



**Board Work Session Minutes
Wednesday, November 4, 2020**

The Board of Directors held a Work Session on Wednesday, November 4, 2020. This was a Zoom Meeting with login information posted on the Mead School District website. Directors Green, Olson, Denholm and Cannon were present. Director Burchard was excused. Also attending were Superintendent Shawn Woodward and Chief Financial Officer Wayne Leonard.

I. Approval of Agenda

Director Denholm 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 shared that he and Chief Financial Officer Wayne Leonard would each take a part of the presentation portion of this agenda item.

Chief Financial Officer Wayne Leonard started off by providing a brief overview of the information he would be presenting. This included a review of the information shared at the October 21st Work Session, a review of assessed valuation assumptions and presentation of a variety of possible levy amount/rate scenarios.

Mead's renewal levy includes funding for the 2022, 2023 and 2024 calendar years. The maximum levy authority amount is the lesser of \$2,500 per student or \$2.50/\$1,000 of assessed value adjusted for inflation. The district must have a levy rate of at least \$1.50 to maximize Levy Equalization dollars.

Addressing a question from Director Cannon, Mr. Leonard shared a levy rate under \$1.50 reduces the amount of Levy Equalization while any amount over \$1.50 does not impact Levy Equalization . . . it is capped at \$1.50. Mr. Leonard also reminded that Levy Equalization funds are not considered a part of Basic Education and therefore are subject to reductions by state legislators.

Regarding assessed values, Mr. Leonard shared updated information on projected increases for 2022, 2023 and 2024, including rationale for using growth rates of 9% for 2022, 8% for 2023 and 7% for 2024.

Four levy rate scenarios were shared. A copy of each is attached. In Scenario #1 the targeted levy rate for all three years is \$1.52. In Scenario #2 the rate for year one is \$1.52, increases to \$1.64 in year two, followed by \$1.74 in year three. Scenario #3 starts at \$1.71 in year one, followed by \$1.86 and \$2.00 in years two and three. The Scenario #4 rates are \$1.95, \$2.26 and \$2.50. Each scenario included the amount of additional levy dollars available over and above what is currently collected. Examples of how these additional funds could be used to fund specific Strategic Plan priorities will be shared by Superintendent Woodward.

Prior to sharing specifics on how the levy funds generated in each of the presented levy scenarios would impact upcoming district needs and identified priorities, Superintendent Woodward reminded that the district has very recently made major adjustments in spending (approximately \$11 million in reductions) plus made substantial cuts in the level of both administrative and support staff at District Office.

Following the failure of last year's Supplemental Levy the district solicited feedback from the community asking what they would be willing to support. Superintendent Woodward reviewed a spreadsheet summarizing that information, along with a "wish list" of needs identified by district and building administration. A copy of the spreadsheet, including the estimated cost of each line item, is attached. (Items specifically identified as priorities by the community are highlighted.)

Superintendent Woodward reviewed the following items current levy dollars pay for:

- small class size
- athletics
- activities (band, choir, orchestra, drama)
- nurses
- counselor/social workers
- ELL staff
- Highly Capable
- elementary specialists (PE, Music, Library)
- intervention support
- curriculum
- secondary elective/AP courses
- afterschool programs

With approval of a levy rate of approximately \$1.50 these items would continue to be funded.

In each presented scenario Superintendent Woodward shared a spreadsheet showing the amount of "extra" levy dollars (above \$1.50) generated each year and how those additional funds could be utilized to meet identified community and Strategic Plan priorities. A copy of the presented spreadsheet for each scenario is attached.

Discussion

Director Denholm shared it is his opinion any levy rate lower than Spokane and Central Valley would be an easier sell. As a starting point he indicated support for Scenario #3 or something between Scenario #3 and Scenario #4 (i.e. \$1.80, \$2.00 & \$2.15).

Director Olson acknowledged the embarrassing defeat of the Supplemental Levy last November but believes the district is in a much better position now, especially considering the district is open for face-to-face instruction. This is something 70% of families wanted. He expressed confidence those who voted *no* will now vote *yes*. He agreed with the levy rates Director Denholm voiced support for.

Director Green, referencing the community and Strategic Plan priorities shared by Superintendent Woodward stated, "Many of them are so important." She expressed concern that in the past couple of years so much has been pared back that the district is not able to offer the same learning program it has traditionally provided. She could support a levy rate between that proposed in Scenario #3 and Scenario #4.

Director Cannon expressed concern that there is much to lose if the levy does not pass and, therefore, raised the possibility of approving Scenario #1 (\$1.52 levy rate for all three years) and then, the following year, running a Supplemental Levy to raise additional money. Essentially a two-step process. While thankful for current community support because of opening for face-to-face instruction, he does not know if that will translate into financial support. He shared, regarding Spokane and Central Valley, that there is a lot of negativity around their levies. He would like to assure the current \$1.50 rate is approved and not risk asking for more.

Superintendent Woodward reminded that even in Scenarios 2, 3 & 4 there is no guarantee additional monies could be spent as proposed because those funds might be needed to maintain current programs should the state reduce funding. He also reminded the district is in a radically different place than last November . . . the district has a better story to tell now.

Chief Financial Officer Wayne Leonard shared the district can run the levy twice in a calendar year . . . February and April. He additionally referenced the possibility of a voter approved Capital Levy to pay for technology. This would free up current levy monies that cover technology. The downside to this is that patrons get tired of school districts seemingly “always” asking for money.

Referencing community feedback following the failed November 2019 levy, Director Cannon asked if patrons specifically indicated they were willing to “pay for” the priorities they shared. Superintendent Woodward answered “no” sharing folks were mad the district cut the Riverpoint Academy and M.E.A.D. programs. There was much anger about not providing opportunities for at-risk students. Director Denholm added patrons were also very angry about large teacher raises.

Director Green shared, for her, asking for only a \$1.52 levy rate is not an option. She does not want the community to think by approving that amount it will prohibit future cuts when Scenario #1 shows, in year one, the district would need to cut \$500,000. . . . and that assumes no reduction in state revenues.

Chief Financial Officer Wayne Leonard, as he did at the October 21st Work Session, shared a work sheet showing the cost to homeowners at various levy rates. He additionally shared information on how Mead school taxes compare to other Spokane County school districts. For 2021 Mead’s overall tax rate (levy + bond) will be lower than all local school districts with the exception of Riverside.

Director Cannon shared that, in his opinion, the board will need to justify “why” more money is needed if the decision is made to ask voters to approve a levy rate above \$1.52. He does not want to overestimate what the district can sell to the community.

Director Green, concerned about maintaining a quality learning program for students, once again shared she cannot support restricting the ask to \$1.52 as, at that rate, the district in year one, based on information provided in Scenario #1, would need to make cuts totaling approximately \$500,000.

To address the year one budget shortfall in Scenario #1 Director Cannon suggested dipping into cash reserves.

Regarding the district’s fund balance, Chief Financial Officer Wayne Leonard reminded that, because of the loss of 540 students this year and the added expenses associated with being open during COVID, expenditures will substantially exceed revenue this year. The district will be dipping into reserves to make the current school year work.

Superintendent Woodward shared that, while employed earlier in his career at a different school district, a levy passed but even with passage the district still had to make cuts. When the cuts started the community was upset they had not been told about the upcoming reductions. If Scenario #1, with a rate of approximately \$1.50 for each year, is put before voters the district must make sure to also share that cuts will be coming.

Director Green shared her opinion that voters should have the option to fund more than \$1.50 and that it is the job of the board and district to educate votes on why additional funds are needed and what those additional funds will be used for.

Director Denholm acknowledged it is “scary” when a ballot measure fails. Director Olson shared he is “cautiously optimistic” and believes patrons will be supportive especially considering Mead

is providing learning options for families and is open for face-to-face instruction. He is supportive of asking voters to approve a three-year levy rate averaging \$1.85.

At the upcoming November 9, 2020, Regular Board Meeting a determination will be made on a levy rate. Superintendent Woodward invited board members to reach out to him if they have questions or would like additional information.

III. Adjourn

The meeting was adjourned at 7:30 pm.

President

Secretary

Scenario 1 – Targeting \$1.52

Keeps pace with inflation due to AV growth.
Tax rates decline.

Calendar Year	2022	2023	2024
Ballot Amount	\$12,500,000	\$13,500,000	\$14,500,000
Assessed Value Est.	\$8.208 billion	\$8.864 Billion	\$9.485 Billion
Est. Tax Rate / \$1,000	\$1.52	\$1.52	\$1.53
Levy Revenue	\$12,500,000	\$13,500,000	\$14,500,000
Levy Equalization Est.	\$4,279,101	\$4,142,258	\$4,252,887
Total Levy & LEA	\$16,779,101	\$17,642,258	\$18,752,887

Scenario 2 – Slow Increase

Keeps pace with inflation due to AV growth.

Tax rates stay low. Can fund some smaller Strategic Plan items.

Calendar Year	2022	2023	2024
Ballot Amount	\$12,500,000	\$14,500,000	\$16,500,000
Assessed Value Est.	\$8.208 billion	\$8.864 Billion	\$9.485 Billion
Est. Tax Rate / \$1,000	\$1.52	\$1.64	\$1.74
Levy Revenue	\$12,500,000	\$14,500,000	\$16,500,000
Levy Equalization Est.	\$4,279,101	\$4,142,258	\$4,252,887
Total Levy & LEA	\$16,779,101	\$18,642,258	\$20,752,887

Scenario 3 – Increases as Economy Recovers

Tax rates remain lower than most other County school districts.
Can fund multiple Strategic Plan items.

Calander Year	2022	2023	2024
Ballot Amount	\$14,000,000	\$16,500,000	\$19,000,000
Assessed Value Est.	\$8.208 billion	\$8.864 Billion	\$9.485 Billion
Est. Tax Rate / \$1,000	\$1.71	\$1.86	\$2.00
Levy Revenue	\$14,000,000	\$16,500,000	\$19,000,000
Levy Equalization Est.	\$4,279,101	\$4,142,258	\$4,252,887
Total Levy & LEA	\$16,779,101	\$19,642,258	\$23,252,887

Scenario 4 – Increases to Maximum as Economy Recovers

Tax rates increase to where most County school districts rates are.
Can fund multiple Strategic Plan items.

Calendar Year	2022	2023	2024
Ballot Amount	\$16,000,000	\$20,000,000	\$24,000,000
Assessed Value Est.	\$8.208 billion	\$8.864 Billion	\$9.485 Billion
Est. Tax Rate / \$1,000	\$1.95	\$2.26	\$2.50
Levy Revenue	\$16,000,000	\$20,000,000	\$24,000,000
Levy Equalization Est.	\$4,279,101	\$4,142,258	\$4,252,887
Total Levy & LEA	\$20,279,101	\$24,142,258	\$28,252,887

Inflation over next three years	\$ 168,000.00
10th Elementary Start Up Costs	\$ 500,000.00
Rebuild Cash Reserve for Emergency Use	\$ 1,000,000.00
MTSS Pathway Implementation	\$ 120,000.00
Onsite Mental Health Therapists (Plus coordinating outside services)	\$ 200,000.00
Additional Para Support K-12 (Bring Back)	\$ 500,000.00
Increase Staffing for ALE/At Risk Students	\$ 450,000.00
Inclusion Support Positions (Classified)	\$ 500,000.00
Professional Development - Classified and Cert.	\$ 450,000.00
Early Alert System	\$ 50,000.00
Learning Coordinators/instructional coaches	\$ 325,000.00
Instructional Material Adoption Schedule	\$ 1,000,000.00
Choice Programs Elementary Level - ex: Language Immersion	\$ 270,000.00
Additional Custodians	\$ 322,000.00
Additional Maintenance Staff	\$ 407,500.00
Build Out Virtual Academy and Staff	\$ 300,000.00
Behavior Specialists	\$ 200,000.00
Increase Sub Pay to recruit and assist shortage	\$ 500,000.00
Increase Nurse Support	\$ 100,000.00
Workbased Learning/Internship Coordination (Classified)	\$ 100,000.00
Safety and Security	\$ 500,000.00
Development of Voc-Tech Center	\$ 500,000.00
	\$ 8,462,500.00

Scenario #1	Year 1	Year 2	Year 3
Inflation over next three years	\$ (168,000.00)	\$ (168,000.00)	\$ (168,000.00)
10th Elementary Additional Costs	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)
Rebuild Cash Reserve for Emergency Use			
MTSS Pathway Implementation			
Onsite Mental Health Therapists (Plus coordinating outside services)			
Additional Para Support K-12 (Bring Back)		\$ (125,000.00)	\$ (125,000.00)
Increase Staffing for ALE/At Risk Students		\$ (116,899.00)	\$ (116,899.00)
Inclusion Support Positions (Classified)			
Professional Development - Classified and Cert.			
Early Alert System			
Learning Coordinators			
Instructional Material Adoption Schedule			
Choice Programs Elementary Level - ex: Language Immersion			
Additional Custodians			
Additional Maintenance Staff			
Build Out Virtual Academy and Staff			
Behavior Specialists			
Increase Sub Pay to recruit and assist shortage			
Increase Nurse Support			
Workbased Learning/Internship Coordination (Classified)			
Safety and Security	\$ (200,000.00)	\$ (200,000.00)	\$ (131,438.00)
Development of Voc-Tech Center			
Total Cost	\$ (868,000.00)	\$ (1,109,899.00)	\$ (1,041,337.00)
Levy Additional Dollars	\$ 357,994.00	\$ 1,109,899.00	\$ 1,041,337.00
	\$ (510,006.00)	\$ -	\$ -
Levy Rate	1.52	1.52	1.52

Scenario #2	Year 1	Year 2	Year 3
Inflation over next three years	\$ (168,000.00)	\$ (168,000.00)	\$ (168,000.00)
10th Elementary Additional Costs	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)
Rebuild Cash Reserve for Emergency Use			
MTSS Pathway Implementation		\$ (120,000.00)	\$ (120,000.00)
Onsite Mental Health Therapists (Plus coordinating outside services)			
Additional Para Support K-12 (Bring Back)		\$ (220,000.00)	\$ (300,000.00)
Increase Staffing for ALE/At Risk Students		\$ (200,000.00)	\$ (250,000.00)
Inclusion Support Positions (Classified)		\$ (128,099.00)	\$ (250,000.00)
Professional Development - Classified and Cert.			
Early Alert System			
Learning Coordinators			\$ (153,337.00)
Instructional Material Adoption Schedule			
Choice Programs Elementary Level - ex: Language Immersion			
Additional Custodians			
Additional Maintenance Staff			
Build Out Virtual Academy and Staff			
Behavior Specialists			
Increase Sub Pay to recruit and assist shortage			
Increase Nurse Support			
Workbased Learning/Internship Coordination (Classified)		\$ (100,000.00)	\$ (100,000.00)
Safety and Security	\$ (200,000.00)	\$ (200,000.00)	\$ (200,000.00)

Development of Voc-Tech Center			
Total Cost	\$ (868,000.00)	\$ (1,636,099.00)	\$ (2,041,337.00)
Levy Additional Dollars	\$ 357,994.00	\$ 1,636,099.00	\$ 2,041,337.00
	\$ (510,006.00)	\$ -	\$ -
Levy Rate	1.52	1.64	1.74

Scenario #3	Year 1	Year 2	Year 3
Inflation over next three years	\$ (168,000.00)	\$ (168,000.00)	\$ (168,000.00)
10th Elementary Additional Costs	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)
Rebuild Cash Reserve for Emergency Use			
MTSS Pathway Implementation	\$ (120,000.00)	\$ (120,000.00)	\$ (120,000.00)
Onsite Mental Health Therapists (Plus coordinating outside services)			
Additional Para Support K-12 (Bring Back)	\$ (159,294.00)	\$ (200,000.00)	\$ (200,000.00)
Increase Staffing for ALE/At Risk Students		\$ (154,874.00)	\$ (154,874.00)
Inclusion Support Positions (Classified)			
Professional Development - Classified and Cert.		\$ (400,000.00)	\$ (350,000.00)
Early Alert System			
Learning Coordinators		\$ (200,000.00)	\$ (200,000.00)
Instructional Material Adoption Schedule			
Choice Programs Elementary Level - ex: Language Immersion			
Additional Custodians		\$ (167,025.00)	\$ (148,463.00)
Additional Maintenance Staff			
Build Out Virtual Academy and Staff			
Behavior Specialists			
Increase Sub Pay to recruit and assist shortage		\$ (500,000.00)	\$ (500,000.00)
Increase Nurse Support			
Workbased Learning/Internship Coordination (Classified)			

Safety and Security	\$ (200,000.00)	\$ (200,000.00)	\$ (200,000.00)
Development of Voc-Tech Center			
Total Cost	\$(1,147,294.00)	\$(2,609,899.00)	\$(2,541,337.00)
Levy Additional Dollars	\$ 1,147,294.00	\$ 2,609,899.00	\$ 2,541,337.00
	\$ -	\$ -	\$ -
Levy Rate	1.71	1.86	2

Scenario #4	Year 1	Year 2	Year 3
Inflation over next three years	\$ (168,000.00)	\$ (168,000.00)	\$ (168,000.00)
10th Elementary Additional Costs	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)
Rebuild Cash Reserve for Emergency Use			
MTSS Pathway Implementation	\$ (122,713.00)	\$ (120,000.00)	\$ (120,000.00)
Onsite Mental Health Therapists (Plus coordinating outside services)	\$ (100,000.00)	\$ (100,000.00)	\$ (100,000.00)
Additional Para Support K-12 (Bring Back)	\$ (400,000.00)	\$ (400,000.00)	\$ (400,000.00)
Increase Staffing for ALE/At Risk Students	\$ (154,874.00)	\$ (154,874.00)	\$ (154,874.00)
Inclusion Support Positions (Classified)	\$ (213,225.00)	\$ (213,225.00)	\$ (298,463.00)
Professional Development - Classified and Cert.		\$ (400,000.00)	\$ (750,000.00)
Early Alert System			
Learning Coordinators	\$ (140,882.00)	\$ (200,000.00)	\$ (251,028.00)
Instructional Material Adoption Schedule		\$ (1,000,000.00)	
Choice Programs Elementary Level - ex: Language Immersion		\$ (40,700.00)	\$ (148,972.00)
Additional Custodians		\$ (150,000.00)	\$ (250,000.00)
Additional Maintenance Staff		\$ (500,000.00)	\$ (500,000.00)
Build Out Virtual Academy and Staff			
Behavior Specialists			
Increase Sub Pay to recruit and assist shortage			
Increase Nurse Support	\$ (100,000.00)	\$ (100,000.00)	\$ (100,000.00)
Workbased Learning/Internship Coordination (Classified)	\$ (100,000.00)	\$ (100,000.00)	\$ (100,000.00)
Safety and Security	\$ (200,000.00)	\$ (200,000.00)	\$ (200,000.00)

Development of Voc-Tech Center				
Total Cost		\$ (2,199,694.00)	\$ (4,346,799.00)	\$ (4,041,337.00)
Levy Additional Dollars		\$ 2,199,694.00	\$ 4,346,799.00	\$ 4,041,337.00
		\$ -	\$ -	\$ -
Levy Rate		1.95	2.26	2.5