



**Board Work Session Minutes  
Wednesday, October 21, 2020**

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The Board of Directors held a Work Session on Wednesday, October 21, 2020. This was a Zoom Meeting with login information posted on the Mead School District website. Directors Green, Burchard, Olson, Denholm and Cannon were present. Also attending were Superintendent Shawn Woodward and Chief Financial Officer Wayne Leonard.

**I. Approval of Agenda**

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

**II. Levy Renewal Presentation & Discussion**

Superintendent Woodward, prior to turning the presentation over to Chief Financial Officer Wayne Leonard, reviewed information shared at the October 12, 2020, Regular Board Meeting. This included the loss this year of approximately \$6.1 million in revenue because of decreased enrollment of 540 FTE and the fact that, when planning for the 2021/2022 school year, the district will have to staff at current enrollment numbers which will necessitate a reduction in teaching staff. It is hoped enrollment will rebound and staff can be rehired. The district must also plan for a possible decrease in state revenues because of the impact on the state's economy due to COVID.

Superintendent Woodward additionally shared that a renewal of the current \$1.50 levy rate would generate some additional monies because of the district's expanded tax base and higher assessed values. This money would help offset costs associated with opening the 10<sup>th</sup> elementary school, as well as the enrollment concerns and possible loss of state revenue he previously referenced. If the community were asked to consider a slightly higher levy rate, for example \$1.65, the extra money generated could go to specific community priorities like curriculum alignment. At the upcoming October 26, 2020, Regular School Board Meeting the district will share line item specifics regarding where current levy dollars are spent. One example is the funding of 50 more teachers than what is provided in the state's Prototypical School Funding Model. These additional teachers allow more course choice for students. \$2.5 million in levy dollars funds the district's extra-curricular athletic and co-curricular activity programs.

Chief Financial Officer Wayne Leonard briefly reviewed 2017 legislation that changed the maximum local levy rate to \$1.50 or \$1,500/student and the follow-up legislation that increased that limit to \$2.50 or \$2,500/student.

Additionally, the following documents/information was covered:

- **OSPI Worksheet** that estimates Mead's 2021 through 2024 levy revenues using a levy rate of approximately \$1.50. This worksheet includes enrollment assumptions provided by OSPI and an annual CPI for 2022, 2023 & 2024 of 1.8%. The district must pass a \$1.50 levy to receive state Levy Equalization funds. If approved, the February 2021 ballot measure will authorize the collection of levy dollars in 2022, 2023 & 2024. Answering a question from Director Cannon, Mr. Leonard shared that voters approve an actual total annual levy amount not a tax rate. School districts can run a four-year levy but most run a three-year levy and most local school districts try to run their levy renewals at the same time.
- **Four Levy Revenue Scenarios** showing the funds that would be generated with a \$1.50 levy rate, \$1.65 levy rate, \$1.75 levy rate and \$2.50 levy rate.

- **Five Individual Household Levy Rate Scenarios** showing the impact on a homeowner with an assessed value of \$400,000, \$500,000 and \$600,000 for each of the following levy rates: \$1.50, \$1.65, \$1.75, \$2.00 & \$2.50.
- **Spokane County School Districts Total Tax Rate Comparison** showing how the Mead levy and bond tax rate compares to neighboring school districts. With Central Valley and East Valley voters approving levy rates at \$2.50 this past year, Mead's overall tax rate for 2021 will be lower than all local school districts with the exception of Riverside. Discussion included how to dispel the myth that Mead residents pays the highest school taxes in the region.

Mr. Leonard also reviewed the new OSPI Enrichment Levy Pre-Ballot Approval Form that he plans to submit in early November once the board has come to consensus on the levy renewal amount and estimate tax rate.

Responding to a timeline question from Director Burchard, Superintendent Woodward reported the Levy Resolution must be filed with Spokane County by December 11, 2020. The plan is to share the draft Levy Resolution with the board on November 9, 2020, with formal adoption taking place on November 23, 2020.

It was the consensus of the board to schedule another Work Session for Wednesday, November 4, 2020, to consider the pros and cons of maintaining a levy rate of \$1.50 or increasing the rate with the additional monies designated to address identified priorities and/or provide a cushion in the event state funds are reduced. Superintendent Woodward reminded that community feedback following last November's Supplemental Levy failure stated more specificity about where levy monies are spent should be provided.

Director Green shared her concern that recent cuts in spending have created their own level of stress. One example is when, because of cuts in the number of para-educator hours provided to each elementary school, recess was curtailed. Supervision for recess was reinstated but then classroom assistance suffered. She is concerned about the tolerance level for continuing cuts like this.

At the November 4<sup>th</sup> Work Session the district will present information on where additional monies would be allocated for a variety of levy rates.

### **III. Naming of 10<sup>th</sup> Elementary School**

Superintendent Woodward shared it is nearing time to approve a name for the new 10<sup>th</sup> elementary school. Following discussion, the board directed the district to follow the same process used in naming Highland Middle School and Creekside Elementary. The district will solicit the community for name suggestions. The board will then narrow the selection down to 3-4 names and allow the community to vote for their favorite.

### **IV. Adjourn**

The meeting was adjourned at 7:15 pm.

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**President**

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**Secretary**