open in 2020-21
  - We believe expenditures increases will outpace revenue increases
  - Budget adjustments will be required
- Anticipate statewide budget issues for school districts in next few years unless there are legislative changes/fixes

## New Requirement-Four Year Forecast

- As part of the budget process we are required to present a four year forecast:
  - As mentioned earlier, the Supreme Court forced the legislature to move the implementation ahead one year, so all school District's are seeing a one year spike in revenues.
  - Followed by three years of Expenditures exceeding Revenues by a significant amount.
  - This forecast is based on what we know today.
    - Year 1 we gain state revenue, lose \$6.1M in levy.
    - Year 2 we lose \$5.8M more levy, \$3.1M in K-3 funding and SEBB costs kick in.
    - Year 3 we incur costs of opening Middle School, Elem. School and Sports Com

Legislature still has time to make changes in funding model. Will they?

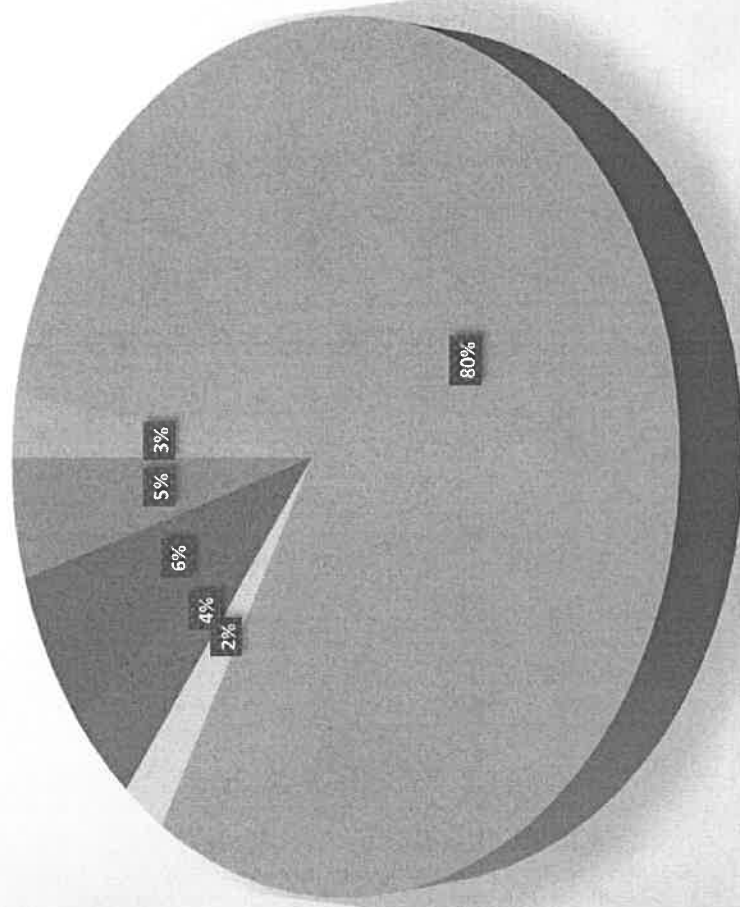


Activity	Description	%	Actual	2017-18	2018-19	%
11	Board of Directors		264,769	215,365		
12	Supts Office		607,945	745,685		
13	Business Office		1,198,567	1,322,007		
14	HR Dept		1,285,563	1,284,460		
15	Public Relations		18,431	15,000		
Administration		2.7%	3,375,275	3,582,517		2.6%
21	Supv. Of Instruction		2,837,385	3,217,286		
22	Library Resources		1,365,198	1,129,992		
23	Principal's Office		6,860,390	7,685,149		
24	Guidance Counseling		3,825,686	4,070,756		
25	Pupil Management		627,606	681,632		
26	Health Services		4,333,930	4,340,596		
27	Teaching		69,469,799	84,041,963		
28	Extracurricular		3,302,499	3,742,949		
29	Pymts to other Dists.		164	-		
31	Instructional PD		2,119,542	2,077,159		
32	Instructional Tech		1,399,074	1,054,060		
33	Curriculum		1,704,335	915,700		
Teaching Activities		77.5%	97,845,608	112,957,242		80.4%
41	Supv. Of Food Service		369,897	402,844		
42	Food		1,458,325	1,282,000		
44	Food Serv. Operations		1,488,975	1,569,830		
49	Transfers		(22,449)	(53,500)		
Food Service		2.6%	3,294,748	3,201,174		2.3%



Activity	Description	%	Actual	2017-18	2018-19	Rev. Budget	%
51	Transportation Supv.		737,017		726,129		
52	Bus Operations		3,666,199		3,834,849		
53	Bus Maintenance		849,450		917,058		
56	Insurance		105,963		110,000		
59	Transfers		(448,784)		(400,000)		
Transportation		3.9%	4,909,845		5,188,036		3.7%
61	Supv of Maint/Custodian		596,541		596,903		
62	Grounds		1,254,051		1,110,409		
63	Custodial		4,166,035		4,378,153		
64	Maintenance		4,060,189		2,606,183		
Maintenance, Ground Custodial		8.0%	10,076,816		8,691,648		6.2%
65	Utilities		2,499,777		2,608,384		
67	Bldg Security		195,373		131,500		
68	Insurance		844,440		1,075,000		
72	Information Systems		2,133,692		2,142,611		
74	Warehouse		264,285		290,267		
75	Motor Pool		696,645		427,662		
91	Public Activities		177,101		178,381		
Other Support Activities		5.4%	6,811,313		6,853,805		4.9%
Totals		100%	126,313,605		140,474,422		100%

## Expenditures by Activity



■ Administration

■ Teaching Activities

■ Food Service

■ Transportation

■ Maintenance, Ground Custodial

■ Other Support Activities

# Resolution 19-3 2019-2020 Financial Emergency and Budget Uncertainty



## RESOLUTION 19-3 2019-2020 Financial Emergency and Budget Uncertainty

WHEREAS, the financial resources of the District will not be adequate to permit the District to maintain its educational programs and services at substantially the same level for the 2019-2020 school year, due to several factors, including but not limited to, a significant loss of funding and an increase in mandated expenditures;

WHEREAS, a general uncertainty exists regarding the District's projected budget for the 2019-2020 school year, due to several factors, including but not limited to, structural changes to K-12 funding, significant loss of levy funding, possible loss of K-3 funding, underfunding of special education and the potential cost of a new state school benefits program;

WHEREAS, this lack of adequate resources and general uncertainty negatively impacts the District's ability to maintain educational programs and services at substantially the same level for the 2019-2020 school year;

WHEREAS, the Board of Directors has been given the fiduciary responsibility to maintain the District's fiscal health at reasonable levels of financial stability and the Board of Directors is accountable to the citizens and patrons of the Mead School District to provide an appropriate public educational program for students;

WHEREAS, the District adheres to bargained agreements and understands that items in some bargained agreements may be financially affected in the case of uncertainty and financial emergency and are subject to program reduction or elimination;

NOW THEREFORE BE IT RESOLVED, by the Board of Directors, that a financial emergency exists for the 2019-2020 school year and a general uncertainty exists regarding the projected budget for the 2019-2020 school year.

BE IT FURTHER RESOLVED, by the Board of Directors, that the Superintendent is directed to develop and recommend to the Board a modified education program to address and resolve the above-described financial emergency and general budget uncertainty, as here determined to be \$12,000,000 loss of revenue/increase in mandated expenditures for the 2019-2020 educational program year, through the reduction of expenses, including but not limited to reductions in the workforce and reductions of non-employee costs.

Adopted this 25<sup>th</sup> day of March 2019.

Attest:

Mead School District No. 354  
Board of Directors

Secretary to the Board \_\_\_\_\_  
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Adopted the 25<sup>th</sup> of March, 2019

Description	Amount	Total
4 Instructional Coaches	\$300,000	
1 Library Lead	\$75,000	
2 Central Office Administrators (.73)	\$147,000	
Administrative Training Funds	\$87,000	
Elementary Training Funds	\$120,000	
Secondary Training Funds	\$35,800	
Curriculum Training Funds	\$285,000	
Curriculum Funds	\$1,000,000	
PBIS Training Funds	\$30,000	
4.5 EL Teaching Positions	\$300,000	
7 Para EL positions	\$162,000	
<b>Total</b>		<b>\$2,541,800</b>
<b>Running Total</b>		<b>\$2,541,880</b>

Description	Amount	Total
12 Seasonal Custodians	\$560,000	
4 Weekend Custodians	\$180,000	
3 Unreplaced Custodial Retirees	\$180,000	
Capital Transfer of Capital Duty/Work Pay	\$298,000	
Facility Usage Fee Structure Change	\$60,000	
Energy Change/Savings	\$100,000	
3 Trades Positions	\$120,000	
7 Classified Nurse Positions	\$267,000	
Full-Day Preschool Transportation Savings	\$200,000	
One Half of Building Budgets	\$1,000,000	
Special Education Funding Increase	\$250,000	
Computer Lease to Capital Budget	\$500,000	
<b>Total</b>		<b>\$3,751,000</b>
<b>Running Total</b>		<b>\$6,292,880</b>

Description	Amount	Total
Eliminate Club Stipends	\$142,000	
RA Academy 2 year closure	\$1,000,000	
Eliminate Elementary Sports Programs	\$480,000	
Eliminate Elementary Library Paras	\$144,000	
Reduce para time on non-student days	\$82,000	
2 Tech Positions	\$110,000	
1 Business Office Staff	\$70,000	
MEAD Program closure	\$600,000	
Eliminate 6 <sup>th</sup> Grade Camp	\$28,000	
Eliminate 4 <sup>th</sup> Team at MHS/MSHS	\$40,000	
MEPP/NorthStar SPED Cert Position	\$75,000	
MEPP/NorthStar SPED Para Position	\$35,000	
<b>Total</b>		<b>\$2,806,000</b>
<b>Running Total</b>		<b>\$9,098,800</b>

Description	Amount	Total
Staffing Ratio	\$2,000,000	
Elementary Staffing Para Reduction	\$320,000	
Compass Social Worker	\$92,000	
Elementary Para Educator Positions Reduced 6 to 3 Hours (Approximately 19.5 Positions) SPED	\$389,600	
Secondary Para Educator Positions Reduced 5 Hours to 2 Positions (Approximately 16.2 Positions) SPED	\$492,800	
1.4 Work-base Learning Positions	\$112,000	
2.0 Overstaffed Positions SPED	\$160,000	
High School Compass SPED	\$175,000	
10 Ed Spec Positions	\$750,000	
Building Administrator	\$140,000	
Total		\$4,631,400
Running Total		\$13,730,200

Description	Amount	Total
8 Elementary Social Workers	\$600,000	
2 High School Administrative Assistants	\$140,000	
2 High School Counselors	\$150,000	
Activities and Ads release reduction	\$100,000	
1 Warehouse/Transportation Administrative Assistant	\$70,000	
1 Delivery Position	\$70,000	
.25 Print Center Para Ed	\$20,000	
1 Tech Administrative Assistant	\$70,000	
<b>Total</b>		<b>\$1,220,000</b>
<b>Running Total</b>		<b>\$14,950,200</b>