



Saint Paul Public Schools

Regular Meeting

Tuesday, October 22, 2019 6:05 PM

**SAINT PAUL PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 625**

BOARD OF EDUCATION



Zuki Ellis
Chair



Steven Marchese
Vice Chair



Jeanelle Foster
Clerk



Marny Xiong
Treasurer



John Brodrick
Director



Jon Schumacher
Director



Mary Vanderwert
Director



ADMINISTRATION
Dr. Joe Gothard
Superintendent

BOARD OF EDUCATION COMMITTEES

Committee of the Board – Steven Marchese, Vice Chair

Mission of Saint Paul Public Schools

Inspire students to think critically, pursue their dreams and change the world.

Guiding Values

Achievement | Communication | Continuous Improvement

Collaboration | Accountability | Inclusive Culture

SPPS Achieves

Each student. One community. Endless Opportunities.

Strategic Focus Areas

Positive School and District Culture | Effective and Culturally Relevant Instruction

Program Evaluation and Resource Allocation | College and Career Paths

Family and Community Engagement

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
REGULAR MEETING OF THE BOARD OF EDUCATION
Administration Building
360 Colborne Street

October 22, 2019
6:05 PM

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- I. CALL TO ORDER**
- II. ROLL CALL**
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**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Acknowledgement of Good Work Provided by Outstanding District Employees, Departments and Partners

A. PERTINENT FACTS:

1. **Jan Spencer de Gutiérrez**, District Arts Supervisor, was recently named the 2019 - 2020 Administrator / Supervision Art Educator of the Year by Art Educators of Minnesota (AEM).

Jan will be recognized at the AEM annual conference in early November at Minnesota State University-Mankato. She will also be facilitating a session and assisting with other AEM work during the conference. In addition, Jan will be recognized at the National Art Educators Association conference in March 2020.

Jan has also been recently named to the Ordway Center for the Performing Arts Board of Directors representing Superintendent Joe Gothard and SPPS.

2. **Tami Johnson**, Licensed School Counselor at Harding Senior High School, received the Educator of the Year award from the National Indian Education Association (NIEA) at their annual convention earlier this month. Tami is part of the White Earth Ojibwe Nation. Honoring and celebrating the achievements of Native educators for their work and dedication to their students and commitment to excellence in education is among the founding principles of the NIEA. That is why every year, the successes of standout educators are recognized during the Annual NIEA Convention and Trade Show, the largest convening of Native educators in the country.

The Annual NIEA Convention & Trade Show brings together more than 2,000 Native educators, advocates, researchers, school officials, and tribal leaders to discuss ways to advance educational opportunities for Native students.

3. **Margaret Shultz** from Career & Technical Education Pathways; **Don Mullin** from Saint Paul Building and Construction Trades Council; **Rick Petersen** from the North Central States Regional Council of Carpenters; **Ryan Hoen** from United Association of Steamfitters, Pipefitters and Service Technicians Local 455 (and former SPPS pipefitter); and **Brian Winkelaar** from the International Brotherhood of Electrical Workers Local 110; and the **Facilities Department** for collaborating on the Student Trades Exposure Program.

The Career Technical Education Pathways program and the Facilities Department recently designed a program where SPPS students that had met the requirements for graduation could participate with SPPS trades staff to learn about the actual work of the trades. This collaborative effort is called the Student Trades Exposure Program and it started with two students interning in the electrical and carpentry areas this past summer.

The Facilities Department and the unions have designed a program where the experience will include participation in the unions' technical training centers and lead to the pre-apprentice programs. This program helps create a smooth and linear pathway for SPPS students to achieve a career in the construction industry. While this program is open to students interested in each of the 15 skilled crafts contained within the Facilities Department, these three trades collaboratively worked with SPPS to improve and refine the program based on our initial batch of students.

Mr. Mullin is unable to join us this evening, as he is currently teaching one of our Community Education classes just down the street at 1780 W. 7th on "Choosing a Career in the Trades."

4. The Hmong Dual Language team presented at the Two-Way Dual Immersion Conference held in Reno, Nevada in early October. The conference provided a powerful collaborative opportunity with Hmong Dual Language colleagues across the country, and with fellow dual immersion educators of other languages from other states. The team met with Dual Language educators from North Carolina, Wisconsin, Texas, California and Nevada, heard from key researchers in the field, and presented the groundbreaking work around standardizing the teaching of the Hmong Language in Saint Paul Public Schools to conference attendees.

The Team represented SPPS well and significantly contributed to the overall total of 53 Hmong Dual educators who attended the conference.

The Association of Two-Way & Dual Language Education (ATDLE) was formed into a national organization in 2013 having been part of a state organization for over ten years. The Board of Directors developed its national non-profit organization to offer professional training and technical support to TWBI/DL throughout the country.

SPPS Hmong Dual Language Team Members:

Bee Lee, Jackson Preparatory Magnet, Principal
May Lee Xiong, Phalen Lake Hmong Studies Magnet, Assistant Principal
Be Vang, Harding Senior High School, Principal
Xong Moua, Washington Technology Magnet, Assistant Principal
Seepha Vang, Hmong Dual Language/Immersion, Teacher on Special Assignment
Phoua Yang, Hmong Dual Language/Immersion, Coach
Ka Ying Yang, Jackson Preparatory Magnet, Teacher
Nag Yang, Jackson Preparatory Magnet, Teacher
Bao Xiong, Phalen Lake Hmong Studies Magnet, Teacher
Bounthavy Kiatoukaysy, Phalen Lake Hmong Studies Magnet, Cultural Specialist
Youa Lee, Harding Senior High School, Teacher
Moslais Xiong, Phalen Lake Hmong Studies Magnet, Teacher
Shoua Lee, Washington Technology Magnet, Teacher
See Yee Yang, Washington Technology Magnet, teacher
Chivouayi Lo, Harding Senior High School, Teacher
Soua Her, Jackson Preparatory Magnet, Teacher
Gaoshue Moua, Jackson Preparatory Magnet, Teacher
Ong Xiong, Phalen Lake Hmong Studies Magnet, Teacher
Mee Kong, Jackson Preparatory Magnet, Teacher
Leigh Vang, Phalen Lake Hmong Studies Magnet, Teacher
Chong Xiong, Phalen Lake Hmong Studies Magnet, Teacher
Chao Vang, Phalen Lake Hmong Studies Magnet, Teacher
Maykoly Vang, Battle Creek Middle School, Teacher
Billy Chan, Assistant Superintendent, Division of Schools

5. This item is submitted by Cedrick Baker, Chief of Staff.

B. RECOMMENDATION:

The recommendation is that the Board of Education recognizes the staff acknowledged above for their contributions and outstanding work.

**INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
MINUTES OF THE REGULAR MEETING OF THE BOARD OF EDUCATION**

September 17, 2019

I. CALL TO ORDER

The meeting was called to order at 6:05 p.m.

II. ROLL CALL

Present: Ms. Foster, Mr. Brodrick, Ms. Xiong, Ms. Vanderwert, Mr. Schumacher, Mr. Marchese, Ms. Ellis, Superintendent Gothard, Mr. Long, General Counsel, and Ms. Dahlke, Assistant Clerk

III. APPROVAL OF THE ORDER OF THE MAIN AGENDA

MOTION: Ms. Ellis moved approval of the Order of the Main Agenda. The motion was seconded by Ms. Xiong.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

IV. RECOGNITIONS

BF 31789 Acknowledgement of Good Work by Students

The Student Engagement and Advancement Board launched in 2015. Since then, SEAB has worked with the Board and Administration on multiple projects resulting in both policy and practice change in St. Paul Public Schools. Today we are introducing the 2019-2020 SEAB members:

**Anindita Rajamani
Cheng Vang
Diamond Thlang
Selah Cheyenne Jacoway
Alma Sanchez
Atquetzali Quiroz
Marianna Suna Xiong
Kalid Ali
Jordanna Marshall
Simon Mulrooney
Tochi Onuegbu
Malachi Raymond**

BF 31790 Acknowledgement of Good Work Provided by Outstanding District Employees

Kathy Kittel, Supervisor of Career and Technical Education (CTE) and secondary Perkins leader from SPPS, was named the ACTE/Region III Administrator of the Year for the 2019-20 academic year by the Minnesota Association for Career and Technical Education(MnACTE).

Kathy was selected above other candidates because of her significant contributions toward innovative, unique and effective career and technical education programs, The award was announced at the ACTE/Region III Conference in June 2019.

Kathy will now be competing against four other regional winners for the national ACTE Administrator of the Year Award for 2020 at the ACTE Career Vision Conference in Anaheim, California in December 2019. She will also be recognized at the Minnesota Career and Technical Education CTE Works Conference at the MnACTE Awards Banquet in November.

Patty Norwig, Payroll Manager, Department of Human Resources, was recently selected as the 2019 American Payroll Association Northstar Chapter Payroll Professional of the Year. The Northstar Chapter said they chose Patty because of her passion for payroll and ensuring compliance and best practices.

V. APPROVAL OF THE ORDER OF THE CONSENT AGENDA

MOTION: Ms. Ellis moved approval of the Order of the Consent Agenda with item D6 – Community Action Partnership Head Start and St. Paul Public Schools Memorandum of Understanding pulled for separate consideration. The motion was seconded by Ms. Foster.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

VI. APPROVAL OF THE MINUTES

A. Minutes of the Regular Meeting of the Board of Education of August 20, 2019

MOTION: Ms. Ellis moved approval of the Minutes of the Regular Meeting of the Board of Education of August 20, 2019, as published. The motion was seconded by Mr. Marchese and Ms. Xiong.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

B. Minutes of the Special Meeting of the Board of Education of August 29, 2019

MOTION: Ms. Ellis moved approval of the Minutes of the Special Meeting of the Board of Education of August 29, 2019, as published. The motion was seconded by Mr. Marchese.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes

Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

C. Minutes of the Special Meeting of the Board of Education of September 9, 2019

MOTION: Ms. Ellis moved approval of the Minutes of the Regular Meeting of the Board of Education of September 9, 2019, as published. The motion was seconded by Mr. Marchese.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

VII. COMMITTEE REPORTS

A. Minutes of the Committee of the Board Meeting of September 10, 2019

At the September 10, 2019 Committee of the Board meeting, Superintendent Gothard began the meeting by welcoming students, families and staff as we begin the start of the 2019-2020 school year and shared his experiences from the first week of school, including meeting with building leaders and riding a school bus. Superintendent Gothard then shared that Executive Director of Human Resources, Laurin Cathey, is transitioning to a new position outside the District, and welcomed Kenyatta McCarty to her new role as Interim Executive Director.

Next, the Board learned more about the Arts in SPPS, including the team's mission, core values and strategies of music, visual arts, theatre and dance, engagement in the arts, and state statutes relating to required academic standards for the arts. Information was also shared about arts programming across grade levels within SPPS, Extended Day Learning and S-Term arts opportunities for students, and pathways for the arts in the District, as well as the Arts Steering Committee, program evaluation, cultural relevance, external organization relationships, and family and community engagement. Professional development, grants and awards, and Ordway Partnership Activities were also reviewed, followed by career-related opportunity examples. This presentation sparked questions from the Board involving clarification on middle and high school requirements and scheduling, as well as requirements on hours of art classes and offerings. Other questions centered on arts across the District and what families can expect in each school, and decisions on types of programming within each site. Discussion also focused on diversity within the arts, and ensuring there is equity and access for all students, and the role of the National Endowment for the Arts grant in creating culturally responsive lessons and the new statewide standards to help students connect to the world around them through the arts. Music in PreK was also reviewed. Strategic plan initiative 3b to ensure all students have access to a well-rounded education will help us to identify barriers in content areas and recommendations to overcome those obstacles. Instrument use was also reviewed, including that there is no required cost to students or families for the use, repairs or supplies of the instrument. Capital Hill and Saint Paul Music Academy were noted for their instrumental offerings during the school day. Board members also suggested contacting SPPS alumni of the arts for additional support and resources.

Lastly, board members conducted a work session to review general information on school finance and the levy process in preparation for further presentation and discussion at upcoming meetings.

MOTION: Mr. Marchese moved the Board accept the report on the September 10, 2019 Committee of the Board meeting and approve the minutes and recommended motions within that meeting as published. The motion was seconded by Ms. Foster

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

VIII. SUPERINTENDENT'S REPORT

A. SPPS Achieves Strategic Plan Annual Progress Report

Superintendent Gothard then invited staff to present and share information on the SPPS Achieves Strategic Plan Annual Progress Report. Full details can be found at spps.org/strategicplan.

SPPS Achieves Initiatives Milestones by August 2019

Overall Status	#	%
Complete	31	82%
In Progress	6	16%
Scheduled	1	3%
Total	38	

Strategic Initiatives – SPPS Achieves

Positive School and District Culture

- 1a. Implement Positive Behavioral Interventions and Supports (PBIS) at every school, integrating social-emotional learning support
- 2a. Improve culture by using input from students, staff and families

Effective and Culturally Relevant Instruction

- 3a. Implement culturally relevant practices within all student learning and programming
- 3b. Ensure all students have access to a well-rounded education

Program Evaluation and Resource Allocation

- 5a. Implement a system for assessing program effectiveness
- 5b. Determine a districtwide middle school model
- 5c. Allocate resources more strategically*

College and Career Paths

- 6a. Create career-related curriculum and personal learning plans for all PreK-12 students
- 7a. Strengthen partnerships that provide college credit, industry certification and job experience to secondary students
- 7b. Expand high-quality instruction in targeted career fields*

Family and Community Engagement

- 8a. Identify ways to engage the community in district decisions and initiatives
- 9a. Review and revise relationships with external organizations to better meet student needs

* additional initiatives

Our Strategic Focus – Positive School and District Culture

- 1a. Implement Positive Behavioral Interventions and Supports (PBIS) at every school, integrating social-emotional learning support
 - Comprehensive Professional Development plan
 - PBIS requirements at every school

- Introduce Social-Emotional Learning Competencies
- Integrate PBIS, Social-Emotional Learning & Restorative Practices
- Invest in SEL programming
 - Second Step Middle School Program (12 Middle Schools)
 - Zones of Regulation (18 Elementary Schools)
 - Drumming Circles (All 9th graders at 1 Senior High)

Our Strategic Focus – Effective and Culturally Relevant Instruction

- 3a. Implement culturally relevant practices within all student learning and programming
 - Comprehensive professional development plan to create a shared understanding of Culturally Relevant Instruction and to build capacity
 - Learning Lead Summer and Weekly Institutes
 - Summer Administrator
 - SPPS Achieves Academics Professional Development
 - Cultivating Assets Based Practices for Multilingual Learners
 - New Educator Week
 - Invest in Culturally Relevant Instruction curriculum
 - Create Instruction Practice Profile
 - Develop Lesson Planning Model and Lesson Delivery Model
 - Content Area Curriculum Writing
 - Alignment with Strategic Initiatives 1A, 2A, 5B and 6A

Our Strategic Focus – Program Evaluation and Resource Allocation

- Young adolescents deserve a middle school experience that is developmentally responsive, challenging, empowering and equitable
- Seven-period day at 6-8 and PreK-8 sites
 - Foundations advisory class curriculum focuses on social-emotional learning, digital citizenship, career and college topics, and academic goal-setting
 - 6th Grade daily Readers and Writers Workshop classes
- Job-embedded professional development for teachers
 - Support of adolescent development and the middle school model

Our Strategic Focus – College and Career Paths

- **6a. Create career-related curriculum and personal learning plans for all PreK-12 students**
 - Pilot underway at 14 sites, grades PreK-9
- Student Personal Learning Plan (PLP)
 - Reflect on interests, goals, and long-term career aspirations
 - Consider academic and career development plans
 - Prepare for life after high school
- Career related curriculum
 - Self awareness
 - Career awareness, exploration and preparation
 - Postsecondary education options, entrance and admission
 - Personal finances and financial aid

Additional 2019-2020 Actions

- Positive School and District Culture
 - Pilot staff survey of school and district culture
- Effective and Culturally Relevant Instruction
 - Plan and allocate resources for improving access to well- rounded education
- Program Evaluation and Resource Allocation
 - Launch first cohort for program evaluation
- College and Career Paths
 - Work with high schools developing career pathways and grade 9 career sampler
- Family and Community Engagement

- Implement guidelines for engagement and partnerships

Monitoring Progress on Long-term Outcomes

- Update on long-term student outcomes coming at October Committee of the Board (COB)
- The metrics, targets and baselines for each long-term student outcome are posted on the [SPPS Achieves website](#)
- Data for 2018-2019 will be added to the site in October

QUESTIONS/DISCUSSION:

- The Board thanked staff for the presentation and noted that it is helpful to see how the process is going forward.
- With respect to 1a, appreciate as reviewing how the District and our schools are implementing PBIS, and curious how will we be able to measure or demonstrate how our students will have a different qualitative experience? How are we evaluating how our students will see and experience things differently because of this? Response: This is also related to the overall district culture and 2a – the work so far has been a survey for staff perspective, and also includes ways of gathering input from families and students. In addition to the climate survey that is being piloted at the 10 schools for staff, there is discussion about a student climate survey as well, and working with REA on selecting that type of student climate survey. In measuring student's qualitative experiences, and gathering feedback will be helpful.
 - That data will be helpful at this wide-range. Also trying to understand in how we're implementing a curriculum – where does that translate to practice and how staff and students work together differently where we can see there is learning that is happening differently or experiencing relationship-shift. Some can be encapsulated by the survey, but will we see different ways of relating and working together? Response: At the high school pilot, there was a pre- and post-survey that students took, and with our Project Prevent grant with an evaluator to do focus groups and interviewed teachers to give us qualitative data that talked about the difference in relationship. One thing we learned from those interviews as we implement this in all schools, and being intentional with all teachers, and co-facilitate sessions, and being intentional in explaining skills and intention and purpose. Teachers wondered about how to continue on their classrooms so learning. We also learned from students what they found different pre- and post-survey.
 - How do we carry it forward when not in midst of series? Response: We have the social worker in the school will be doing that, and partnered to giving those teachers ways and conversations to continue to connect it to academic lessons and relating it to curriculum, and also referring back to MDE guidelines which has aligned social-emotional learning benchmarks with academic standards and seeing what we can use from both.
 - Director Marchese suggested cultivating sense of ownership for staff will be central and crucial in part of the larger culture change, and hope to approach it in a way to suggest staff have a role, opportunities to provide input and ownership. Support is important, and also important that we're creating a collaborative way of creating that shift in classrooms – this is about how we're shifting our work together and building shared ownership, which is a more long-term direction we can do. Response: There does need to be shared ownership. That has been one of the strength of the pilot sites with zones of regulation because it is led by classroom teachers with the principal and support staff. The kids and teachers are doing that together, as well as the Foundations class at the middle schools. The coaching model in school support in Cognitive Coaching, it's helping a teacher to think through what they are trying to do, and think through and apply things, instead of being told what to do – it's a different way of thinking about coaching.
- Interested in the middle school used Second Step – everyone has to know that program in the school. Wondering how is it being presented and training folks including custodians, office staff, and everyone in the building, and parents and families and how conveying goals and strategies to them to support at home? Response: Second Step has been rolled out at 10 school sites, and we have involved teachers and principals as much as possible in vetting the curriculum and getting feedback, looking through a culturally relevant lens and seeing how it fits. Currently it is launched at the school sites primarily with teachers. Upon first feedback, they are enthusiastic about its ease and able to take a session to look at the nuances of the curriculum and have conversations around young adolescent development. Working with an action team to provide outreach to parents and families, with a sort of handbook of

middle school child and what to expect. It's in the works and one of our milestones. We are in the installation straddling initial implementation with this piece.

- In talking about qualitative and quantitative data, it's important to be able to see that there is an impact and effective techniques - part of the balance is that people deal with specific incidents in how what we're doing is addressing those. Walk through an incident that has happened, and what we're doing know to bring positive behavioral outcomes, and how is that different from the past. How do families and parents and community understand specifically what will be different. How will parents and families see difference? Response: In talking a quantitative data point, it would be office discipline referrals. The difference will be the teachers looking at options for a student is dis-regulated and how to help that student function well in the learning environment, and what they are doing and how they are thinking about that student. In learning about zones of regulations, developing a relationship and set of strategies to work with that student to prevent the need for an office discipline referral.
- How is what we're doing and how should we look at success in our abilities to do that to tell us we're on the right pathway – numbers decreased? Also asking for when hearing presentation, it would be helpful to understand specific circumstance because that what the Board hears from community in specific problems and how they are addressed because we hear from parents with their frustrations and from . Response: That is a helpful note for future presentations – to hear the overall strategy and specific differences, and if we're meeting, and if not, how we shift, enhance or support in different ways to have those outcomes for our kids.
- Around the personal learning plans, and what does it look like for our students? How is it initiated, who's a part of it, what's the monitoring, what kind of data can be we gain, and how are parents and families engagement piece? Response: That is something we will be working through year in the pilot. A big piece is the teaching and learning that is the foundation for this. Counselors will be partnering with classroom teachers to deliver lessons in classrooms during the year in the pilot sites. Students will upload artifacts or evidence of learning to SeeSaw or Schoology that demonstrates their learning related to the content. As to the tool, that is a tool uploaded to Schoology so parents will have access. It will be important to tap into existing engagement strategies like conferences and other school specific opportunities to tie this into this work and learnings from the pilot sites this year.
 - In thinking about the process, and Schoology, and remembering our families experiencing homelessness, and ways of engaging, and families that haven't been able to attend conferences, and how we are being intentional in reaching out to ensure every family understands services for students. Response: That will be something we will work on this year with our Project Reach team and doing this work to do this work in a very intentional way.
- About Effective and Culturally Relevant Instruction, and reading through summer seminar and New educator week, and the 4Rs, and get into that more. As thinking middle school and going for open house and the library, there are a lot of options and books in multiple language s and impressive for a classroom library, while all may not look like that. How are we talking about what is in the classrooms for educators? How are we talking about relationships, relevance, rigor and realness to community and families? Response: In talking about the materials that are in classrooms and that are reflective of the scholars, the way that culturally relevant instruction is defined is that it is student-centered instruction and they are partners in their education, instead of prescribed texts assumed to be reflective of the students. In the 4 Rs – Relationships speaks to and has been defined as building mutual relationships between scholars and their families; they are one in the same, and the family is the first educator. In Relevance, we're talking about the scholar being at the center of their education and partners in their identity – those are at the center of the partnership that is reflective of their culture because they are partners in creating the curriculum. They are helping to co-create the experience. Realness is the scholar having the opportunity to show up as who they are authentically, and the educator to show up authentically. We are all cultured beings – all bring culture, and that needs to be examined introspectively before being in partnership in another from another culture, and creating that space and guidance for scholars to be their authentic selves, which will foster more engagement in the classroom. With the learner as a partner in their education, as the scholars are continuously engaged, that they will have the opportunity to define what Rigor means to them based on what is important and reflective of lives experience in the curriculum. Reflection is rigor and looking at who we are and how we show up is rigorous, and part of the work built with staff and everyone who works with children is an educator and has that shared responsibility.

- Director Foster noted that she is excited about the personal learning plans. She noted their use in college and experience in developing a plan for her education. She is excited about how we're starting that with students and plan to dig deeper into younger grade levels.
- It was mentioned that of the 38 plans we are at 31 that are completed. What are updates on the other 7? What is it and what have we learned in our progress? Response: A couple examples are under Well Rounded Education where we determined trying to combine everything under this was difficult to manage and took work around curriculum mapping and curriculum review cycle, and we pulled them from the context of the milestone from Well Rounded Education and put that under the work of Teaching and Learning. Another was around putting together an employee recognition plan, and positive culture. We decided to put a plan and identity around positive culture for staff and input from the current sense of what it is, and move into a recognition plan and rearrange the order of the events. Along the personal learning plan, there was initial research and more resources from staff from other districts, including Chicago. We took advantage of that expertise and research to put together more on those plans.
- We all have our own definition of Well-Rounded Education. Looking forward to looking to define that and how it feels. Will we eventually get to that point where we have a common picture of what well-rounded education looks like and how it looks and feels in SPPS? Response: We have guidelines from the state, and students receiving instruction in state mandated standards. Where there are none, we have access to other standards from national organizations. All content areas we need to ensure are represented – continues to be questions on access because of resources and figure out prioritizing around resources to ensure all standards are addressed across the school district. The first part is collecting data to identify specific schools and places, and barriers encountering, and also allocating resources around priority based budgeting, and how we take the data we have to match it with solutions.
 - When we eventually have a final product of how we allocate budget, that will reflect our version of a well-rounded school? Response: we will keep phasing-in, and the goal is that what we're able to do.
- It was mentioned that guidelines for engagement and partnerships – how does that look, and could that be shared so the Board can be a part of the pilot to join and give feedback? Response: Yes, we can do that.
- In the metric piece, and how we measure our success in reference to the points earlier about graduation rates and the data about our student enrolling in college institutions – that's right on and need to look at that data, and also look at the data of our students who graduate, or attend college institution of any sort, and graduation rate from college institutions. That's the real test – not just getting through to college institutions, but how we've prepared them to graduate and be successful and change the world. Is there an element or metric that measures success to get in touch with alums of SPPS to understand graduation rates from college? How does that look and how are we measuring that? Response: The 7A team is looking at this statistic. Some of the pieces with SLEDS and clearing house data, and alumni and real time, is that's on a year and a half lag, and persistence data later from that graduating class. It's not real time data. We are partnering with college partners to get real time data, so if a student doesn't show, and what we can do to support through partnership to ensure student is able to arrive. The other is through career pathways and personalized learning plans – students need to be well-prepared for going to college, and mainly in literacy and math and key pieces of 7a career pathways initiative. We have 60% of college going to year, and need to change the persistence rate, and that's to change majors in high school and understand what they like and don't like to address future debt. It lives in personalized learning plans and career pathways. Specific data points, it does live in college, career and life ready. Data points will be added as well. The issue is the lack of real time data, when we could be using it. As looking at trend data, expecting downward trend who are dropping out or not finishing college through this work
- Director Xiong noted that it's important to look at data and measure our success through the success of our students after they leave our school district. It's exciting about zones of regulations and personalized learning plan, and would be interesting for board members to create own PLP and see it and experience it, and as talk to students and parents, know what we are talking about. If Board could also be invited to see some of the zones of regulation work happening in both elementary and middle schools. Response: We can certainly make that happen.

- Director Brodrick had a question on trying to understand what SPPS Achieves is actually going to be doing different. He asked for concrete examples in each of the 4Rs in the plan and the spirit of the plan. What are we doing as a District to get our teachers, students, families, and communities engaged and on board to do these 4Rs? How will it be different in the classroom? Response: Examples were provided, including Rigor in middle school with a standard for writing and a standard for writing an argument with a thesis and examples. Rigor involved a thesis statement and relevant support evidence. In another context, it could be that students are assigned an essay assignment around the same thesis statement and giving rules and not up to each student. In a classroom with culturally relevant learning and instruction, teachers start with knowing their students and we have standard to understand and look at the kinds of relevant things to our students that we could write about and have arguments. We are developing and opening the question to the group, and they work collaborating, and in that, they decide on a topic argument, and in writing and research they want to show their argument instead of telling them. We are opening the concept of writing to include other components as well, such as a video. They may then bring that presentation to other agencies. That is how we will include the 4Rs within the standard that all students need to meet. Another powerful connection is our work around our classroom libraries, and those are directly tied to culturally relevant instruction and to implementing the 4Rs, and are one way that classrooms are different. There are 3 areas in teaching and learning – curriculum, instructional models/practices, and resources. Marrying those three things together will improve outcomes for kids. We have been partnering with Title 1 to support instructional model and curriculum in schools. There will be more materials to support culturally relevant learning, and to allow other students to learn about other cultures as well. All will support changes that teachers do in classroom, PD, resources, and what students will experience in classrooms. It will take time, and all have a sense of urgency, and making connections for teachers between initiatives. We will get there to ensure students and teachers have what they need.
- When a teacher is teaching a lesson related to the 4Rs, what are we doing as we implement SPPS Achieves to help and get to our teachers, students, families, and communities so that they are able to engage. It's one thing for us to talk about the 4Rs, but have to instill that in that students, with the support from their family and community, and all needs to be done by a teacher, who is also helping students with other things. What are concrete examples of how we will help teachers do this through professional development and how? Response: Professional development is key, and the plan has been reinvented and made strides on that. More schools have professional learning time for teachers to work together to construct these pieces and share experiences. There is a team of support with content colleagues. It's about teachers having time to work together – with all high schools, middle schools, and 9 elementary schools with the highest needs. It is during the day - time together to look at student data, instructional practices, and successes of other teachers in their classroom. We learn from other people and time to work with the team, and talk about student and teacher experiences; willing to work with colleagues and collaborate together.
- If there will be social workers and administrator has been helping the teacher in the classroom, and they leave – now we're back to the reality of teachers, which is the feeling of being in a room with people, but also being alone, because they're the only adult. Response: We are building capacity. That person may have left the room, but they are available later. It is about all support staff working together to provide support.
- What was the extent of investment of resources for 2018-2019 for SPPS Achieves? Response: All of the initiative teams turned in budget requests and they were balanced and prioritized based on funding from the referendum.
- What about for 2019-2020? This was a progress report for SPPS Achieves, and what have we done so far, and for 2018-2019, are there concrete examples that we did invest in that we can show this investment and its results? Response: For example, in order to implement 6a PLP pilot, we hired 4.5 counselors from the referendum funding. In order to make possible the job-embedded professional embedded, we used investment around providing time for job-embedded PD, and also some leads positions. Also used funding towards resources to 6th grade English programs, literacy curriculum materials. The list of examples can be provided.
 - We have made a considerable investment of time, resources and personnel. What's the feedback from principals and teachers, and kids and families? Looking forward that as we go along, continually working collaboratively with folks trying to help. Response: Examples heard from people working on PLPs are that teachers and counselors working on materials are excited to

- implement; heard from middle school work around Foundations and teachers engaged in developing curriculum, and now implementing it and finding it useful.
- How are we talking with folks from buildings that may be reluctant because we are encouraging people to give us input, talk about collaboration and transparency, and that we are willing to listen to those that we are trying to help. And the investment in the District office is making into the buildings. Response: In thinking about Malcom Gladwell and the tipping point metaphor, and we're looking at having created an environment and context to for teachers to collaborate together through different opportunities and seeing successes to try those as well.
 - What are we planning for 2019-2020, extent of resources and investments? Response: The entire budget has been itemized for the strategic plan funding. The Phase 2 will be part of the ongoing budget process. The listing from June budget meeting listed the initiatives, and can be provided. The budget is public and the formation will be done with our community.
 - Can we identify some leadership out of the community, who are our partners who are helping us with ensuring we are practicing those 4Rs in the classroom on a daily basis? Response: That is part of our 9a initiative and have been documenting the partnerships at the District level. One example is ANEW BAM, and a new initiative of a partner of ours, which is an after school program hosted in their own sites, and that's a partnership that is working to excite young people through arts and connection to the Black arts movement. There's a lot of partnerships that start in space of culture, learning, and youth development, and morph in changing the world.
 - It was noted that a list of community resources and partners can be provided. In regard to culturally relevant instruction, if truly have culturally relevant instruction, going out to various communities and cultures they represent to engage them in what we should be doing – a co-creation of curriculum coming from the community. These are types of things that need to talk about at our regular meetings so that people know that this is not only a presentation from Administration – we need to ask tough questions.
 - In the Well Rounded Education area, curious if within area also looking at access to advanced courses and gifted education to making more equally available and also resourcing? There have been presentations from students and others on access to advanced courses, and how we see that play into well-rounded education. Response: It's definitely considered in that area, and also through College and Career access, and how we are preparing students for advanced courses. It would fall in both areas.
 - For students thinking about their plan going-forward, we're encouraging them to include advanced course is in their plan, and make available? One area of concern is that students who don't traditionally get into courses, don't have opportunity to select or know what to select. Counseling and advising to help students make choices will be important. It is part of PLP, and part of trying to ensure students are choosing pathways where they want to go. Also opening opportunities for students to think differently about their plan. The creation of the plan and opportunity to select other courses, and advising around that will be important. Response: One of the areas is the concept of a 9th grade of career planning experience.
 - It's not always tied to career, but also experience to understand identify and efficacy in able to do it. To offer a student an opportunity to take a more advanced course – they may not be in that major, but taking those courses, and how we helps students to see that this is an opportunity to take advantage of and providing counseling and resources to align with them for students who want to take advanced courses and staffing for that as well.
 - It's also looking at opportunities for high school students to receive college credit, and aware of opportunities has also been part of that initiatives in PSEO and CIS.
 - We need to be intentional about advising students so not replicating demographic issues and disparities in numbers of students taking courses – frontloading in advising for counselors working with students to allow them to see ways for these opportunities, and providing that push. Counselors or teacher participating in that process with the students.
 - In talking about budget and priority-based budget, and want to understand community engagement an public engagement and a lot in September, and then in November and then to March and June. There is a separate budget timeframe roadmap, and understand where we're envisions the community will have opportunity to understand the priorities from the strategic plan and distilled to budget. Response: We are working on the details of the plan on engagement, and working as a committee on 5c and more

details in the next month. We've been looking at different areas with the Office of Family Engagement and Community Engagement. There will be a fuller discussion.

B. Human Resource Transactions

Superintendent Gothard welcomed and congratulated Interim Executive Director of Human Resources, Kenyatta McCarty, who will continue to do great work replacing Executive Director Laurin Cathey.

Chair Ellis also provided an update on the new Administrator to the Board, Kaying Thao.

Kaying has both state and local government experience.

She comes to SPPS from the Saint Paul Police Department where she has worked closely with the various and diverse communities in Saint Paul for the past two years, ensuring that all voices are included in conversations pertaining to prevention, intervention, and public safety. In this role, Kaying has assisted the SPPD in engaging better with the community in an authentic, intentional, and culturally appropriate manner.

Prior to that, Kaying was a policy advocate with Catholic Charities where she advocated for the most vulnerable members of our community in the areas of homelessness, housing, criminal justice reform, and other human rights interests.

Kaying has also worked at the House of Representatives for four years, and supported various legislators in their work.

In addition, as a former elected school board member herself, she understands governing, education policy, and the importance of building strong community relationships.

Kaying brings a depth of experiences with her that is necessary to successfully support the board in our work.

MOTION: Ms. Ellis moved approval of the HR Transactions for the period August 1, 2019 – August 31, 2019. Mr. Schumacher seconded the motion.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

IX. **CONSENT AGENDA**

MOTION: Ms. Ellis moved approval of all items within the Consent Agenda with items D6 – Community Action Partnership Head Start and St. Paul Public Schools Memorandum of Understanding pulled for separate consideration. The motion was seconded by Mr. Schumacher.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes

A. Gifts**BF 31791** Acceptance of Gift from MN United and Element Electronics

That the Board of Education authorize the Superintendent (or Designee) to accept the gifts from the MN United and Element Electronics and provide a letter expressing appreciation for the gift.

BF 31792 Acceptance of Gift from the Saint Anthony Park Community Foundation

That the Board of Education authorize the Superintendent (or Designee) to accept the funds from the Saint Anthony Park Community Foundation and to implement the project as specified in the award documents.

B. Grants**BF 31793** Request for Permission to Accept a Grant from the Minnesota Office of Higher Education's Get Ready/GEAR UP Program

That the Board of Education authorize the Superintendent (designee) to accept funds from Minnesota Office of Higher Education's Get Ready/GEAR UP Program to fund a college and career readiness program at E-STEM Middle School; and to implement the project as specified in the award documents.

BF 31794 Request for Permission to Submit a Grant to the Minnesota Department of Education

That the Board of Education authorize the Superintendent (designee) to submit a grant application to the Minnesota Department of Education for funds to provide SUTR resident stipends and develop a high school education career pathway; to accept funds, if awarded; and to implement the project as specified in the award documents.

BF 31795 Request for Permission to Submit a Grant Application to the Minnesota Historical Society

That the Board of Education authorize the Superintendent (designee) to submit multiple grants to the Minnesota Historical Society for funds to cover the cost of field trip transportation; to accept funds if awarded; and to implement the projects as specified in the award documents.

C. Contracts**BF 31796** Contract between SPPS and Hamline University

That the Board of Education authorize the Superintendent (designee) to approve the contract between SPPS and Hamline University.

BF 31797 Request Permission to Enter into a Two-Year Contract with Santander Leasing to Lease Three Multi-Functional School Activity Buses for Early Childhood Family Education (ECFE) for 2019 - 2021

That the Board of Education authorize the Superintendent (designee) to enter into a Lease Agreement with Santander Leasing LLC (as assigned by Hoglund Bus and Truck) for Early Childhood Family Education for a total of \$68,570 over a two-year lease.

D. Agreements

BF 31798 Approval of an Employment Agreement with Bricklayers and Allied Craftworkers Local Union No. 1 of Minnesota to Establish Terms and Conditions of Employment for 2019-2022

That the Board of Education of Independent School District No. 625 approve and adopt the Agreement concerning the terms and conditions of employment of those employees in this school district for whom Bricklayers and Allied Craftworkers Local Union No. 1 of Minnesota, is the exclusive representative; duration of said Agreement is for the period of May 1, 2019 through April 30, 2022.

BF 31799 Approval of Memorandum of Agreement with Twin City Glaziers, Architectural Metals and Glass Workers, Local 1324, to Establish Terms and Conditions of Employment for 2016-2017

That the Board of Education of Independent School District No. 625 approve and adopt the Memorandum of Agreement concerning the terms and conditions of employment of those employees in this school district for whom Twin City Glaziers, Architectural Metals and Glass Workers, Local 1324, is the exclusive representative; duration of said agreement is for the period of June 1, 2016 through May 31, 2017.

BF 31800 Approval of Memorandum of Agreement with Twin City Glaziers, Architectural Metals and Glass Workers, Local 1324, to Establish Terms and Conditions of Employment for 2017-2018

That the Board of Education of Independent School District No. 625 approve and adopt the Memorandum of Agreement concerning the terms and conditions of employment of those employees in this school district for whom Twin City Glaziers, Architectural Metals and Glass Workers, Local 1324, is the exclusive representative; duration of said agreement is for the period of June 1, 2017 through May 31, 2018.

BF 31801 Approval of an Employment Agreement with Twin City Glaziers, Architectural Metals and Glass Workers, Local No. 1324, to Establish Terms and Conditions of Employment for 2018-2019

That the Board of Education of Independent School District No. 625 approve and adopt the Employment Agreement concerning the terms and conditions of employment of those employees in this school district for whom Twin City Glaziers, Architectural Metals and Glass Workers, Local No. 1324, is the exclusive representative; duration of said agreement is for the period of June 1, 2018 through May 31, 2019.

BF 31802 Approval of an Employment Agreement With International Union of Painters & Allied Trades District Council 82 to Establish Terms and Conditions of Employment for 2019-2022

That the Board of Education of Independent School District No. 625 approve and adopt the Agreement concerning the terms and conditions of employment of those employees in this school district for whom International Union of Painters & Allied Trades District Council 82, is the exclusive representative; duration of said Agreement is for the period of May 1, 2019 through April 30, 2022.

BF 31803 Memorandum of Understanding between Saint Paul Public Schools and Xcel Energy

That the Board of Education authorize the Superintendent to execute a Memorandum of Understanding between Xcel Energy and Independent School District No. 625 in order for the District to participate in the Partners in Energy Community Collaboration.

BF 31804 Request Permission to Enter into an Agreement with Hennepin Healthcare System, Inc. to Provide Flu Shot Clinics

That the Board of Education authorize the Superintendent to enter into an agreement with Hennepin Healthcare System, Inc. to provide flu shot clinics.

E. Administrative Items

BF 31805 Monthly Operating Authority

1. That the Board of Education approve and ratify the following checks and wire transfers for the period July 1 – July 31, 2019.

(a) General Account	#713930-715102	\$55,357,243.09
	#0003413-3459	
	#7003386-7003415	
	#0003730-0003818	
(b) Debt Service	-0-	\$7,554,466.65
(c) Construction	-0-	<u>\$2,982,633.81</u>
		\$65,894,343.55

Included in the above disbursements are two payrolls in the amount of \$11,516,577.28 and overtime of \$58,715.29 or 0.51% of payroll.

(d) Collateral Changes

Released:

None

Additions:

None

2. That the Board of Education further authorize payment of properly certified cash disbursements including payrolls, overtime schedules, compensation claims, and claims under the Workers' Compensation Law falling within the period ending December 31, 2019.

BF 31806 Active Employee and Early Retiree Health Insurance

That the Board of Education approve a contract for active employee and early retiree health insurance coverage with HealthPartners, effective January 1, 2020, at the proposed premium renewal rates.

BF 31807 Facilities Department FY20 Purchases over \$175,000

That the Board of Education authorize the purchases listed for the Facilities Department anticipated to be over the \$175,000.

BF 31808 Parking Memorandum of Understanding between Saint Paul Public Schools and The Boys and Girls Club Twin Cities at 271 Belvidere Street East

That the Board of Education authorize the Superintendent to execute the Parking Memorandum of Understanding between The Boys and Girls Club Twin Cities and Independent School District No. 625 in order to formalize the parking agreement at 271 Belvidere Street East.

BF 31809 Settlement of a Partially Insured Claim

That the Board of Education approve the payment in the above referenced suit and authorize School District administration to issue payment in the amount of \$50,000, and direct its insurer to issue payment in the amount of \$475,000, which includes the School District's \$100,000 deductible.

F. Bids

G. Change Orders

CONSENT AGENDA ITEMS PULLED FOR SEPARATE CONSIDERATION:

BF 31810 Community Action Partnership Head Start and St. Paul Public Schools Memorandum of Understanding

The Board requested more information on this item. Assistant Director of the Office of Early Learning, Lori Erickson, provided more details. This is the second iteration, and are proud of this MOU. Director Foster helped to create the first, and is paying dividends – which created a roadmap. This second iteration created the roadmap and lanes. Although this is a 2-year agreement required by Title 1, the early learning leaders view this as something we get to do. We are very proud of this partnership. The MOU outlines areas that we are working toward including, data sharing for early childhood screening, programming for early childhood special education, McKinney-Vento support, student enrollment for PreK and kindergarten, kindergarten transition, Head Start policy council membership, and the way in which to do joint professional development. The Head Start Senior Director also shared high level programming information. They are required to have an MOU, but also proud of this partnership. Head Start serves 1,422 children in Ramsey County, 204 infants and toddlers, 1,218 PreK students with 9 sites in Saint Paul and 2 in suburban Ramsey County. About 90% of Head Start children enter SPPS kindergarten classrooms, and we view partnership with Early Learning to support as transition to SPPS and families as they transition as well.

- What are the numbers about how many Head Start students become SPPS students? Response: While we don't do identifiers for new students that enroll in SPPS and track by their day care, we do receive application or interest forms from Head Start program. Each year, we receive 90-100 forms and about 20 of them are choosing not to come to SPPS. That data looks good – about 80% of interest forms that families fill out in what they'd like to do for kindergarten based on interests, desires for their children in programming.
- There are 9 different opportunities speaking to families about and choices within SPPS. Describe more on what that means. Response: Each of the Head Start sites, we have presentations and last year we connected with 177 families, and 184 families in 2018. Those are in multiple languages and at 9 sites. Stories with the Student Placement Team and families at Ruth Benner site were shared with answering questions and registering students that could discuss choices for families and was incredible to see that.
- How is the Office of Student Placement, do we have more staff to engage with families, and how does it manifest itself at SPC so that it works well with other responsibilities? Response: Staff are somewhat fluid, and in the summer, we tend to have supports from retired staff from Placement Center and in the community during those high peak seasons. During the fall, it's a time that we're spending more in the office to ensure records are clean and following up on waiting lists. Late fall and early winter we do recruitment, and go to Head Start and multiple sites, including ECFE. Work is cyclical and it goes

depending on time of the year. In January-March staff are preparing applications for the lottery and working with schools on their open houses. We work with the staff and modified job descriptions to ensure hiring appropriate people who enjoy both recruitment and technical part of placing students.

○ Staging for that is slightly different and isn't all at once, it filters in earlier than other kids? Response: Yes

- Assistant Director Erickson then shared her experiences as Head Start policy council, and role as advocate to speak on behalf of SPPS, Monica Potter will be that role, building bridge in programming, and being on policy council its parents on the ground advocating for child and as a SPPS in the mix and signing praises of the district.
- In the MOU, are there classrooms that are serving children together, or merged classrooms. If not, when will that happen? Response: We currently have collaboration with ECSE programming and teachers and paraprofessionals to support children with IEPs. We do not currently have a co-taught classrooms with a Head Start teacher and SPPS teacher, but have talked about it to be a great vision and effort between two teams.
 - It would be a great opportunity to get all kids together with different backgrounds and to learn from each other. Hope consider it, and it would be a great thing for both programs. That is in the visioning with the early childhood hub.
- Director Xiong noted her excitement for this continued partnership. It was mentioned that it was 80% rate at which Head Start students enroll in SPPS. What is more background information on students served? Response: The eligibility factors
- In this school year, how many families or students are served at Head Start? Response: There are 1218 PreK students through Ramsey County, and 204 infant and toddlers. Head Start is described as a needs-based program and there is an income eligibility program. The majority of families need to be at or below the federal poverty guidelines, and can serve some slightly above, with priority to families experiencing homelessness and children in foster care and 10% of enrolled children must be children with disabilities.
- Director Xiong wanted to share that because think HD a great program and exciting for continued partnership.
- Are there other school districts within Saint Paul that are partnered? There are 5 school districts in Ramsey County, and there will be an MOU for all district where students are served. Strong collaboration with Moundsvie with 2 classrooms, and started new Head Start center in North Saint Paul and working with 622 and have a center in their district.
- Do only collaborate with public school district or charter schools as well? There are MOUs with public school districts, and do not have formal agreements with charter schools. There is a shared space with a charter schools though.
- Director Foster noted her support of Head Start and talking about sharing resources, and a lot of the District enrolling PreK students, and so many students who are not being served and it is necessary, and how we can expand this and working with families and wraparound supports. Thanks to Head Start and look forward to growing our partnership as we serve our youngest children.

MOTION: Ms. Ellis moved that the Board of Education authorize the Superintendent (designee) to enter into this partnership. The motion was seconded by Ms. Vanderwert.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

X. OLD BUSINESS

A. Salary Comparisons (Board Salary)

BF 31811 Salary Comparisons (Board Salary)

Superintendent Gothard then introduced Kenyatta McCarty, Interim Executive Director of Human Resources to provide more information on Salary Comparisons for Board Salary.

Data Points

- Local comparables were selected by their relative proximity to SPPS
- All of the selected local comparables use a periodic review approach (Frequency ranges from 2-5 years).
 - Minneapolis Public Schools calls for a 2-year review but has not conducted one since 2015.
 - Anoka-Hennepin Public Schools calls for a 3-year review.
- National comparables were selected because of their similarity to SPPS in size and student demographics.
- Des Moines and Portland are volunteer positions
- Ramsey County Commissioners
 - Annual Budget \$738.12 million
 - Chair salary: \$95,313
 - Commissioner salary: \$92,493
- City of Saint Paul Council Members
 - Annual Budget \$714.62 million
 - Council Member salary: \$66,372
- Saint Paul Public Schools
 - Annual Budget \$794 million

Board of Education Compensation Review

- Figures were then presented by board member title showing the baseline for SPPS, and compared to Anoka, Minneapolis, Bloomington, Brooklyn Center, Osseo, and Saint Cloud, as well as Des Moines, Portland, and Rochester (NY).

Options for Action on Board Salary

- Option A
 - Age salaries 2% each year from 1988 (last year of a documented increase) & continue with a set periodic review.
 - Chair: \$20,000/yr
 - Vice Chair/Directors: \$18,000/yr
- Option B
 - Increase wages to requested salary and eliminate district contribution.
 - Chair: \$20,000/yr; to include an additional \$150/mo business allowance
 - Vice Chair/Directors: \$20,000/yr
- Recommended options meet or slightly surpass MPS and Anoka
- Accounts for appropriate aging of salaries
- Salaries are competitive with local comparables
- MPS and Anoka do not have district contributions
- Option A includes district contribution. Leads the market

QUESTIONS/DISCUSSION:

- Director Schumacher noted that Option A includes the ability to have health insurance or benefits, and the way it would work. The benefits would be in addition to the compensation listed, and depending on benefits choices, it would be additional compensation or applied to the benefits package.
- There was also discussion on the current salary and benefits package for board members, as well as more information on the district contribution.
- Director Marchese noted the current salary of \$10,800 with the opportunity to participate in the District benefits plan, which is set by the District. There's a provision for a single person, lowest cost plan and set forth in existing policy. Option A takes that \$10,800 and increases the salary to that proposed.

Option B takes that opportunity to participate in any benefits program and district contribution off the table. Option B would not be a net increase because the district contribution would be lost. If one of the goals is to look at how we are compensated versus others over the fact it hasn't been changed in 31 years – Option B would be setting the Board back in salary. Option A would advance based on what was set forth in 1988 – it was set with the expectation of a salary and district contribution. We have not kept pace for 31 years. Proposed if there had been a 2% increase every year from 1988 to the present, we would end up approximately where the number are proposed. In addition, we aren't in terms of salary compensated similarly to our neighboring, comparable districts. We also were not here in 1988, and suspect the job has evolved and demands on board members, and nature and complexity of the work, and demands for time have changed since 1988. What we are doing in understanding our role in understanding our oversight, the budget has expanded since 1988, and one of the reasons provide the comparable information with other municipal budgets that cover the city, the Board is overseeing the largest municipal budget in Ramsey County, and compensated about 1/8 of Ramsey County Commissioners, and 1/6 of council members.

- He suggested including 2 year review process so that the Board regular reviews compensation and if changes are necessary, and put into Board policy and motion.
- He also proposed that this change take place as of January 1, 2020, so new cycle of board members would be eligible.
- We are trying to think of who has access to serve and important to think about issues of equity, and who can take the time to do this work, who has access and have a board that reflects our community, we need to ensure we are doing more to make sure people who do this work are able to economically handle that. It impacts our diversity. This is an important equity issue. We should not make it only possible for folks who have other sources of income or another source to make it possible, economically, for people to do this.

MOTION: Mr. Marchese moved that the Board of Education adopt Option A as action on Board Salary, to include a 2-year review cycle to examine compensation, and for this change in board salary to begin January 1, 2020. The motion was seconded by Mr. Schumacher.

- For the two-year review, does that need to become a part of policy? Response: It would need to be a procedural change, not necessarily policy because the current policy does not contain a review process.

AMENDMENT TO THE MOTION: Mr. Marchese moved that the Board of Education adopt Option A as action on Board Salary, recommend the development of a policy to address the procedure to address a review of board salary every two years, and for this change in board salary to begin January 1, 2020. The motion was seconded by Mr. Schumacher.

It would not be date certain, to allow for flexibility in the timing of the review.

- Director Xiong noted that the board budget needs to be examined, and if this would be an increase in the board's budget? Response: As of right now, the Board has an encumbrance. Moving forward, that encumbrance would be used. In this process, we'd need to talk further about after the carryover money, we move forward with this new amount that is sustainable within the Board's line item.
- With the amendment and effective date, how does it look with the Board budget? As of right now, the Board has about \$100,000 based on certain positions that were not filled and carryover money, which would be used for this change.
- Director Xiong noted that Option B would bring us closer to MPS, which is currently with the highest board compensation. Do we know if the other school districts surrounding metro area, do they have business allowances for their board members? Response: That information can be provided.
- She added to Director Marchese's point that this is an equity issue. Our current system only allows for those with the privilege or affordability to serve in this role and to serve and run for the Board. In talking to others, people have shared that because of the fact of board compensation is so limited, it has turned people away who are passionate about education and have students in SPPS, and expertise to participate in this role to run for school board due to the compensation is not enough to take on this role. In looking at compensation and with work load, we are expected that this job is part-time, yet this

role also requires a lot of passion in working in education and working with youth, and a desire to want to make an impact and change in the community to serve on the school board. We are fortunate that our board members are passionate about education and children, but our current system limits and turns away other voices for those currently making change in their local community who can play a bigger role on the board and are not participating because this part time job is actually a full time job that's expected from our constituents and Saint Paul. We take calls late at night and go to events on the weekend, and attend community events and meetings late at night. That's very real. We need to think forward for our value as a city and as board members that we need more participation and people dedicated and passionate about this work to be change makers and to participate and run for the school board. This is an opportunity and encourage to people serving for kids in our district and city to consider running for the school board in the future, and this is a piece of this encouragement.

- Director Xiong noted that she does support Option A as well, with the amendment.
- Director Brodrick also noted that he supports Option A because several years back when we originally added the provision for the contribution for health care, it was in the spirit of equity gave the opportunity for those members, who may be coming in own personal life and in a position to have a health care plan, and this would allow someone with a job and maybe no health care. Option a and maintaining the fact that a new board member can utilize the district health care plan is very important and very much an equity issue as well.

AMENDMENT TO THE MOTION: Mr. Marchese moved that the Board of Education adopt Option A as action on Board Salary, recommend the development of a policy to address the procedure to address a review of board salary every two years, and for this change in board salary to begin January 1, 2020. The motion was seconded by Mr. Schumacher.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

XI. NEW BUSINESS

A. Pay20 Levy Update

Superintendent Gothard then introduced Marie Schrul, Chief Financial Officer, to provide preliminary estimates to the Board of Education regarding the Pay20 levy calculation.

The Basics

- School levy authority is established in law
- School budgets are a combination of state, federal and local funding.
- Unlike cities and counties, the Pay20 school levy funds the 2020-21 school year
- Levies contribute to approximately 20% of SPPS budget
- Levy can only move down after October 1

Planning Assumptions (staff estimates)

- All figures in this report are based on Administration's best estimates, using the statutory authorized amounts
- MDE provided updated Pay20 levy calculations on September 13
- MDE will continue to make adjustments to the SPPS numbers through September

Factors Impacting 2020 School Levies

- Changes in tax base
- Legislative changes to education formulas
- Referendum inflationary increase
- Pension contribution changes required by law
- OPEB obligations
- Employment changes that drive severance and unemployment levies
- Capital bonding, refunding of bonds, abatements, long term maintenance, health and safety projects, lease costs

Proposed Pay20 Levy Ceiling

Levy Category	Certified Pay19 Levy	SPPS Estimated Pay20 Levy limitation as of 9/13/19	Difference
Operating	\$ 71,112,468	\$ 71,690,325	\$ 577,857
Pension/OPEB/Contractual	39,544,458	37,860,071	(1,684,387)
Facilities	64,258,911	74,393,597	10,134,686
Community Service	<u>3,779,160</u>	<u>3,685,754</u>	<u>(93,406)</u>
Total - All Levy Categories	\$ 178,694,998	\$ 187,629,747	\$ 8,934,749
Percent Change			5.0%

Estimated Annual Property Tax Impact – Home from 2019 to 2020 (assuming a 0% increase in market value)

Home Estimated Market Value	Estimated Change at 4.6% Ceiling	Estimated Change at 5.0% Ceiling
\$ 75,000	\$ (20.62)	\$ (19.46)
100,000	(26.91)	(25.07)
199,800	(51.91)	(47.28)
300,000	(77.00)	(69.57)
400,000	(102.05)	(91.84)
500,000	(127.48)	(114.67)

Source: Ramsey County; Median home market value is \$199,800

Estimated Annual Property Tax Impact – Home from 2019 to 2020 (assuming a 7.3% increase in market value)

Home Estimated Market Value	Estimated Change at 4.6% Ceiling	Estimated Change at 5% Ceiling
\$ 75,000	\$ 1.51	\$ 2.67
100,000	15.15	16.99
199,800	31.47	36.10
300,000	48.43	55.86
400,000	65.08	75.29
500,000	66.42	79.23

Source: Ramsey County; Median home market value is \$199,800

Estimated Annual Property Tax Impact – Commercial/Industrial from 2019 to 2020 (assuming a 6.0% increase in market value)

Commercial/Industrial Estimated Market Value	Estimated Change at 4.6% Ceiling	Estimated Change at 5% Ceiling
\$ 200,000	\$ (57.63)	\$ (52.07)
500,000	(150.83)	(135.00)
525,000	(158.72)	(142.05)
1,000,000	(306.60)	(273.68)

Source: Ramsey County; Median commercial/industrial market value is \$525,000

Pay20 Levy Calendar

	Date	Action
X	Aug-Early Sept	District submits levy information to MN Department of Education (MDE)
X	Sept 6	MDE provides preliminary calculations
X	Sept 10	COB Meeting: Finance and Levy 101 Work Session
	Sept 17	BOE Meeting: Present Proposed Pay 20 Levy
	Sept 23	JPTAC (Joint Property Tax Advisory Committee) adopts joint levy resolution
	Sept 24	SPPS sets Pay20 levy ceiling at Special Meeting
	Oct 1	SPPS provides Pay20 levy ceiling data to Ramsey County and MDE; cities and counties also certify by this date
	October 1 – November 10	Ramsey County calculates taxes and prepares tax statements
	Nov 12	Anticipated Ramsey County mailing of tax statements
	Dec 3	Public Hearing on Proposed Tax Levy
	Dec 17	BOE certifies Pay20 levy
	Dec 30	SPPS certifies Pay20 levy to Ramsey County

Requested Action

- Accept as information, preliminary levy for purposes of estimating joint levy for JPTAC meeting Monday, September 23
- Approve a Special BOE meeting on 9/24/19 at 6pm to certify the Pay20 Levy ceiling
- Set the date for the Taxation and Budget Hearing for December 3rd at 6pm (COB meeting that evening)

MOTION: Mr. Brodrick moved that the Board of Education accept as information, preliminary levy for purposes of estimating joint levy for JPTAC meeting Monday, September 23, 2019. The motion was seconded by Ms. Vanderwert.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

MOTION: Mr. Brodrick moved that the Board of Education approve a Special Meeting of the Board of Education on September 24, 2019 at 6:00 p.m. to certify the Pay20 Levy ceiling. The motion was seconded by Ms. Xiong.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes

Mr. Marchese	Yes
Ms. Ellis	Yes

MOTION: Mr. Brodrick moved that the Board of Education set the date for the Taxation and Budget Hearing for December 3, 2019 at 6:00 p.m. (Committee of the Board Meeting that evening). The motion was seconded by Ms. Foster.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

QUESTIONS/DISCUSSION:

- A clarification on the facilities budget and money that comes into that and how it can be used. The difference between general fund money and dedicated fund money with questions recently. Response: The majority of the funding seeing and seeing in the line in looking at the levy is not only funding for current increase \$10M is not only funding for the facilities plan but also to fund our debt service schedule over the years. In the Facilities Master Plan and the budget for that, there are 3 main components to the funding, and they have restricted or more categorical areas which are – components of debt that we issue that could be capital bonds or certificates of participation which deals in debt service levy and areas directed by the State; also put out schedules and documents that must be followed, as well as a plan with the state with COPs that follow a plan that is submitted to the commissioner that they approve for certain sites and issue certificates following that. The other s long term facilities maintenance, which also includes health and safety. That funding is also part of the levy and restricted around categories of dollars and the board recently approved the plan for that in July. Those components are of the levy and are different than general fund dollars that are funded through state aid. we do allocate for areas of facilities but separate than facilities master plan. For the plan and projects and maintenance, that main component is funded through the levy.
- To clarify, the money for facilities improvements does not come from the general fund, but what does come to facilities is salaries mostly? Response: Correct – mostly salaries; there are some some projects that we cannot fund with the levy, and some pieces are funded through the general fund, but they are minimal.
- Director Schumacher noted that as board, we are mindful of impacts on taxes of our community, and also the county and city and it adds up. This is how we have to go about going to get the money to do for kids legally and morally required to do, but also mindful that we are gradually making it difficult for people with families to live in Saint Paul, and that is something that needs to be solved at a higher level than the city, and it's something we're aware of, and have to figure out a better system for funding, otherwise kids in SPPS may not live in Saint Paul in the future. We are mindful of that and continue to work with elected officials to find more sustainable ways of funding, which is one the highest moral requirements which is our kids and our future, and thanked Chief Schrul and her team for their work. This affects us and we live in Saint Paul and care about all kids and families, and we need to solve it and continue to push on.
- Director Xiong echoed these questions on the use of the general fund for facilities and maintenance, and reiterated that those are not from the general fund.

XII. BOARD OF EDUCATION

A. Information Requests & Responses

B. Items for Future Agendas

- Director Foster requested information around enrollment numbers and updates to our work around start times and challenges and work being done to help families.
- Director Xiong requested follow-up information on those topics presented at Public Comment, including background on contracts and vendors; information and data on how many music or arts sections are funded by private or parent fundraising; and in regard to attendance issues, the protocol and how we're reaching out to families to support them.

C. Board of Education Reports/Communications

- Director Vanderwert then provided an overview on her passion for early childhood education, including the recent kindergarten assessment results, the importance of learning and a strong educational start beginning at birth, care, attention and trust that is critical to child development, support for families, PreK, goals for PreK students, environments for early childhood classrooms, and the importance of focusing on both the student and family for a successful educational future.

XIII. FUTURE MEETING SCHEDULE

MOTION: Ms. Ellis moved that the Board of Education schedule a Special Meeting of the Board of Education to canvass the election results on Tuesday, November 12, 2019 beginning at 4:30 p.m. in Conference Room A of the District's Administration Offices at 360 Colborne. The motion was seconded by Ms. Foster.

The motion was approved with the following roll call vote:

Ms. Foster	Yes
Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Yes
Mr. Marchese	Yes
Ms. Ellis	Yes

A. Board of Education Meetings (6:05 unless otherwise noted)

- October 22
- November 12 (Special – Canvass of Election Results)
- November 19
- December 3 (Special – Taxation and Budget Hearing)
- December 17
- January 7, 2020 (Annual)
- January 21
- February 18
- March 24
- April 14
- May 19
- June 9 (Special – Non-Renewals)
- June 23
- July 21
- August 18

B. Committee of the Board Meetings (4:30 unless otherwise noted)

- October 15
- November 12
- December 3
- January 7, 2020
- February 11

- March 10
- April 7
- May 5
- June 9
- August 5 (Wednesday)

XIV. ADJOURNMENT

Ms. Ellis moved the meeting to adjourn, and it passed by acclaim.

The meeting adjourned at 9:38 p.m.

For clarity and to facilitate research, these minutes reflect the order of the original Agenda and not necessarily the time during the meeting the items were discussed.

Prepared and submitted by

Sarah Dahlke
Assistant Clerk,
St. Paul Public Schools Board of Education

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
MINUTES OF THE SPECIAL MEETING OF THE BOARD OF EDUCATION

September 24, 2019

I. CALL TO ORDER

The meeting was called to order at 6:02 p.m.

II. ROLL CALL

Present: Mr. Brodrick, Ms. Xiong, Ms. Vanderwert, Ms. Ellis, Ms. Foster, Superintendent Gothard, Mr. Forbes, Assistant General Counsel, and Ms. Dahlke, Assistant Clerk

Mr. Marchese and Mr. Schumacher were absent.

III. APPROVAL OF THE ORDER OF THE MAIN AGENDA

MOTION: Ms. Ellis moved approval of the Order of the Main Agenda. The motion was seconded by Mr. Brodrick.

The motion was approved with the following roll call vote:

Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Absent
Mr. Marchese	Absent
Ms. Ellis	Yes
Ms. Foster	Yes

IV. NEW BUSINESS

A. Post Age-65 Retiree Health Insurance Annual Renewal

Superintendent Gothard introduced Cedrick Baker, Chief of Staff, to provide more information on this item.

This item is the Post Age-65 Retiree Health Insurance Annual Renewal. The School District provides health insurance coverage to retirees age 65 and over, and each year this comes before the Board as an annual renewal due to changes. It affects retirement individuals, and those hired before 1996. The Board approves changes and rates for retirees annually. The rationale for this timing is to ensure communications goes out to retirees in time for open enrollment. The request is for the approval in the changes to the rates for retiree health insurance.

The rate changes to Health Partners Journey and Health Partners Retiree National Choice plan were then reviewed.

QUESTIONS/DISCUSSION: None

MOTION: Ms. Ellis moved that the Board of Education approve the contracts for post-age 65 retiree health insurance coverage with HealthPartners effective January 1, 2020, at the proposed premium rates. The motion was seconded by Ms. Xiong.

The motion was approved with the following roll call vote:

Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Absent
Mr. Marchese	Absent
Ms. Ellis	Yes
Ms. Foster	Yes

V. OLD BUSINESS

A. Proposed Pay20 Levy

Superintendent Gothard introduced Marie Schrul, Chief Finance Officer, and Mary Dougherty Gilbert, Legislative Liaison, to present information on school finance and levy information on the Proposed Pay20 Levy, and to request the action to certify the proposed Pay20 Levy ceiling.

Finance and Property Tax Basics

Public Schools – Constitutionally Established

- Minnesota Constitution, Article 13, Section 1
 - ...it is the duty of the legislature to establish a general and uniform system of public schools. The legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state.

Finance Basics

- General Education Revenue is the primary source of operating funds for Minnesota Schools
- General Education Revenue is used to pay for operating expenses, i.e. salaries, benefits, supplies
- General Education Revenue is the sum of 14 components, several have restricted uses:
 - 2 that every district receives at the same amount, and
 - 12 that vary based on demographics and geographic characteristics

General Education/Categorical Revenue (Source: State) Examples

- Special Education
- Basic Skills (Compensatory Education)
- Gifted & Talented

Categorical and Authorized Levy Revenue (Source: Local Property Tax Levy) Examples

- Categorical levies include:
 - Integration*
 - Transportation*
 - Operating Capital*
 - Long Term Facilities Revenue*
 - Career and Technical Education*
- Authorized levies include:
 - Safe Schools, lease levy, OPEB and other legacy levies for District

* Denotes aid impact with levy calculation

Levy Basics and Impacts

Who Determines Your Property Tax?

State Legislature

- Sets Property Tax Policy
- Establishes Property Classes & Class Rates
- Determines Levels of State Aid
- Sets School Formulas
- Underfunded Mandates to

- Local Governments
- Levies State Business Tax

Taxing Jurisdictions

- Determines levy amount

County Assessor

- Determines Market Value
- Assigns Property Class

Major Factors Impacting Property Taxes

- Is the property tax levy going up, down, or staying the same?
- Is there additional money available to reduce the local tax burden?
- How is a home's market value changing relative to other homes or compared to other types of property?
- Are there increases to the tax base that are not the result of inflationary or deflationary changes to the values of individual properties?
- Are there legislative changes?

Factors Impacting the St. Paul Levy

- Overall, St. Paul's estimated market values and tax capacity are up 6.4%, values well above Pay 2008 Peak.
- Market values are increasing in the double digits for 35% of homes, 40% of apartments and 37% of commercial/industrial property
- Thomas-Dale/Frogtown, Dayton's Bluff, Payne/Phalen, North End, and West Seventh are all areas with higher increases in residential market values.
- City, County and School portion of fiscal disparities aid increased. District increased by \$6.13 million.

St. Paul's Tax Base

- A line graph showing the comparison of Saint Paul Estimated and Taxable Market Values 1999 to Estimated 202 was presented.

Changes in Fiscal Disparities (2019 to 2020)

	2019 FD Distribution	2020 FD Distribution	Dollar Change	Percent Change
Ramsey County	\$ 49,555,107	\$ 51,934,917	\$ 2,379,810	4.8%
City of Saint Paul	30,676,537	33,158,533	2,481,996	8.1%
Saint Paul Schools	32,457,617	38,588,204	6,130,587	18.9%

School Levy Basics

- School levy authority is established in law
- School budgets are a combination of state, federal and local funding, including the voter approved referendum
- Pay20 school levy funds the 2020-21 school year
- Districts receive payments after the May and October collections from the County
- Levy can only move down after October 1

Factors Impacting School Levies

- Changes in tax base – increases often result in less state aid for equalized formulas
- Legislative changes to education formulas
- Referendum inflationary increase
- Pension contribution changes required by law
- OPEB obligations
- Employment changes that drive severance and unemployment levies
- Capital bonding, refunding of bonds, abatements, long term maintenance, health and safety projects, lease costs

Proposed Levy

Proposed Pay20 Levy Ceiling

Levy Category	Certified Pay19 Levy	SPPS Proposed Pay20 Levy Ceiling	Difference
Operating	\$ 71,112,468.34	\$ 71,690,324.75	\$ 577,856.41
Pension/OPEB/Contractual	39,544,457.62	37,860,071.32	(1,684,386.30)
Facilities	64,258,911.32	74,393,597.20	10,134,685.88
Community Service	3,779,160.32	3,685,753.77	(93,406.55)
Total – All Levy Categories	\$ 178,694,997.60	\$ 187,629,747.04	\$ 8,934,749.44
Percent Change			5.0%

Estimated Annual Property Tax Impact – Home from 2019 to 2020 (assuming a 0% increase in market value)

Home Estimated Market Value	Estimated Change at 4.6% Ceiling	Estimated Change at 5.0% Ceiling
\$ 75,000	\$ (20.62)	\$ (19.46)
100,000	(26.91)	(25.07)
199,800	(51.91)	(47.28)
300,000	(77.00)	(69.57)
400,000	(102.05)	(91.84)
500,000	(127.48)	(114.67)

Source: Ramsey County; Median home market value is \$199,800

Estimated Annual Property Tax Impact – Home from 2019 to 2020 (assuming a 7.3% increase in market value)

Home Estimated Market Value	Estimated Change at 4.6% Ceiling	Estimated Change at 5% Ceiling
\$ 75,000	\$ 1.51	\$ 2.67
100,000	15.15	16.99
199,800	31.47	36.10
300,000	48.43	55.86
400,000	65.08	75.29
500,000	66.42	79.23

Source: Ramsey County; Median home market value is \$199,800

Estimated Annual Property Tax Impact – Commercial/Industrial from 2019 to 2020 (assuming a 6.0% increase in market value)

Commercial/Industrial Estimated Market Value	Estimated Change at 4.6% Ceiling	Estimated Change at 5% Ceiling
\$ 200,000	\$ (57.63)	\$ (52.07)
500,000	(150.83)	(135.00)
525,000	(158.72)	(142.05)
1,000,000	(306.60)	(273.68)

Source: Ramsey County; Median commercial/industrial market value is \$525,000

Pay20 Levy Calendar

	Date	Action
X	Aug-Early Sept	District submits levy information to MN Department of Education (MDE)
X	Sept 6	MDE provides preliminary calculations
X	Sept 10	COB Meeting: Finance and Levy 101 Work Session
X	Sept 17	BOE Meeting: Present Proposed Pay 20 Levy
X	Sept 23	JPTAC (Joint Property Tax Advisory Committee) adopts joint levy resolution
X	Sept 24	SPPS sets Pay20 levy ceiling at Special Meeting
	Oct 1	SPPS provides Pay20 levy ceiling data to Ramsey County and MDE; cities and counties also certify by this date
	October 1 – November 10	Ramsey County calculates taxes and prepares tax statements
	Nov 12	Anticipated Ramsey County mailing of tax statements
	Dec 3	Public Hearing on Proposed Tax Levy
	Dec 17	BOE certifies Pay20 levy
	Dec 30	SPPS certifies Pay20 levy to Ramsey County

Requested Action

- To certify a total proposed Pay20 levy ceiling amount of \$187,629,747.04, which is an increase of \$8,934,749.44 over the certified Pay19 levy

QUESTIONS/DISCUSSION: None

MOTION: Ms. Ellis moved the Board of Education to certify a total proposed Pay20 levy ceiling amount of \$187,629,747.04, which is an increase of \$8,934,749.44 over the certified Pay19 levy. The motion was seconded by Ms. Vanderwert.

The motion was approved with the following roll call vote:

Mr. Brodrick	Yes
Ms. Xiong	Yes
Ms. Vanderwert	Yes
Mr. Schumacher	Absent
Mr. Marchese	Absent
Ms. Ellis	Yes
Ms. Foster	Yes

V. ADJOURNMENT

Ms. Ellis moved the meeting to adjourn, and it was seconded. It passed by acclaim.

The meeting adjourned at 6:28 p.m.

For clarity and to facilitate research, these minutes reflect the order of the original Agenda and not necessarily the time during the meeting the items were discussed.

Prepared and submitted by
Sarah Dahlke
Assistant Clerk, St. Paul Public Schools Board of Education

**MEETING MINUTES
COMMITTEE OF THE BOARD MEETING
October 15, 2019**

PRESENT: Board of Education: Z. Ellis, M. Xiong, J. Foster, J. Schumacher, J. Brodrick

S. Marchese arrived at 4:45 p.m.

M. Vanderwert arrived at 6:11 p.m.

SEAB: M. Raymond, K. Ali

Staff: Superintendent Gothard, K. Burns, C. Baker, D. Ginther, H. Kilgore, M. Hoerth, K. Arzamendia, S. Williams, K. McCarty, S. Schmidt de Carranza, S. Koppen, S. Grey Akyea, K. Thao, K. Wilcox-Harris, D. Watkins, W. Forbes, J. Delich, B. Chan, A. Collins, M. Gilbert, K. Randall, M. Doud, S. Carlstrom, V. Shirley, J. Connell, S. Reyes, P. Matamoros, T. Parent, A. Vreeland, K. Kimani, R. Dolata, C. Moody, M. Shepard, A. Schilling, K. Cordes-Sween, M. Schrul, J. Engen, S. Dahlke

Other: K. Smith, J. Verges, K. Glover, M. Wall, E. Dickinson, O. Apber, Members of the Latino Consent Decree Parent Advisory Committee

I. CALL TO ORDER

The meeting was called to order at 4:34 p.m. by Ms. Ellis.

II. AGENDA

A. Superintendent's Announcements

Superintendent Gothard began the meeting by recognizing Indigenous People's Day and spending time in and with our community to honor this day, and school community events, such as at American Indian Magnet. There were representatives from across the state who attended, including Governor Walz and Lt. Governor Flanagan. It was impressive to see students from across the district, especially AIMS and Harding, and from Minneapolis and across the metro to march in solidarity to Indian Mounds Park, especially with the four bald eagles that flew above during the formal presentation. It was a special event to see students and representing themselves and their identify on those scared grounds and it was great to be a part of that. There were news stories also told about this event, and showcases how every day our students deserve to be seen and heard and our values. There were also proclamations by the City to honor this day.

He then recognized our principals for Principal Appreciation Month, and provided an update on their weekly professional development, and what it means to be a successful, transformative leader of 2nd order change, and a plan to achievement in SPPS. It's not easy work, and he is most appreciative that they come together and problem solve, and push to greater knowledge together. He also recognized Mr. Taylor from Maxfield, who is a principal student and attending for observations and is the glue to the school community and working with stakeholders and thanked him on behalf of all principals for incredible service and serving the community.

B. SEAB Report

SEAB Member Raymond and SEAB Member Ali then provided an update on the work of SEAB. They meet on Tuesdays, and welcomed new SEAB members. Recently, a new facilitator joined SEAB and students are meeting him and getting to know him. They added information on how SEAB will work under the Office of Equity and there are questions from SEAB around that.

Chief Baker went on to provide more information, including that Jesse Ross is the new facilitator, and we are talking with Myla Pope, Director of the Office of Equity, to transition that to student leadership and SEAB fitting in there to that role and support. Myla, Jesse, and new Administrator to the Board, Kaying Thao, will partner together in support of SEAB and provide more details into the structure. Questions involved if Jesse Ross is staff in SPPS or new to SPPS, and he is a consultant with a sense of work in student leadership, and we are excited to have him here to support SEAB. SEAB Member Raymond then shared that they have a feeling of not knowing where they fit in and lost connection with the Board, and look forward to working with Kaying and maintaining and building connections.

C. SPPS Achieves Strategic Plan Update: Measures for Success – Year 1

Superintendent Gothard introduced Stacey Grey Akyea to present the SPPS Achieves Strategic Plan Update. Handouts for performance measurements were also provided.

Measure for Success: Performance Management

- Means to assess and adjust our organization's direction and the fundamental decisions and actions that guide our work
- Long-term student outcomes; 37 metrics
- Five-year targets
- SPPS Achieves Year 1: 2018-2019; Year 2: 2019-2020; Year 3: 2020-2021; Year 4: 2021-2022; Year 5: 2022-2023

Strategic Initiatives – SPPS Achieves

- The five strategic plan focus area and corresponding strategic initiatives were reviewed, including Positive School and District Culture, Effective and Culturally Relevant Instruction, Program Evaluation and Resource Allocation, College and Career Paths, and Family and Community Engagement.
- Implementation stages were also reviewed, including Exploration, Installation, Initial Implementation and Full Implementation

After Year 1 of a multi-year strategic plan, what is the appropriate way to interpret the long-term student outcome status?

- Adaptively
- In context of
- With neutrality
- Without summative judgement

Increase Achievement of English language Learners

- Metric: 4 metrics, decreases across all metrics
- Status: Year 1 metrics status suggest the district prioritize strategic initiatives towards impacting this outcome.

Increase Achievement of Students Receiving Special Education Services

- Metric: 3 metrics; slight decreases in reading and math; slight increase in science
- Status: Year 1 metrics suggest the district prioritize strategic initiatives towards impacting this outcome

Improve Kindergarten Readiness

- Metric: 3 metrics; increases in all 3 metrics; one metric at the level of the five-year target

- Status: Year 1 metrics status suggest the district is prepared for impact to this outcome through strategic activity.

Increase Academic Growth in Reading and Math for all Students

- Metric: 5 metrics; slight movement both ways
- Status: Year 1 metrics status suggest the district prioritize strategic initiatives towards impacting this outcome.

Prepare All Graduates for College, Career, and Life

- Metric: 8 metrics; slight movement both ways
- Status: Year 1 metrics status suggest the district continue strategic initiative activity towards impacting this outcome.

Decrease Disparities in Achievement Based on Race, Ethnicity, Indigenous Culture, and Identity

- Metric: 14 metrics; increases in some, decreases in others
- Status: Year 1 metrics status suggest the district prioritize strategic initiatives towards impacting this outcome.

After Year 1 of a multi-year strategic plan, what is the appropriate way to interpret the long-term student outcome status?

- Prepared for impact
 - Improve Kindergarten Readiness
- Continue strategic initiative activity towards impact
 - Prepare all graduates for college, career, and life
- Prioritize strategic initiatives toward impact
 - Decrease disparities in achievement based on race, ethnicity, indigenous culture, and identity
 - Increase achievement of English Language Learners
 - Increase achievement of students receiving special education services
 - Increase academic growth in reading and math for all students

QUESTIONS/DISCUSSION:

- Superintendent Gothard noted that this report was compiled cross-functionally and has been impressive. With results like this the next questions will be how are we going to use them? It speaks to a system overall and to have a baseline and specific initiatives aligned to outcomes will be important and gives us a progress report.
- It was noted that the initiatives that are prioritized, and we can see areas that need to be prioritized based on this data or prioritized based on consideration and the things the community would like to see? Response: In a system as large as ours, and in analyzing the initiatives, and how they align or clash, we will go in a precise way to determine what will remain, what will be new, and what will be stopped by that prioritization process. The K-2 literacy initiatives were shared and the importance of phonics materials. The LibraryGo program was also highlighted which ensures every student has access to library materials.
- It's important that as we're finding out more from teachers and staff that we're ensuring the feedback loop, which has been built-in.
- What is the difference between typical or aggressive growth? Response: It is based on the measurement for how far away from average it is. Typical growth is closer to the average, while aggressive is further away and based on the standard deviation.
- The metrics for ELL and SPED baselines were reviewed. In ELL, it was language acquisition assessment in four areas with a composite, and proficiency is a combination of those areas, which is also used as an exit for EL services, and the reason for the other three metrics. Once a student is no longer considered ELL, there is follow-up.
- It was noted that achievement in math, science, and reading is from the MCA scores.
- How do we continue to track, contrast, and compare when we've made dramatic changes and compare outcomes? Response: The content-based allows us to compare across time, and standards-based aligned with standards and measuring acquisition of grade level standards across time with

complications because there is not only change and transition, but the implementation timeline and lag. We need to do this work with intentionality.

- How are we assessing the effectiveness of curricula in areas? Response: Within the review cycles, there are stand standards that change, and we do have progress monitoring with reliable and valid measures. For phonics, the curriculum is based on MN standards, and the change was in materials, change in PD and change to get to those standards. It was the same with math and science and curriculum review cycles, and we are cautious not to adopt ahead of review cycle.
- What are the reflections and what went well within the first year of the strategic plan, and what are 1-2 items that we've identified that we could change or have been challenging? Response: We continue to look at vision and transforming the system to meet the needs of students in those 37 outcomes. There were many structural changes for support in schools, including the Learning Leads. Structurally, there is also more time for teachers to plan throughout the day. Time is an incredible resource to make changes, or new practices and look at how our students are doing. Within support, we have equipped leaders with the right skills and resources to adequately supervise and empower teachers and support staff. Within accountability, these are the metrics and implementation guide to do this work to align to SPPS Achieves. Negotiations proposals are aligned to the plan and are on the same path to student outcomes. There is excitement for professional development and aligning it to the strategic plan, including great message on 6th grade as a focus area and knowing their principals believe in their teachers and supports are in place and structured to do this work. This presentation shows what we're measuring and what we're asking everyone to work towards, and built structures in system to make course corrections and we can be adaptive. Challenges include the way organized that can't be the same everywhere, there are some courses and some decisions to have autonomy. One example is that every school can't have the same pathways in career, but are supporting paths available at each school and how do we support the system into that work.
- It was noted that in the future, we think about a combination of qualitative and quantitative discussions that will be helpful. Seeing the numbers is helpful, but also a summary fashion. We don't want the message to over focus on the numeric side, but they are not relative of the experience of students, staff, and community, and we can give a more well-rounded view of that. Implementation doesn't speak to the efficacy, and a feedback loop of numbers, and what was new as a results and reflections on course corrections.
- How does this align with the new state standards around understanding success of students – not just MCA scores. How will this evolve based on those? Response: There is a system of accountability at the federal level that trickles down to the state accountability and the district accountability. The federal accountability is broad in what we want to see, and the state determines the assessments that will be used to measure. As a district, we can look into how we will be self-accountable and ways to measure or determine if schools are meeting or progressing to student outcomes and every level has an outcome, every outcome has a target with structures and guidelines; also that there are consistent measures used that are valid and reliable.
- There has been vibrant conversation nationwide about how we talk about achievement and the numbers are what is shown, but doesn't translate to how successfully prepared our kids are for their post-secondary career. Response: Through triangulation at levels, across measures and gaps, that does lend guidance to where we prioritize strategically.
- It was noted that in thinking about communication, that we are transparent and clear, to ensure the entire community understands the data, and how we simplify and tell that anecdotal data and the challenges we are finding and how we are adapting to those needs. It's important that the terms and phrases are comfortable for folks.
- The personalized learning plan for K-12 as a meaningful pathway was discussed, so that as students and parents navigate through the system, there are places to understand together and the impacts.
- Currently, the team is looking at the strategic initiative work and where we are with implementation and the focus areas. There is a lot of gathering information in the 5a initiative, and one way we may prioritize is the 5a initiative with effective programs and looking at resources and collecting data and analyzing it to look at alignment to long-term student outcomes.

D. 2020 Legislative Agenda

Superintendent Gothard then introduced Mary Gilbert to provide an update on the 2020 Legislative Agenda for SPPS.

Session Preview

- Supplemental Budget Year
- Governor Walz — committed to repaying the budget reserve with any surplus
- Bonding Bill — main focus
- Policy Issues get more time
- All State and Federal House and Senate Seats — Up for Election
- Education Finance Task Force Convened

Important Dates

- November Forecast (early December)
- Session reconvenes February 11th
- February Forecast (end of February)
- Supplemental Budget will follow forecast
- Sine Die May 18th

Stabilize Education Funding

Increase Diversity of Teacher Workforce

Enhance Taxpayer Equity

Enhance Local Control and Reduce Mandates

Provide Resources for Child and Family Stability and Support

Special Education

- Eliminate \$707 million cross subsidy, estimated \$817 million by FY21
- State average cross subsidy \$757 per ADM
- St. Paul Cross Subsidy \$1,002 per ADM
- Charter School Cross Subsidy \$95 per ADM
- Allow districts to recoup unreimbursed fees charged by Intermediate districts and Co-ops
- Address district of residency for foster care and long term open enrollment
- Allow district to close special ed programs under open enrollment
- Provide mental health aid for all level IV programs
- Enhance Medical Assistance Reimbursement for social work services
- Allow functional behavioral assessment as a stand alone evaluation

General Education

- Link the basic formula and local option revenue to inflation —Formula should be \$855 higher with CPI
- Link the extended time revenue to the inflationary increases in the formula — this formula has been frozen
- Stabilize compensatory funding — to address under counting
- Include 4000 PreK seats into the base for future years
- Reduce English Language Learner Cross Subsidy — \$17.1 million in SPPS
- Allow boards to renew existing referendum
- Continue school safety funding increase
- Continue funding for early middle college students

Increase and Diversify Teacher Workforce

- Increase funding for teacher residency programs at both the Masters and Bachelors Level
- Clarify that grant distribution should align with program calendars of proven programs
- Increase funding for mentoring for teachers of color and high need licensed areas

Enhance Taxpayer Equity

- Increase equalization of operating referendum, local option and debt service levies
- Oppose taxpayer subsidies of private education through vouchers, tax credits or scholarships

Reduce Mandates and Enhance Local Control

- Oppose any new unfunded mandate
- Reduce and streamline the reporting requirements for any underfunded or unfunded mandate
- Repeal compensatory set aside for extended time programs
- Allow required referendum notices to be mailed before early voting begins

Provide Resources for Child and Family Support

- Support additional resources for highly mobile and homeless families
- Increase school linked mental health grants and other child and family support services for at risk families
- Support high quality after school programs, including Ignite

QUESTIONS/DISCUSSION:

- There were clarifying questions on the school safety funding and surplus that could be re-allocated to fund the school safety bill, and if SPPS can expect funds. Response: There was a provision in the bill if there was at least \$63M surplus, then there would be an allocation of \$30M allocated for school safety which would be distributed on a per ADM basis. These are funds that would be distributed all in the fiscal year, and are one-time funds and allocation of about \$1.2M in one-time money to use to make safety improvements in facilities or safe schools levy. Board members encouraged to continue to advocate at the state level to continue to fund the school safety levy, which is frozen at \$36 per ADM.
- More information was requested on investments to diversifying our workforce, and more details were provided including that the education bill provided money for teachers to grow-your-own; the higher ed. bill contained increases in grants, teachers to qualify for loan forgiveness, money for student teaching and SUTR candidates who applied for grants and allocations. Because the increase and allocation for \$40M for PreK used the target funds, this was left on the table, and will be better in a supplemental budget year with a high priority and alluded to the Gruz-Guzman lawsuit currently filed, and the importance of increasing the number of teachers of color, and will be important to show the legislature the great work of our SUTR program.
 - It was also noted that this push is primarily for those who have their bachelor's degree or master's in teaching, and wondering what we could do to use the residency model towards a bachelor's program and maybe for those who do not have a degree or an associate's degree or credits toward graduation. We imagine students taking classes on Beginning Teaching or similar and fast-tracking them to graduation in 3 years and thinking about models that are effective for time and money, and looking at CIS programs currently in SPPS. Residency models can be expensive because of the stipend, and we need to be looking at current students or recruiting employees with credits as well for a similar program.
 - This was important to note as well because we are experiencing teacher shortages and how we can be creative about how we increase teachers, and specifically teachers of color, in the work force. Saint Paul is one of the most diverse districts in the state and we need to look for innovative ideas to recruit and talk about education and the teaching profession. It important to diversify the teacher workforce, but also for students to have teachers who look like and speak like they do and resonate with them. Many students dream to become teachers and it's important that we look into how to support them.
- Another question centered on future budgets and how we should think about them for next year, and surplus or deficit dollars. A lot will depend on the elections and the economy, and last session's numbers for the K-12 bill differences between the House and Senate were shared; we should assume current law as far as funding and make assumptions for reasonable inflationary in the general ed. formula and will have a better idea in February.
- It was noted that with one-time funding and nervousness around that, how we consider those areas as a District and mindful PreK funding, which is a priority for us; VPK is especially important and a bigger pull for us and need to prioritize.

- It was noted that the School Finance Task Force will have a big job to do and that special education formula will be a topic, and how we can all collaborate with priorities for funding, and hope elections will allow those people who want to invest in education to serve.
- It was also noted that board members collaborate with MSBA and the delegate assembly to pass resolutions, and to build coalition with more than just SPPS or MPS, and it's important that we are both equipped to advocate in that form and align our work with other entities such as AMSD and MSBA and to ensure we are leveraging the combined impact of those organizations and the districts they represent for everyone to go in the same direction.
- It was also noted that board members are able to assist in many different way whether it's through contacts at the legislature or how we should think about how to educate larger community about key points and discussing the impact of the ongoing underfunding of education and when questions arise about why a specific item is no longer being provided, which is due to the \$800 less in inflation for the past 15-16 years, and all districts, even those who are more property rich, are struggling with the same problems.

E. Policy Update

Superintendent Gothard then introduced Chief of Staff, Cedrick Baker, to provide information on a policy update.

510.03: Class Rankings

Why are updates being proposed?

- At the May 22, 2018 Board of Education meeting, the Student Engagement and Advancement Board (SEAB) presented on the inequities of the current policy.
- They recommended that SPPS, "Implement consistent recognition of academic achievement by updating policy 510.03."
- They proposed for the district to:
 - Celebrate academic success of more students
 - Remove the verbiage, "the top ten students ranked by grade point average of each high school's senior class will be identified and recognized in alphabetical order" from the current policy
 - Develop consistent use and logic of weighted course material that supports a district-wide system for recognizing academic honors

Changes to the policy include:

- Removing "the top ten" verbiage (currently paragraph two)
- Adding this language (proposed paragraph two):
 - *2. Students will be recognized for academic achievement based on the Latin Honor system, using their weighted GPA.*
 - *High Honors with Distinction (Summa Cum Laude) — Cumulative GPA average of 4.000 and above*
 - *High Honors (Magna Cum Laude) — Cumulative GPA average of 3.75 to 3.99*
 - *Honors (Cum Laude) — Cumulative GPA average of 3.3 to 3.749*

Implications of proposed changes:

- The District will no longer host the "Celebration of Excellence" which honored the top ten from each high school
 - The cost savings from no longer hosting the "Celebration of Excellence" will be used to buy cords and help to support individual high schools' celebrations
 - High school principals have requested for Board members and Senior Leadership Team to have a presence/role at their school-level celebrations
- High schools that do not currently have the GPA cutoffs for honors, high honors, and high honors with distinction as stated in the proposed policy, will have to update their internal systems and practices and communicate those changes to students and families.

- Because we are doing away with “top ten” - who have been acknowledged in newspapers historically - the District will need to find a new way to best recognize students publically that appeal to newspapers

QUESTIONS/DISCUSSION:

- It was noted that principals are in agreement with this change and excited about the changes. Celebrations are planned at their school where students and families have those connections.
- More details on the number of students who would be recognized were shared with the 2019 class, there would have been 979 students who graduated with honors and a big increase; those students were well-distributed across schools and represented 49 different home languages; proportionally it would have been about 42% of students graduating with honors.
- The Board recognized SEAB for this recommended change and began with the cohort from 2018. This is the type of co-creation to their work with the Board that is reflective of students and the community. Many students work hard to ensure they succeed, and this policy change will honor them and celebrating top honors students and scholars. By expanding and adopting to changing to this honors system, and expanding scholars to celebrate another win for the school district. Thanks to SEAB members who aren't currently in the room and led the charge and excited about ensuring this has a 3rd Reading and is part of our permanent policy.
- What graduating class would this change take effect? Response: There has been conversation around that and we have heard back from buildings that they would like for this change to happen as soon as possible. With that, it means we're changing things potentially in the middle of the school year, and we heard from principals that they are comfortable with this taking place this school year.
- The allocated funding which currently funds the Celebration of Excellence was reviewed with details that the funds would be used to purchase adornment cords, and distribute the remaining funds to the high schools for their honors events.
- Board members also encouraged ways to honor those student leaders who have a great deal of impact to school climate and each school has a different way of honoring that, and they make a difference to that school, which may not be academic, but ways to lift those students as well.
- What would this policy change look like at Gordon Parks, LEAP, and summer graduation? Response: It would be similar and those schools and programs are on board with this change.\
- The Board also had questions on the weighted grading system and how that would work for different sites and programs. Principals are willing to work through that and providing the honors structure to students in collaboration with counselors and others, and also willing to determine how we honor lots of areas at their school sites. They are willing to work together through the process.
- Board members also noted that with the extensive discussion on access to advanced classes, and if we are going to uniformly move everyone to a weighted system that it's an important opportunity to advanced classes that give students to be on the weighted grading system at 4.0 and above with AP, IB and CIS classes; want to ensure that is happening in tandem. It was also noted that SEAB brought forth the recommendations and insight to access to advanced classes, and that both need to be in parallel.
- Overall, there was a general consensus to move this policy to the 3-reading process beginning at the October 22, 2019 Regular Meeting.

F. SPPS Administrative Response to the Latino Consent Decree Parent Advisory Council

Superintendent Gothard then introduced Heather Kilgore, Director of Family Engagement and Community Partnerships; Pablo Matamoros, Coordinator Latino Consent Decree (LCD); and Sara Reyes, Latino Consent Decree District Support & Cultural Specialist; as well as members of the LCD PAC Members to provide the administrative response to the 2018-2019 LCD Parent Advisory Council Annual Report and Recommendations.

Background

Recommendation 1: Principal's Guidance on LCD

- Professional Development for School Administrators and Key School Staff
- Coordination of Instructional Program

- LCD Roles and Responsibilities
- District Coordination

Recommendation 2: Community Partnerships and Program

- Continue to develop partnerships for Latino families in SPSS

Recommendation 1: Principal's Guidance

- A chart showing the Executive Leadership, LCD Team Leadership, and School Based Staff was shown.
- Create an LCD Leadership Team, as a way to coordinate expectations and support across multiple departments and divisions.

Guideline 1: Professional Development for School Administrators and Key School Staff

- a. Training before or by November 30, 2019 and establish an annual training date in the fall
 - Dr. Efe Agbamu, Assistant Superintendent assigned liaison to LCD
- b. Provide 1:1 training at the school site

Guideline 2: Coordination of Instructional Program

- a. Develop training materials and support documents
- b. Gather feedback about the tools and supports needed by principals to carry out the expectations

Guideline 3: LCD Roles and Responsibilities

- a. Develop a communication plan to publish LCD roles and responsibilities

Guideline 4: LCD Contact Person

- a. If feasible, establish an LCD stipend for school staff who are not designated as LCD staff.
- b. Conduct a job study for the current LCD Cultural Specialist.

Guideline 5: District Coordination

- a. Convene a quarterly meeting with the Leadership Team and/or other designees

Recommendation 2: Community Partnership and Programs

- 2019-2020 Programs for Latino Families
 - LCD Parent Training – LCD and OFECP – Fall 2019
 - LCD Parent Academy – LCD and OFECP – Fall 2019
 - Sexual Health Program – LCD and CLUES – Winter 2020
 - Latino Leadership Program – LCD and Wilder Foundation – Spring 2019 (McKnight's board of directors approved a two-year, \$150,000 grant)

QUESTIONS/DISCUSSION:

- There was confusion and discussion about the LCD person of contact and their role, and not understanding why there needs to be an investigation and waiting to 2021 to look for a person for this role. We need people to be in the classrooms and as a role model for educational personnel. Response: It's not sufficient, and while there are visions for expanding more bilingual staff and bicultural staff of color in all areas, and with the SUTR program, there are expansions occurring, and this will allow us to fill that gap while also looking to hire more staff. It is not intended to be the solution, but to fill that gap temporarily.
- For guideline 2, what is the timeframe in developing materials? Response: Materials do exist and guidelines for counselors. Much of this will occur right away or has happened as we worked on the response over the summer and fall. Some pieces will take longer, and the intent is to have a full course built out for this leadership team.
- Board members questioned why guideline 5 notes that there will be quarterly meetings, and why not more often? Response: The full team plans to meet quarterly, and will reassess if they need to be more frequent; a similar structure will be used as is used in other big groups, such as the big group meeting all together quarterly, and sub-committees and homework in between.

- More information was requested on the content of the training and for principals and counselors. Response: Initially the intent was to have everyone on the same page about LCD and the guide that the work council brought before for the last few years, and the reminder of the systems and support behind those expectations for staff. One of the great things is the LCD gives the topics of training, including English language services, transitional program to English language, and also bilingual education, what it means to be bilingual.
- Director Vanderwert noted that she visited CLUES and their YA! Program. Members of the LCD PAC noted that their family members have been involved and there is collaboration with CLUES and information sent so everyone is aware of events, and they also have a great tech center for students.
- Transportation for families was also noted, with CLUES hosting their meetings at the District office and they provide funds for transportation and food and is a great collaboration with them.
- Clarification on the structure in place at schools was requested and the contact and work in schools. We need to develop it, and currently it's more ad hoc the way the LCD centrally communicates with the school through principals and cultural liaison. The suggestion is to study the stipend and position to systematize and have a job description for that role.
- How would it be decided which school need that position? Response: In the previous report, the Council presented a list of schools and prioritized where there isn't staff; this is meant to fill that gap.
- There was further details requested about the contact person, and frustration in that over the years there have been recommendations that come to the Board and Administration and there isn't a real straight-forward answer. The response that it will be investigated is one that has caused frustration over the years because it is not straightforward and leaves it open. Response: We do have a district wide contact and also have 63 schools and one person cannot effectively fill all the gaps presented to schools that don't currently have an LCD contact person. The reason for the study is to develop an effective system while also building bilingual, bicultural staff.
 - Members of the LCD PAC noted this is not okay. This is not the first time they have spoke in regards of the needs of the students in the classrooms, so when they hear the District will investigate and find a stipend, it's not okay. Not okay for the kids, community, families or needs. When there are movements and staff are moved, the character in the schools and community is different in what it represented to the community and their needs. We need to look for that each time a staff member is reassigned to a different building or new staff. These are the needs of our children, families, and students
 - It was also noted that we want to avoid false promises; nowhere in the stipulation does it mention a stipend. We need to find common ground. How long can be maintain a stipend before we fall into another false promise? There are 16 bilingual EAs on the LCD who can fill the role of the contact person, and the problem is that the ask is for all other schools to fall to the liaison, and there needs to be a study on what a person can really do.
 - There were also questions on if the stipend would be for a staff member already working in the schools and would receive the extra money for their extra role? Or a whole new position? What has happened in the past is the LCD status was attached to the person, and when that person moved or retired, that position went with them. It needs to be an actual position at the school – like a principal or literacy coach. Response: Right now, we are still studying those questions. The intent of the proposal is to fill the gap, and know the ideal state is LCD EAs and teachers, and counselors, and however to fill that gap in all schools; this is short-term compromise proposal and the first job will be to come back to the Council with feasible options.
- Board members thanked Pablo, Sara, and Heather for this work to ensure parents are heard and there are not false promises that cannot be accommodated.
- We can do better, and in looking back at the decree and the creation of it to ensure academic success for Latino students, our Latino parents have student sin buildings and stake in this issue and drive the work we need to do to give their student opportunities to succeed and they are currently disappointed in the structure set forth. At this point, parents are looking for the next step as they advocate for their students and are feeling very frustrated; what they are asking for aligns with SPPS Achieves. How are we going to talk about and set structures and look at achievement for their students and fight for our Latino students? Our parents are passionate and want concrete next steps and feel like we are not able to provide those next steps to see the end of the tunnel and they need a concrete

timeline. Response: We understand the disappointment. Our parents and stakeholders are showing up for their students. This is a temporary solution as we look into what is the long term strategic solution to address the systemic issues at the root to ensure our Latino students receive the well-rounded education we strive to offer to them.

- Director Foster noted this reinforced the conversation about the language and articulating things for folks. There isn't a timeline in this response, and others may know details in their heads and in their hearts, and others would like that same information as well and thinking about how information is sent out.
- As a District, we need to look at this and align with our work as a school district. We need to address this together and not rely solely on the Office of Family Engagement and Community Partnerships and the importance of resources for that team in helping to implement these initiatives.
- Members of the LCD PAC also shared their perspective and feelings, and thanked staff for their work in educating their students and embracing their kids and families and community. The LCD PAC in SPPS is a great family and feel proud of the work you do every day as human beings. They are focused on the well-being of kids and families, and they want to help to do that.
- Superintendent Gothard thanked parents and families for their engagement and willingness to work together with SPPS. He heard loud and clear the frustrations around this, The LCD began in 1998, and there are changes and moving pieces, and a way to look to the future. He will meet with this team to discuss what was heard and a plan forward.

G. SPPS Sustainability Summary and Future Framework

Superintendent Gothard then introduced Tom Parent, Director of Facilities, to welcome Rosemary Dolata, Project Manager, Capital Project Delivery; Angela Vreeland, Indoor Air Quality Coordinator, Environmental Services Group, and Chair of the District Energy Team; Chelsea Moody, Environmental Specialist, Environmental Services Group; Marissa Shepard, Environmental Specialist, Environmental Services Group to share more about sustainability in SPPS.

The presentation was grounded in this work and photos of the Youth Climate Strike held September 20, 2019 at the Minnesota capitol in Saint Paul.

What is Sustainability?

- United Nations Definition
 - "Sustainable development . . . meets the needs of the present without compromising the ability of future generations to meet their own needs." (United Nations' World Commission on Environment and Development, 1987)
- Sustainability is more than green or eco-friendly.
- Sustainability is balance. Balancing present and future needs. Balancing environmental, social, and financial needs.
- Sustainability requires collaboration

Three Pillars of Sustainability

- A venn diagram showing the three pillars was shown, including people (equity), planet (environment), and profit (economy), which all overlap towards sustainability.
- A graphic showing the intersections of energy and water with health and resources was shown, and examples for each, such as indoor air quality, embodied energy, stormwater management, and safe drinking water.
- Convert existing stand-alone efforts and technical expertise into collective, comprehensive, and strategic problem solving that benefits the whole district.

ENERGY

- Burning fossil fuels (natural gas and electricity (coal)) → greenhouse gas emissions → climate change
- SPPS spent \$7.7 million on energy, generating the equivalent CO2 emissions as 10,335 cars

Energy Reduction Strategies

- Waste – Conservation (Occupant Behavior, Temperature Set Points, Turning Off Lights), Efficiency (Preventive Maintenance, Lighting Retrofits, Equipment Upgrades)
- Source – Renewables (Solar (photovoltaic or thermal), Wind, Geothermal), Greening of the Grid and on site

Energy Reduction Pyramid

- Energy Conservation – Tier 1: Largely based on behavioral and operational practices; best return on investment
- Energy efficiency – Tier 2: Purchasing and installing efficient equipment and processes
- Renewable Energy – Tier 3: When the system is modified to use efficiency, less renewable energy is needed

Energy: To Date

- Collaboration: Facilities (ESG, CPD, Trades) with Xcel Energy
- Goal: Reduce Energy Use, Earn Utility Rebates, Reduced Maintenance, Improved Comfort and IAQ
- Outcomes:
 - Projects - interior and exterior LED lighting retrofits, steam trap replacement, boiler upgrade, energy efficient design
 - Over \$2 million in rebates
 - Xcel Energy Recognition of Excellence Award 3 years in a row
 - Energize St. Paul Award
- A graph showing SPPS Energy Use Over Time was shown based on percentage change from 2009 baseline to current year.

Energy: Near Term Plans

- Xcel Energy's Partners in Energy (PiE) Program
 - Approved at September BOE
- Create a District-wide Energy Action Plan
 - Collaborate with key stakeholders
 - Establish achievable energy goals
 - Clear path to energy efficiency
 - Implement a behavior change initiative with assistance from our MN GreenCorps Member
 - 2-year program, will pave way for ongoing community involvement

Renewable Energy at SPPS

- [SPPS Solar Energy webpage](#)
- SPPS as a Consumer – No responses to 2018 RFP; no available land in adjacent counties
- SPPS as a Producer – 2 existing arrays; 1.7% of roof areas feasible candidates
- Energy Priority - It is far less expensive to save a kilowatt of energy than to produce a kilowatt of energy; saving energy requires District-wide collaboration.

RESOURCES

- Banning of single use plastics was discussed, and how we are targeting this waste
- A line graph showing SPPS Waste Diversion Over Time was shown, with SPPS generating 5,949 tons of waste in FY2019
- A timeline of the background of recycling in SPPS was shown, beginning in 2005 with the “food to hogs” program, organics, recycling, compostable trays, and Zero Hunger, Zero Waste study throughout the years to present
- Breakfast to Go – portable, lots of packaging, plastic waste; waste management is challenging; breakfast to go increases food security in our high-need district and with breakfast in the classrooms, it ensures there is more access to more students

Zero Hunger, Zero Waste Initiative

Collaboration: Nutrition Services and Facilities with Ecoconsilium

Goal: To develop an environmentally preferable purchasing plan.

Outcomes:

- Identify opportunities to reduce and reuse *before* recycling and composting.
- Identify products or supplies that have excessive or unnecessary packaging.
- Explore opportunities to eliminate waste from vendors.
- Identify opportunities for B2Go waste collection in schools

Data Collection: Sept 2018-Aug 2019

- A process chart showing the B2Go Shipping and Receiving was shown between Nutrition Center and Schools.
- Photos showing the packaging from foods, example a pallet of bananas, was also shown and discussed.

Waste

- Upstream – Nutrition Services (Purchasing, Packaging)
- Downstream – Facilities (Recycling, Organics, Trash) (Students, Staff, Parents, Community)

10 Actionable Goals

- Reducing, Reusing, Recycling
 - Recyclable Plastic Juice Cups
 - Recyclable Plastic Fruit Cups
 - Reusable, Custom Plastic Pallets
 - Reusable Plastic Juice Crates
 - Reusable Breakfast Bags
 - Switch from single-use plastic breakfast bags to reusable bags – in collaboration with Nutrition Services, Environmental Services, GOATOTE, school nutrition staff, custodial, principal, teachers, students, staff, and parents
 - Decrease Breakfast Rounds Plastic Wrapper
 - Decrease the size of the single-use plastic food wrapper the Smart Round is packaged in at the Nutrition Center – in collaboration with Nutrition Center staff
 - Reusable Baskets instead of Cardboard
 - Redesign Food Rescue Program
 - Nutrition Center Collection System
 - B2Go Waste Collection System
 - Launch a best management practices trash, recycling and organics collection system in schools for breakfast – in collaboration with Nutrition Services, school nutrition staff, custodial, environmental services, waste hauler, principal, teachers, students, staff, and parents
- Priority is to feed all students while diverting as much waste as possible, and to evolve our stand-alone efforts to connected, collaborative actions.

WATER

- Domestic: water that comes from the faucet
- Sewer: water that goes down the drain
- Stormwater: water that comes from the sky
- Groundwater: water from large reserves underground

Domestic

- SPPS use 70 million gallons of domestic water a year
- SPPS spends \$783,000 a year
- Opportunities include a piloted Tricon meter program at 7 sites that tracks water in real time, automation track issues and plumbers to find and fix problems, and behavior change opportunities

Impacts of Stormwater

- Photos showing stormwater issues across sidewalks and playgrounds were shown and the impacts
- Photos from the raingarden at LEAP High School were shown and the success of implementation
 - Corrected water intrusion and drainage issues
 - Added outdoor space for students and teachers
 - Included native prairie plants and pollinator plants
 - Can be included in the curriculum
 - Students, teachers, and community can take ownership over the success of the garden
 - Builds a culture of sustainability
- **Success depends on collaboration.**
- **Convert existing stand-alone efforts and technical expertise into collective, comprehensive, and strategic problem solving that benefits the whole district.**

Support the Board of Education Policy Work Group to define a policy on Environmental Sustainability

- Examples from school districts across the country were provided.
- Align policy with SPPS Achieves strategic initiatives of 5a: Assessing Program Effectiveness and 5c: Strategic Allocation of Resources
- Holistic SPPS policy to include People, Profit, and Planet – all aspects of sustainability at all sites and departments
 - People: involve many stakeholders, create a clear governance and implementation structure; stakeholders were reviewed, and included multiple groups across the District, Community, and State
 - Profit: guiding resources
 - Planet: set district goals and define achievement metrics

QUESTIONS/DISCUSSION:

- More information was requested on the chart showing the energy usage change. The dramatic changes can be attributed to the exclusion of larger construction sites or change in occupancy. It is weather normalized data, and accounts for the weather and makes adjustments in data which can be complex. The whole team pours over this data and there are a lot of factors that play into energy and leverage success to build on. The total energy and natural gas and electricity for all buildings is combined into KBTUs and divided by square foot of building and normalized for conditions and depends on how much square footage is heating/cooling/powering or added square footage – this is the adjusted total number based on those factors. For the schools excluded from the data, there were 7 major projects underway. A key performance indicator is total instead of increases or decreases, but does show the trends. This chart also showed that while we didn't meet the 10% reduction goal, which is fairly aggressive, our energy usage is better than the average school district.
- For solar energy, 3 of 73 buildings were identified as good candidates. What buildings are they? Response: Eastern Heights, Four Seasons, and Galtier – based on a number of factors, including age of roof, size of roof, interference of roofs, and orientations, and structural integrity factors.
- It was also noted that energy conservation and efficiently working on these items will bring more opportunity and we will work up to renewable energy, which is more complex and strategy to tackle conservation and efficiency before pursuing renewable energy through behavior change and efficiency through continued efforts. It is advantageous to start at the bottom of the pyramid and to renewable energy, which has more cost involved, while working with staff to change behaviors.
- Why can't we do both at the same time, especially if we put solar arrays on rooftops and they do not cost us? Response: We can and should be tackling all facets and prioritizations and how organizations prioritize those items that have the biggest impact. Solar energy's return is longer than most energy efficient strategies, and see great environmental impacts from changes that lead to project with capital involvement. Solar is an interesting prospective model for SPPS, and SPPS can create a solar array, and there are neighborhood and community groups that would use the roofs and lease costs, there is an opportunity cost with that and we need to think about the value that would provide and is a strategic

decision to make as an organization with a fast-changing market and wanting to understand when the right time to invest in a long-term solution with a cost to do it ourselves or value to another party. It was noted that we wholeheartedly agree renewable energy is a part of the response, but is one of many.

- There were also questions around those 3 buildings, when there are other buildings that are much larger. Are their roofs not strong enough? Response: There are two main factors that eliminate solar, including roof membrane age, and structural capacity. With buildings that are 90 years old, they are structurally sound, but the design is lighter load on the roof because snow weighs less than people and the level of load that the roof was designed to hold.
- How do we imagine the energy usage graph will change as we change our design of newer buildings? How will we measure that? Will we design buildings with roofs that will be able to sustain solar? Response: There are two pieces – we do have roof work in the ten-year and five-year plan and factored into analysis. We replace a roof about once every 25 years, so about 4% is our cycle rate. It's that cycle that we don't see percentage growing or shrinking enormously and not economically advantageous to replace a roof before we have to. Excel does help with energy design and conservation plans, to model and develop sustainable strategies, and pushing the need as far as possible in building projects to provide the most efficient system with the longest life cycle, cost benefits, and carbon advantages – a lot is around fans, motors, lights, and pieces about building operations where the trend benefits are seen.
- Our goal is to be as energy efficient as possible, and the Board has heard from folks who say solar is the answer, and wondering why we are not doing it – one is that some of the buildings will not work for solar - a high percentage of our building portfolio is not conducive to solar energy, and also suggesting to use our energy into making other changes and investments.
- Director Brodrick requested an executive summary with more information on solar energy use in SPPS and Facilities' response to common questions. It was noted there is a lot of community interest in solar energy, and there is a place for solar in SPPS, and to paint a more nuanced picture of solar opportunities for SPPS, but is not the universal solution, and there are opportunities to have ongoing means of dialogue with industry leaders and schools and community when we're at the tipping point where it makes sense for the organization and to build a deep conversation around that. The website also has more information and details. This builds a roadmap for this work in progress and it is difficult to boil this down to return on investment and viability and assurance on burden, and we are not quite there yet and struggling with how to do it and do it well to ensure this is the right investment in the long term, which is very complex.
- As to what the Board can do, developing a policy on sustainability and setting mandate, and examples of other policies from school district across the country were provided. Also, legislatively, the Board can help to implement these, and we did not receive responses to potential groups because the energy does need to originate from a contiguous county of where it is being served, so any county that touches Ramsey County, and that is a real impediment and roadblock for urban areas to do large scale solar energy due to land opportunity. State law currently prevents that, in the last legislative cycle the contiguous county provision was almost removed, but changed very little.
- There were also further questions on compostable trays and how to track and clean reusable B2Go bags. For the most part, reusable trays are used, but when they cannot compostable trays are used. GOATOTE will own the bags and launder them and track them through a number inside the bag. They will be able to note which bag numbers are missing and educating students and teachers to place the bags bag together.
- It was noted that as an educator, the tracking of the reusable bags may not be high on the list of priorities within the classroom. Response: This will be an opportunity for elementary school students to have leadership skills. At Highland Park Elementary, they are using reusable bags and there is a different color for each classroom, and students help to keep track of the bags, and collected. It's an opportunity for students to have a role for the day.
- Do most schools use silverware or plastic utensils? In trying to be efficient with water and energy – does it make more sense to wash trays and flatware than use compostable trays and plastic utensils? Response: The difference is in breakfast and those meals served in the cafeteria. Silverware is used more for lunch. Reusable is our first choice. Director of Nutrition Services, Stacy Koppen also provided more information on the switch to compostable trays (from Styrofoam which may have been

in schools that didn't have a dishwasher) and the complete switch away from Styrofoam, and the rice bowls are also compostable. There are real trays at lunch with silverware. If there are staffing shortages, then trays and silverware are discussed that morning, with the priority to feed our students.

- The details of the GOATOTE memorandum of understanding were discussed, including that they are looking at a zero waste program, and they are a new company that recently moved to the Twin Cities and cleaning options for the bags based on usage and research. They are made from recycled materials, and at the end of the bag's useful life, they will be turned into another type of product, such as decking.
- It was also noted with the amount of bags that are moving, and how it will work and responsibility of teachers to ensure they stay in the buildings. It will be an opt-in program to initially start and making it fit with each school and working with principles to get buy in from staff. We ultimately envision a classroom role of a student to count and bring the bags to the cafeteria before the next morning and will roll out a plan that includes details for each site.
- Director Vanderwert noted that she wonders if single use plastics could be eliminated from the 360 building and see if it could spread?
- Composting is done by Walter's and is sent to the Mulch Store, MPS compost also goes to Rosemount facility.
- It was noted that behavior change and how we plan to integrate these changes into curriculum and talk about collaboration and formalizing through a policy collective beliefs in ownership role in the natural world. Response: It happens in schools and classrooms and the cafeterias, with programs, videos and education from staff from Facilities, Ramsey County, and in schools helping students to sort their waste into the right spots. Creating a culture around that with support from principal and teachers. There is no opt-out of recycling and sustainability for buildings.
- The possibility of solar arrays at E-STEM were requested. It is a 19 year old building with an original roof, and a large percentage of the property is wetland.
- In tying this with the FMP, will we prioritize more energy efficient opportunities? Response: Part of the prioritization that does factor that in in deferred maintenance, and energy use intensity of square foot. Global Arts Plus Upper was an example where the energy usage decreased by 90% and replacing the 80 year old mechanical system. At Johnson, which has the ventilators that don't provide fresh air, are either too hot or too cold, and we are looking into a geothermal system for that site, so the natural heat of the ground will provide heating and cooling – there are major milestones to support systems like that and implement items like that to relive and create better learning environments.
- Is SPPS still doing the Food to Hogs program? Response: We are now doing the compost program. Food to Hogs only accepted food waste, and the new organics systems allows us to capture more items like napkins and paper towels into one program.
- Policy examples were presented, and what it means to districts to have voices heard and community members and staff to break down sustainability, and have committees dedicated to air, water, and sole focus to improve the district in that area was noted in other districts.
- It was noted that sustainability is covered in Physical Science in 9th grade, and also addressed in elementary school. Board members noted energy use and sustainability in 9th grade is too late. More details can also be provided to elementary learning in environmental health and PreK.
- Director Marchese noted that in regard to the policy, is there a proposal on the way to move forward to ensure there is community involvement and more than simply emulating another district's policy. It needs to be more organic to Saint Paul to make it something people will do and have it be successful especially if they are involved in the origin of the policy. In working with the Policy Work Groups, and talking about who should create that, and to start from the ground floor and also highlight items that can be done currently.
- What are the opportunities for electric buses and availability of funding from the diesel settlement? Response: We did look into that, but buses need to be less than 20 years old and we also had to have a place for the charging station, which our facility did not qualify. Based on the state assessment on metrics and bus age, SPPS did not qualify. Board members also encouraged the district to contract with bus companies that require a certain amount to be electric.
- Opportunities for other rain gardens, similar to LEAP High School, were discussed.
- Members of the public also addressed items such as the waste generated from Breakfast to Go and cooperative community solar models.

H. Final FY19 Budget Revision

Superintendent Gothard then welcomed Chief Financial Officer, Marie Schrul, and Senior Budget Analyst Kimberly Cordes-Sween to present information regarding the Fiscal Year 2018-19 final budget revision.

FY19 Final Budget Revision

- Figures for All Funds – Revenue Changes to the General Fund, General – Fully Financed, Food Service, Community Service, Community Service – Fully Financed, Building Construction, and Debt Service were reviewed and shown for the Adopted Budget, Previous Revision, Final Revision, and Revised Budget for a total of \$739,043,255.
- Descriptions for the revenue changes in the General Fund, Food Service, and Community Service and the respective amounts were also shown.
- Figures for All Funds – Expenditure Changes to the General Fund, General – Fully Financed, Food Service, Community Service, Community Service – Fully Financed, Building Construction, and Debt Service were reviewed and shown for the Adopted Budget, Previous Revision, Final Revision, and Revised Budget for a total of \$848,493,958.
- Descriptions for the expenditure changes in the General Fund and Food Service were also presented.
- The All Funds – Fund Balance Re-appropriation in the General Fund was also discussed.
- Fully Financed Fund – Revenue and Expenditure Changes were also presented, and reflects the approval of grants under \$500,000 that were not adopted in FY19, as well as revisions to adopted grants.

RECOMMENDED MOTION: Ms. Foster moved the Board of Education approve the Fiscal Year 2018-19 final budget revision as presented. It was seconded by Mr. Schumacher. It passed by acclaim.

QUESTIONS/DISCUSSION

- Is this indeed the final revision of the budget? Response: Yes.

III. ADJOURNMENT

Ms. Foster move to adjourn the meeting, and it was seconded by Mr. Schumacher. The motion passed by acclaim. Meeting adjourned at 9:26 p.m.

IV. WORK SESSION

The Board then conducted a work session to discuss plans for onboarding of new board members.

Respectfully submitted,
Sarah Dahlke
Assistant Clerk



Saint Paul
PUBLIC SCHOOLS

Facilities Master Plan External Review Report

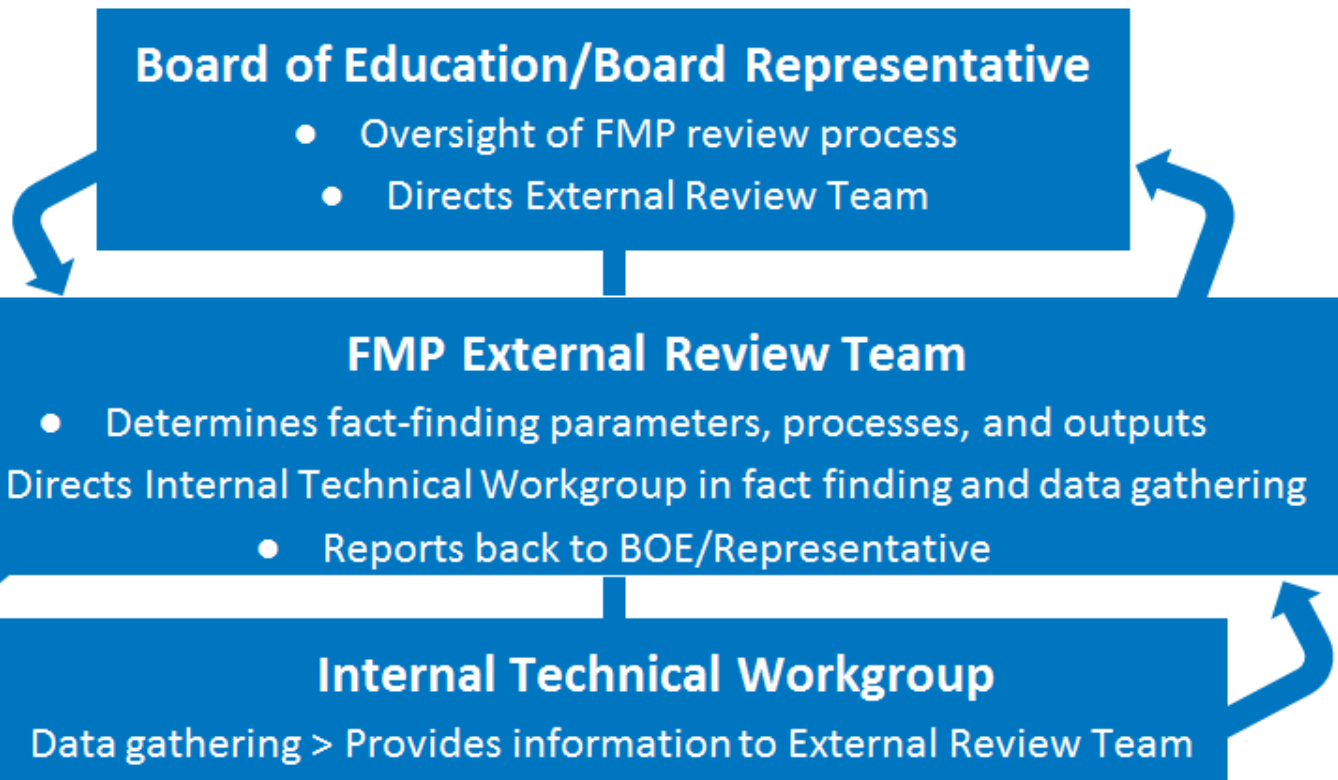
October 22, 2019

FMP External Review Report

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Review and Assessment Framework



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FMP External Review Team

JACOBS ENGINEERING

Construction/Finance/
Industry Best Practices

- Chappell Jordan
- Shannan Jasien
- Alexandra Marler
- Stephanie Sadowsky
- Aaron Sarfati
- Agustin Villafana

STEVE TORGRIMSON

Facilities/Finance
Advisor

MIKE VOGEL

Facilities/Finance
Advisor

KELLY SMITH, BAKER TILLY

Tax and Assurance Advisor

DONALD MULLIN

St. Paul Building and
Construction Trades Council

\$179M increase for 18 projects

- District spent more money than originally planned on projects, but did not overspend or overpay on projects
 - Scope of work on sites expanded to meet program needs and address unforeseen conditions
- Lack of adequate contingency formula (40% +/-) to account for unforeseen conditions
- “Light” vs. “heavy” renovation originally applied to square footage
- Unanticipated educational needs; added scope
- Furniture, fixtures and equipment (FF&E)

Findings and Recommendations

- Oversight
- Controls
- Staffing
- Funding/Financing

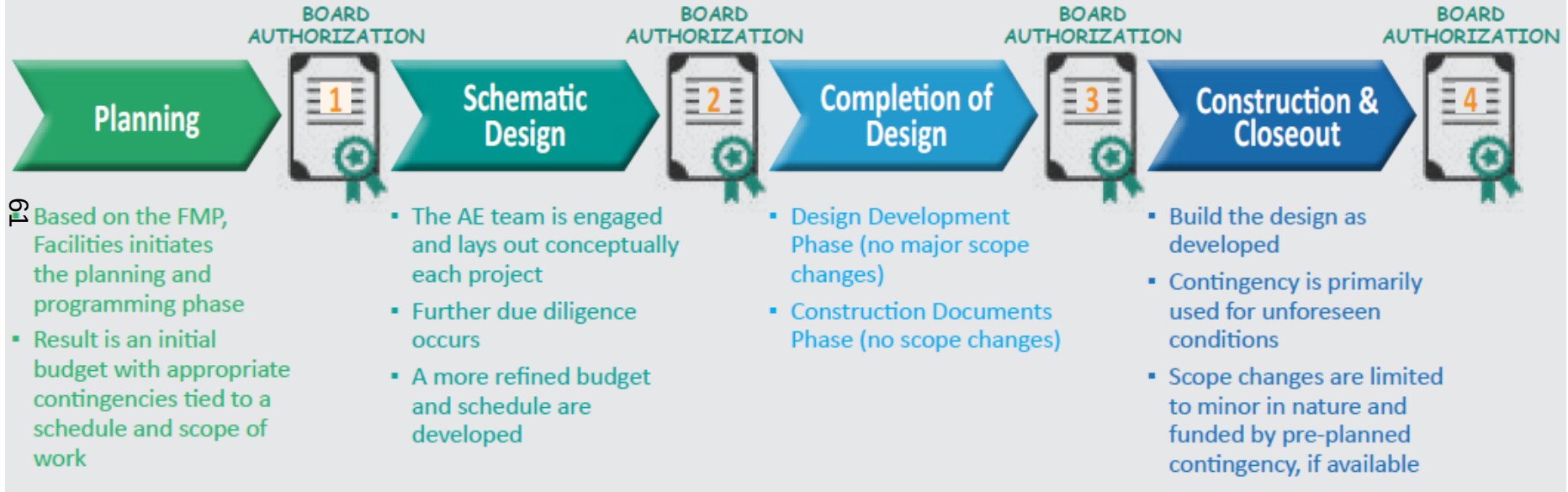
Findings and Recommendations: Oversight

- District has paid for good-quality products at a fair price
- District slow to identify and implement key project control systems and communication processes
 - Certain systems/controls being implemented
- Board of Education should have more input at various stages from planning to construction

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Findings and Recommendations: Oversight

Recommended Project Lifestyle



Findings and Recommendations: Controls

- Additional financial and construction management controls needed
- Checks and balances in a large-scale capital improvement program
 - Lacking / fall short in meeting needs
 - Many systems are now in process of implementation

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Findings and Recommendations: Staffing

- Staffing adjustments
 - New positions
- Facilities and Finance Departments
 - Improve collaboration among departments
 - Cross-train departments in each other's expertise area
 - Training in systems controls for new and existing staff

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Findings and Recommendations: Funding/Financing

- Capital-improvement funding strategy needs to be adjusted
- Must meet the needs of a substantial 10-year capital-improvement plan
- Annual FMP budget is \$112M for 10 years
 - 10-year vision implemented in 5-year increments to allow for flexibility
 - Responsive to changing priorities

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Next Steps

- All projects not currently in construction will be rescope and vetted with appropriate systems controls
- Funding will only be pursued for fixed project budgets
- Master schedule and master budget to be developed
 - Provided to the administration and public on a regular basis
- Determine how best to implement other recommendations
 - Organizational restructuring to better support magnitude of major 10-year capital program
- District committed to being more transparent, communicative, and diligent in managing/delivering FMP

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Saint Paul
PUBLIC SCHOOLS

QUESTIONS?

Facilities Master Plan External Review Report



Saint Paul
PUBLIC SCHOOLS

October 22, 2019

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• BakerTilly	
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A word from the Superintendent: Learn, adjust, continue



Dear SPPS Community,

On May 21, 2019, I made the announcement at the regular Board of Education meeting that a thorough review of Saint Paul Public School's Facilities Master Plan (FMP) was in order.

With the planning of impending construction projects placed on hold, time was critical to quickly get a clear understanding of the standing of current practices and procedures related to the management and funding of the FMP. The review needed to be conducted by professionals with deep experience in capital planning management and financing. Because Saint Paul Public Schools is one of only four districts in the state that can levy tax dollars without voter approval (along with Minneapolis, Duluth, and Rochester), which is unique even nationally, finding individuals with direct expertise in the particularities related to Minnesota capital-funding statutes was vital.

On July 2, the FMP External Review Team was put in place, setting off a three-month assessment process. The integrity of this process is reflected in the findings of this report: We must be aggressive in fully staffing the District with experienced personnel who can strategically manage, fund, and deliver capital projects in a transparent, efficient, and cost-effective manner consistent with industry best practices.

The FMP provides the District with the opportunity to modernize our buildings and educational environments to meet the evolving 21st century learning needs of our students. But doing so comes with a significant investment from our Saint Paul residents who entrust us to provide sound fiscal stewardship. This is a responsibility I take very seriously.

As I have stated before, this review process provided the opportunity for us to learn and identify precisely what systems and practices need to be adjusted so that we can continue this transformative work for the sake of our students, school communities, and the people of Saint Paul. Providing high-quality, inspiring learning environments that will serve the needs of generations to come is an investment in all our futures.

Sincerely,

A handwritten signature in black ink that reads "Joe Gothard".

Dr. Joe Gothard, Superintendent

Introduction

Saint Paul Public Schools' [Facilities Master Plan \(FMP\)](#) oversees the modernization and maintenance of the District's 73 buildings, 7.5 million square feet, and over 500 acres of land. The FMP is a comprehensive, strategic 10-year vision focused on providing students and teachers with high-quality learning environments by modernizing school facilities to be responsive to the rapidly evolving needs of teaching and learning. Designed to be flexible, the FMP is implemented in five-year, rolling increments that is adjusted annually in response to changing factors inside and outside the District.

Providing efficient, sustainable fiscal stewardship of public funds is of topmost importance to SPPS—accountability to the community inside and outside the District is paramount. Over the past year, questions have arisen as to whether the District's FMP has been managed in a manner consistent with fulfilling the key goals of being cost-effective and efficient. On May 21, 2019, Superintendent Joe Gothard announced his plan to conduct a review of the FMP's financial and construction management procedures to ensure fidelity to industry standards and best practices.

The FMP review has been overseen by SPPS Chief of Staff Cedrick Baker who identified and recruited a team of independent, external advisors with local and national expertise in capital planning financing and construction management. The assessment was conducted over the summer (2019) and the findings and recommendations publically shared on October 22 at a regular meeting of the Board of Education. An account of the key steps in the External Review process are outlined in the timeline on page 5.

This executive summary outlines those key findings and recommendations provided by external advisors that the District will consider for adoption. The reports from the external advisors are available in full in the appendix.

A list of the external advisors and their credentials is provided in this report, along with an account of their fact-finding process. To provide context for this report, information is provided on the District's capital funding structure and options, design process, and current

organizational charts for the Facilities Department and Finance Department*.

(*For the purposes of this report, the official title of the Office of Business and Financial Affairs has been shortened to the Finance Department.)

Key takeaways

The Board of Education approved the FMP's annual budget at \$112M/year for 10 years. The projects had been prioritized based on objective criteria of need, meaning the projects in the first wave most likely had a higher level of complexity than those to come in later years. The \$112M/year allowance provides a great deal of flexibility in allowing the District to make changes as necessary to accomplish the mission of modernizing its facility portfolio. After the review of the assumptions, some key takeaways include the following (additional details can be found in the individual reports in the appendix):

1. There was no evidence, based on the information reviewed, of malfeasance or intentional misrepresentation of the FMP itself.
2. Advisors concluded that while the District did spend more money than originally planned on these projects, it did not overspend or overpay on these projects.
3. The FMP does not have a fixed budget like a traditional bond sale. Given the \$112M annual spend, if additional scope is required, projects can be adjusted backward or forward to accommodate changes.
4. The FMP is not on a fixed schedule and any such 10-year plan will change based on enrollment, changes in academic programs, or District mission. The plan could, theoretically, be extended to more than 10 years, providing flexibility to projects that would not necessarily impact later projects as funding would not "run out."

5. Processes, procedures, and management tools at SPPS are not geared to handle large-scale, cash-flow based capital programs which has caused significant and much higher than needed staff frustration in the implementation of the FMP.
6. There is no budget overrun of the FMP. The District essentially received more amenities that were enhancements to the original plan. Whether attributable to additional square footage, upgraded systems, or unforeseen environmental or infrastructure needs, the work done was more than what was published in the original [FMP report \(FY2017-21\)](#).
7. Simply put: The primary complication was that the original FMP did not adequately provide for potential scope risks, thus cost assumptions were not accurate. Secondly, the communication and decision making was compromised without a more robust reporting structure at a program, as opposed to, a project level. At the end of the day, SPPS students, teachers, and staff have better schools that will last longer than originally assumed in the FMP.

What accounted for the cost increase with 18* major capital projects?

One of the outstanding issues that Jacobs Engineering Group was tasked with determining was documenting and explaining how the budgets of substantial renovation projects increased from the first publication of the FMP 1 ([FY2017-21](#)) to the most current FMP 3 ([FY2019-23](#)) (as a reference, [FMP 2: FY2020-22](#) is also provided). In their deep-dive analysis of three projects,** Jacobs' determined that the initial estimates for project budgets were missing sufficient contingency measures when project budgets were first developed. Highlights of Jacobs' findings on this matter are as follows:

1. Typical master plans carry a 40% variance (contingency) based on level of effort.
2. The FMP is intended to be a living document that can absorb change.
3. SPPS' approval processes were used in the decision-making process.

4. Financial liability issues:
 - Working projects function on an assumed annual spend as opposed to fixed specific budgets.
 - Need to have funds in the bank before obligating project commitments.
5. Original scope of the FMP could have been delivered closer to its assumed cost:
 - Academic programs were added that were not originally planned or foreseen.
 - Level of renovation assumptions were expanded and not anticipated in the original FMP.
6. Major differences between expected expenditures should have included some cost assumption and/or higher contingency levels to offset risk. Typical changes include:
 - Academic changes requiring new construction
 - Site/infrastructure requirements
 - Level of renovation required
 - Cost assumptions
 - Escalation / inflation
 - Phasing / swing space
 - Furniture, fixtures and equipment (FF&E)
 - Cost / square footage

In essence, the District paid for expanded scopes of work to meet the education program needs and to provide safer, more energy-efficient buildings.

(*The 18 projects referenced are: Adams, American Indian, Bruce Vento, Cherokee Heights, Como Park HS, District Service Ctr., Global Arts – Lower, Global Arts – Upper, Highland Park Ele., Highland Park MS/HS, Horace Mann, Humboldt HS, Farnsworth Lower, Frost Lake, Obama, Phalen Lake, Ramsey MS, St. Anthony Park)

(**See Jacobs' report on page 33 for more details on these three projects: American Indian Magnet, Como Park HS, Humboldt HS.)

Timeline of FMP external review process

External advisors conduct staff interviews and review internal practices and procedures;

write individual reports

May 21: BOE Regular Meeting	May 22 – July 1	June 18: BOE Regular Meeting	July 2	July 23: BOE Regular Meeting	Aug. 20: BOE Regular Meeting	Week of Aug. 26	Aug.- Sept.	Sept. 24: BOE Regular Meeting	Oct. 22: BOE Regular Meeting
Superin- tendent Gothard announces plans to convene external review team at BOE meeting	Identifying advisors with expertise in school district facility planning, construction, and finance	FMP review and assessment framework and purview announced; preliminary team members announced; timeline provided	FMP External Review Team convenes first meeting; weekly check- in meetings occur thereafter until mid- September Team members begin data gathering to inform final findings and recom- mendations	New team members announced for FMP External Review Team; team membership is finalized	Two preliminary findings reported: Invoicing protocol for architects and engineering consistent with industry standards; need for project tracking system shared between Facilities Dpt. and Business Office to track projects in real time	Jacobs conducts intensive week- long interviews with key staff from Facilities Dpt. and Finance Dpt.; all other Review Team advisors welcomed to attend	Data gathering ongoing; preliminary findings and recom- mendations developed to inform draft report	No update	Final report on findings and recom- mendations presented to BOE

II. Key background information

To provide further context for this executive summary and the reports of external advisors, an account follows explaining key aspects that drive major capital planning and delivery, including the funding structure and options available to the District; the design and construction process; and the organizational charts of those departments tasked with managing capital projects—the Facilities Department—and for leveraging funding to pay for projects—the Finance Department.

A. SPPS capital funding structure and options

When SPPS schools need building systems replacements, renovations, additions or a new building, construction projects are mainly funded through the property taxes (tax levy) of Saint Paul residents. Taxes are used to pay for construction projects in two ways:

1. **Pay-as-you-go/PAYGO:** Paying for projects using today’s dollars, similar to paying for the purchase of a house with cash to avoid paying the interest on the principal of a loan. This payment method is referred to as “PAYGO.”
2. **Debt repayment over time:** Paying a debt/loan plus the interest over a period of years, similar to paying off a mortgage of a house (principal plus interest). These loans are called “bonds” or “capital leases” depending on the funding source; in either case, investors provide the money at the front end while property taxes are used to pay investors back over time.

There are four ways to structure the funding of and paying off the debt on building improvements (also known as capital improvements). The State of Minnesota regulates each of these funding structures. Each year, the Board of Education approves the funding sources and related levied and bonded amounts. The table on the next page shows how funds raised through the tax levy function under these four funding/payment options. Each funding option available to the District also has different

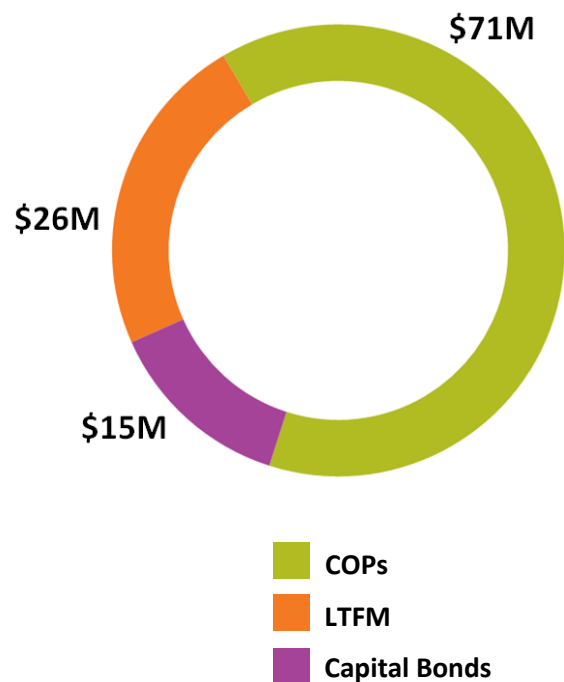
flexibility in how the money can be used to pay for specific types of projects.

SPPS annual capital budget = \$112M

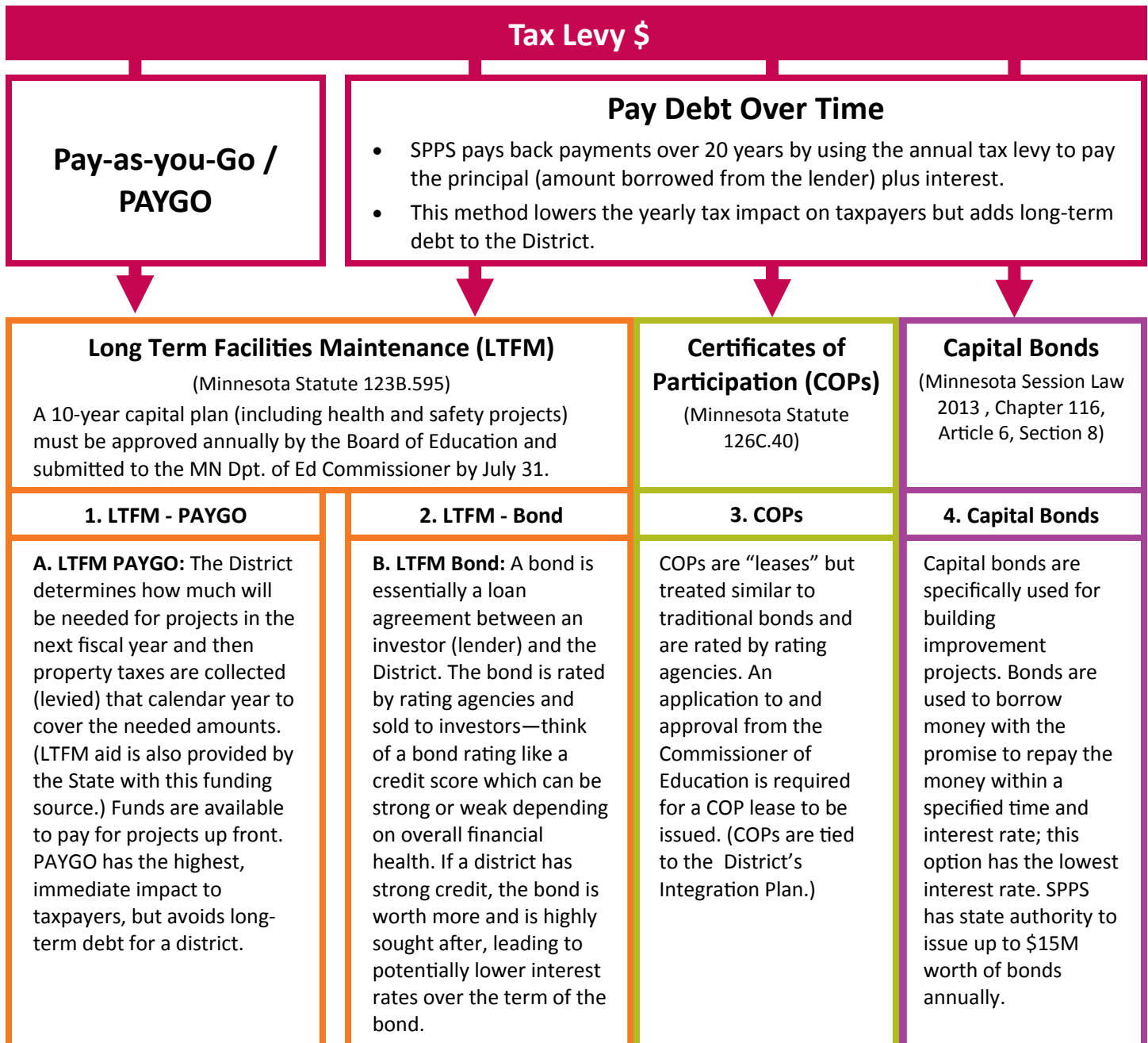
SPPS has 73 buildings, 7.5 million square feet, and over 500 acres of land. When SPPS started implementing the FMP in 2017, only 9% of its buildings had been constructed in the last 25 years and just over 51% were constructed between 1953 and 1982.

Modernizing and maintaining these assets is critical to ensure students have high-quality, safe learning environments. These facilities also enrich the larger Saint Paul community through Community Education, facility rental, and sustaining property values.

Since fiscal year 2017-18, SPPS has maintained a \$112M annual budget to update and improve its facilities. This budget is ultimately funded by tax levies through a combination of certificates of participation (COPs: \$71M), Long Term Facilities Maintenance (LTFM: \$26M), and capital bonds (\$15M) (see next page for more details on these funding sources). The initial goal established in 2016 by SPPS was to keep the tax impact on Saint Paul property owners to \$30 a year for the median home value (\$151,500).



Capital funding structure and options



Funds must be used to pay for these types of projects:

Projects under \$100,000: Physical hazards; other hazardous materials; environmental health and safety management; asbestos removal and encapsulation; fire safety; indoor air quality Projects over \$100,000: asbestos removal and encapsulation; fire safety; indoor air quality Prekindergarten: Remodeling for prekindergarten (Pre-K) instruction approved by the Commissioner of Education Accessibility: Americans with Disabilities Act (ADA) Deferred Capital Expenditures and Maintenance Projects: Building envelope; hardware/equipment; electrical; plumbing; interior surfaces; mechanical systems; professional services/ salary; roof systems; site projects	Used to buy or build a new building, or to renovate an existing building.	Used for “Betterment Purposes” to improve existing facilities and grounds.
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Distinctions within and between the General Fund and Construction Fund

It is important to clarify that although there are facilities-related funds earmarked within the District's General Fund (Fund 01), the majority of the facilities funding is in the Building Construction Fund (Fund 06) which is used to maintain, improve, and remodel District facilities and land. These funds are used to make sure buildings are safe, warm and dry, but also to make improvements such as expansions or modernizing buildings.

Both Fund 01 and Fund 06 contain certain funding which cannot be used for other purposes. Within Fund 01 and Fund 06, certain funding sources the Facilities Dpt. are restricted for use (i.e., LTFM, COPs, Capital Bonds, and Lease Levy). Increases to restricted Facilities funding sources do not reduce General Fund 01 funds for overall District academic programs.

GENERAL FUND 01

The General Fund 01 is the largest area (72%) in the District's overall annual budget of \$794M (FY2019-20). Fund 01 is used mostly to support overall District academic and operational programs with the majority of funds used to provide educational services to students and families.

Within the General Fund (Fund 01), there are five facilities-related budgets that represent 7% of SPPS' overall budget and 9% of the Fund 01 budget; these five budgets are broken down as follows:

Non-restricted funds centrally managed by the Facilities Department:

1. Program 810: Operations and Maintenance

This pays for the basic maintenance and day-to-day upkeep of buildings and grounds as well as facilities administration.

2. Program 812: Custodial Services

This program funds custodial salaries and supplies to manage the daily cleaning and upkeep of buildings and grounds.

Restricted Funds:

3. Program 850: Facility Planning and Leases

Lease levy funds are used for lease principal and interest payments for the new RiverEast School and rent for the use of county-owned arenas for sports teams.

4. Program 865: Long Term Facility Maintenance (LTFM)

This program pays for smaller-scale health and safety programs such as OSHA compliance, radon detection, safety equipment, staff safety training costing less than \$100,000, and deferred maintenance projects costing less than \$2M.

5. Program 866: Health and Safety Projects

This program pays for larger-scale (greater than \$100,000 and less than \$2,000,000) health and safety programs such as indoor-air quality studies and analysis.

BUILDING CONSTRUCTION FUND 06

The Building Construction Fund 06 budget of \$67M represents 8% of SPPS' overall budget for FY2019-20 (see pie chart on the next page), which is funded from the sale of bonds and certificates of participation. The bonds are repaid through Debt Service funds. There are three sources of funding within Fund 06:

1. Program 870: Building Construction Bonds

Building construction bonds pay for the improvement of the learning environment such as the remodeling of existing buildings or additions; the construction of new buildings; providing infrastructure to adopt new instructional technology; deferred maintenance; and other uses. These bonds can be issued annually upon approval of the Board of Education.

2. Program 875: Certificates of Participation (COPs)

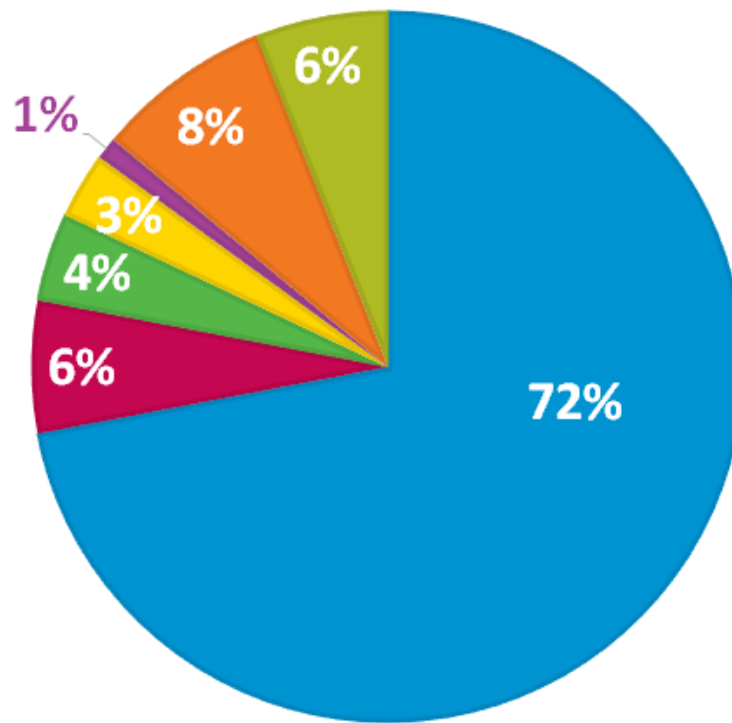
COPs pay for long-term financial obligations, similar to a home mortgage loan, and is used for the purchase of a new building or the renovation of an existing one. COPs must be approved by the Commissioner of Education and must be part of the District's Integration Plan.

3. **Program 868: Long Term Facility Maintenance (LTFM) funds for projects of \$2,000,000 or more within a fiscal year**
Pays for large-scale projects within specific state-identified categories.

DEBT SERVICE FUND 07

The Debt Service Fund 07 budget of \$44.1M is used to pay the principal and interest on the building-construction bonds and certificates of participation. These funds represent 6% of the District's budget.

TOTAL SPPS FY20 PROPOSED BUDGET: \$794M



- General Fund - \$578.6
- General Fund Fully Financed - \$45.7
- Food Service - \$29.3
- Community Service - \$23.2
- Community Service Fully Financed - \$6.1
- Building Construction - \$67.1
- Debt Service \$44.1

B. Design and construction process

The standard-industry process for planning, developing, and delivering major capital-improvement projects follow four main steps to fully determine the scope, budget, and timeline of a project. This process has been applied to SPPS capital projects in the following manner:

1. The **pre-design phase** is the process that deepens the knowledge and specificity of the conceptual, baseline work scopes for building improvements from the master planning phase. Predesign processes produce a more robust design phase that accounts for broader and deeper aspects of the facility conditions and parameters.

Working with building staff, families, and students, project managers and consultant architects explore and define how a building is used or needs to be used into the future. Gaining a solid understanding of how the building and grounds have to serve the evolving teaching and learning needs of the school is critical for providing responsive updates such as flexible learning spaces, while anticipating the unforeseen, such as technological advances.

This work is complemented with a thorough investigation of the building's facility infrastructure and systems to account for any complications such as the discovery of asbestos; soil contamination left by the previous land owners; or systemic problems with old plumbing. Based on this more detailed information, the initial project work scope and budgets are updated.

2. In the **design phase**, specific and detailed designs are created and finalized. Building staff, families, and students continue to be active participants in this phase as complex design solutions are evaluated in their ability to meet the overall goals of the project and master plan.

Additionally, highly-technical explorations and decisions regarding improvements to existing systems and infrastructure are finalized. During this phase, any final adjustments to project budgets based on the specific design solution(s) are made. Based on the finalized design and budgets, competitive bids are then released to potential contractors.

3. Typically, the **construction phase** lasts from one to four years depending on the scope of the facility-improvement project. Construction activity and schedules are coordinated with school administrators and communicated to staff, families, and students to minimize the impact on the learning environment.

During the school year, construction activity is sealed off from areas where students and staff are housed. Students and staff are moved to different areas of the building—which is called “swing space”—when construction needs to begin in a particular area previously occupied. Once students and staff depart for summer break, this becomes the busiest time for construction as the entire building and grounds are now open to contractors to complete their work.

Construction activity that would be too disruptive to conduct when students and staff are present is completed at this time. Such work might include demolition; work that causes structure-born vibrations; or work that impacts emergency exiting or safety.

4. The **close-out phase** begins once a construction project has been substantially completed and final preparations are made by contractors to orient custodians and trades staff to the new features and systems of the building. This process involves reviewing a punch list to ensure all aspects of the project has been completed to specifications; conducting training on HVAC systems and technology equipment; and reviewing warranty information and operation and maintenance manuals, among other things.

Glossary of design and construction definitions

Cash flow: The amount of funding needed during a project to pay contractors' invoices in a timely manner.

Change order/Change to the scope of work: A mutually-agreed upon change between the owner and contractor to the original work scope of the contract.

Project budget: The amount of money required to complete the scope of work for a project.

Estimated budget: The initial estimate of what it will cost to complete the scope of work for a project before all design specifications and other details are accounted for to produce a final budget. Estimated budgets should contain enough contingency to cover the costs associated with unknown and unexpected factors that may arise during construction. The amount of contingency is directly related to the percentage of the design specifications that have been completed.

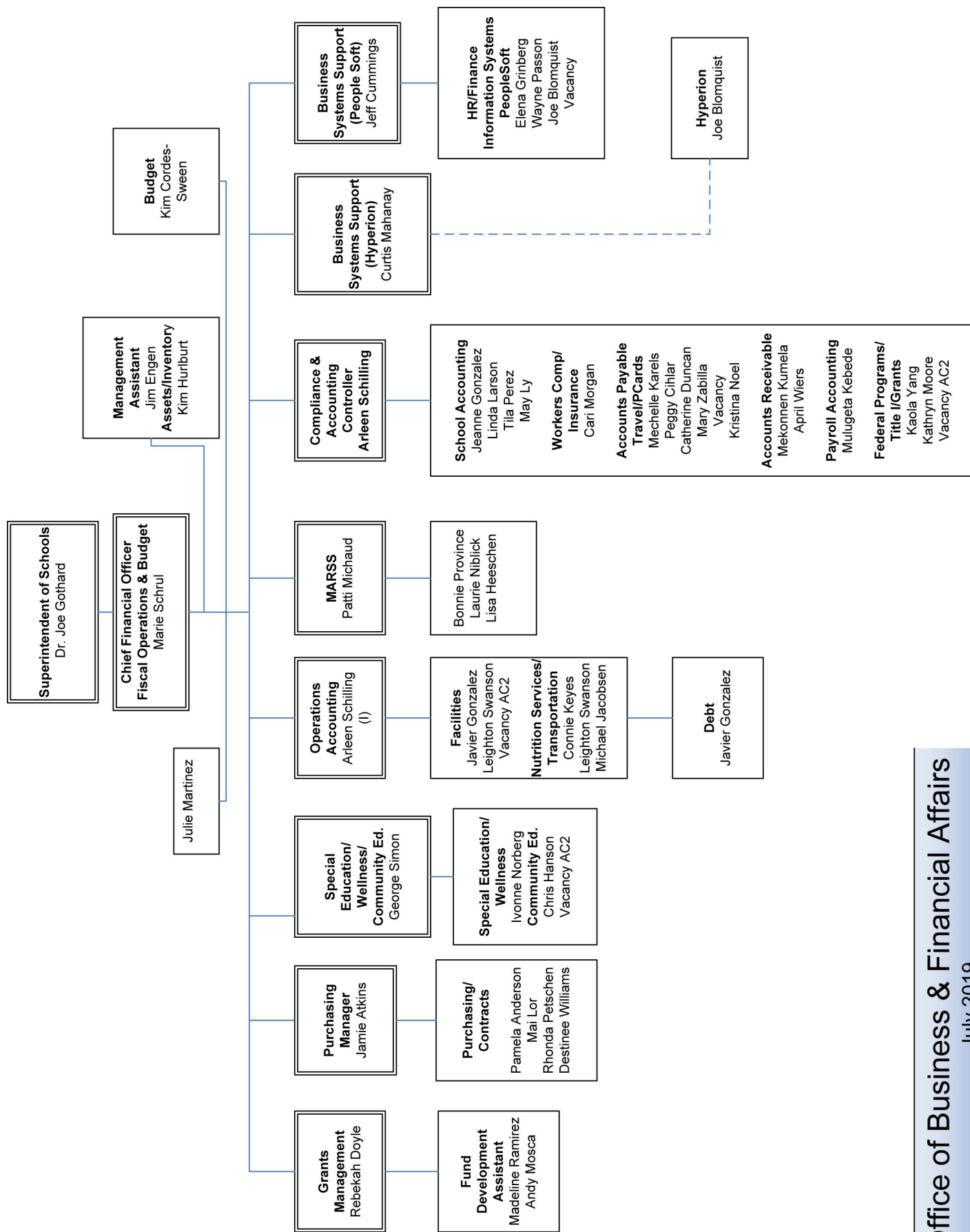
Budget overruns/Cost overruns: Costs incurred that exceed the contracted final budget amount to complete a project are called budget or cost overruns. Under a "fixed price" contract with a company, if the contractor's costs exceed the contract price, the contract is overrun and the contractor takes the loss as they are obligated to perform the scope of work in the contract—the owner is not required to offset the contractor's loss. However, under a "time and materials" contract, the owner must cover the cost of the overrun. Overruns generally happen for three reasons:

- 1) The contractor did not accurately estimate costs when bidding the project.
- 2) An undocumented scope change is discovered and the contractor presents the owner with an "after-the-fact" change order to modify the contract to include the scope change.
- 3) A design error, called "errors and omissions," which normally results in a scope change to the contract to account for the error and make the contract whole.

Scope of work: The range of work that is needed to complete a project that is agreed upon in a formal contract between the owner and contractors. This contract includes detail design specifications, deliverables, timelines, milestones, price, and other factors.

C. Organizational charts

In the following two pages, the current organizational charts are provided for the Facilities Department and Finance Department.



Office of Business & Financial Affairs

July 2019

III. FMP External Review Team and process

The FMP External Review process was overseen by SPPS Chief of Staff Cedrick Baker who led the process to identify and select qualified advisors to review the District's capital improvement's financial and construction-planning procedures to ensure fidelity to industry standards. Chief Baker then ultimately reported to the Board of Education.

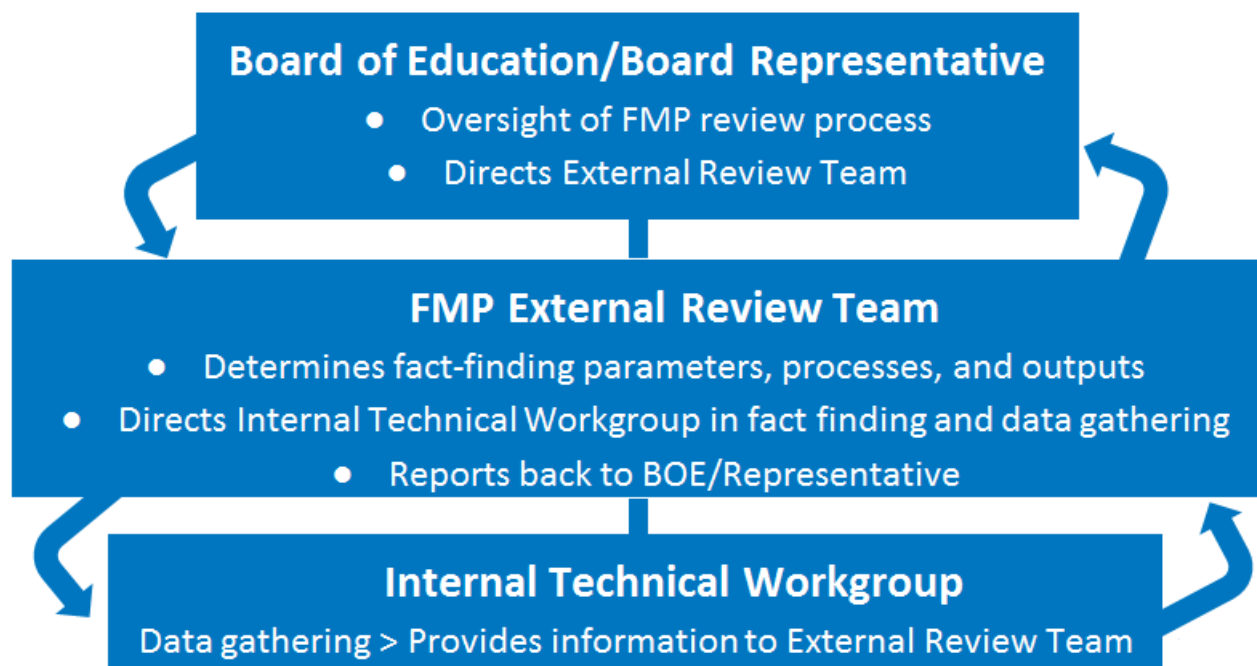
Members of the FMP External Review Team were identified and selected based on their expertise in capital planning, delivery, and financing. Identifying advisors who were versed in related Minnesota state statutes and regulations was a high priority due to the particularities unique to the State of Minnesota in permitting non-voter capital levies for a handful of larger school districts which include Saint Paul Public Schools, Minneapolis Public Schools, Duluth Public Schools, and Rochester Public Schools. To round out the local expertise, one firm, Jacobs Engineering Group (Jacobs), was brought in for their vast national and international experience in delivering end-to-end capital projects with design, engineering, construction, and technical services. Jacobs

also has specific experience in school district-based capital planning and delivery.

The FMP External Review Team spent the summer (July-September) interviewing and working with an internal workgroup of key staff from the Facilities and Finance Departments to review their records, procedures, and systems related to the management of the FMP, along with the strategies and practices to fund projects. The external advisors reported to Chief Baker on a weekly basis to ensure their fact-finding needs were being met in a timely manner.

Note: Two advisors were already under contract with the District when they were asked to join the review team: BakerTilly (Kelly Smith) and Steven Torgrimson. BakerTilly provides the Finance Department with advice on how best to leverage state and federal options to fund its array of educational programs and services, including capital projects. As outlined in his report, Mr. Torgrimson was initially hired by the Facilities Department to advise them on strategies for funding capital projects when the focus of his contract was expanded to meet the needs of

Review and Assessment Framework



the FMP External Review process at the direction of Chief Baker. As stated elsewhere in this report, due to the speed at which an external review needed to be completed and the unique financing structure that Saint Paul Public Schools must adhere to, recruiting BakerTilly and Mr. Torgrimson to join the external review team was done for expediency. Their ability to objectively assess the District's capital financing and project management procedures are demonstrated in their astute and candid findings and recommendations.

FMP External Review Team of advisors: Qualifications and purviews

1. Jacobs Engineering Group | Role: Capital planning management processes advisor

Purview on external review: Review the Facilities Department's existing processes and procedures related to the implementation of the FMP, including business processes, staffing, and project controls.

Qualifications: Jacobs provides design, engineering, construction, and technical services by working with governments, cities, and businesses in more than 50 countries. Jacobs assigned a team of experts to the FMP External Review to ensure their vast experience would provide SPPS with invaluable insights on how similar-sized districts around the country manage their capital projects. Team members included:

- Chappell Jordan, Principal, Project Manager, Program Development / Mobilization / Strategy
- Shannan Jasien, Estimator, Market Analysis
- Alexandra Marler, Planner, GIS Specialist / Site Infrastructure Planning / Documentation
- Stephanie Sadowsky, Business Process Analyst, Process Review / Decision Making
- Aaron Sarfati, Project Controls, Management Procedures / Cost Control / Change Management / Technology Coordination
- Agustin Villafana, Scheduler, Master Schedule Development / Management

2. Steve Torgrimson | Role: Facilities and finance advisor

Purview on external review: Review financial controls, financing strategy, financial staffing capacity, and cross-department collaboration.

Qualifications: Mr. Torgrimson worked for 10 years as the director of business finance at Minneapolis Public Schools (MPS). At MPS, he also worked with the Facilities Planning Department to develop and implement a five-year capital plan. He worked to develop, submit, and coordinate approval from both MPS and the Minnesota Department of Education (MDE) related to 'Review and Comment' of annual construction plans and the 10-year plan. His experience includes coordinating the annual bonding process by working with both the bond counsel, Dorsey and Whitney, and with MPS' financial advisor, PFM. He was also responsible for coordinating MPS' annual levy submissions to MDE, including county coordination. He also spent 10 years working for TIES as a financial consultant to 45 Minnesota school districts including Anoka Hennepin, Rosemount-Apple Valley-Eagan, and Burnsville.

3. Michael Vogel | Role: Facilities and finance advisor

Purview on external review: Review the Facilities Department's construction consultant and construction contractor contracting practices, as well as evaluate the design validation process.

Qualifications: Mr. Vogel has 38 years of experience in school district administration. He is recently retired from the South Washington County School District where he served many roles in operations, most recently as the Assistant to the Superintendent for Operations. At South Washington County, his duties included the development of a Long Term Facility Master Plan; refinement of the district's 10-year alternative facilities plan; oversight of enrollment projections; and attendance boundary planning and implementation.

4. BakerTilly, Kelly D. Smith, Ed.D. | Role: Tax and assurance advisor

Purview on external review: Review financial controls, financing strategy, and cross-department collaboration.

Qualifications: Dr. Smith is a financial consultant with Baker Tilly, a leading advisory, tax, and assurance firm. He previously served for 24 years as a superintendent in several Minnesota districts and has experience as a school district business manager. He is a past President of the Minnesota Association of School Administrators (MASA). Dr. Smith is also experienced in school district reorganization; facilitating bond and operating levy campaigns; and developing budgets and finding financial solutions for issues faced by school districts.

5. Donald Mullin | Role: Board of Education communications

Purview on external review: Meeting with individual Board of Education directors to assess communication expectations.

Qualifications: Mr. Mulin is the executive secretary of the St. Paul Building and Construction Trades Council. He has worked as political director of IUPAT District Council 82; is a business representative of Sign and Display Local 880; is currently serving as the chair of the White Bear Lake School Board; and sits on Ramsey County's Workforce Innovation Board.

IV. Key findings and recommendations

This section highlights the key findings and recommendations from the FMP External Review Team and are lifted directly from the advisors' individual reports. For the full context for these findings and recommendations, the public is encouraged to read each advisor's report which are [found in the appendix](#).

The findings below cover a range of processes related to the management of the FMP and are organized under four categories: Oversight, Controls, Staffing, and Funding/Financing. The author of each finding/recommendation outlined in this section is identified by the [Name of Advisor] in brackets. Key takeaways from each subsection are as follows:

A. Oversight

Key takeaway: No evidence of malfeasance or intentional misrepresentation of FMP. In terms of the finished remodeling products, the District has paid for good-quality products at a fair price. However, the District has been slow to identify and implement key project control systems and communication processes to effectively deliver a major capital-improvement plan. Efforts to speed up this implementation has been underway for the past several months.

B. Controls

Key takeaway: Essential financial and construction management controls that provide adequate checks and balances in a large-scale capital improvement program are lacking or fall short in meeting the needs of a significant capital program; however, many of these systems are now in the process of being implemented.

C. Staffing

Key takeaway: Staffing in both the Facilities and Finance Departments need to be adjusted to adequately meet the needs of a substantial 10-year capital-improvement plan.

D. Funding/Financing

Key takeaway: The District's traditional capital-improvement funding strategy needs to be adjusted to adequately meet the needs of a substantial 10-year, capital-improvement plan.

A. Oversight

- Findings - Financial Oversight:** Through FY2018, Finance did not adequately tag expenditures at their appropriate campuses, making reconciliation nearly impossible. On the Facilities side, given their lack of a centralized project management control system (PCMS), they are not able to identify all of the projects and money they have managed on behalf of the District. We [Jacobs] also found that Facilities and Finance do not communicate effectively. Given that Facilities does not maintain a master schedule and cash flow projection, they are unable to equip Finance with the information they need to fund these projects properly. For a program of this magnitude and complexity to work, Finance and Facilities must be on the same page—they currently are not.

Recommendations: We recommend SPSS implement a project management control system (PMCS) immediately. Facilities must ensure that Finance is consulted when implementing the cost codes into the PMCS so that monthly reconciliations between Finance's accounting book of record and Facilities' PMCS are flawless and easy. We recommend a financial audit be performed on Finance's cost tracking for capital expenditures to help identify all of the expenditures, by campus, straight from their book of record and not with the use of secondary and tertiary spreadsheets. Lastly, we [Jacobs] recommend Finance assign a representative to be embedded within the Facilities Department as the liaison between the two groups. Given the funding complexities of this program, it is imperative that Facilities have direct access to Finance for addressing these issues.

[Jacobs]

2. Findings - FMP Development (Planning/Prioritization): SPPS implemented a well-defined process in the development of the FMP. Thorough community outreach and participation was conducted to create a document that captured the District's needs on a campus-by-campus basis. The process engaged key stakeholders including SPPS representatives, campus representatives, community engagement, and outside consulting, architectural, and construction expertise. The process resulted in a document identifying prioritized key needs of the District based on academic, facility condition, and growth needs. While the process used was well defined, the FMP did not account for appropriate risk mitigation strategies that would have allowed for more accurate cost assumptions. Communication of the status of the FMP is confusing as no summary of program-level metrics have been presented. Examples include:

- Budget presentations represent cash flow and not project budget.
- Projects are moved based on available funding.
- Changes to projects are not presented.

Recommendation: *None listed in related section in Jacobs' report.*

[Jacobs]

3. Findings - Process used in developing the FMP and beginning the implementation process: Scope, schedule, and cost allocation changes from FMP 1 [FY2017-21] to FMP 2 [FY2018-22] were presented and approved by the Board. Of concern is the level of information provided such that the Board could make an informed decision based on the extent of the changes. If this were a traditional plan tied to a general obligation bond, the District would not have been able to make the changes approved after FMP 1.

- The approval processes used were within District standard-operating procedure in terms of timing, review, and approval.
- The Board was made aware of and then approved additional scope items at a high level.

- The FMP was developed at a rough order of magnitude and not as robust as was necessary to develop an accurate budget and should have carried a higher contingency factor.
- Documentation was not organized or reported at a program level. As an example, in FMP 3, FY 2019-2023, there are no summary tables, budgets or schedule information, nor significant changes and impacts from prior reports.

Recommendation: *None listed in related section in Jacobs' report.*

[Jacobs]

4. Finding - Analysis of Projects: Individual projects have grown in cost due to a myriad of reasons, including inaccurate initial cost estimating, inaccurate scoping during planning, excessive unforeseen conditions, lower than normal bid participation, inaccurate budgeting (e.g. missing FF&E), owner-requested changes, and others. Jacobs tested three sample projects—Como Park HS, Humboldt HS, and American Indian Magnet School—to get a better sense of what caused those projects to increase. We [Jacobs] found all of the above issues throughout those campuses. Facilities, to ensure that funding didn't run out, pushed other projects to later dates to address the shortfalls at each of the current campuses.

Observations: There has been quite a lot of movement from the first FMP to the current FMP (FY2019). Because there was never an approval of the entire master list of projects, it is impossible to determine "success or failure" against that list. Similarly, because the Board approved each subsequent FMP and the increases and shifts described therein, Facilities was operating within the parameters established by the Board. While we [Jacobs] would not recommend this as a best practice, and while Facilities could have detailed the changes in each FMP much more thoroughly, it does appear that Facilities followed the guidelines and general intent of the FMP process. However, even though Facilities did update the FMP for some of the major anticipated changes, it has not kept the Board or Superintendent informed as to their current

projections. For example, Humboldt and Como Park HS are both expected to exceed their last published cost estimates due to current conditions. Both of these should have been reported during regular updates on the status of the program.

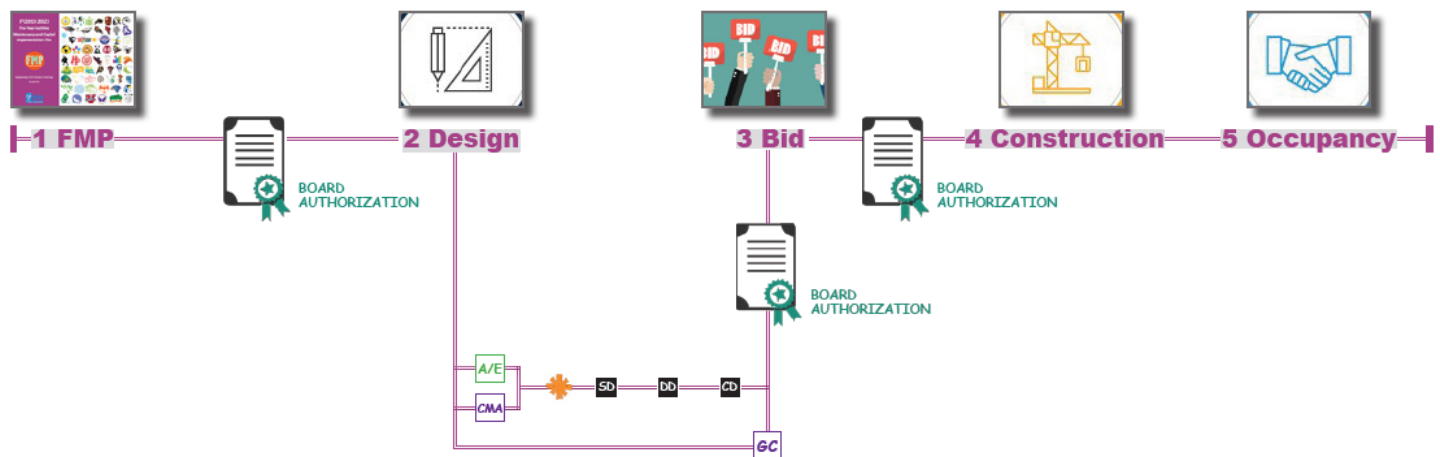
Recommendations: Because there is no consistent budget and cost-tracking system in place, it is difficult for Facilities to produce the reports typical on programs of this size. It is incumbent on Facilities to implement a controls system immediately and get the accounting up-to-date so that this type of tracking can happen and be reported. We also recommend that the entire FMP process be re-initiated so that a current and future picture of the entire FMP is clearly outlined and approved. Once the Board approves the master list, it then becomes much easier to track how each project is performing against the originally established baselines. It also becomes much more transparent when scope items change because they will be approved as they develop, rather than once a year within the FMP-implementation approval.

[Jacobs]

5. Finding - Business Process Analysis: Similar to the FMP process, the business process utilized is within SPPS policies and procedures. Primary issues are that there is no master schedule, budget or change-management protocols that meet industry standards or best practices. There are no formal decision points or specific deliverables that allow for appropriate checks and balances of a large-scale capital improvements program.

Recommendation: The graphic below represents the framework by which the FMP should be implemented [see Jacobs, page 44]. The overall process will be developed using the approved master schedule and decision-making matrices as approved by the District.

[Jacobs]



The graphic above represents the framework by which the FMP should be implemented. The overall process will be developed using the approved master schedule and decision-making matrices as approved by the District.

(Jacobs, page 44)

6. Finding - Administrative/Logistics: Managing a program of projects of this magnitude requires a clear identification of roles and responsibilities among the myriad of departments involved, starting from the Board on down. Many times when entities drastically increase their capital spending, specific procedures are put in place to facilitate the increased spending, allowing a more streamlined approach to dealing with massive expenditures and possible changes. During this session, we [Jacobs] explored several components of decision making, approval authorities, and roles and responsibilities that affect the outcomes of the capital projects. We found that no specific procedures were developed to manage the increased spending, rather relying on “business as usual” to manage the work. In essence, SPPS is treating these major projects in the same manner in which they have dealt with routine maintenance and minor upgrades in the past. However, these types of procedures are insufficient to deal with this level of spending and therefore specific procedures must be put in place that allow executive- and Board-level oversight and prioritization, when necessary. We

explored two major areas: The approval levels / decision matrix for the major departments and the process for approving a project.

Observations: During a portion of the discussion, approval levels for the various components of managing a large capital-improvement program was analyzed. We identified that there were no formal approval levels established specifically to deal with the construction program although the District’s standard policies were adhered to.

Recommendation: In order to facilitate consistent and transparent decision making, we recommend implementing a decision matrix similar to the one outlined below [see Jacobs, page 47]. Adhering to this decision matrix means that the pertinent staff, executive, and Board representatives will remain informed during, and have input into, the life of a project. It also disperses responsibility so that no individual department is allowed to make wholesale changes without understanding the effects on other groups.

[Jacobs]

	Facilities	Finance	Purchasing	COO	Superintendent	Board
BUDGET						
Initial	X	X	X	X	X	X
Changes	X	X	X	X	<\$50K	>\$50K
Contracts / POs	<\$5K	<\$5K	<\$25K	<\$25K	<\$175K	>\$175K
DESIGN						
Planning	X	X	X	X	X	X
Schematic Design	X	X	X	X	X	X
Design Development	X	ONLY FOR MAJOR CHANGES				
CHANGE ORDERS						
Funded by Contract Contingency	X			>\$50K	>\$100K	
Funded by Project Contingency	X	X	X	>\$50K	<\$175K	>\$175K
Funded by Program Contingency	X	X	X	X	<\$50K	>\$50K
Requiring Additional Funding	X	X	X	X	X	X
PROJECT CLOSEOUT	X	X	X	X	X	X

To facilitate consistent and transparent decision making, Jacobs recommends implementing a decision matrix similar to the one outlined above. (Jacobs, page 47)

7. Finding - Process for Approving a Project: Because of the iterative, yearly-renewal based FMP, no process currently exists to formally approve any individual project. Rather, the process is currently that the Board is presented with a comprehensive five-year outlook at projects with some general schedule targets and “estimated costs.” The Board is then asked to approve the entire slate at which point Facilities updates their mandate from the previous year. If during the course of the year changes are identified to better the project, Facilities simply adds those to the scope and delays a future project. Since no formal, project-by-project budgets are approved, the implementation schedule is simply updated to offset the added cost. This process, while operating under the guidelines established by the FMP, is not a best practice. Effectively it has allowed Facilities to re-prioritize the FMP without formal input from the governing body. This process has also led to the huge increases in budgets and delays in schedules as individual projects grew larger in scope and other projects were further delayed.

Recommendation: While the concept of updating the FMP implementation plan yearly is not a bad plan, there is not currently a formal process to finalize the parameters of a project—scope, schedule, and budget—before it is implemented. We [Jacobs] recommend implementing a formal approval process for each individual project before the design process begins. By implementing this process, SPPS leadership would have a keen awareness of how each project develops and would eliminate surprises from beginning to end. The process is mapped out as follows:

- a. Board approves planning,** which establishes the project’s formal budget, formal schedule, and formal program of requirements. Board must be informed how this project fits into the overall FMP.
- b. Board approves Schematic Design.** If major changes are required to the budget, schedule, and/or scope requirements, the Board is asked to formally approve. If additional funding is required, the implications must be presented at this time.

- c. Board approves construction contract** (70-75% of the total project cost). At this point, Board is given an update on the budget status. If additional money is required, the source must be identified (program contingency or new funding). The Board is then given monthly updates on the status of projects, including any projected costs.
- d. Board is given a final close-out report** indicating how the project did relative to the Schematic Design approval in terms of scope, schedule, and budget.

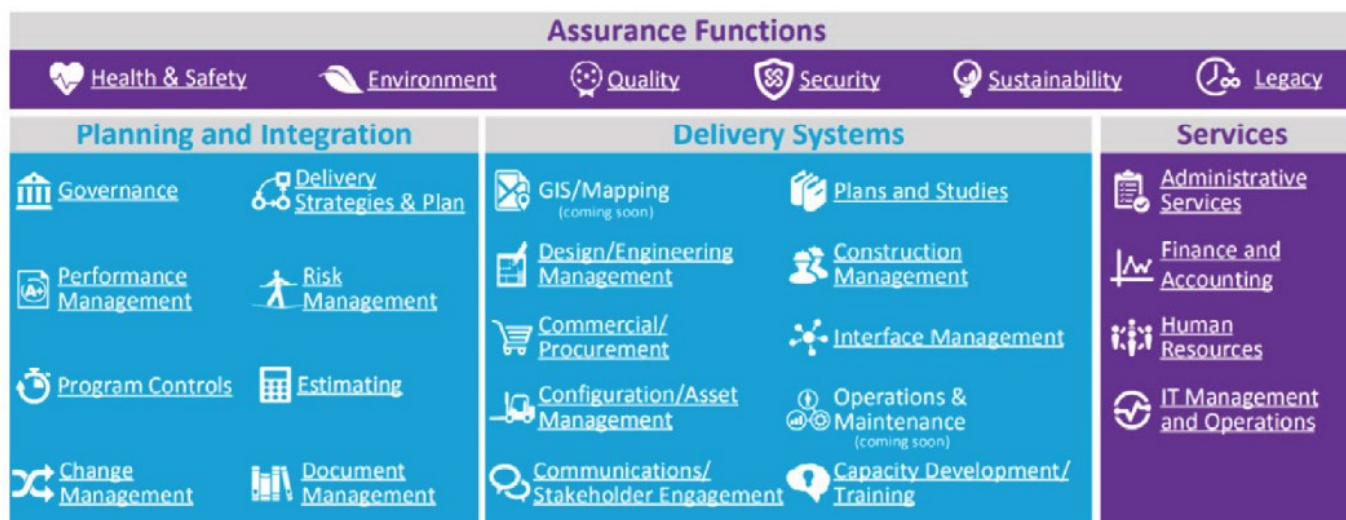
[Jacobs]

8. Recommendation - Program Management Plan:

Throughout this document we [Jacobs] have made recommendations for improving the management and ultimately the outcomes of the capital-improvements program. As part of every program we initiate, we develop a series of processes, procedures, templates, forms, checklists, and guiding documents that are coalesced into a document called the Program Management Plan. This becomes the central location for all items related to managing the program and allows for all parties to understand their roles and responsibilities as well as to have access to the tools needed to deliver the work consistently and at a high quality. The image on the next page is a snapshot of that plan and what it typically includes. We recommend SPPS coalesce a Program Management Plan (PMP) as part of these efforts [see Jacobs, page 49].

[Jacobs]

Program Management Delivery Platform

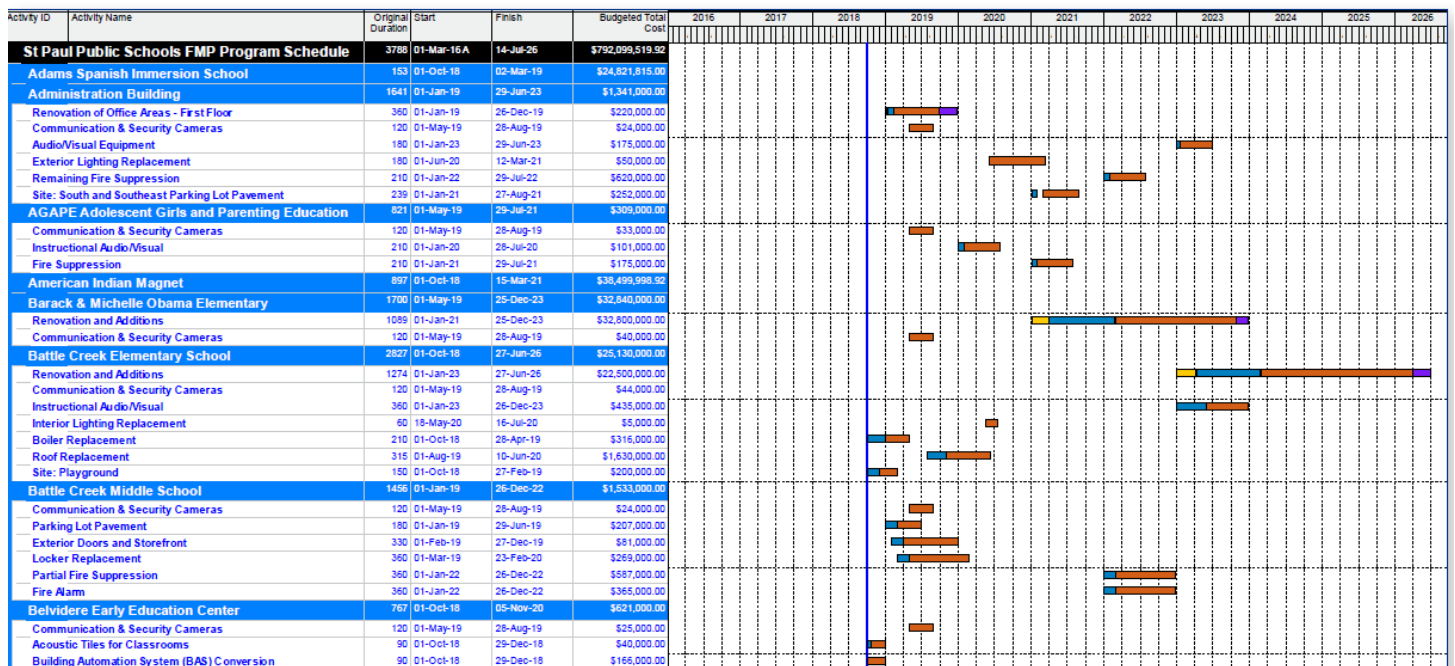


The image above is a snapshot of a Program Management Plan with a series of processes, procedures, templates, forms, checklists, and guiding documents. (Jacobs, page 49)

9. Findings - Program Schedule/Budget Discussion: The first step in implementing any major capital-improvements program is to establish the master schedule and master budget. While changes may occur along the way, a program cannot be adequately tracked without an approved baseline schedule and budget. The master program schedule and master program budget need to be delivered concurrently with the master scope document so that a full picture of the implementation can be shown, including any assumptions, clarifications, risks, and contingencies. Without these, it becomes nearly impossible to judge the success and true impact of any program. Over the course of our evaluation, we [Jacobs] have found that no master program schedule nor a master program budget exist. Over the years, there have been several documents distributed showing myriad numbers and schedules, but none are true master program-level documents because they do not capture the entire picture of the proposed work. Because none of these baselines exist, we are unable to accurately depict whether a project is “over budget” or “behind schedule.” What we were able to do is present how the numbers developed over time and where some of the major changes occurred.

Recommendation: We [Jacobs] recommend that all projects in the master list be revisited. All projects should have updated cost estimates, with appropriate contingencies, so that master budgets can be established and approved. Working with Finance to establish financing/funding limitations, Facilities should then create a master implementation plan tied to a cost-loaded master schedule based on the updated cost estimates [see next page for snapshot and Jacobs, pages 51-55]. Once all of those steps are completed, a revised Facilities Master Plan should be presented to the Board of Education for approval, showing the entire length of the FMP, not just five-year snippets. Any changes in future years can then be referenced to the initial plan with appropriate explanations and justifications. The lack of a master program schedule also indicates that the Facilities Department cannot predict expected cash flows with any good degree of accuracy and therefore cannot provide the necessary information to Finance which would allow them to make sure funds are in place. Regardless, using the data we were able to gather from SPPS, we developed the following draft master schedule and cash flow exhibits that indicate our best estimate of the 2019-2023 FMP implementation plan plus additional projects completed prior to this FMP.

[Jacobs]



The image above is an example of a master schedule and master budget (Jacobs, page 50-55)

10. Finding - Procurement/Packaging: The ability to implement a successful procurement and packaging strategy is one of the many keys to a successful capital-improvement program. Those strategies must be in place to select the best vendors to provide the best-value services on behalf of the entity. The ability to take advantage of bulk-buying power comes through effectively packaging scopes of work. During our work session, we [Jacobs] discussed the process by which SPPS selects vendors to provide design and construction services, furniture, and equipment. The following summarizes what we found:

- A. Professional Design Services:** SPPS uses a pre-qualified slate of professional services vendors (mostly architects) to select the appropriate design teams for each of the projects. This slate includes a maximum billing rate for their highest compensated employee. This slate has not been updated in several years. When a project opportunity comes up, SPPS issues a Request for Proposal (RFP) to a select few of the vendors, who then respond with an hours estimate and billing rates (none of which can exceed the maximum rate). After evaluations, SPPS selects the best proposal and proceeds with a Time & Materials contract.

Observation: As with many of our findings, this process is a vestige of managing a smaller, yearly maintenance program rather than a large capital-improvements program. With maintenance items, there is value in having “on-call” providers that can provide a cost-and-hours-based proposal. However, when working on multiple, large capital-improvements program, it is usually better to open the pool of vendors to a much larger group. This allows finding the best value provider for a specific project (e.g. best High School Performing Arts Center architect). And while having a maximum hourly rate in the on-call list is a start, it effectively plays no role in limiting the hours a design firm can charge. Lastly, while a Time & Materials contract may save some money over the course of the contract, the inherent administrative burden plus the risk of additional services should be evaluated.

Recommendations: It is our [Jacobs] recommendation that SPPS develops a Request for Qualifications process to identify the best value design team for a project, rather than competitively bidding to a select few. This will result in better quality designs and better projects. We also recommend SPPS consider

switching to an established design fee schedule for projects adjusted for size and complexity. This will result in more predictable and consistent design fees and eliminate the need for maximum billing rates and hours estimates. Lastly, we recommend SPPS consider the benefits of switching to lump-sum contracts which shift the risk profile on to the professional services providers to manage their time within their allocated fee. It will also reduce administrative burdens on SPPS staff allowing them to focus on delivering better-quality projects.

- B. Construction Services:** SPPS uses primarily two construction contracting methods: Design/Bid/Build (DBB) with General Contractors (GCs) and Construction Management as Agent (CMA) with Multiple Prime (Multi-Prime) contractors. Within both methods, when selecting the general and/or multi-prime contractors, the District is using the low-bid method of selection. It is our understanding that SPPS is working to implement best-value procurement, whereby a contractor can be selected on the basis of price and qualifications, rather than simply a low bid where a less qualified vendor could be awarded a project. The CMA's provide per-construction phase services and then oversee the multi-prime contractors. For DBB projects, SPPS does not have third-party advisors assisting during the pre-construction phase.

Observation: SPPS is not taking advantage of the State's "best-value" procurement strategies. Anecdotally, we [Jacobs] understand that there have been several instances where unqualified bidders were awarded work due to their low bids, but were not able to complete the work or provided poor-quality work. While the Multi-Prime method eliminates a management fee from a general contractor, it also places a heavy administrative burden to manage. Though the CMA should be managing those administrative tasks, because the contracts are written directly to SPPS, District staff are also buried in paperwork related to these contracts. Because neither method is taking advantage of

Guaranteed Maximum Prices (traditional for Construction Manager at Risk and Design/Build methods), these projects are open to significant change orders due to underdeveloped designs. While outside the scope of this report, evidence that low participation in many of the multi-prime trades was found, which could be resulting in increased construction prices.

Recommendations: SPPS should implement best-value procurement as soon as possible. This will increase the quality of work and reduce the headaches and burdens of working with unqualified vendors. SPPS should re-evaluate the terms of the CMA contracts so that the CMA's take on more of the administrative burdens of managing multiple prime contractors thereby freeing SPPS staff to focus on delivering better projects. SPPS should consider using the Construction-Manager-at-Risk delivery method on the most complicated projects to shift the risk profile on to the qualified vendor. SPPS should continue to identify ways to reach more potential bidders to increase participation and lower pricing through engagements with local contractors associations, trade fairs, minority contractor participation events, and others.

- C. Furniture, Fixtures, & Equipment (FF&E):** We [Jacobs] discussed how FF&E is currently procured, interested in determining if items are approved in bulk, on a pre-bid list, or ad-hoc. What we found was that there was actually a larger problem in terms of funding for FF&E. Finance and Purchasing were not able to provide clear direction on what funds could be used to purchase FF&E since according to District policies, most of the items typically thought of as FF&E are not treated as capital expenses. Apparently in a few recent projects, the District had to use general funds and funds from the sale of a building to pay for the required FF&E at several campuses. It also appears that FF&E was not consistently budgeted originally and not consistently included in the requests to the State for COP funding.

Observations: Facilities is inconsistently estimating the costs for FF&E and in many cases did not include those estimated costs in the applications for COP money. Finance is unable to provide a clear direction on how to capitalize furniture purchases and therefore causing great uncertainty into how FF&E will be purchased in the future.

Recommendations: Before a procurement strategy can be established for purchasing FF&E, SPPS must revisit all of the project estimates and make sure FF&E is included. Once completed, it should be included in the implementation schedule so that those expenses can be projected. Finally, Finance, Purchasing, Legal, and whichever other entities are required, need to provide Facilities clear guidelines on how to appropriately fund FF&E purchases.

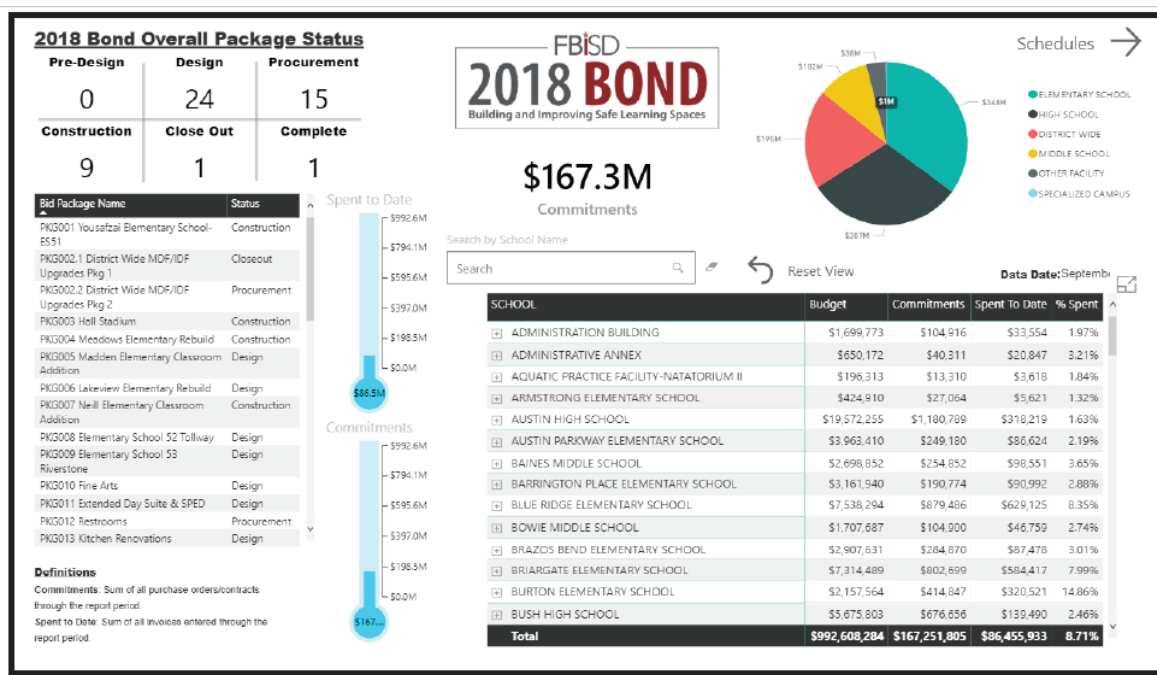
[Jacobs]

progress of the schedules. We [Jacobs] also could not find any regular or consistent reporting to the Board, Superintendent, or a “Citizens Oversight Committee” (which are staples of many school district construction programs). As discussed in previous sections, we cannot find evidence of any master schedules or master budgets that show how the projects are progressing relative to their initial, approved baselines. This is an area that was unfortunately sorely lacking and obviously a cause of much consternation in the community.

Recommendations: SPPS must take a much more transparent stance into the progress of the projects. Facilities should provide monthly public updates to the Board on the status of all projects, including total contracts, total expenditures, and any potential risk items. SPPS should also publish monthly reports outlining all the progress details of the projects. SPPS should also consider forming a Citizens Oversight Committee whose mission will be to provide feedback to and from the community on the status of the construction program. Likewise, SPPS should consider implementing a public dashboard, similar to the one shown below, to allow even greater transparency into all the projects of their enormous program. However, we [Jacobs] have found that many of these reports

11. Finding - Program Reporting / Communications:

While we [Jacobs] found a lot of information available on the SPPS website, much of it relates to the process for developing the Facilities Master Plan itself rather than the actual implementation. Much of the data is old and outdated with no status reports on the



The image above shows a public-facing capital planning dashboard. (Jacobs, page 63)

For a larger view, visit: <https://www.fortbendisd.com/Page/108534>

are currently nearly impossible and extremely time consuming to develop given the myriad and disparate data sources that currently contain the relevant data. The Program Controls systems and appropriate workflows need to be in place first before these types of reports can be produced. Urgency should be given to implementing the controls system to facilitate generating the type of information the public needs to understand the progress of their construction program.

[Jacobs]

12. Findings - The Design Process: The FMP Planning Process was a thoughtfully designed approach to identifying the desired 21st century modernization requirements of the District's student learning environment, core facilities, building systems, and external spaces.

- A.** There were gaps and/or inaccuracies identified by the current Facilities team in the 2008 Facilities Condition Assessment that resulted in increased costs as they were resolved during the design process.
- B.** As the FMP process evolved, the Facilities team indicated they perceived political pressure to move more quickly from planning to actionable results, i.e., to get the initial construction projects underway and create a positive vibe in the community around the FMP effort. Consultants' recommendations to issue bid documents in the most favorable time frame added pressure to the Facilities team efforts.
- C.** The Facilities leadership was overly optimistic in its belief that it had adequate, well-trained staff to rapidly scale up for the quantity of projects set out in the initial phase of implementation.
- D.** The FMP Criteria for the Prioritization of Facility Improvements acknowledged: "The building diagrams that are associated with each site's work scope are conceptual in nature. As projects progress into the design phase, it is anticipated that further school community engagement may modify final building plans."
- E.** As reflected in the case study undertaken by the External Review Team of Humboldt High School, the conceptual designs created in Phase 3 lacked the necessary details to generate accurate cost estimates, specifically:
 - i.** The conceptual designs lacked geo-technical data (soil borings, site surveys, underground utilities condition, stormwater treatment requirements, etc.) to support the site plans.
 - ii.** Existing classroom remodeling estimates accounted for aesthetic improvements, but did not address remodeling required to expand undersized classrooms and the subsequent loss of classrooms resulting in the need to add additional new construction square footage.
 - iii.** The classroom-use schedule did not account for the required breakout spaces for students with special needs resulting in the need to add additional new construction square footage to the design.
 - iv.** Upgrading of mechanical systems failed to account for the upsizing of ductwork and piping throughout large portions of the school and the inefficiency of tying aging mechanical components to new equipment rather than updating all components simultaneously.
- G.** Scope and budget refinements contained in the School Board update of February/March of 2017 reflect similar work scope adjustments for the remaining schools in the initial FMP rollout. The increased cost estimates in the initial projects were cascaded through the remaining projects to update their probable costs prior to undertaking the pre-design effort at those sites.
- H.** The Facilities staff's course correction identified work scope and cost increases required to adhere to the vision, principles, and standards of the FMP with no decline in the qualitative or quantitative outcome for each school.

- I. The Facilities Director posed the question of “should we do more, less or stay the course” to Administration and School Board members in March 2017 and interpreted the responses to be an affirmation to stay the course.
- J. The design and construction effort at the schools where projects have been completed have reportedly successfully incorporated the specified outcomes of the FMP and the outcomes have been favorably received by the school communities.

Recommendations: Although the Facilities team has undergone a two-year self-examination of the missteps identified in the initial FMP presentation and taken corrective actions to rectify its design methodology and cost estimating procedures, the Facilities Department needs to take steps to address the perception of an inadequate planning process before it proceeds with the FMP and the following recommendations are designed to aid in that process:

- i. Place specific constraints on the rolling five-year, capital-projects budget that restrict escalation of project costs once the pre-design phase for a project has been completed.
- ii. Incorporate a level of programmatic guidelines into the departmental Design Standards to facilitate more accurate cost estimating in the conceptual design phase.
- iii. Expand on the use of the Construction Management as Advisor model for the complex multi-phased projects in the FMP and include them in all phases of design development.
- iv. Develop a more integrated approach between planning and capital project delivery that allows for better coordination of what is a planning function and what is a construction delivery function while also identifying how planning efforts can be improved through observing the Capital Projects Delivery work scope development.
- v. Identify the appropriate staffing level on the project planning side of the department and resolve the underlying reasons for the high

turnover rate in the Project Planning Manager position.

- vi. Formulate a training plan for new hires and less experienced Construction Project Delivery Project Managers that is not so heavily reliant on hands-on training by Senior Project Managers.

[M. Vogel]

B. Controls

FINANCIAL CONTROLS

1. **Finding - Project Management Systems:** There is no construction management software being used two years into the capital improvement program. However, Procore has been selected for use and is being piloted on the new projects to be started going forward.

Recommendation: None at this time. SPPS will need to invest in the time to get all Facilities staff and contractors trained on this new system for it to be successful. The pause in the program should help provide the time needed to accomplish this. Having a dedicated staff person overseeing the full implementation and management of Procore would be advisable.

[S. Torgrimson]

2. **Finding - Cost Management Systems:** There is no project tracking and reporting system in place where both Facilities and Finance can view project costs. The lack of a shared system to track costs complicates accuracy and timely reporting. A project-tracking system is being developed in Hyperion and is in beta testing. Once fully implemented, this new system will provide real time project financial status and allow Facilities and Finance to reconcile between all three systems (Procore, Hyperion, and PeopleSoft).

Recommendation: Proceed with full implementation of the Hyperion project-tracking software. Make sure the District has full project reporting across fiscal years. Also, it should be ensured that the system deals with accruals, accrual reversals, and direct posting of journal entries to prior periods.

[S. Torgrimson]

3. Finding - Change Management Systems: Finance and other levels of management do not appear to have a consistent role in reviewing or approving project change orders or scope changes to make sure funding is available to cover these potential added costs. There appears to be a lack of procedure on when the CFO, COO, Superintendent, Board, and MDE need to approve revisions to Facilities' plans.

Recommendation: Change-management procedures need to be developed and or strengthened. Hire another purchasing person dedicated to the FMP and have Purchasing acquire and implement change management software (MPS used 'Novatus') which routes all contract approvals and contract changes through the District's approval hierarchy using a progression of email notifications that automatically move the contract to the next approver in the District's approval hierarchy. This will keep Finance actively involved and allow them to verify funding coverage.

[S. Torgrimson]

PROJECT CONTROLS - SYSTEMS

1. Finding - Primary Controls System: A program of any large magnitude must utilize a sophisticated set of controls tools to accurately and effectively manage the program. Those tools address elements such as budgeting, cost tracking, cost forecasting, document management, field administration, scheduling, estimating, and design reviews. Effective controls systems utilize databases accessible through the cloud allowing project participants real-time access to the latest information from any location. In our discussions with Facilities and Finance, we [Jacobs] determined that no master program management control system (PMCS) exists, though there are two competing efforts underway – one through the Finance Department and one through the Facilities Department. Finance has been attempting to customize their capital budgeting tool, Hyperion, to act as a program cost management tool. About five months ago, Facilities signed a contract with Procore, a commercial program management software, to serve as the PMCS. Neither effort is complete and Facilities is still managing the capital improvements

program without a true PMCS, rather relying on several hundred disparate Excel spreadsheets, Word documents, and other tools, including Tririga, their tool for managing work orders.

Observations: While the Hyperion effort was an effort to streamline budget and cost management, the Procore effort is more aligned with the needs of managing a capital improvement program as it includes document management, field administration, and schedule components along with budget and cost management. It is also noteworthy that in our recent experience, we [Jacobs] have not found this level of capital spending without a true PMCS in place at the beginning of the program. This effort is at least four years behind when it should have been implemented. We also noted a strong disconnect between Facilities and Finance in terms of workflows and approvals in a digital system, primarily because the efforts have been distinct from each other.

Recommendations: We recommend SPPS dedicate the resources necessary to implement Procore as quickly as possible. SPPS should start all new projects and those in design within the Procore platform. Once Procore is setup, budgets and schedules should be baselined and all project-related transactions should occur within the Procore system. Facilities and Finance need to identify proper digital workflows to ensure quick approvals as well as reconciliation with PeopleSoft, the District's book of record. This alignment must take place concurrent with the implementation of Procore.

[Jacobs]

2. Finding - Scheduling System: As discussed above, we [Jacobs] were unable to identify any master schedules built within any scheduling software, the most popular of which are Primavera P6 and Microsoft Project. We could also not identify any strategies for scheduling nor schedule reviews with the CMA's, architects, and other contractors.

Recommendations: We recommend Facilities identify a scheduling champion within their organization to lead the master scheduling efforts. Licenses should be

procured for a scheduling software and guidelines should be placed into the design and construction teams' contracts for scheduling expectations. Schedules should be updated monthly with cash flow projections updated no less frequently than every three months.

[Jacobs]

- 3. Finding - Design Reviews:** We found that design reviews, where conflicts with standards, constructability issues, and quality concerns can be addressed, were happening without a formal process. It appears design teams can transition from one design stage to another without a formal approval by the District. Lastly, it does not appear that SPPS is using any design review software tools, such as Bluebeam, to facilitate these reviews.

Recommendations: We recommend SPPS formalize a design review process including checklists for each design stage and a phase-gate approach whereby a design team cannot proceed to a subsequent design stage without SPPS validating scope, schedule, and budget parameters. We also recommend SPPS purchase a design review software package to help facilitate and track design reviews.

[Jacobs]

- 4. Finding - Change Management:** Through proper budgeting of contingencies based on industry best practices, most of the common project changes can be addressed without impacting other projects or the overall program. But it requires that contingencies be explicitly planned into the budgets from the beginning and a process identified by which to release contingency when appropriate. Being able to incorporate change accordingly is among the top issues that the FMP implementation phase is challenged with. From the initial FMP to current, hundreds of changes have taken place without evidence of an existing formal change-management process in place. Having this would allow changes to be reviewed, validated, and approved as being necessary or beneficial to SPPS' overall mission. It appears that Facilities retained almost exclusive control of how scopes changed from those approved by the Board in the FMP approvals. Whenever a

scope change occurred, Facilities simply downgraded another priority project to afford the increased cost of the new scope change. And while it is true that Facilities did explain a few of the more major changes to the Board, these were post facto, meaning the Board could not truly weigh in with their opinions on those changes. It appears that many substantial changes are being made at a project level, rather than a program level. This means that the needs of a particular project are placed above the needs across the program.

Recommendations: We [Jacobs] recommend SPPS develop and implement a change management process. This process should define how changes are made and handled during planning, design, and construction, who can approve them, thresholds for approval, documentation required for approval, and process for approval. For example, Facilities may retain flexibility for changing programmatic requirements during programming, but once the Board establishes a formal project at the end of planning, Facilities may no longer change the requirements of the project without another approval from the Board. Likewise, during construction, changes of all sizes happen for myriad reasons, including owner requests, unforeseen conditions, design errors and omissions, and contractor issues. There must be a formal process for addressing construction phase changes and how to approve them. Lastly and concurrently, SPPS needs to implement a contingency management process.

[Jacobs]

PROJECT CONTROLS - CONTRACTS AND PURCHASING

Section 1: Architectural and Engineering Contracts

A. School Board Approval Process

- 1. Current Practices:** The Facilities Department presents a slate of architectural and engineering firms to the School Board on a bi-annual basis for the Board's approval for use by the Facilities Department for the variety of construction projects to be undertaken in

the two-year period. The slate of firms consists of those consultants with a history of providing high-quality consulting services at a cost that is reasonable and competitive in the current marketplace. Firms not currently on the approved list may submit a letter of interest and qualifications to the Facilities Department for its review and if they receive a satisfactory review the department will submit their names for Board approval. Every two years the approved firms are requested to express their continued interest in working with the District and are required to submit an updated maximum hourly rate to apply to their work during the following biennium. The list of firms is reviewed periodically by the Department and firms that have not performed up to expectations or have been inactive are not solicited for future work by Facilities.

The Department has discretion to select the firm(s) that it deems most appropriate for each project under consideration and will commonly request proposals from multiple architectural and engineering firms for large scale projects.

2. Findings:

- a. The contracting method SPPS employs for architectural and engineering services is consistent with industry standards.
- b. School Board authority is retained at the policy governance level and administration's authority is retained at the management level.
- c. School Board approval of a slate of firms provides the Facilities Department access to an adequate number of firms to select from as projects arise and provides a venue for other interested firms to apply for inclusion of the approved list.
- d. By seeking proposals from multiple firms as projects arise, Facilities provides assurance to the Board that proposals are competitive; selected firms have the requisite qualifications; and all firms are treated fairly in the solicitation process.
- e. Purchasing is working to derive a master contract for consultant submittals that minimizes the need for an RFP submittal on a project-by-project basis.

3. Recommendations

- a. As discussed with Facilities and Purchasing, staff should continue to refine their methods to identify and attract additional firms to provide professional services to SPPS in a more expedited fashion.
- b. When firms are selected to perform studies or assess building conditions, consider expanding their contracts to include the design phase of the work identified in the study. This should reduce the learning curve and duplication of effort required if/when a second firm is selected for the design work.

[M. Vogel]

B. Rate Language in Contracts/Rate Increases

1. Current Practices

- a. Rates for Architectural and Engineering contracts are expressed as an hourly rate applied to each level of employee assigned to the contract for both the Prime Consultant (architectural firm) and Sub-Consultants (Mechanical and Electrical, civil, structural, etc.) that work under contract to the Prime. Consultants must also include a not-to-exceed maximum fee that will apply to the total cost of each specific project.
- b. Board approved Architectural and Engineering firms are provided the opportunity to resubmit their rate proposals every two years.
- c. When the Architectural and Engineering firm is selected as the designer for a specific project, the rates in place at that time will be held firm throughout the duration of the project design and construction period.
- d. Architectural and Engineering firms may submit for additional compensation beyond the not-to-exceed maximum if there has been a significant increase in the work scope, consistent with the terms in the approved AIA (American Institute of Architects) contract.

2. Findings

- a. The hourly rate contract methodology is less common for large-scale projects than a lump-sum fee based on a percentage of construction cost or budget estimate. However, the not-to-exceed cap generally serves the same purpose in controlling contract costs.
 - b. Contracting on a percentage of construction costs basis eliminates the need to evaluate and approve periodic rate increases as the Architectural and Engineering firms' fees will escalate with construction costs.
 - c. The architectural firms interviewed had 30 and 60 years of experience working with SPPS and would typically calculate what their lump-sum fee would be and adjust their hourly rates to provide comparable compensation.
- 3. Recommendations:** Implement a side-by-side comparison of the lump sum vs. hourly rate methodology when contracting for Architectural and Engineering services on a similar scale and budget projects to gauge whether there is a material variance in fees.

[M. Vogel]

C. Invoice Protocols

- 1. Current Practices:** Architectural and Engineering firms submit invoices monthly detailing the number of hours spent on the contract design for their firm and the sub-consultants under contract to them. Invoices are reviewed against the hourly rate sheets in place and are approved by the SPPS Planning or Construction Delivery Manager and submitted to the Business Office [Finance Dpt.] for payment.
- 2. Findings:** The invoicing method SPPS employs for Architectural and Engineering Services is consistent with industry standards although it is equally common for Architectural and Engineering firms to bill for their services as various design phases are completed. For example 15% at completion of predesign, 25% at completion of schematic design, 25% at completion of design development, 10% at completion of the construction document phase, etc.
- 3. Recommendations:** None

[M. Vogel]

D. Errors and Omissions Process

1. Current Practices

- a. When errors or omissions are discovered during the design review, the documents are sent back to the architect and corrective action is taken. If material errors or omissions are discovered during the construction phase that result in additional effort on the part of the architect, they will incorporate corrective action in to the project plans and be compensated at the normal hourly rate for the redesign work under the assumption that the labor cost would have been incurred initially if the omission had been included up front.
 - b. In the unusual event of an architectural error in the design, for example, if a wall is designed to be or is constructed in an inappropriate location that would not allow for that construction, the architect would be expected to correct the design without additional compensation. However, if construction has already taken place or materials have been ordered and corrective action results in additional costs to SPPS, the architect would be expected to pay an appropriate share of those additional costs.
- 2. Findings:** In the great majority of circumstances, the corrective actions required due to "errors or omissions" in the contract documents results in a cost-neutral corrective actions that does not add additional costs to the construction project or District. This is true both in design costs and construction costs.
- 3. Recommendations:** Consideration should be given to incorporate language in the SPPS Design Standards to address Errors and Omissions on the part of the design consultant that materially affect Owner costs and/or project schedule. For example, there may be circumstances where construction has taken place and it is later discovered that the work was incorrectly designed and requires both a redesign from the consultant and additional work on the part of the contractor(s) via a change order. The cost incurred for the redesign should be absorbed by the consultant and the additional work as identified in the change order could constitute an additional

expense to the Owner. To minimize conflict, contract language should define a negotiation process to identify additional costs and methods of compensation to the Owner prior to engaging the mediation and/or arbitration process outlined in the AIA documents as those processes tend to be very costly, often exceeding the disputed amount.

[M. Vogel]

Section 2: Construction Management Contracts

A. Current Practices:

1. The Facilities Department performs construction projects under both a Single Prime General Contractor (GC) model and a Multi-Prime Construction Manager (CM) as Advisor model, with the current nine active construction projects, four have been undertaken in the GC model and five have been undertaken in the CM as Advisor model. With the increased dollar value and increased complexity of performing the construction accompanying the FMP projects, as evidenced by the need for a multi-phased, multi-year approach to construction, the District has been shifting its emphasis to the CM model. This practice reflects the enhanced expertise that the Project Managers and Site Superintendents employed by the CM's bring to the complex projects being undertaken. It also reflects the benefit that the District receives from having the CM staff serve as an Owner's Representative onsite.
2. The process of Board approval, assignment of projects, establishment of fees, and invoice protocols for Construction Management Services mirrors the identified methods for contracting for Architectural and Engineering Services in that section of this report.

Process for Documenting Soft Costs (General Conditions)

1. General conditions costs can be summarized as those construction costs that are incurred separately from the bid costs included in each of the construction contracts. Examples of general

conditions expenses would be trash removal, providing temporary restrooms, security services, providing temporary heat, snow removal, equipment rentals, construction tenting, etc.

2. When working under the GC model, it is the responsibility of the general contractor to estimate these general conditions expenses and incorporate them into the lump sum construction bid. In the CM model the costs are segregated out of the construction bid and contracted for separately, which eliminates the guesswork associated with those costs and the District pays only the actual costs incurred.
3. In the early stages of its use of construction managers, the SPPS Facilities and Purchasing staff endeavored to contract internally for the general conditions expense. However, the SPPS internal processes proved to be too unwieldy to provide timely service and the task was turned over to the CM for contracting the services. In selecting the vendors to provide these services, SPPS requires the CM to get multiple quotes, when possible, to provide the services to ensure competitiveness and equal opportunity for interested vendors. The CM approves the invoices and submits them to SPPS for processing and payment. The CM will provide an audit trail for each general condition contract at the request of SPPS.

Construction Site Diaries (CM Site Superintendent Activity Log)

1. The Site Superintendent log is a tracking device to document construction activity during the construction process. The CM's Site Superintendent will document the number of workers each contractor has onsite each day and the general nature of work being performed. The Site Superintendent also logs the deliveries received and stored on site each day; the required testing being performed on site; and any unusual activities that might have occurred.
2. The Site Superintendent log serves as a device to monitor contractor performance if/when a

contractor's work lags behind expected progress or adversely affects the work of other contractors on site. It also provides an informal audit trail for the CM or facilities project manager to track the level of effort involved in performing additional work requests through the Change Order Process.

B. Findings

1. SPPS has been cautious in its transition from the GC construction model to the CM as Advisor construction model, and as a result, SPPS does not yet take full advantage of the array of services typically provided by CM's to their clients.
2. There is redundancy and confusion in the collection, tracking, and administration of documents relating to the bid process and contract execution between Purchasing, Facilities and Construction Manager.
3. The Project Managers on the CM side report that there are inconsistencies in how the SPPS Project Managers run their projects.
4. CM involvement in budget development is limited to construction costs as opposed to overall project costs resulting in some confusion as to which line items should be included in construction costs and which should be included in project costs. It was also reported that those decisions vary from project to project or from one SPPS project manager to another.
5. The Construction Change Directive/Change Order process can be administratively burdensome and confusing to contractors. Some contractors are reluctant to bid on SPPS work due to concerns with the Construction Change Directive/Change Order process and the long delays in receipt of payment for the work.
6. The CM is more flexible and agile in its ability to secure competitively priced and timely contracts for General Conditions expenses than is SPPS.
7. CM's ability to exercise meaningful value engineering is sometimes hindered by SPPS' rigid

adherence to its Design Standards.

8. CM documentation of construction activities contained in the Site Diaries provides valuable documentation and serves as a resource for managing the construction schedule and contractor performance.
9. Some bid processes that are designed to provide consistent treatment of potential contractors and public information sharing tend to have a negative effect on bid competitiveness. As an example, if only one bidder attends the mandatory pre-bid meeting and SPPS excludes all other bidders on that basis, the bidder in attendance is free to escalate its bid numbers without concern for lower competitor bids.
10. Frequent scope changes between preliminary design and final design occurred without appropriate budget evaluation and revision by the CM.

C. Recommendations

1. Continue the conversion of the high-dollar, high-complexity projects in the FMP to the CM as Advisor model.
2. Review the full array of services the CM can provide with Facilities and Purchasing staff and consider transitioning to the CM handling the bid solicitation process and collection of contract documents on behalf of SPPS. Note: SPPS would retain review and approval authority.
3. In situations where only a single contractor attends a mandatory pre-bid meeting, waive the attendance requirement and allow the CM to contact other contractors and promote solicitation of additional bids.
4. Adopt a philosophy of more open sharing of overall project budgets with the CM so they have a better understanding of the budgeting process and can offer input on cost containment measures outside of the construction costs.
5. Engage the CM representatives in the pre-design phase of projects and provide input on the cost

ramifications of scope changes between conceptual design and pre-design phases.

[M. Vogel]

Section 3: Construction Contractor Contracts

A. Current Practices:

1. At the conclusion of the Architectural and Engineering firm's construction document phase, the Purchasing Department initiates the formal bid solicitation process. The formal bid process includes a public advertisement, mandatory pre-bid meeting, and a public bid opening. Bids and bidders are evaluated for compliance with the bid specifications and capability to perform the bid requirements by the architectural and/or construction management firm. Their award recommendations are forwarded to the SPPS Facilities and Purchasing Departments which in turn make an award recommendation to the School Board. Absent extenuating circumstances, the contracts are awarded to the lowest bidder (per state statute) following submission of the required Performance Bonds, insurance certificates, and other contractual requirements.
2. There is little opportunity to make qualitative distinctions between competing contractors even when there are only minimal variations in cost. A contractor is deemed capable of performing based on its ability to secure the necessary bonding to comply with the contracting requirements.

Tracking and review process for Change Orders:

1. The change order process utilized by the Facilities Department is documented in the departmental design standards which require that:
 - a. The consultant issues a Proposal Request (PR) to the affected contractor.
 - b. The contractor prepares a response to the PR that includes a not-to-exceed cost to perform the work and submits to the consultant and Facilities Planning Manager.
 - c. The consultant evaluates the proposal against

recognized cost estimating references.

- d. Upon acceptance, the consultant issues a Construction Change Directive (CCD) authorizing the contractor to proceed with the work and submits the CCD to the owner for its signature.
 - e. Upon completion of the work, the Consultant will prepare a Change Order (CO) for the signature of the Owner, Contractor and Consultant.
 - f. Once the CO is executed, the Contractor may submit for payment.
2. Change orders primarily occur in three categories: Owner requested, Contractor requested, and Errors and Omissions. Each is discussed briefly below.
 - a. Owner requested change orders: Generally, an owner's request will fall into the category of minor changes based on user preferences. Frequently, these can be dealt with through informal negotiations with the contractor if identified in a timely manner. An example might be to relocate electrical outlets to comport with interior furnishings placement. If the owner request involves more substantial changes or costs, the Consultant would follow the process outlined above.
 - b. Contractor-requested change orders: Generally, a Contractor will request a change order when observed field conditions vary from that described in the construction specifications or when they encounter unforeseen conditions during the construction process. An example would be the discovery of deteriorating subfloor conditions upon removal of the floor covering or the discovery of substandard/non-compliant electrical or plumbing service inside an existing wall.
 - c. Change orders resulting from Errors and Omissions: See Section 1, Architectural and Engineering Contracts.

B. Findings

1. Long-standing contractors express both understanding and frustration as SPPS transitions to larger more comprehensive projects. They express a desire to continue to serve SPPS and bid on its projects while expecting improvements in administrative processes.
2. Most contractors work more commonly under the CM as Advisor Model vs. the General Contractor model.
3. A comparison of the number of bidders on SPPS FMP projects and projects of other school districts during the same time frame suggests a less robust bid climate for SPPS projects.
4. All contractors spoken to expressed some frustration with SPPS' extensive timeline from submittal of a pay application until receipt of payment (approaching 60 days).
5. The Construction Change Directive/Change Order process received mixed reviews from contractors with complaints about long timelines until receipt of payment; the failure to follow prescribed processes; and the appreciation for having approvals to proceed in writing vs. orally.
6. Even though the incorporation of allowances into the bid documents for those bid divisions that consistently experience a high degree of unforeseen conditions can significantly reduce the number of Construction Change Directive/Change Orders and expedite the construction process, the Facilities staff have discouraged their inclusion in bid packages.
7. Both the SPPS Facilities and Purchasing staff have expressed an intent to create a more agile and less cumbersome business model to attract greater competition in the bid solicitation process and encourage participation from new and emerging contractors. Of special interest is attracting more small minority- and women-owned contractors.
8. Contractors cite the current busy construction

climate, labor shortages, and multi-year phasing of work with uncertain inflationary factors and material costs as primary reason for escalated prices on SPPS construction work. Other concerns that were raised without necessarily impacting contractor bids were:

- a. Bidding schedule.
- b. Challenging site conditions (site size, soil conditions, stormwater management, adjoining residential developments).
- c. Historical preservation desires/requirements.
- d. Timeliness of payments.
- e. Project Labor Agreements.
- f. Other, more attractive and/or profitable, construction opportunities.

C. Recommendations

1. Allow the CM to oversee the bid solicitation process and more aggressively solicit bids from multiple contractors for all work scopes.
2. Direct Architectural and Engineering firms to incorporate allowances into the bid packages to reduce the quantity of CCD/COs issued and expedite construction activities.
3. Adopt an expedited payment process for construction contracts that have already been reviewed and approved by the Architectural and Construction Management consultants. (Suggested target would be ten (10) days from receipt in the Facilities Department.)
4. Adjust bid schedules to allow for bidding to occur in late fall or early winter before contractors are booked up for the summer.

[M. Vogel]

Section 4: Purchasing Practices

A. Current Practices - Construction Bids

1. Upon completion of the Construction Document phase, the Facilities Planning Project Manager supplies the Purchasing Department with the

pertinent information required for advertising and posting of formal bid notices.

2. Purchasing oversees the collection of bids during the open bid period and conducts the formal bid opening at the specified time at the Purchasing Department.
3. Purchasing evaluates the bids in conjunction with Facilities for compliance with the bid specifications and submittal of required bonds, etc.
4. Award recommendations are almost universally given to the lowest bidder (which is dictated by state statute) unless there is a failure to qualify for bonds or meet the insurance requirements.
5. Low bidders may withdraw their bids only if there is a demonstrable arithmetic error.
6. Upon Board of Education approval of the award recommendation, Purchasing prepares contracts and submits them to awarded vendors.
7. Purchasing receives the signed contracts and reviews for inclusion of necessary bonds and insurance documents and turns completed contract packets over to the Consultant and Capital Projects Manager.
8. In an effort to increase competitiveness and formalize the solicitation process, Purchasing has recently been more directly involved with the solicitation of RFP's for professional services from construction consultants.
9. Purchasing is investigating alternative approaches to construction contracting such as "Best Value" contracting to provide greater evaluation of contractor capabilities and qualifications to perform the contract rather than simply awarding contracts to the lowest bidder.

A1. Findings

1. Purchasing's involvement in the construction contracting process is designed to ensure compliance with statutory requirements, provide

fair and equal opportunities for bidders, and monitor compliance with contract requirements.

2. Purchasing does not target specific contractors to submit bids outside of the bid advertisement process. Facilities does encourage its consultants to inform qualified or preferred contractors of the bid notices to increase competition and the quality of bidders.
3. Purchasing has indicated a level of resistance to a CM managing the administration of the bid solicitation and collection of the required post-bid award contractual documents based on prior history of inadequate performance on the CM's part.
4. With the transition to the CM multiple prime bid model, the number of bids received and contracts awarded increases exponentially by 25-30 times per project. When multiplied by the volume of projects considered in the Five-year Plan, the Purchasing Department may be overwhelmed by the bidding and contracting requirements.

A2. Recommendations

1. Once Purchasing has received the necessary information for the posting and advertising of construction bids, allow the construction manager to handle the dissemination of bid packets; the receipt and collection of bids; the bid opening process; and the dissemination and collection of contract documents. Assign Purchasing responsibility for overseeing the process for compliance with statutory requirements. Note: CM's successfully administer this process for multiple public sector clients. Their direct involvement allows them to monitor the number of bid packets sent out and bids received to aggressively recruit bidders if bids are lacking for any specific bid division.
2. Select a mid-level dollar value and complexity project to pilot the best value contracting method and refine criteria development for award recommendations.

[M. Vogel]

B. Current Practices – State contracts

1. Purchasing acknowledges that buying from state or other governmental agency cooperative purchasing agreements is an expedient way to meet statutory competitive requirements without having to solicit multiple quotes/bids.
2. Buying from state contracts is common when staff purchase requests are brand specific and available under state contracts.

B1. Findings

1. SPPS' use of state contracts is consistent with what occurs in school districts and other public entities across the state.
2. Use of state contracts eliminates the need for redundant development of detailed specifications for the purchase of common-use items and continued use is encouraged.

B2. Recommendations: None.

[M. Vogel]

C. Staffing

1. FINANCE DEPARTMENT

- A. Finding - Operations Finance Manager:** The high-level finance Operations Accounting position supporting Facilities has been vacant since the prior individual retired in 2018. Currently, the Finance controller and the CFO are covering these responsibilities along with their other core responsibilities.

Recommendation: Hire a Director of Finance Operation for this vacant position to provide the proactive interface between Finance and Facilities. This position should have a dotted line to the Director of Facilities and a hard line to the CFO. This position is key in translating the Facilities' needs to Finance and Finance needs to Facilities in a proactive way that provides the financial checks and balances for the CFO/District.

[S. Torgrimson]

- B. Finding - On-site Finance Staff:** The two Finance support staff embedded in Facilities are no longer co-located and the two replacements (one hire and one temporary) have been hired by Finance. Their positions are not fully dedicated to Facilities and they are not currently housed at the Facilities Department site.

Recommendation: Replace one of the two new staff with an experienced SPPS Finance employee and co-locate them in Facilities as soon as possible. These positions need to be a dotted line to the Director of Facilities and hard line to the Director of Finance Operations.

[S. Torgrimson]

- C. Finding:** There has been a significant level of turnover of staff in Finance which continues today. Finance struggles to find qualified candidates to fill open positions.

Recommendation: Have Human Resources work with Finance to do a comprehensive market assessment and make recommendations on how to attract and retain qualified Finance staff.

[S. Torgrimson]

- D. Finding:** The current hands-on role of the CFO in working to address the Facilities/Finance teaming/collaboration issues may be needed short term, but unfortunately, long term this degrades the strategic role of the CFO.

Recommendation: At a minimum, the Director of Finance Operations position needs to be filled to replace the CFO's current role in resolving these teaming/collaboration issues. At maximum, that position should be filled plus a new position created to manage the day-to-day Finance functions across SPPS. The CFO should be officed on the fifth floor where the superintendent has easy access to strategic financial council.

[S. Torgrimson]

2. FACILITIES DEPARTMENT

- A. Finding:** There was a loss of continuity in FMP upper management oversight with the turnover in the Superintendent and COO positions.

Recommendation: Hire an experienced capital construction program manager to take over the implementation of the FMP.

[S. Torgrimson]

- B. Finding:** In the last three and a half years, the District has had three Managers of Planning and the position is currently vacant.

Recommendation: Hire a new Planning Manager.

[S. Torgrimson]

- C. Finding:** Staffing in Facilities is heavily weighted toward architects.

Recommendations: Set goals to bring into the department more construction project management staff to help balance the design vs. build experience/education required to implement capital projects.

[S. Torgrimson]

- D. Finding:** Facilities staff need more insights into the levy/bonding process as it relates to the inflexibility for funding out-of-cycle changes in project scope and price. This is partly the result of not having key finance persons dedicated to the program.

Recommendation: Hire an experienced Facilities accountant and invest both Finance's and Facilities' time in training the current Finance hires.

[S. Torgrimson]

- E. Finding:** Facilities staff have incomplete knowledge of Finance processes and the requirements needed to support a major capital construction program. Likewise, Finance has incomplete knowledge of Facilities and the complex processes required to create and implement a major capital construction program.

Recommendations: Finance training needs to be provided to Facilities staff related to funding options, funding timing, debt, debt servicing,

levy, etc. Facilities needs to train Finance staff on Facilities Conditions Assessments, Educational Adequacy Assessments, scope development, design, cost estimating, scheduling, construction and construction changes, etc.

[S. Torgrimson]

- F. Observations:** After discussions and observations with the SPPS team, we [Jacobs] have identified several gaps in the organizational structure. The first and primary gap is with Program Controls. This position is currently identified as a junior level position working within the Planning Team. Functionally this position does work regularly with the Capital Project Delivery Team, but structurally is not assigned to that group. The second gap is the lack of a design phase management team or assigned design phase support services. We did not find evidence of a robust in-house design review team nor the owner of the design standards and specifications. This is one of the primary causes for the scope increases and could lead to inequitable results across the various design projects. We did find that once projects transition out of design and into construction, the team is organized to manage the construction process, including the addition of the Construction Managers as Agent. However, it appears there is a heavy burden placed on the Senior Project Managers which will only increase with the impending retirement of one of them. Prior to the FMP External Review, the following was the current operating status of the program:

Status	#	Est. Cost
In Planning	3	\$74,992,000
In Design	4	\$100,795,000
In Construction	4	\$95,671,328
In Close Out	14	\$179,452,111
Closed	0	

It is important to note that this list is only for the major projects and does not include many of the maintenance / LTFM projects which are also part of the FMP, though managed by a different sub-

division of Facilities. These maintenance groups are not working as closely as necessary to ensure alignment between the priorities of both groups.

Recommendations: Based on our observations and industry best practices, we recommend the following adjustments to the organizational structure of the team:

1. Re-align Program Controls to a more senior position reporting directly within the Capital Project Delivery Team.
2. Assign an Assistant Program Controls Manager; this position would help ensure that active projects are able to transition to the program controls system.
3. Assign a Director of Design to take ownership over developing educational specifications and design standards to ensure equitable results across the District.
4. Identify Cost Estimating, Scheduling, Quality Control, Safety, and Commissioning resources to assist the Project Management team in delivering their work.
5. Given the technical financing complexities, we strongly recommend that Finance assign a full-time individual to work within and report to the Capital Project Delivery Team.
6. The number of Project Managers currently employed by the District should be sufficient to manage the ongoing projects. However, it appears most of the burden is falling on the Senior PMs. Further analysis of the project management team would be required to identify the root cause of this burden.
7. There are too many projects in the “close-out” stage. Individuals should be re-assigned to a “tiger team” dedicated to closing projects out as soon as possible.
8. A liaison should be assigned to coordinate between the CPD group and the maintenance groups managing the LTFM work. Both groups should utilize the same program controls system to track the

projects in one location to allow a combined report on the entire status of the FMP.

[Jacobs]

D. Funding/Financing

1. **Finding:** SPPS made cash flow the primary driver for implementing the FMP. As a result, contracts were funded incrementally rather than funded at 100% at contract award. The FMP was developed based on prioritization of building risks, educational program needs, and building access. However, it was presented to the Board of Education and the community based on a limit of \$30 a year in year-over-year levy increases to the average homeowner. That added limitation required the original plan to be modified to fit this \$30 threshold and the cash flow required to meet that limitation. Projects were delayed and pushed into higher-cost years.
 - a. **Recommendation:** At a minimum, a year-over-year annual percentage change should have been used that would have then taken into account inflation escalations over the five to seven year timeframe of the FMP. At a maximum, the original FMP implementation plan created by Facilities should have been presented and approved because the Facilities plan should have been based on District needs and coordinated with the site access of projects.
 - b. **Recommendation:** By shifting funding from LTFM PAYGO to LTFM bonds, the District would have had additional funding flexibility over the life of the program and may have even lowered the tax impact on taxpayers near term with this shift. It is recommended that Finance use modeling to verify taxpayer impact and present this analysis to the Board of Education during the FMP restart.
 - c. **Recommendation:** No Facilities contracts or contract change orders should be approved by the Board without full funding in hand at time of approval.

[S. Torgrimson]

2. **Finding:** SPPS chose to not sell LTFM bonds and add to debt. They chose to increase their LTFM PAYGO amount each year, in effect paying cash for long-life fixed building assets. This is a very conservative funding approach which is not considered industry standard to fund major capital programs.

Recommendation: Fund the FMP with bonds. This strategy gives Facilities clear and immediate funding to start projects and it locks in project budgets. Facilities will be accountable for.

[S. Torgrimson]

3. **Finding:** FMP project-management costs are not attached to the assets being created. Project management costs are a standard cost category in any construction project; this is a GASB 34 (Governmental Accounting Standards Board) compliance issue.

Recommendation: Use the Time & Material system or create an internal Facilities time reporting system to collect program management costs and attach them using the new project fields in PeopleSoft.

[S. Torgrimson]

4. **Finding:** SPPS annual Capital GOB (general obligation bond) capacity is not on par with Minneapolis Public Schools. MPS has \$32M annually while SPPS has \$15M. SPPS has the same number of buildings, similar building ages, similar Average Pupil Unit, yet different net tax capacity. MPS has its own MN Statute 128.

Recommendation: SPPS should seek parity with MPS in its annual GOB capacity calculation, adjusted for Net Tax Capacity by getting this parity calculation into MN Statute. This is a long-term process that if successful, will provide an estimated additional \$7M to \$10M in annual GOB capacity. This is important for SPPS because this capacity is the most flexible and least expensive bonding option for the District.

[S. Torgrimson]

5. **Finding:** SPPS has no debt policy.

Recommendation: Create a debt policy that provides

the District with working debt guidelines that the CFO can use in developing future funding strategies for the District.

[S. Torgrimson]

6. **Finding:** Finance struggles to get final year-end contractor invoices in to close the year.

Recommendation: Add a contract clause for all construction contracts that requires contractor recognition of the District's fiscal year-end date. Require expedited invoicing through June 30th and require that Facilities program management staff coordinate compliance with their project contractors.

[S. Torgrimson]

7. **Finding:** SPPS incrementally funds construction projects.

Recommendation: Fund projects at 100% up front using bond funds (industry best practice); this locks in your project budget and removes any unfunded liability from the BOE when they approve a contract. Track and report projects by the bond that funded each as this will assist Finance in arbitrage calculations and aid in accountability by funding source.

[S. Torgrimson]

8. **Finding:** Contractors are not providing spend plans at contract award or updating those spend plans as needed.

Recommendation: Facilities should require contractors to provide spend plans by month at award and update spend plans by month each May to meet forward cash flow requirements and budget planning by Finance.

[S. Torgrimson]

9. **Finding:** The current FMP Board-review document is a cash-flow document and does not reflect complete status on prior approved projects because it drops off prior year costs and adds next year project estimates with each annual update. This creates confusion.

Recommendation: Revise this document into two separate documents: projects and cash flow requirements. Projects should be displayed in this report with budget and spend status and include future spend requirements. These spend requirements are then integrated into the Facilities program master schedule. The cash flow portion of this report will pull the future spend requirements listed for each project. If the District fully funds projects on the back of annual bond sales, split the project report to include projects by funding year/bond.

[S. Torgrimson]

- 10. Finding:** The FMP is currently being funded using COP leases and LTFM PAYGO using a cash flow model that includes future design estimates, continued funding on projects under construction, and partial funding on new projects.

Recommendation: Project budgets should be fixed at bond sale and are funded at 100%. Program design costs should be funded by fund balance/cash flow and reimbursed at bond sale. The District has approved a reimbursement resolution which governs this reimbursement.

[S. Torgrimson]

- 11. Finding:** District Project Managers are not actively involved in project development prior to project estimates being shared with the Board of Education.

Recommendation: Have Project Managers actively involved early in the design process to add site, program, and implementation realities into the design such as project phasing and meeting swing space requirements.

[S. Torgrimson]

- 12. Finding:** There is confusion on how project Furniture, Fixtures & Equipment (FF&E) can be funded.

Recommendation: FF&E for new or remodeled spaces is a normal cost of a construction project as it is required to provide that space as 'ready for use.' COP lease or GOB bond dollars are appropriate funding sources for FF&E.

[S. Torgrimson]

- 13. Finding:** SPPS does not have a District-wide FF&E cycle-of-replacement plan with recurring funding strategies.

Recommendation: Create a District-wide FF&E cycle-of-replacement plan based on highest need. Use GOB Capital bond proceeds to fund annually. If SPPS can expand their annual GOB capacity, fund this plan more aggressively out of this annual GOB capacity.

[S. Torgrimson]

- 14. Finding:** The formal process for Board of Education approval of the FMP and revisions to the plan is done inconsistently, is not coordinated across all departments, in particular Finance, and this rolling five-year document is difficult to tie back to project budgets for accountability.

Recommendation: Create a formal annual review process for the FMP that is consistent each year, includes Finance as a partner in plan development prior to presenting the plan to the Board, and is easier for the BOE to understand. SPPS may want to look at using the MDE Review and Comment processes or at least mimic them internally.

[S. Torgrimson]

- 15. Finding:** Communication has broken down between Finance and Facilities primarily due to the rapidly changing project budgets provided by Facilities over the first two years of the FMP implementation. Funding limitations do not allow Finance to quickly respond to the changing funding requests from Facilities that resulted from their changing project estimates. Now that project scopes and budgets have begun to stabilize, and regular joint Facilities/ Finance meetings are taking place, effective communication is slowly being established. Stability in project estimates and defining consistent annual funding strategies should help correct this situation.

Recommendation: Facilities has to lock in scope and budget on every project before they request funding from Finance; once locked, that budget is fixed. Locked-in projects should be funded at 100% and be funded by LTFM and Capital bonds and by COP leases, not LTFM PAYGO.

[S. Torgrimson]

16. Findings - Communications between the Finance Department and Facilities Department:

- A.** Communication between the Finance and Facilities Departments has not been consistent nor timely in the past.
- B.** Clear and final project costs have not been communicated from the Facilities Department to the Finance Department in a timely manner. The Finance Department has been asked to provide financing for projects that have only had “projected” final costs instead of budgeted final costs.
- C.** Invoices for construction work completed do not make it into the finance system (to the Finance Dept.) in a timely manner.

Recommendations:

- A.** Regular meetings between the Finance and Facilities Departments should be held (at a minimum of one per month). There have been attempts to start this process, but it needs to be formalized to ensure both departments are on the same page regarding projects and financing.
- B.** The Finance Department should not issue financing for projects until a final budget is established for the project. The final budget for each school site should include a contingency line item to provide for potential unknowns within the project. Once a budget is established and financing is secured for a project, final project costs must fall within that final budget.
- C.** Invoices received by the Facilities Department must be entered into the finance system within the week of receipt or they must be delivered to the Finance Department within that same time frame.
- D.** A joint report should be developed and routinely updated that projects cash flow needs for approved projects including current budget estimates by project, and the timing and sources of funding available for said projects.

[BakerTilly]

17. Findings - Financing Options for the District

- A.** The District has several financing sources to continue the work on the FMP into the future. The District has the authority to issue \$15M in General Obligation bonds annually, has the authority to levy for Long Term Facility Maintenance (LTFM) each year (currently at \$27M per year), and the District has authority from the Minnesota Department of Education (MDE) to issue Certificates of Participation (COPs) to provide funding for MDE-approved construction projects (\$62M issued during this current year).
- B.** The GO Capital bonds are the most flexible in terms of use by the District. It would be desirable to have access to more GO Capital bonds.
- C.** The District has the authority to bond against their annual LTFM revenue, but at this time has opted to use a Pay As You Go (PAYGO) methodology that incurs no long-term interest expense for the District.
- D.** All financing options have an impact on school District taxpayers as each financing source requires an annual levy to make annual payments for the financing. The SPPS Board of Education directive was to limit the annual tax increase to no more than \$30 for the median home value in Saint Paul (\$151,600 in 2016) and the Finance Department has worked hard to stay within that directive. Timing of issuance and the dollar amount have an impact on the District’s ability to stay within this parameter.

Recommendations:

- A.** The District must continue to utilize all existing revenue sources available to them as it seeks to provide appropriate funding for ongoing projects.
- B.** Currently, Minneapolis Public Schools has twice the bonding authority that SPPS has with similar student enrollment and facility makeup, albeit a larger tax base. Efforts should be made at the legislature to achieve an increase in the level of authority for GO Capital bonding for SPPS.

- C. The District should take efforts to increase the annual PAYGO LTFM revenue when opportunities present themselves in the levy process. This has been discussed at joint Facilities/Finance meetings and the CFO has committed to trying to increase the annual LTFM revenue while minimizing any tax increase for constituents.
- D. Certificates of Participation should be issued and designated for specific project budgets that have been approved by MDE. The approval by MDE should set the budget for each facility and if it is expected that additional funds are necessary for completion of the project, approval from MDE must be received before any additional financing is provided to the project.

[BakerTilly]

18. Findings - Cash Flow for Construction Fund and Current Projects:

- A. SPPS issues \$15M in GO Capital bonds each year, receives approximately \$27M in LTFM revenue per year, and issues approximately \$60M to \$70M in COPs each year for facility construction, renovation and maintenance.
- B. Limits on the amounts levied for LTFM revenue and COP debt service correlate to the level of tax increase needed to accomplish the finance need.
- C. Annual LTFM revenue has increased over time from \$12M to \$27M.
- D. The level of financing for facility projects has not kept pace with spending on these facility projects.

Recommendations:

- A. If additional funding is needed for ongoing facility projects, the Board of Education/ administration should re-evaluate the tax increases that will be allowed/needed to cover the facility needs;
- B. Or, the Facilities Department will need to re-evaluate the schedule for facility projects to fit

within the financing parameters that are in place for the District.

- C. The District may wish to consider extending the term of their finance issue from 20 years—as is currently the standard—to 25 or 30 years. Note that this extension of the term will lower annual costs but increase overall interest costs paid by the District/taxpayers.

[BakerTilly]

19. Findings - Debt Service Schedule Management:

- A. Annual Debt Service payments for SPPS have increased from \$37,902,558 in Payable 2016 to \$46,099,432 in Payable 2020.
- B. The District monitors outstanding debt for opportunities to save money through refinancing.
- C. Longer-term planning for anticipated debt issuance is done so each issuance may be structured to reflect overall tax containment goals.
- D. Increases have occurred while the property tax base has been expanding and the median home value has risen from \$151,600 (in 2016) to \$199,800 (in 2019).
- E. The Finance Department has acted to ensure that debt service increases have been limited to the parameters set forth by the Board of Education at \$30 per increase for the median home.

Recommendations

- A. Continue current debt planning and monitoring efforts.
- B. See recommendations above (#15) for Financing Options for the District.

[BakerTilly]

V. Conclusion: Learn, adjust, continue

When Superintendent Gothard first announced his plans for the review of the FMP last May, all new capital-improvement projects were paused to ensure the fiscal and construction management of these projects would be undertaken within the parameters of industry best practices. With the publication of this report, Saint Paul Public Schools will now determine how best to prioritize and implement recommendations as quickly as possible so that construction projects can proceed.

The learnings from this external review has shined a spotlight on several practices that need to be adjusted. With the insights provided from these findings and recommendations, the District will proceed with even greater due diligence as it moves forward with capital-improvement projects. As such, all projects not currently in construction will be rescoped and vetted with appropriate systems controls, and funding will only be pursued for fixed project budgets. Additionally, a master schedule and master budget outlining project changes will be provided to the administration and public on a regular basis.

The District is committed to being more transparent, communicative, and diligent in how it manages and delivers capital-improvement projects. The residents of Saint Paul and SPPS' school communities deserve nothing less.

It should be noted that a key finding is that the District has not done enough to acknowledge and celebrate completed capital projects that have enriched the learning experience of more than 6,700 students to date. Providing SPPS students with a world-class education in flexible educational environments that anticipate their evolving learning needs is essential in preparing students

to be competitive in college and career. The implementation of the FMP began in 2017 with 10 major capital-improvement projects. Of these schools, eight projects have been completed and two are nearing completion. The list of projects, are:

1. Adams Spanish Immersion
2. Como Park Senior High School (to be completed late 2019)
3. Global Arts Plus - Lower Campus
4. Global Arts Plus - Upper Campus
5. Highland Park Elementary
6. Horace Mann Elementary
7. Humboldt Secondary School (to be completed August 2020)
8. Johnson Senior High School
9. RiverEast Elementary and Secondary
10. St. Anthony Park Elementary

It is with a sense of urgency that the District will continue the important work of modernizing its schools in order to provide students with the 21st century learning environments they deserve. Studies have shown that learning environments do impact student achievement. Providing inspiring, flexible spaces that welcome and invigorate students is directly related to the District's goal to foster academic success and increase student achievement through challenging and collaborative learning. The District must do as much as possible to fulfill its mission to inspire students to think critically, pursue their dreams, and change the world.

VI. Appendix: : Reports from external advisors

The reports of individual advisors will follow this page in the following order:

- Jacobs Engineering Group
- Steve Torgimson
- Michael Vogel
- BakerTilly
- Donald Mullin



Saint Paul
PUBLIC SCHOOLS

Facilities Master Plan Program Review
Saint Paul, MN | October 22, 2019

FMP EXTERNAL REVIEW FINAL

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1. EXECUTIVE SUMMARY

INTRODUCTION

The solution to developing an implementable facilities program requires planning and coordination with all stakeholders and departments involved with the Facilities Master Plan (FMP). Without this approach, the solution will most likely resemble the parable of the Blind Men and the Elephant (shown to the right) which illustrates differences in points of view.

The parable is very much applicable to defining what this program needs as well as what criterion and metrics would lead to success in a traceable, accountable, and defensible way.

- What does the Board see?
- What does Administration see?
- What do educators see?
- What does the electorate see?
- What do architects see?
- What do local/state agencies see?

Each person will touch this capital improvements program in a different area and have a different perspective on what it means and what is required.

To the Board, it may be about delivering educational excellence and maintaining the trust of the electorate.

To the administration, it may be about cost, quality, 21st century education, minimizing risk, and attracting/retaining quality staff.

To educators, it may be about having the right tools, the best technology, and adequate facilities and support services to serve their specific needs.

To the architect, it may be about designing in the appropriate context and winning awards for creativity.

To local/state agencies, it may be about building safety, quality of service, and code compliance.

And, as the parable goes, everyone will be partly right, but all of them will be missing key components of the issue that could modify their opinion in order to gain maximum benefit.

Our team has worked extensively in K-12 environments. We know that a successful solution results from developing the processes and procedures in a consensus-driven way.

This approach allows key decision makers to be involved from the beginning and provides support to the administration, teachers, students, and the public that will touch this process along the way.

Our experience is in determining, up front, what the elephant is. Together, we will develop the big picture first and then identify the many attributes that will make it a success no matter which attribute you favor.

Win-win.

The Blind Men and the Elephant by John Godfrey Saxe, American Poet (1816-1887)

It was six men of Indostan
To learning much inclined,
Who went to see the Elephant
(Though all of them were blind),
That each by observation
Might satisfy his mind

The First approached the Elephant,
And happening to fall
Against his broad and sturdy side,
At once began to bawl:
"God bless me! but the Elephant
Is very like a wall!"

The Second, feeling of the tusk,
Cried, "Ho! what have we here
So very round and smooth and sharp?
To me 'tis mighty clear
This wonder of an Elephant
Is very like a spear!"

The Third approached the animal,
And happening to take
The squirming trunk within his hands,
Thus boldly up and spake:
"I see," quoth he, "the Elephant
Is very like a snake!"

The Fourth reached out an eager hand,
And felt about the knee.
"What most this wondrous beast is like
Is mighty plain," quoth he;
" 'Tis clear enough the Elephant
Is very like a tree!"

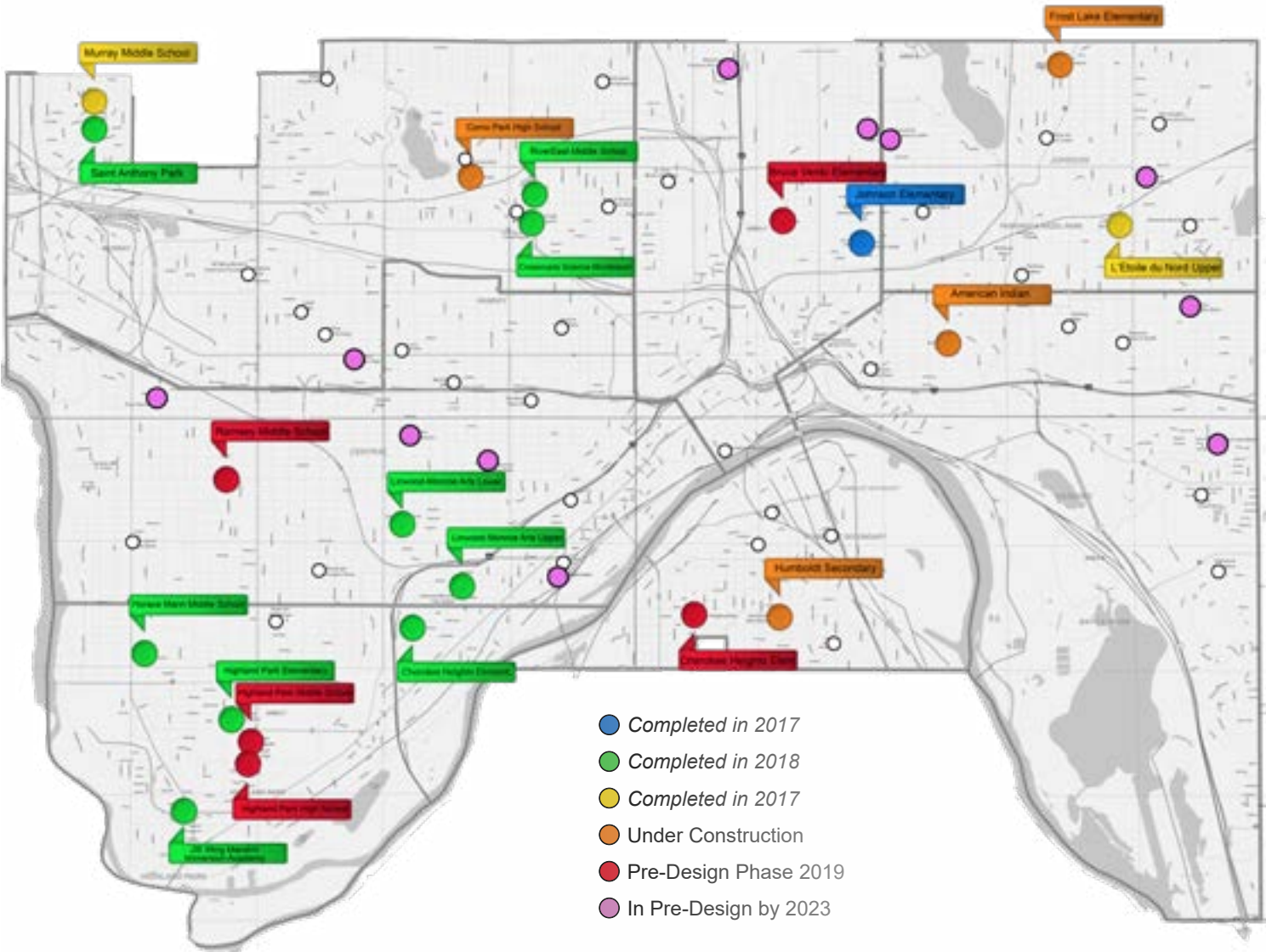
The Fifth, who chanced to touch the ear,
Said: "E'en the blindest man
Can tell what this resembles most;
Deny the fact who can
This marvel of an Elephant
Is very like a fan!"

The Sixth no sooner had begun
About the beast to grope,
Then, seizing on the swinging tail
That fell within his scope,
"I see," quoth he, "the Elephant
Is very like a rope!"

And so these men of Indostan
Disputed loud and long,
Each in his own opinion
Exceeding stiff and strong,
Though each was partly in the right,
And all were in the wrong!

Moral:
So oft in theologic wars,
The disputants, I ween,
Rail on in utter ignorance
Of what each other mean,
And prate about an Elephant
Not one of them has seen!

CAMPUS CONSTRUCTION STATUS



Project Review 2017-2023

St. Paul Public Schools provides great educational environments as is evidenced by the projects that have been completed and/or are nearing completion

The graphics shown here depict project locations and levels of completion as part of the FMP program with 12 campuses completed, 4 completed by March 2020, 5 campuses beginning design for completion by 2021 and 11 projects slated to begin the pre-design phase for construction completion by 2023.

EXTERNAL REVIEW PROCESS

St. Paul Public Schools (SPPS) has begun the process for the modernization and new construction of 73 campuses as part of the approved 2015 Facilities Master Plan (FMP). In order to review existing processes and procedures of this FMP, our Jacobs' team requested and reviewed information that was provided by SPPS and then conducted a week-long workshop.

Key elements of this assessment include:

What are we doing? Review the FMP and confirm space management to the mission of SPPS. The management of space should align with the priorities of the District as a whole. Space decisions that conflict with the overall mission and vision dilute the effectiveness of realizing them.

What standards are we using? Confirm educational specifications / design guidelines. Understand the overall requirements for schools and assess the ability to accommodate change.

How are we managing the FMP? Confirm policies, processes and organizational structures to manage space. To define and/or enhance the development of your program to allow for informed decision making.

- Business Process- review the processes used for scope development; facility programming; design; bidding; construction; move management; and overall project closeout.
- Staffing Plan – review personnel and skill sets required to accomplish the FMP.
- Project Controls – review systems/technology/reporting and other elements associated with managing the FMP.
 - Schedule/Phasing
 - Budget/Cashflow
 - Packaging/Procurement
 - Communication
 - Reporting / Decision Making
 - Controls
 - Forms of Agreement
 - RFQ/RFP/Interview Selection Criteria
 - Procedures
 - Safety Protocols

What are the local circumstances of the market? Review market conditions to understand historical, current, and future market conditions to establish baseline schedule/cost assumptions. This includes availability of services; market saturation; and subcontractor availability.

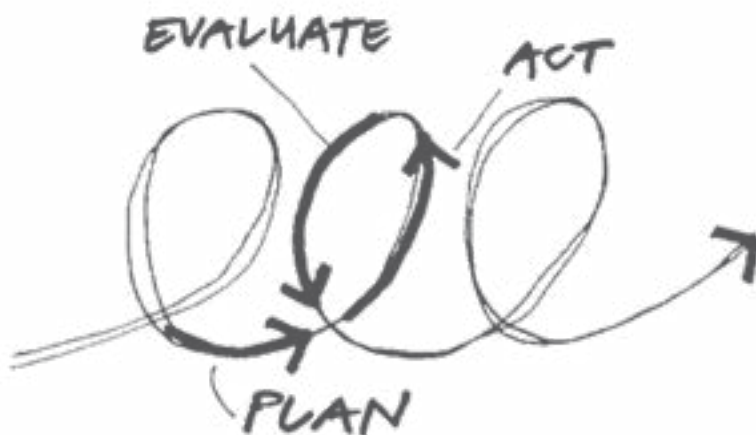
Key tasks that were performed include:

Information Request – upon notice to proceed we will request baseline data from SPPS which will include current FMP; specific projects for analysis; current process used; organizational structure; and other elements specific to enhancing the program.

Information Review – the team will review the baseline data and prepare for departmental work sessions to confirm the process; the role of each department; the deliverables required; and other elements associated with program delivery and decision making.

FMP Workshop – we will break into two teams for this 1-2 week workshop. The first will be the Business Process Team that will review the processes; procedures; decision points; and other elements related to project delivery. The second will be a Program Management Team that will review project controls; schedule; budget; and management level activities. This session will begin with an in-brief of all participants as to expectations as well as an out-brief to review general findings and next steps.

Documentation – this Facilities Master Plan Program Review document serves as a record of the discussions and recommendations for improvement. Additional details, presentations, and minutes used to discuss the topics discussed during the work-session can be found in the body of this report and it's appendices.



The workshop was conducted the week of August 26th and included in-depth discussions with SPPS's Facilities and Finance departments and members of the FMP External Review Team.

	26-Aug-2019	27-Aug-2019	28-Aug-2019	29-Aug-2019	30-Aug-2019	
	Monday	Tuesday	Wednesday	Thursday	Friday	
8:00 - 8:30	JACOBS SET UP	BUSINESS PROCESS ANALYSIS - Facility Programming - Design/Engineering - Bidding - Construction - Permitting - Move Management - Closeout	PROCUREMENT / PACKAGING DISCUSSION - Process - Forms of Agreement - RFQ/RFP/Selection Criteria	CURRENT FMP PROJECTS REVIEW / ANALYSIS		
8:30 - 9:00						
9:00 - 9:30	LEADERSHIP INBRIEF SESSION		PROJECT CONTROLS DISCUSSION	FMP CONTRACT REVIEW / ANALYSIS - Contract Awards		
9:30 - 10:00						
10:00 - 10:30	MARKET CONDITION DISCUSSION					
10:30 - 11:00						
11:00 - 11:30	FINANCIAL OVERSIGHT DISCUSSION					
11:30 - 12:00						
12:00 - 12:30	Working Lunch	Working Lunch	Working Lunch	Working Lunch		
12:30 - 1:00						
1:00 - 1:30	FMP DEVELOPMENT (PLANNING / PRIORITIZATION) - Academic - Demographic - Facility Condition - Site Condition - Capacity - Parity - Ed Specs - Community Outreach - Budget Assumptions - Market Conditions	ADMINISTRATIVE / LOGISTICS DISCUSSION - Board Role - Administrative Role - Community Advisory Role - Campus Role	PROGRAM REPORTING / COMMUNICATIONS	STAFFING DISCUSSION		
1:30 - 2:00						
2:00 - 2:30		PROGRAM SCHEDULE / BUDGET DISCUSSION	CHANGE MANAGEMENT DISCUSSION - Academic - Statutory - Campus Preference	JACOBS INTERNAL WORKSESSION		
2:30 - 3:00						
3:00 - 3:30						
3:30 - 4:00						
4:00 - 4:30			LEADERSHIP OUTBRIEF / NEXT STEPS			
4:30 - 5:00						
5:00-5:30	DAILY WRAP UP					

PROGRAM ANALYSIS

This report is based on the program analysis noted below. This analysis is the baseline by which the District has been working since the inception of the FMP.

- SPPS processes and procedures are being used as part of the development and implementation of the FMP.
- The FMP is based on **\$112M annual spending with a 10+ year duration with a +/- \$1.1B total capital outlay.**
- The FMP is intended to provide for 21st century learning environments based on 47 facility design criteria in addition to projected growth needs.
- The FMP established Rough Order of Magnitude spending assumptions that are subject to change primarily based on:
 - *Academic Change*
 - *Growth Change*
 - *Site/Infrastructure Requirements*
 - *Unforeseen Conditions*

Primary concerns associated with this program analysis, which are further detailed in this report, include:

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> ▪ Implementation <ul style="list-style-type: none"> ▫ <i>Project Controls</i> ▫ <i>Base Master Schedule</i> ▫ <i>Cash Flow</i> | <ul style="list-style-type: none"> ▪ Communication <ul style="list-style-type: none"> ▫ <i>Clear understanding of information being presented</i> ▫ <i>Knowledge of what has changed from prior briefings</i> | <ul style="list-style-type: none"> ▪ Decision Making <ul style="list-style-type: none"> ▫ <i>Courses of action considered</i> ▫ <i>Information presented in an informed, defensible and transparent way</i> ▫ <i>Policies for approvals and changes</i> |
|---|--|---|

GENERAL FINDINGS

After extensive review of the existing data, information provided by the District and individual interviews with key stakeholders, the Jacobs team's findings include:

1.) FMP: Thorough but Incomplete

- Process of developing FMP was thorough
- Risk factors published in FMP are incomplete
 - Limited program definition
 - Limited site analysis
 - Utilization of dated Facility Condition Assessment (FCA)
 - Limited provision for unforeseen conditions
- Limited QA/QC of planning assumptions
 - Building to capacity
 - Options to consider
- Limited provision for unforeseen conditions

Recommendations

- ***Develop Education Specifications***
- ***+/- 40% contingency on master planning work***
- ***Revisit remaining campuses to validate current scope assumptions***

2.) Competency at Project Management Stage

- Decision making is compromised
- Program baseline is not defined
- Reporting is incomplete and confusing
- Project controls system not in place
- Using O&M Process for capital projects; no stake in the ground i.e. no baseline for measuring success.
- Managing moving targets
 - No master schedule
 - No program level procedures
 - No official fixed budget
 - No cost tracking process in place
 - Cost allocation not consistent
- Missing key positions
- Qualifications of existing staff
- Limited training capabilities

Recommendations

- ***Establish project controls***
- ***Reorganize FMP management team***

Further explanation on the General Findings (noted to the left) include:

- The original FMP, which was clearly meant as a 10 year plan, was never presented in its entirety. There is no master budget and no master schedule tied to the 10 year plan; only concept drawings.
- For the formal approvals of the 5 year implementation plans, the Board was never asked to approve specific projects. Effectively, they approved year-over-year evolving 5 year spending plans. Each successive year overwrites the prior year's approval. To date, no individual project budgets have been firmly established.
- Because there were no formal authorizations for individual projects, it is not possible to determine if a project is actually "over budget". There were myriad reasons why the projects grew from their initial spending estimates, but without a formal budget, it is entirely arbitrary to determine which number is the actual target.
- Despite no formal authorizations from the Board, strict project budgets should have been kept and change management procedures should have been adhered to as changes occurred. There is no evidence that a change management process is in place.
- Projects have been allowed to evolve/grow without a holistic view on the impacts to other projects given the finite yearly funding limitation. What was once a 10 year plan is most likely in excess of 15 years.
- There is no master schedule in place and no concerted effort to forecast costs beyond a single yearly attempt. Without a master schedule and cash flow, it has become an undue burden on Finance to be fiscally responsible to the taxpayers while financing the projects. A master schedule and cash flow need to be created immediately and updated quarterly, at a minimum.
- Facilities has begun implementing a project management control software, Procore. This process should be accelerated and made a priority.

Market Condition



The local market of St. Paul, MN has been experiencing steady growth in recent months and is expected to continue. It appears that the local market conditions could be negatively impacted. While the exact extent of these impacts is unknowable, restricted labor pools will likely increase labor costs while potentially reducing competition on labor intensive trades.

When determining the future costs of construction, the escalation rate applied to an estimate is typically determined by calculating the historical cost increases over the past 5 years and projecting that increase forward to the mid-point of the construction duration. This means the escalation factor does not account for any predicted market condition that exceeds past cost trends. Cost increases predicted to arise from recent or future market conditions are typically added to a cost estimate as a “Bid Contingency” or “Market Factor”. For St. Paul, MN the application of such an additional Escalation Contingency in the amount of 3-5% should be considered.

Financial Oversight



The work in the FMP is funded by a combination of Certificates of Participation (COPs), General Obligation Bonds (GOB or CAP), Long-Term Facilities Maintenance (LTFM), and Fund 01 - General Funds budgeted for Facilities Maintenance, the total of which is approximately \$112M per year. Since the funding is not tied to a voter-approved referendum with a fixed limit, SPPS annually assesses the taxing capacity and state authority to finance these projects through either pay-as-you-go (yearly) or long-term strategies. Because of the relatively complicated nature of these financing strategies relative to a traditional bond referendum, there must be closer coordination between the Finance Department and the Facilities Department. Facilities must provide Finance with cash outflow projections based on the anticipated program master schedule. Finance must provide feedback on expected cash inflow projections to accurately manage the program’s needs. Finance must also be involved in the procurement process whereby they can ensure necessary funds are in place prior to contracting.

We find that neither department is communicating effectively. Facilities does not maintain a master program schedule that can predict cash flows and only updates cash flow projections once a year. Cash flow projections must occur at least quarterly. Finance is not accurately capturing expenditures in their accounting system of record, primarily regarding tagging expenditures to specific campuses. Further, there appears to be substantial confusion over how to fund Furniture, Fixtures, & Equipment (FF&E) expenditures. To identify and tag the appropriate funding source to the correct expenditure, both Finance and Facilities must be on the same page; they currently are not.

FMP Development (Planning/Prioritization)



SPPS implemented a well defined process in the development of the FMP. Thorough community outreach and participation was conducted to create a document that captured the District’s needs on a campus by campus basis.

The process engaged key stakeholders including, SPPS representatives, Campus representatives, Community engagement and outside consulting, architectural and construction expertise.

The process resulted in a document identifying prioritized key needs of the District based on academic, facility condition and growth needs.

While the process used was well defined, the FMP did not account for appropriate risk mitigation strategies that would have allowed for more accurate cost assumptions.

Communication of the status of the FMP is confusing as no summary of program-level metrics have been presented. Examples include:

- Budget presentations represent cash/flow and not project budget
- Projects are delayed based on available funding
- Changes to projects are not presented



Current FMP Projects Review/Analysis



The process used to develop the FMP is typical to the development of a program of this magnitude. However, there have been significant discrepancies in what was planned and what is being delivered.

*The District is not overpaying for the work being delivered.
The District is increasing the amount of work to be delivered.*

The review team analyzed 3 individual campuses with major cost changes. All risk items came into play as opposed to just a few, the vast majority of which were owner-requested changes that should have been known and included in the original scope of work.

The cost increases were identified and established once the due diligence process was initiated and the projects' budgets were increased accordingly. However, this impeded other projects from starting construction so that annual fiscal budget could be maintained.

Once construction contracts were awarded, cost management (absent unforeseen conditions) are within industry norms.

FMP Contract Review Analysis



Contracts awarded for professional and construction services are within the District's policies and procedures and have resulted in multiple vendors competing for the work.

- Architectural - of the 10 projects awarded to date, there were multiple submittals that resulted in 6 different architecture firms being selected.
- Construction - projects are assigned in 2 specific delivery methods.
 - Construction Manager Agent (CMA) - there are currently 2 CMA contracts that are assigned to specific projects. An additional 2-3 CMAs are planned in the near future.
 - Design Bid Build (DBB) is currently used on over half of the projects and are awarded based on best price.

Multiple bids have been received and multiple contractors have been selected based on SPPS procurement procedures.

Areas of improvement would include CMA contractors be required to provide a minimum of 3 bids per each Construction Specification Index (CSI) category. Additionally, the SPPS should consider utilizing best value, as opposed to low-price for non-CMA projects.

Business Process Analysis



Similar to the FMP process, the business process utilized is within SPPS policies and procedures. Primary issues are that there is no master schedule, budget or change management protocols that meet industry standards or best practices. There are no formal decision points or specific deliverables that allow for appropriate checks and balances of a large scale capital improvements program.

Administrative/Logistics



Managing a program of projects of this magnitude requires a clear identification of roles and responsibilities among the myriad departments involved, starting from the Board on down. Many times, when entities drastically increase their capital spending, specific procedures are put in place to facilitate the increased spending, allowing a more streamlined approach to dealing with massive expenditures and possible changes. We do not find evidence that any program specific procedures were put in place to help the District streamline the execution of the FMP. Further, we found evidence to indicate few procedures are in place at all to allow the type of oversight that is necessary for this type of program.

There have been significant staff changes since the approval of the FMP that have added a layer of complexity in understanding all of the assumptions made in the FMP.

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ID	Activity Name	Duration	Start Date	End Date	Assignment Code	Month											
						Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
St Paul Public Schools FMP Program Schedule																	
1	Adams Spangui Innovation School	150	08-Feb-18	11-Jun-18	\$750,000.00												
2	Administration Building	100	08-Feb-18	08-Jun-18	\$140,000.00												
3	AGAP+Advocate Girls and Parenting Education	50	01-Feb-18	30-Jun-18	\$100,000.00												
4	Archimedes Magnet	100	08-Feb-18	08-Jun-18	\$140,000.00												
5	Barack & Michelle Obama Elementary	100	08-Feb-18	08-Jun-18	\$140,000.00												
6	Beck Creek Elementary School	100	08-Feb-18	08-Jun-18	\$140,000.00												
7	Bella Cruz Middle School	100	08-Feb-18	08-Jun-18	\$140,000.00												
8	BellMets Early Education Center	50	01-Feb-18	30-Jun-18	\$100,000.00												
9	Bridge View Elementary School	100	08-Feb-18	08-Jun-18	\$140,000.00												
10	Brown News Elementary School	100	08-Feb-18	08-Jun-18	\$140,000.00												
11	Central High School - Automotive Garage	100	08-Feb-18	08-Jun-18	\$140,000.00												
12	Central High School - Griffin Station	100	08-Feb-18	08-Jun-18	\$140,000.00												
13	Central High School	100	08-Feb-18	08-Jun-18	\$140,000.00												
14	Charles Heights Elementary School	100	08-Feb-18	08-Jun-18	\$140,000.00												
15	Charles Heights Elementary School	100	08-Feb-18	08-Jun-18	\$140,000.00												
16	Community Education Service Center	50	01-Feb-18	30-Jun-18	\$100,000.00												
17	Corn Park Elementary School	100	08-Feb-18	08-Jun-18	\$140,000.00												
18	Corn Park Senior High School	100	08-Feb-18	08-Jun-18	\$140,000.00												
19	Creative Arts Secondary School	100	08-Feb-18	08-Jun-18	\$140,000.00												
20	Crossroads Science & Mathematics	100	08-Feb-18	08-Jun-18	\$140,000.00												
21	STEM Middle School (Formerly Crossroads)	100	08-Feb-18	08-Jun-18	\$140,000.00												
22	Dayton's Buff Achievement Plus Elementary	100	08-Feb-18	08-Jun-18	\$140,000.00												
23	Deane Service Facility	100	08-Feb-18	08-Jun-18	\$140,000.00												
24	Duane-Witte Deferred Maintenance Projects	100	08-Feb-18	08-Jun-18	\$140,000.00												
25	Emory-Wingard Elementary School	100	08-Feb-18	08-Jun-18	\$140,000.00												
26	EQSD for Excellence Elementary	50	01-Feb-18	30-Jun-18	\$100,000.00												
27	Farmersburg Aerospace - Lower	100	08-Feb-18	08-Jun-18	\$140,000.00												
28	Farmersburg Aerospace - Upper	100	08-Feb-18	08-Jun-18	\$140,000.00												
29	Focus Beyond Transition Services	50	01-Feb-18	30-Jun-18	\$100,000.00												
30	Four Seasons At Elementary School	100	08-Feb-18	08-Jun-18	\$140,000.00												
31	Frank Lake Elementary	100	08-Feb-18	08-Jun-18	\$140,000.00												
32	Gallatin Community School	100	08-Feb-18														



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2018 Bond Overview Dashboard

Progress: Pre-design (0), Design (24), Procurement (15)

2018 BOND: \$167.3M (Estimated)

Bond Type Distribution:

- General Obligation (40%)
- Revenue (35%)
- Special Tax (25%)

Name	Amount	Maturity	Interest Rate
1. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
2. 2018 Revenue Bond	\$59,250,000	2028	4.00%
3. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
4. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
5. 2018 Revenue Bond	\$59,250,000	2028	4.00%
6. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
7. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
8. 2018 Revenue Bond	\$59,250,000	2028	4.00%
9. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
10. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
11. 2018 Revenue Bond	\$59,250,000	2028	4.00%
12. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
13. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
14. 2018 Revenue Bond	\$59,250,000	2028	4.00%
15. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
16. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
17. 2018 Revenue Bond	\$59,250,000	2028	4.00%
18. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
19. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
20. 2018 Revenue Bond	\$59,250,000	2028	4.00%
21. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
22. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
23. 2018 Revenue Bond	\$59,250,000	2028	4.00%
24. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
25. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
26. 2018 Revenue Bond	\$59,250,000	2028	4.00%
27. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
28. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
29. 2018 Revenue Bond	\$59,250,000	2028	4.00%
30. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
31. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
32. 2018 Revenue Bond	\$59,250,000	2028	4.00%
33. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
34. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
35. 2018 Revenue Bond	\$59,250,000	2028	4.00%
36. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
37. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
38. 2018 Revenue Bond	\$59,250,000	2028	4.00%
39. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
40. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
41. 2018 Revenue Bond	\$59,250,000	2028	4.00%
42. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
43. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
44. 2018 Revenue Bond	\$59,250,000	2028	4.00%
45. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
46. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
47. 2018 Revenue Bond	\$59,250,000	2028	4.00%
48. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
49. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
50. 2018 Revenue Bond	\$59,250,000	2028	4.00%
51. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
52. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
53. 2018 Revenue Bond	\$59,250,000	2028	4.00%
54. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
55. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
56. 2018 Revenue Bond	\$59,250,000	2028	4.00%
57. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
58. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
59. 2018 Revenue Bond	\$59,250,000	2028	4.00%
60. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
61. 2018 General Obligation Bond	\$67,300,000	2028	4.00%
62. 2018 Revenue Bond	\$59,250,000	2028	4.00%
63. 2018 Special Tax Bond	\$40,750,000	2028	4.00%
64. 2018 General Obligation Bond			

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FMP EXTERNAL REVIEW FINAL 11

Change Management



There is nothing more constant than change. Changes will occur and they must be dealt with. Because changes do occur, they can be anticipated and therefore planned into the budget and schedule. When changes occur, there must be a process for dealing with change, to validate that a change is beneficial, and the cost and schedule impacts fit within the tolerances established. We could not find evidence that a formal change process exists nor that appropriate levels of contingencies were included into any project budgets. It appears that changes were handled almost exclusively within the Facilities Department and if accepted then added to the projects’ budgets. While many of the changes could be beneficial, without a formal change process, Facilities deprives Administration and the Board of validating priorities whenever substantial changes are made. We recommend a formal change management process be implemented immediately.

There are many substantial changes being made, but not at a program level. They are being made at the project level. In some cases, the project added to an existing campus may not be as high of a priority of a need at another campus. These decisions are not being presented or officially approved.

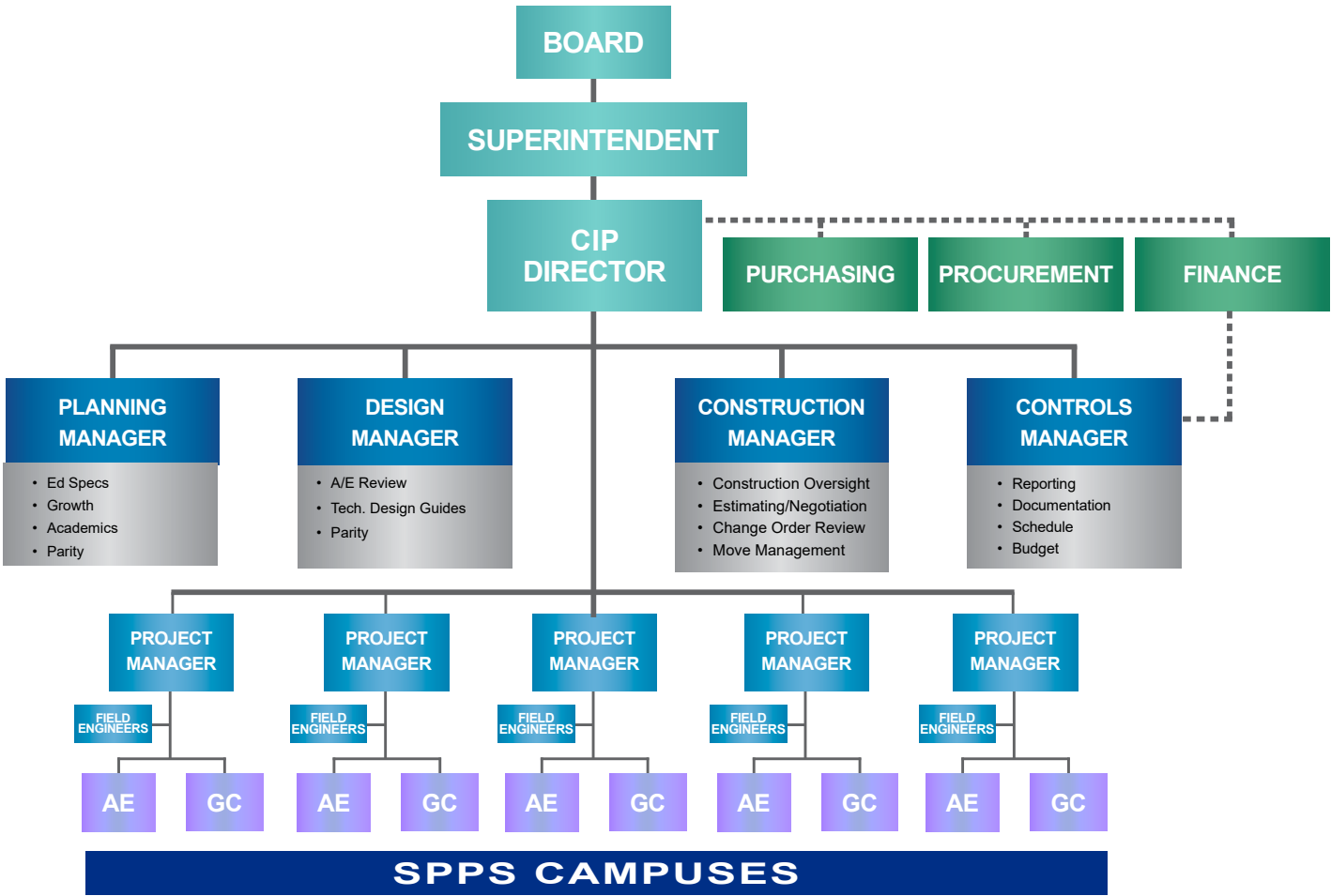
Staffing



Current staffing is not tailored to projects of this scale and complexity. While the organizational structure seems adequate, how staff are assigned, their experience level and metrics for success are not clear.

In addition, there have been staff changes, as well as pending retirements by which the District will lose key expertise. In today’s public education market, it is very difficult to find experienced personnel for projects approaching \$500M over 5 years. These types of projects require a dedicated team from a variety of departments, as well as leadership support to be successful.

The chart below represents the ideal organization of staffing necessary to effectively manage a large Capital Improvements Program (CIP). Some of the positions illustrated can be dual managed, depending on the complexity and knowledge of that project.



General Observations

Projects that had significant budget increases should have been presented to the Board to reconsider the appropriate course of action. Examples include:

- 1.) *Maintain scope to meet the scope/budget that was advertised in the 2016-2021 FMP.*
- 2.) *Add additional scope based on priority at a later date.*
- 3.) *Consider new construction versus renovation of existing.*
- 4.) *What is the overall impact at a program level?*

KEY TAKEAWAYS

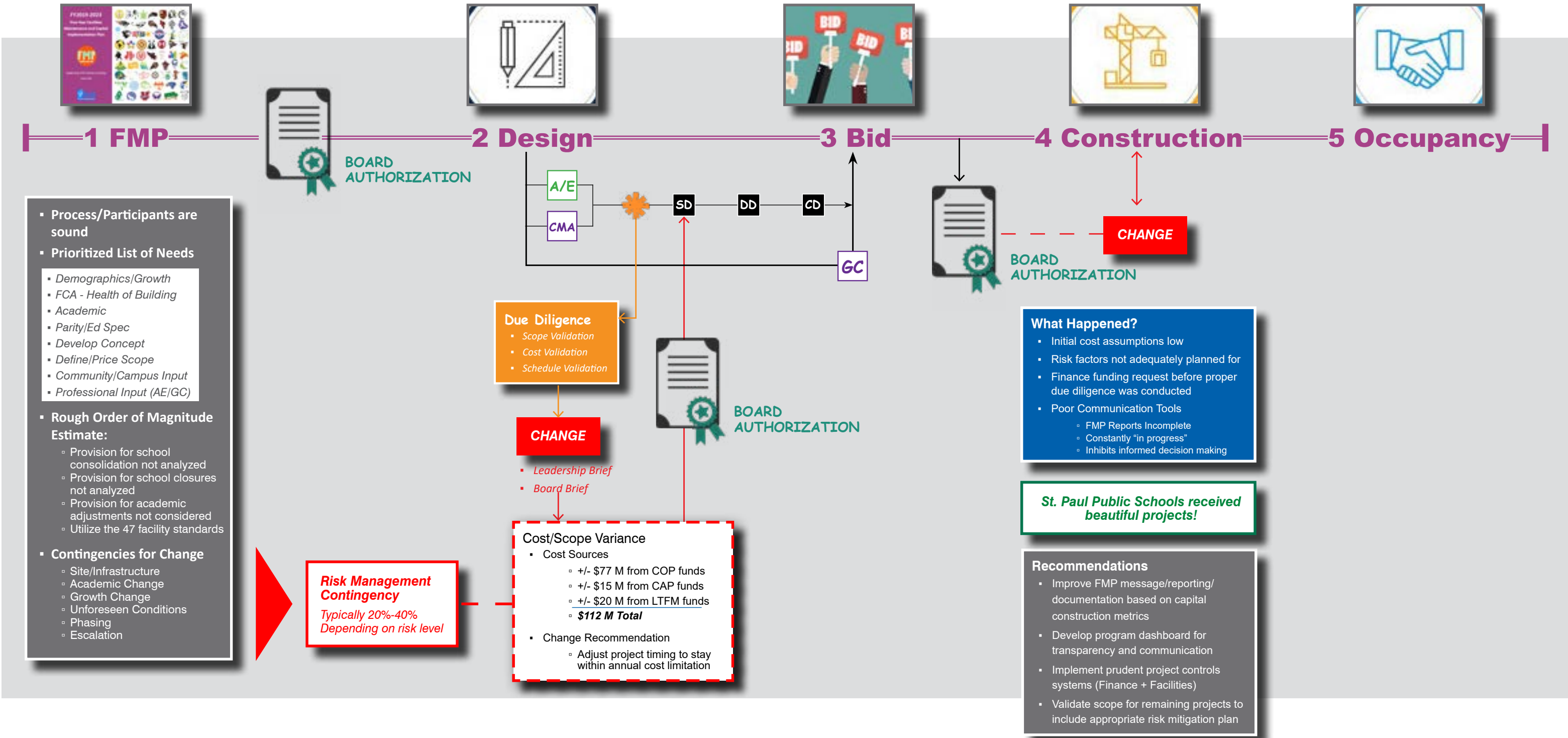
- 1.) Typical master plans carry a 40% contingency based on level of effort
- 2.) FMP is intended to be a rolling plan that is updated annually to adjust to changing factors internal and external to the District
- 3.) SPPS's processes were used in the decision making process
- 4.) Financial liability issues
 - SSPS is working projects on an assumed as projects on assumed annual spend as opposed to fixed specific budgets.
 - Need to have \$ in the bank, before obligating project commitments
- 5.) The scope of the FMP could have been delivered closer to its assumed cost
 - Academic programs were added that were not originally planned or foreseen
 - Level of renovation assumptions were expanded and not anticipated as part of the FMP
- 6.) Major differences between expected expenditures should have included some cost assumption and/or higher contingency levels to offset risk. Typical changes include:
 - Academic changes requiring new construction
 - Site/infrastructure requirements
 - Level of renovation required
 - Cost assumptions
 - Escalation
 - Phasing / swing space
 - Fixed Furniture and Equipment (FFE)
 - Cost / sf

NEXT STEPS

- 1.) Re-initiation of entire program
- 2.) Confirm the integrity of future project expenditures
- 3.) Implement controls program immediately
- 4.) Fast track/implement programs and procedures across the board
- 5.) Consider procedures and financial audit

BUSINESS PROCESS REVIEW

The graphic below shows the general process that SPPS uses in the implementation of the FMP. Of note, the due diligence noted architects on board should have been applied during the development of the FMP or contingencies should have been increased to cover the risks identified.



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2. DETAILED FMP REVIEW

MARKET CONDITION

Introduction

Jacobs is one of the world's largest and most diverse providers of technical, professional, and construction services. Building strong, long-term relationships with our clients is the key to our success as a company. In our continuing effort to enhance the quality of our estimating services, we compile, and catalog *select* market information on a quarterly basis to increase the accuracy and relevance of our estimates. This report summarizes the current St. Paul, MN regional construction trends to assist in evaluating:

- Regional and local economic impacts to the construction industry
- Current and future construction activities in St. Paul, MN
- Current and future availability of regional craft workers and trade contractors
- Cost trends (progression chart) for construction prices in St. Paul, MN

This report also aids in determining budgetary unit prices for key construction materials and identifying risk associated with future availability and prices of materials and labor.

Region Cost Modifier

Figure 1, illustrates FMI forecasted data of total construction spending and forecasted growth by metropolitan areas. The map indicates that the construction activity is expected to moderately grow in the next five years. The bubble size represents total put in place construction spending and forecasted activity.



**Figure 1: FMI Forecast
Total Construction Spending Put in Place 2019 and Forecast Growth**

JACOBS Buildings, Infrastructure and Advanced Facilities | ESTIMATING SERVICES

St. Paul, MN – August 2019

Market Overview

The U.S. Bureau of Labor Statistics unemployment rates indicate that the overall economy in the St. Paul, MN, has declined over the last year. The unemployment rate reported June 2019 was 3.3% which increased in comparison to 2.8% reported in June 2018. The unemployment rate in this region is just under than the most recent national unemployment rate of 3.7%.

Competing Projects

Listed below is *a partial list* of projects (>\$3 million) that are in the planning, bid and post-bid phases in the Minneapolis and St. Paul, MN area as of August 2019.

Project Leads in Planning, Bid, and Post Bid Phase:	
Western U Plaza	\$32M
400 Marquette Ave	\$16M
Mercy Hospital Baby Center	\$16M
Essex and Huron Hotel	\$16M
Golden Valley Senior Living	\$11M
LA Fitness	\$6M

Table-1 St. Paul, MN Area Projects

Labor Cost Trends

RS Means published the 2019 labor costs trends for several of the major construction trades in the St. Paul, MN area; these are illustrated below. According to RS Means, the cost of these trades seems to have increased over the last year. The research further suggests an increase in labor cost can be expected for the next couple of years due to low unemployment numbers and significant uptick in construction activities.

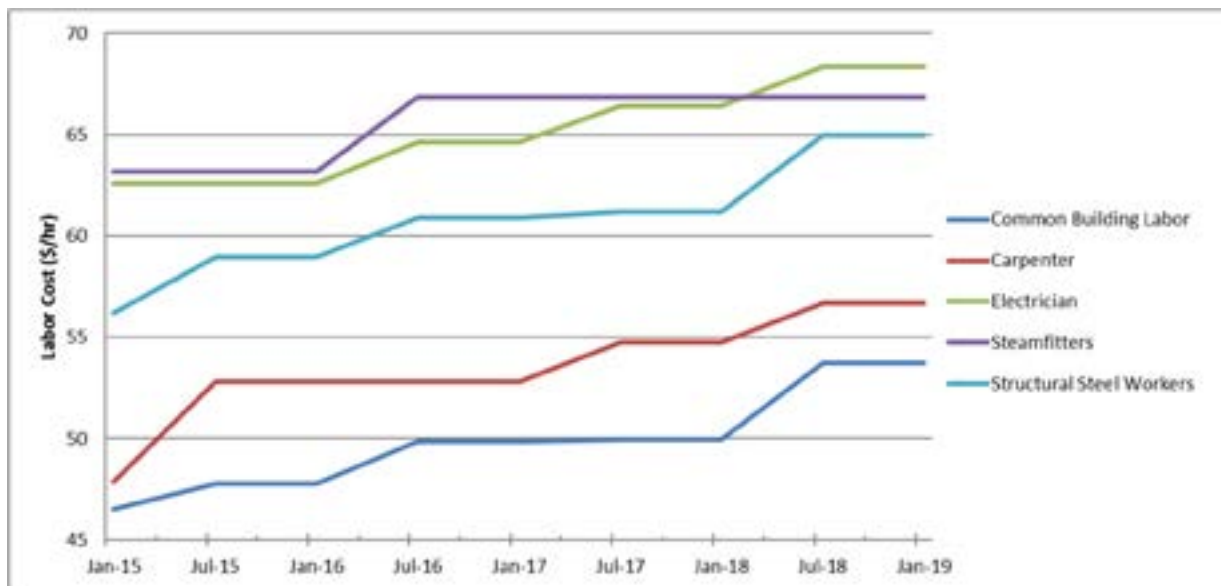


Figure 2: St. Paul, MN Labor Cost Trends (RS Means)

Construction Cost Indexes

A comparison was done on the trend of the RS Means Construction Cost Indexes for St. Paul, MN against the RS Means 30 City National Average Index and the RLB Construction Cost Index, this comparison is illustrated below. The prices in this area appear to be increasing compared to the RS Means National Average.

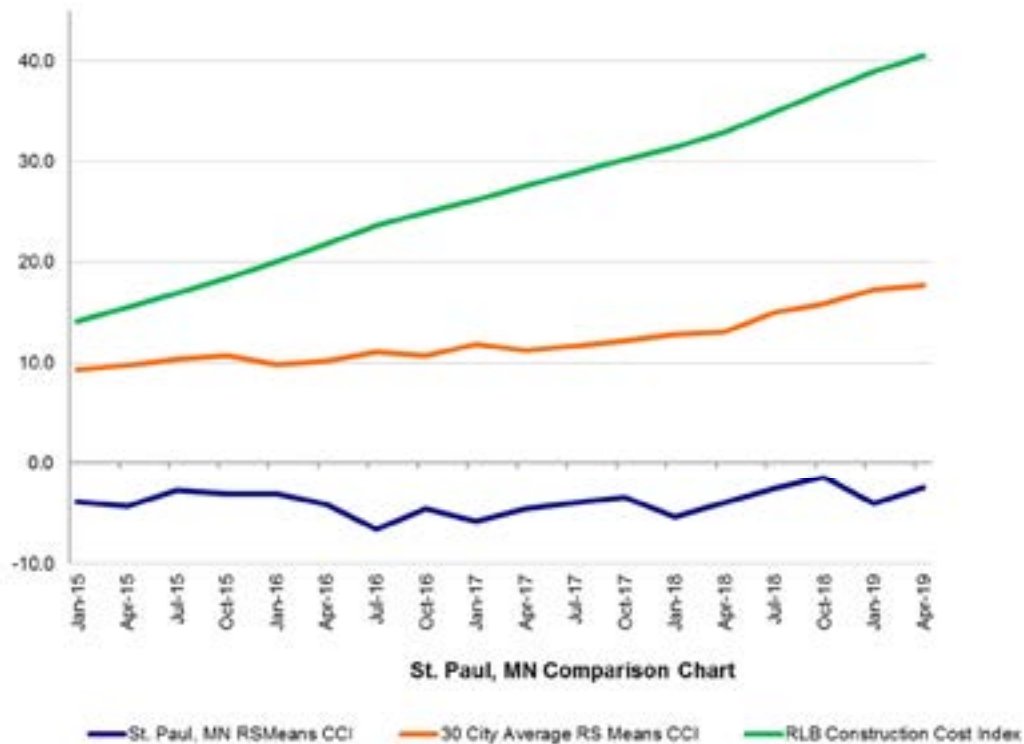


Figure 3: National Indexes vs. St. Paul, MN Construction Cost Index

Sales Tax

In St. Paul, MN sales tax rate is 6.875%.

Conclusions

The local market of St. Paul, MN has been experiencing steady growth in recent months and is expected to continue. It appears that the local market conditions could be negatively impacted. While the exact extent of these impacts is unknowable, restricted labor pools will likely increase labor costs while potentially reducing competition on labor intensive trades.

When determining the future costs of construction, the escalation rate applied to an estimate is typically determined by calculating the historical cost increases over the past 5 years and projecting that increase forward to the mid-point of the construction duration. This means the escalation factor does not account for any predicted market condition that exceeds past cost trends. Cost increases predicted to arise from recent or future market conditions are typically added to a cost estimate as a “Bid Contingency” or “Market Factor”. For St. Paul, MN the application of such an additional Owner’s Contingency in the amount of 3-5% should be considered.

National Construction Trends

Commodity Trends

The Bureau of Labor Statistics (BLS) releases the Producer Price Index (PPI) monthly, providing a look at the average change over time in the selling prices of goods and services – i.e. commodities. The PPI measures price changes from the perspective of the seller. This contrasts with other indexes, such as the Consumer Price Index (CPI), which measures price changes from the consumer’s, or purchasers, perspective. Seller’s and purchaser’s prices differ due to many factors, some of them being government subsidies, sales and excise taxes, and distribution costs. In a given month – the BLS releases the statistics for the previous month in a preliminary manner. These statistics are reviewed and finalized in the four months following the release.

This section includes PPI data released through July 2019. It also includes forecast data from various other sources as noted.

Cu, Al, STL Trends

An overview of yearly commodity trends is important to see and evaluate the effects of these trends over extended periods of time. The PPI cost trends of common metal construction commodities (copper, aluminum, and steel) on a yearly basis from 2015 to 2019 are illustrated in Figure 4.

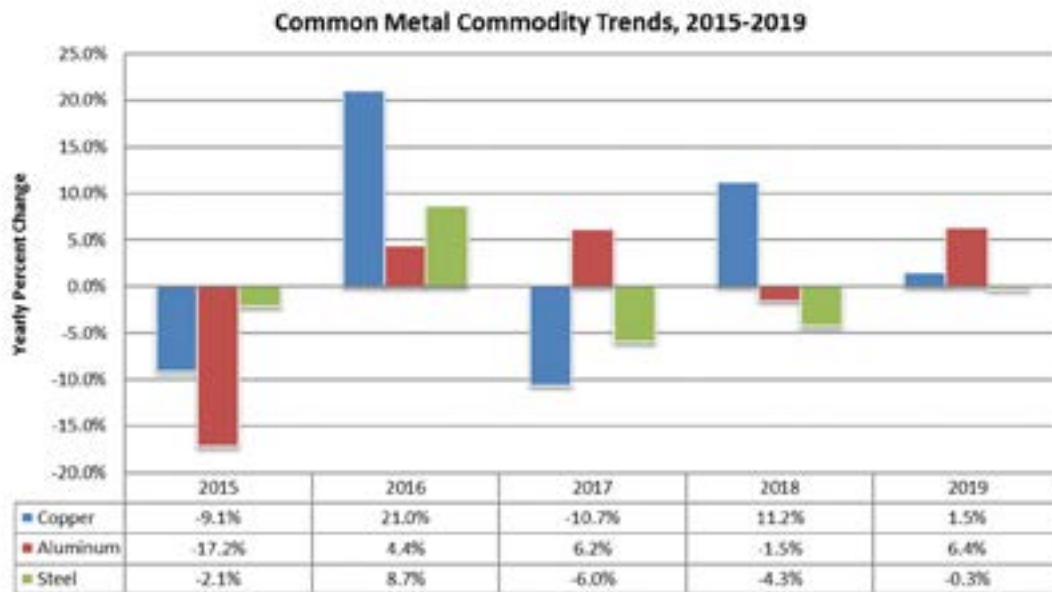


**Figure 4: Cu, Al, STL Yearly Percent Change, 2015-2019
(Producers Price Index)**

- **Copper:** PPI reports that Copper prices fell by 9% in 2015, while other indexes have copper plunging up to 19%. Over the past five years – Copper has cumulatively increased 15% in the PPI. Low/weak demand in global markets has caused Copper prices to fluctuate the last (5) five years. In 2020, Copper prices are expected to increase due to demand in construction projects and US-China Trade war. (Freeport McMoRan's 2020 outlook)
- **Aluminum:** Going into 2020, aluminum experts expect demand to slightly increase and prices to rise, due to higher energy prices and demand-supply mismatch. (Alcoa and Knoema)
- **Steel:** Many industry experts have pointed out that the last (5) five years we have witnessed steel fluctuating in pricing due to demand and trading policies. Experts are predicting a slow rebound and remain positive going into 2020.

Other Construction Material Commodity Trends

Other construction materials reviewed rely more heavily on residential housing, along with the commercial construction markets and tend to be more regional in nature.



Figure 5: Commodity Trends - Other Construction Materials, 2015-2019

- **Concrete:** Portland Cement Association (PCA) has adjusted the consumption forecast to slightly increase going into 2020 due to high interest rates and trading policies.
- **Asphalt:** The cost of asphalt per ton varies depending on the type of asphalt and where you get it from. The prices also depend greatly on crude-oil and fuel costs. According to the PPI, prices for asphalt dropped by over 16% in 2015 mainly due to low crude prices. Industry experts forecast a moderate increase going into 2020.
- **Glass:** US demand for glass products and competition in the market will remain steady. (www.beckgroup.com).
- **Gypsum:** Gypsum products are strongly tied to the residential housing and construction market. Gypsum will continue to see an increase due to demand and current economy.

Construction Put in Place

Construction Put in Place, published by the U.S. Census Bureau, provides an estimate of the total dollar value of construction work completed in the U.S. by month. The publication includes construction work from new structures and improvements to existing structures for both public and private sectors; it includes labor and material cost, cost of architectural and engineering services, overhead cost, interest and taxes, and contractor's profits. Construction spending trends through April 2018 can be found in Figure 6 with comments following.



**Figure 6: Construction Spending Trends – Seasonally Adjusted
(U.S. Census Bureau, July 2019)**

Private residential construction strengthened in 2019. The National Association of Home Builders is expecting that residential construction will continue to upswing in activity due to increased confidence in buyers.

Private non-residential construction remains steady and is expected to maintain this outlook for the rest of the year.

Total public construction is improving at a slower rate than private construction; it is expected to grow moderately in 2020.

National Construction Cost Indexes

The *National Construction Cost Indexes* provide definitive information about national trends in construction prices. Figure 7 illustrates the various construction cost indexes for leading sources including the RS Means CCI, ENR CCI, Turner CCI, and the RLB CCI.

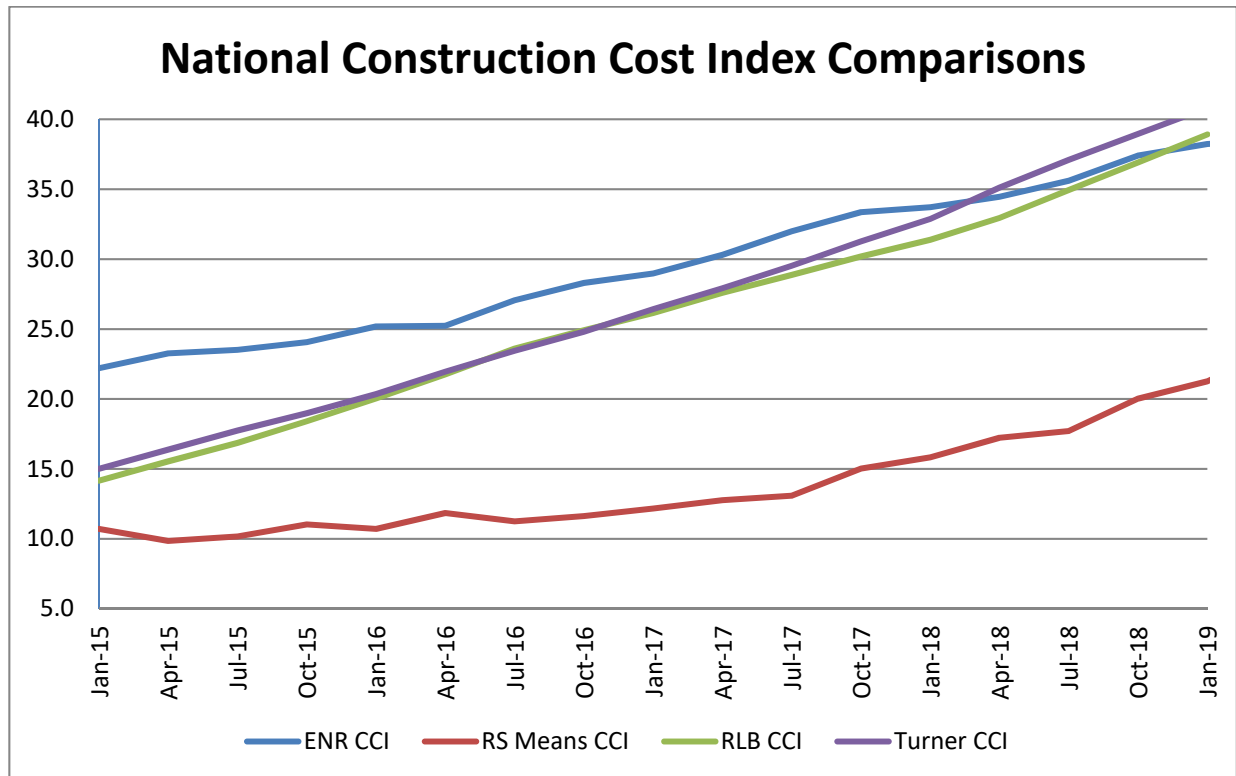


Figure 7: National Construction Cost Indexes

The ENR CCI and RS Means CCI are commodity driven indexes that do not represent market competitiveness – thus, they are easily comparable. Based on the RS Means CCI, construction prices have been consistently pushing upwards but slowing down in rate of growth due to lower commodity prices driven by slow-down in China and low energy prices. The growth will expedite in the near future due to increase in energy prices and other commodities due to increasing levels of construction activities.

The RLB CCI and Turner CCI is a selling price index which includes market competitiveness. The lower selling price index as noted in the RLB CCI and Turner CCI shows that competition among contractors is still high thereby minimizing the cost increases associated with commodities. However, the increase in the RLB index reflects that contractors have started to pass on the impact of price increases of commodities to project owners.

FINANCIAL OVERSIGHT

The work in the FMP is funded by a combination of Certificates of Participation (COPs), General Obligation Bonds (GOB or CAP), Long-Term Facilities Maintenance (LTFM), and on occasion, facilities related budgets in the Fund 01 - General Funds budgeted for Facilities Maintenance, the total of which is approximately \$112M per year. Since the funding is not tied to a voter-approved referendum with a fixed limit, SPPS annually assesses the taxing capacity and state authority to finance these projects through either pay-as-you-go (yearly) or long-term strategies. Because of the relatively complicated nature of these financing strategies relative to a traditional bond referendum, there must be close coordination between the Finance Department and the Facilities Department. Facilities must provide Finance with cash outflow projections based on the anticipated program master schedule. Finance must provide feedback on expected cash inflow projections to accurately manage the program's needs. Finance must also be involved in the procurement process whereby they can ensure necessary funds are in place prior to contracting.

We were provided over 60 files from Finance to evaluate in an attempt to corroborate the financial information we had received from Facilities. We focused primarily on those reports extracted directly from PeopleSoft, their book of record, to minimize any potential data entry errors in other spreadsheets. After several meetings and discussions with Finance, we limited our observations to facilities related Fund Codes 01 and 06, Program Codes 850, 865, 866, 867, 870, and 875 (limiting only to Facilities-related expenses), and excluded Product Code 302. The result of this analysis yielded the total expenditures on capital improvements since FY 2012-2013. The chart below shows those expenditures.

We can see that between FY 2012-2013 and FY 2015-2016, SPPS held nearly steady at around \$30M per year in capital expenditures. When the FMP started for FY 2016-2017 we can see expenditures increase dramatically to a peak of \$188 million in FY 2017-2018. From this analysis, the total

expenditures during FY 2017-2020 are estimated at \$383.1 million.

Further breaking down expenses, during the FMP period, Finance has tracked \$257.42 million in capital expenditures and \$125.67 million in maintenance expenditures. The bulk of these expenditures (72.45%) has been spent on hard costs and land purchases. An additional 10.89% has been spent on professional services while the remaining amounts are allocated across numerous other budget codes.

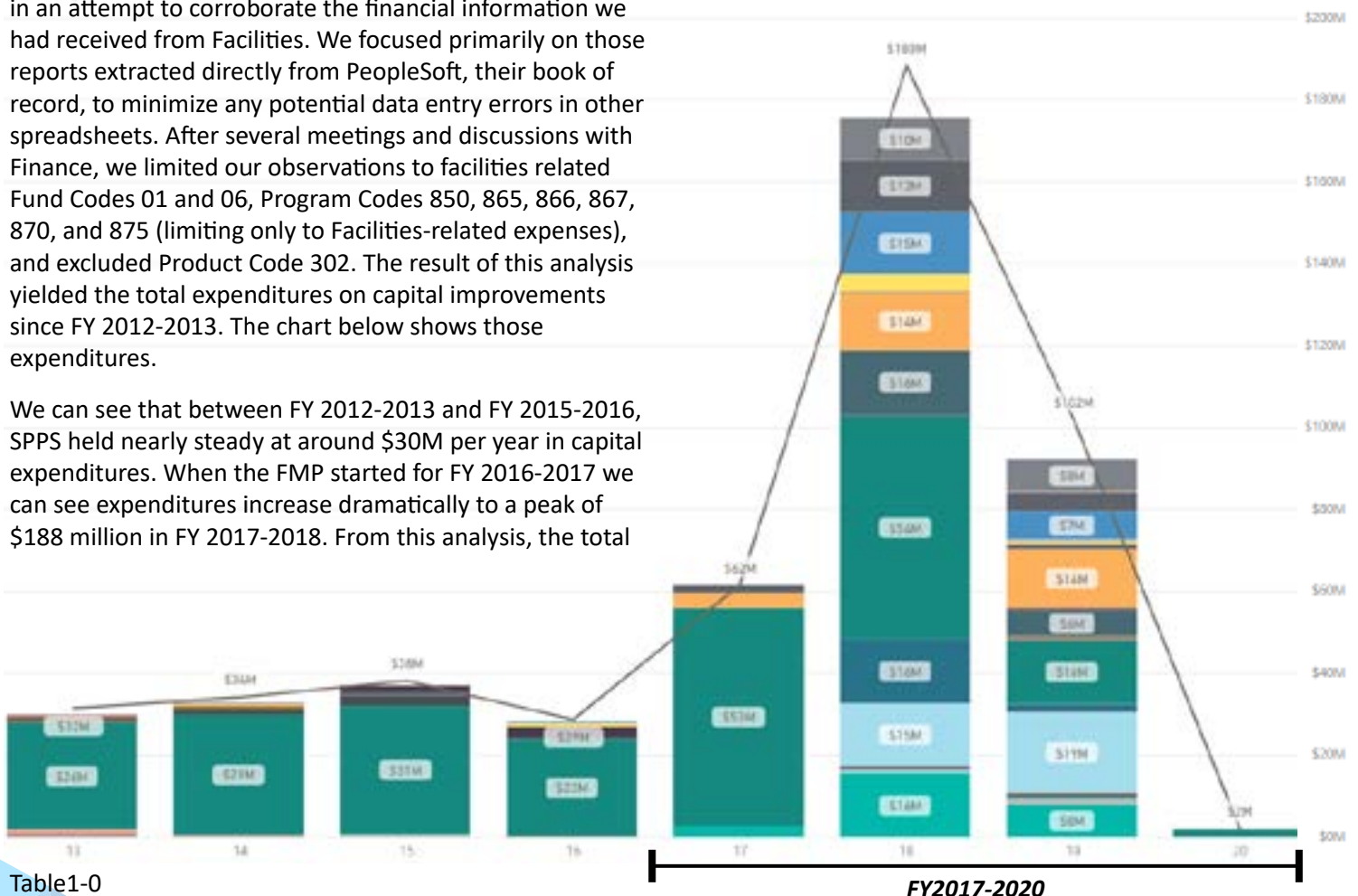
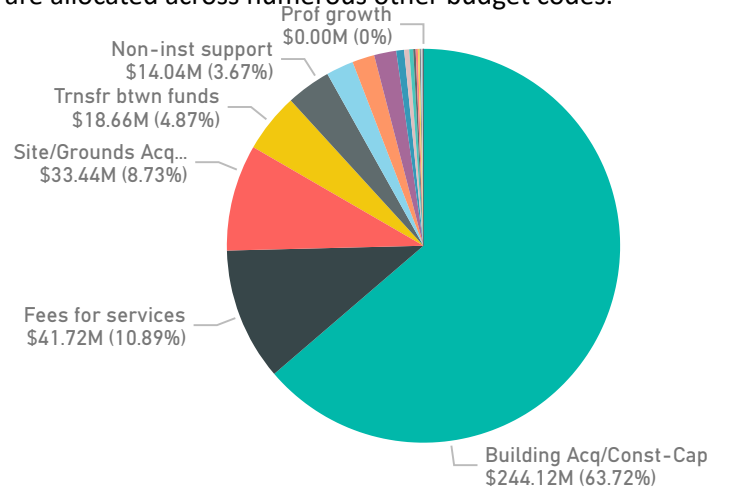


Table1-0

\$257.42 Million - Capital Expenditures
\$125.67 Million - Maintenance Expenditures
\$383.09 Million - Total Estimate Expenditures

In attempting to reconcile Facilities and Finance, we requested an updated cost tracking sheet from Facilities. This would have indicated all of the projects they have managed in the FMP, their budgets, contracts-to-date, and expenditures-to-date, but at the time of this report, we had yet to receive a comprehensive accounting of all projects. Our secondary option was then to pull from a report given by Facilities on May 2, 2019, to the Board of Education, where they provided a list of their projects and expenditures to date on those projects.

- Totaling those up yielded a total of \$228.03 million. This can be mostly compared to the \$257.42M number in Table 1-0 provided by Facilities.
- While these numbers are NOT exact, it's important to note that Finance's numbers are through August 2019, yielding an additional four months of spending not captured by Facilities.
- It is possible that during that time, given the projects ongoing, to have spent close to the \$30 M difference.

The second reconciliation we attempted to make was on a project-by-project basis.

- We know from Facilities' May 2019 report that they had spent nearly \$17 million on Johnson Senior High School. When we pulled the account codes for Johnson from the Finance workbook, we could only identify \$5.31 million. After consulting with Finance on how budget codes were allocated, we are left to conclude that the remaining \$11.7 million is tagged to a bucket of money identified as "district-wide" and is not allocated specifically to Johnson.
- In a different scenario, for example with Adams Spanish Immersion, the May 2, 2019, report indicates that Adams' Board-approved estimate was \$22,906,822 with funding authority from the State up to \$23,962,006. Further, Facilities' report stated that current commitments were \$24,821,815 and current expenditures were \$21,782,821. In other words, Facilities was projecting that Adams would spend no more than \$24.8 million, which is both in excess of the budget and funding authority. According to Finance, they show total expenditures for Adams in excess of \$26.65 million – nearly \$2 million higher than Facilities' projections in May 2019 and nearly \$4 million higher than the Board-approved project estimate.

Observations

These findings are not exhaustive of all the scenarios we were able to identify, but indicative of several issues within Finance and Facilities. Through FY2018, Finance did not adequately tag expenditures at their appropriate campuses, making reconciliation nearly impossible. On the Facilities side, given their lack of a centralized project management control system, are not able to identify all of the projects and money they have managed on behalf of the District.

We also found that Facilities and Finance do not communicate effectively. Given that Facilities does not maintain a master schedule and cash flow projection, they are unable to equip Finance with the information they need to fund these projects properly. For a program of this magnitude and complexity to work, Finance and Facilities must be on the same page; they currently are not.

We recommend SPPS implement a project management control system (PMCS) immediately (see Program Controls section below). Facilities must ensure that Finance is consulted when implementing the cost codes into the PMCS so that monthly reconciliations between Finance's accounting book of record and Facilities' PMCS are flawless and easy.

We recommend a financial audit be performed on Finance's cost tracking for capital expenditures to help identify all of the expenditures, by campus, straight from their book of record and not with the use of secondary and tertiary spreadsheets.

Lastly, we recommend Finance assign a representative to be embedded within the Facilities Department as the liaison between the two groups. Given the funding complexities of this program, it is imperative that Facilities have direct access to Finance for addressing these issues.

Recommendations:

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FMP DEVELOPMENT (PLANNING/PRIORITIZATION)

SPPS implemented a well defined process in the development of the FMP. Thorough community outreach and participation was conducted to create a document that captured the Districts' needs on a campus by campus basis.

The process engaged key stakeholders including, SPPS representatives, Campus representatives, Community engagement and outside consulting, architectural and construction expertise.

The process resulted in a document identifying prioritized key needs of the District based on academic, facility condition and growth needs.

While the process used was well defined, the FMP did not account for appropriate risk mitigation strategies that would have allowed for more accurate cost assumptions.

Communication of the status of the FMP is confusing as no summary of program-level metrics have been presented. Examples include:

- Budget presentations represent cash/flow and not project budget
- Projects are moved based on available funding
- Changes to projects are not presented



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FMP DEVELOPMENT (PLANNING/PRIORITIZATION)

The graphic below shows the general process that SPPS uses in the implementation of the FMP with the addition of observations as to how and when decisions were made. Of note, is that scope, schedule and cost allocation changes from FMP 1 to FMP 2 were presented and approved by the Board. Of concern, is the level of information provided such that the Board could make an informed decision based on extent of the changes.

PLANNING



- Demographics/Growth
- FCA - Health of Building
- Academic
- Parity/Ed Spec
- Develop Concept
- Define/Price Scope
- Community/Campus Input
- Professional Input (AE/GC)

*The result of the FMP is a documented process, the scope of work, a master schedule and budget and general assumptions assumed in its development.

General assumptions with this FMP were:

- Provision for school consolidation not analyzed
- Provision for school closures not analyzed
- Provision for academic adjustments not considered
- Utilize the 47 facility standards

General risk tolerance at a Master Plan level is typically +/- 40% but may vary depending on level of investigation.

Public Awareness

The public is not generally aware of the overall assumptions with the development or implementation of the FMP.

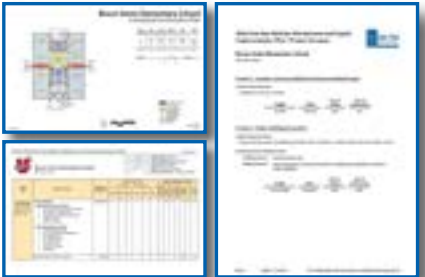
Communication

DID YOU HAVE THIS?

YES



Source: El Paso Independent School District



FACILITIES DOCUMENT

CAMPUS #1 ###
CAMPUS #2 ###
CAMPUS #3 ###
.....
CAMPUS #18 ###
= \$292M

CAMPUS #19 ###
CAMPUS #20 ###
CAMPUS #21 ###
.....
CAMPUS #71 ###
CAMPUS #72 ###
= \$1.1B

FMP #1
5-YEAR
2016 PLAN

Observations

- Information is not summarized in one place.
- There is no Master Schedule that ties the project to budget or cash flow.
- Pricing assumptions are not defined.
- Managing multiple reports/datasets cumbersome and leads to confusion and inability to track change.
- Information not reported at a program level

DESIGN

SCHOOL	2016 PLAN	VARIANCE	2018 UPDATE
1 Humboldt HS	26,767,000	21,233,000	48,000,000
2 Highland MS/HS	16,544,000	17,948,004	34,492,004
3 Obama	19,101,000	17,264,000	36,365,000
4 American Indian	23,099,000	15,401,000	38,500,000
5 Como HS	32,448,000	14,390,807	46,838,807
6 Ramsey MS	11,412,000	12,088,000	23,500,000
7 Bruce Vento	13,577,000	11,458,000	25,035,000
8 Farnsworth Lower	17,126,000	9,022,614	26,148,614
9 Frost Lake	16,907,000	8,622,000	25,529,000
10 Linwood-Monroe L	14,974,000	8,549,224	23,523,224
11 Horace Mann	11,363,000	7,554,727	18,917,727
12 Linwood-Monroe U	15,430,000	6,815,124	22,245,124
13 District Service Ctr	8,623,000	6,415,361	15,038,361
14 Adams SI	17,673,000	6,289,006	23,962,006
15 St. Anthony Park	14,005,000	5,905,000	19,910,000
16 Cherokee Heights	11,686,000	5,314,000	17,000,000
17 Highland Park	17,752,000	2,848,000	20,600,000
18 Phalen Lake	3,717,000	1,784,000	5,501,000
TOTAL	292,204,000	+178,901,867	471,105,867

What Happened?

- Academic change
- Site/ Facility
- Cost/ SF
- Unforeseen conditions
- Light vs. Heavy Reno

What are the options?

- Keep to budget - Plan issues for future
- Assess, prioritize

DECISION POINT

Due Diligence/
Concept Design

DID YOU CONSIDER?

Observations

- Are you sure you don't want to consolidate?
- Are you sure you don't want to close?
- Are you sure that all of the additional scope items were of higher priority than the work at other campuses?
- Were you aware that these issues will most likely arise on future projects?
- Were you aware that many of these projects are >80% of the cost to build new?

CAMPUS TESTS



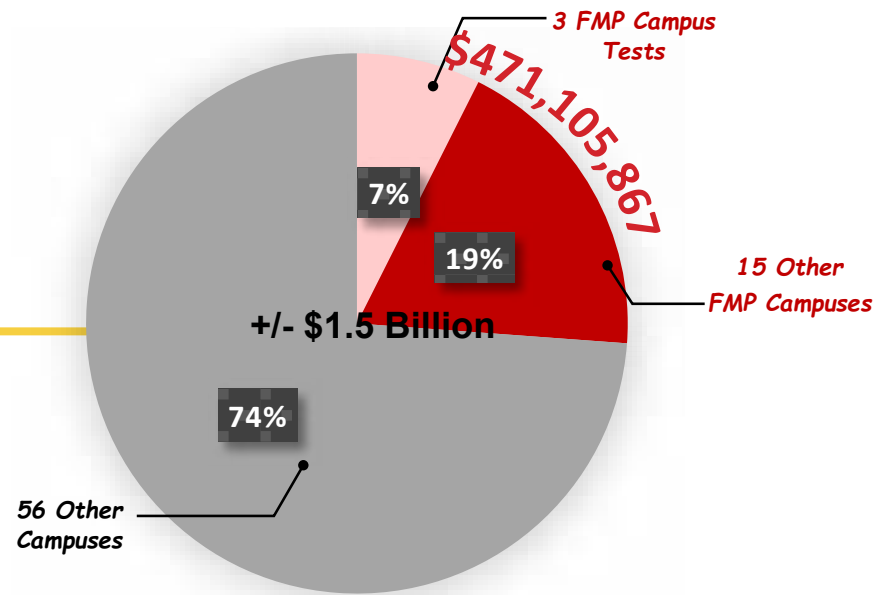
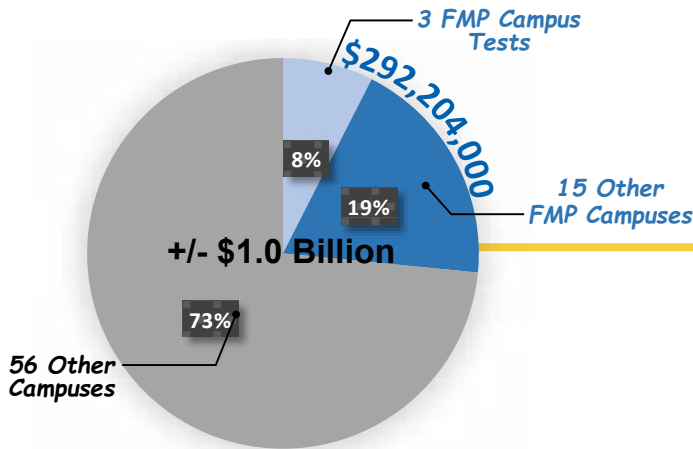
BOARD AUTHORIZATION



BOARD AUTHORIZATION

This flow chart depicts the process utilized in developing the FMP and beginning the implementation process. The chart depicted under Design is based on information published in the St. Paul Pioneer Press. General observations include:

- If this were a traditional plan tied to a general obligation bond the District would not have been able to make the changes approved after FMP 1.
- The approval processes used were within District standard operating procedure in terms of timing, review and approval.
- The Board was made aware of and then approved additional scope items at a high level.
- The Facilities Master Plan was developed at a Rough Order of Magnitude and not as robust as was necessary to develop an accurate budget and should have carried a higher contingency factor.
- Documentation was not organized or reported at a program level. As an example, in FMP 3 FY 2019-2023, there are no summary tables, budgets or schedule information, nor significant changes and impacts from prior reports.



Of the 18 FMP projects noted in pink and red above, the 3 case studies represent 28% of the Total Cost Variance between the 2016 Plan (FMP 1) and the 2018 update (FMP 2). The 7% noted above represents the percentage of the overall program cost assumptions. The remaining campus projects should also be validated to confirm cost allocations.

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CURRENT FMP PROJECTS REVIEW/ANALYSIS

CAMPUS TESTS

Three (3) campuses were selected and analyzed to determine reasoning behind an increase in cost allocation. These are 3 of the 18 campuses published in the Pioneer Press and represent nearly 30% of the overall increase.

SCHOOL	2016 PLAN	2018 UPDATE	VARIANCE
5 Como HS	32,448,000	46,838,807	14,390,807
1 Humboldt HS	26,767,000	48,000,000	21,233,000
4 American Indian	23,099,000	38,500,000	15,401,000
TOTAL	82,314,000	133,338,807	+51,024,807

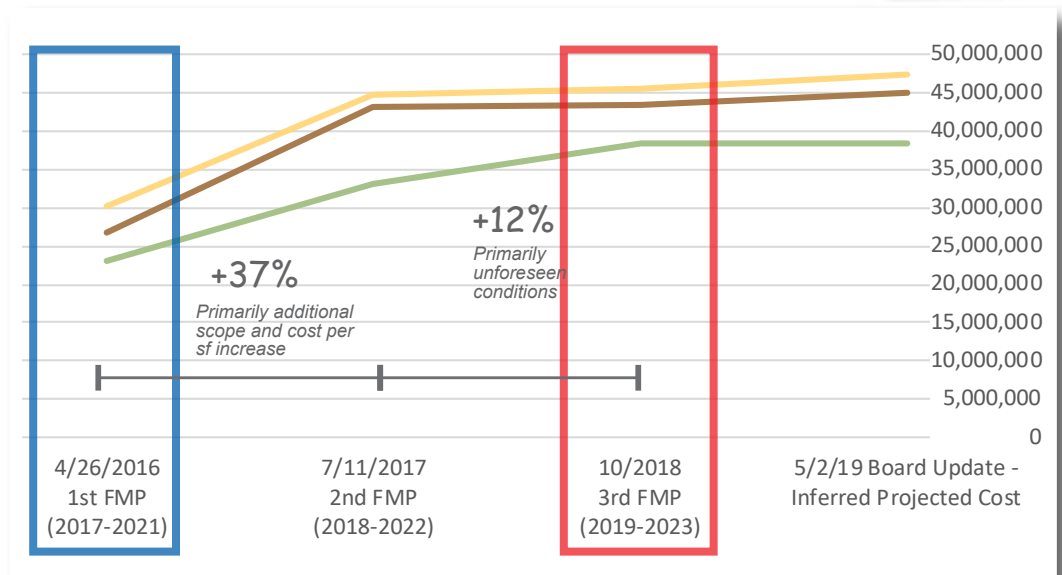
Additional funds for Humboldt from Open World Learning Center. Total = \$30,532,000

28.5% of Total Variance (\$178,901,867)

The graphic to the right illustrates changes identified during the first phase of work. The blue column represents the baseline and the red column represents curriculum and other changes necessary to deliver the scope of work.

Once the scope of work was validated per the red column, the management of the project is within industry tolerances to date.

Remaining projects within FMP 2 should be validated to confirm scope and cost allocations (ie. there are 56 additional campuses to be fully addressed).



Como Park HS What Happened?

- Environmental
- Site/ Civil - Collapsed Pipe
- Additional Sq. Ft.

Humboldt HS What Happened?

- Phasing plan
- Renovation from light to heavy
- No FF&E budgeted
- Additional Sq. Ft. (Academic Change - SPED)

American Indian Magnet School What Happened?

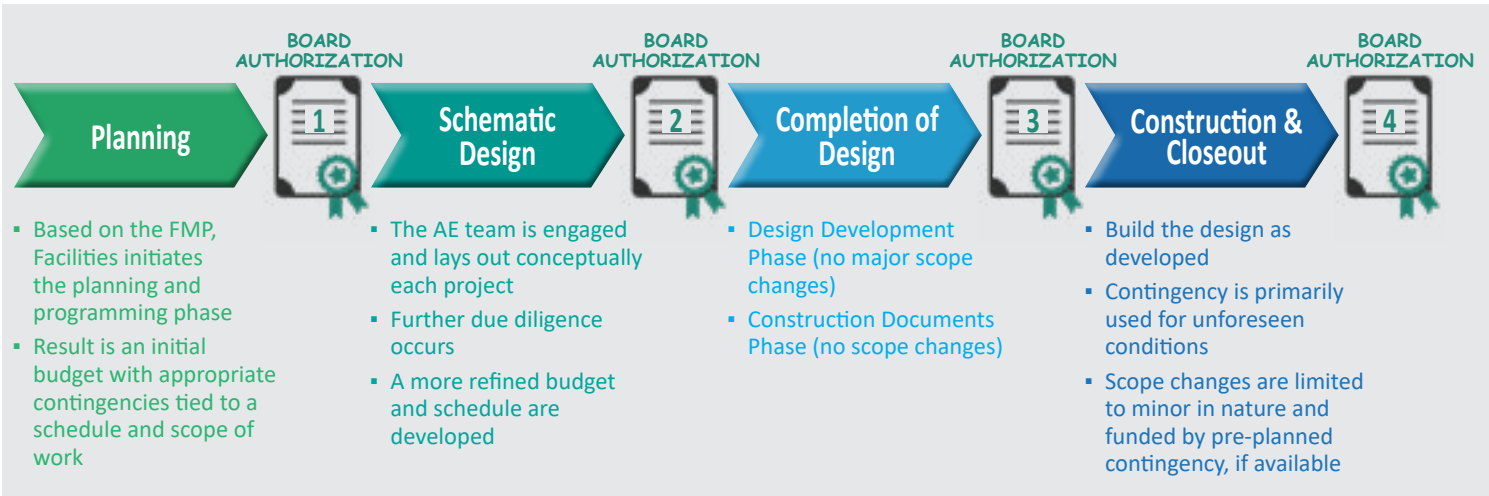
- Mold Remediation
- Unknown Utility Easement
- Programmatic Updates
- Phasing

All projects were missing contingency and FF&E factors. Current projections estimate that an additional \$5 Million will be needed to complete these 3 campuses.

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CURRENT FMP PROJECTS REVIEW / ANALYSIS

As detailed in previous sections of this report, the Facilities Master Plan was originally developed from 2014 to the end of 2015, culminating in the 10 Year Facilities Master Plan presented to the Board on December 15, 2015. This in turn kicked off a rapid increase in capital spending to address the priorities illustrated in the 10-Year FMP and the subsequently-approved 5 Year Implementation Plans. Below is a general timeline of that development.



Each iteration of the FMP was forward looking and did not capture any projects completed in the prior year(s). Therefore, then comparing each of the published 5YPs cannot accurately account for how the program is progressing and whether to consider it a success.

It has been extremely challenging to compare the 5YPs and to make an accurate determination as to the status of the entire program. Individual projects have grown in cost due to myriad reasons, including inaccurate initial cost estimating, inaccurate scoping during planning, excessive unforeseen conditions, lower than normal bid participation on a few trades, inaccurate budgeting (e.g. missing FF&E), owner requested changes, and others. We tested three sample projects – Como Park HS, Humboldt HS, and American Indian: Magnet School - to get a better sense of what caused those projects to increase. We found all of the above issues throughout those campuses. Facilities, to ensure that funding didn't run out, pushed other projects to later dates to address the shortfalls at each of the current campuses.

Comparing FMPs Directly

In an attempt to compare each of the three FMP documents, we translated the PDF documents that were approved by the Board into a data analytics tool to compare side by side. The result shows all of the campuses on the left and all of the scopes of work on the right.

FMP Tracking			
Campus	FMP 1	FMP 2	FMP 3
Adams Spanish Immersion School	\$17,873,000	\$21,990,000	\$21,990,000
Administration Building	\$1,446,000	\$1,942,500	\$1,341,000
AGAPE - Adolescent Girls and Parenting Education	\$795,000	\$197,000	\$609,000
American Indian Magnet School	\$23,299,000	\$33,000,000	\$38,100,000
Barack & Michelle Obama Elementary	\$19,101,000	\$26,415,000	\$32,840,000
Battle Creek Elementary School	\$3,260,000	\$1,912,000	\$28,130,000
Battle Creek Middle School	\$1,791,000	\$2,111,000	\$1,333,000
Belvidere Early Education	\$5,91,000	\$579,000	\$421,000
Bridgeview School	\$2,193,000	\$2,793,000	\$2,364,000
Bruce Mans Elementary School	\$13,577,000	\$21,888,000	\$28,935,000
Central High School	\$7,951,000	\$2,077,000	\$2,357,000
Central High School - Automotive Garage	\$14,000	\$40,000	\$98,000
Central High School - Griffin Stadium	\$1,509,000	\$1,379,000	\$1,329,000
Cherokee Heights Elementary School	\$550,000	\$578,000	\$634,000
Cherokee Heights Elementary School	\$11,580,000	\$14,448,000	\$17,040,000
Community Education Service Center	\$563,000	\$39,000	\$99,000
Cornio Park Elementary School	\$1,210,000	\$919,000	\$780,000
Cornio Park Senior High School	\$32,440,000	\$41,406,000	\$45,870,000
Creative Arts Secondary School	\$373,000	\$376,000	\$379,000
Crossroads Montessori - Science	\$810,000	\$810,000	\$560,000
Depton's Bluff Achievement Plus Elementary	\$950,000	\$743,000	\$675,000
District Service Facility	\$8,623,000	\$11,795,000	\$13,650,000
District Wide Deferred Maintenance	\$14,790,000	\$11,690,000	\$16,100,000
Eastern Heights Elementary School	\$677,000	\$679,000	\$17,842,000
E-171M Middle School (Formerly Crosswinds)	\$63,000,000	\$67,000,000	\$3,200,000
ERPC for Excellence Elementary	\$452,000	\$403,000	\$810,000
Farmsworth Aerospace - Lower	\$17,820,000	\$21,951,000	\$26,054,000
Farmsworth Aerospace - Upper	\$6,521,000	\$6,799,000	\$6,180,000
Felix Beyond Transition Services	\$420,000	\$690,000	\$714,000
Four Seasons Ar Elementary School	\$554,000	\$34,004,000	\$10,499,000
First Lake Elementary	\$16,907,000	\$21,814,000	\$25,329,000
Galler Community School	\$291,000	\$627,000	\$627,000
Gordon Parks High School	\$1,979,000	\$4,046,000	\$7,343,000
Grandview High School (Formerly Central High School)	\$600,000	\$1,518,000	\$600,000
Total	\$490,701,000	\$602,715,300	\$795,784,900

FMP 1 - 2017-2021 Scopes of Work			
Campus	Project	Est. Cost	Start of Design Start of Construction
River East	Project 1: Acquisition of Lease of Rane Site	\$0	2016 2017
Creative Arts High School	Project 2: Security Camera Installation	\$3,300	2017 2018
Whitlock Early Learning Center	Project 3: Electrical System Upgrades	\$4,300	2018 2020
Nikomes Montessori South School	Project 3: Existing Building System Upgrades	\$7,000	2019 2020
Platen Lake Learning Studies	Project 3: Existing Building System Upgrades	\$5,000	2019 2020
Magnet			
Total		\$490,701,000	

FMP 2 - 2018-2022 Scopes of Work			
Campus	Project Type	Project Description	Est. Cost 201
Cornio Park Senior High School	ASSET PRESERVATION	Replace exterior doors	\$0 D/C
Open World Learning	CAPITAL	Communication & Security Cameras	\$3,000
Cherokee Heights Elementary School	ASSET PRESERVATION	Electrical Panelboards	\$3,000
Whitlock Early Learning Center	ASSET PRESERVATION	Partial Electrical Panelboards	\$4,000
Creative Arts Secondary School	CAPITAL	Communication & Security Cameras	\$4,000
Gordon Parks High School	RENOVATION and ADDITION	Communication & Security Cameras	\$0,000
Nikomes Montessori Magnet School - South	ASSET PRESERVATION	Electrical Panelboards	\$7,000
Total			\$402,754.30

FMP 3 - 2019-2023 Scopes of Work			
Campus	Project Type	Project Description	Est. Cost
Depton's Bluff Achievement Plus Elementary	ASSET PRESERVATION	Chuck Monitor Replacement	
Open World Learning	CAPITAL	Communication & Security Cameras	
Creative Arts Secondary School	CAPITAL	Communication & Security Cameras	
Battle Creek Elementary School	ASSET PRESERVATION	Interior Lighting Replacement	
Gordon Parks High School	RENOVATION and ADDITION	Communication & Security Cameras	
FMP School Work Scopes A, B, & C			
Grandview Park Elementary School	ASSET PRESERVATION	Exterior Lighting Replacement	
L'Espresso Nord French Immersion School - Lower	ASSET PRESERVATION	Exterior Lighting Replacement	
Farmsworth Aerospace - Upper	CAPITAL	Communication & Security Cameras	
Central High School - Automotive Garage	ASSET PRESERVATION	Electrical Distribution System Replacement	
Total			\$79

Using this tool we were able to pulled out changes, additions, and deletions in scopes for each individual campus. One important note is that FMP 1 was presented in a completely different format and therefore more difficult for a direct apples-to-apples comparison. We've included the high-level project titles in this report, but when we make reference to details, we are referring back to the original FMP document.

We have identified select samples on the following pages.

Adams Spanish Immersion

FMP 1 - 2017-2021 Scopes of Work

Project	Est. Cost	Start of Design	Start of Construction
Project 2: Pavement Maintenance	\$107,000	2019	2020
Project 1: Major Building Renovation and Addition	\$17,566,000	2016	2017
Total	\$17,673,000		

FMP 2 - 2018-2022 Scopes of Work

Project Type	Project Description	Est. Cost	2017	2018	2019	2020	2021	2022
RENOVATION and ADDITION	Project Highlights: Capital Improvement Key Points: ☐ Three-story general learning addition ☐ Renovation of existing Learning Spaces ☐ Cafeteria and Kitchen addition ☐ Renovation of Administration Asset Preservation Key Points: ☐ Restore exterior brick	\$21,980,000	D/C	C	C			
Total		\$21,980,000						

FMP 3 - 2019-2023 Scopes of Work

Project Type	Project Description	Est. Cost	2018	2019	2020	2021	2022	2023
RENOVATION and ADDITION FMP School Work Scopes: A, B, C, & D	Project Highlights: Capital Improvement Key Points: ☐ Three-Story General Learning Addition ☐ Renovation of Existing Learning Spaces ☐ Cafeteria and Kitchen Addition ☐ Renovation of Administration Asset Preservation Key Points: ☐ Restore Exterior Brick ☐ Partial Roof Replacement ☐ New Flooring Throughout ☐ HVAC and Controls Replacement ☐ New Outdoor Playground and Landscape ☐ Parking and Sidewalks Replacement ☐ Site Playground	\$21,980,000	C	C				
Total		\$21,980,000						

There were two major changes in this program. First, the “Pavement Maintenance” project was consolidated and accelerated into the major project. Secondly, the major project increased in value from \$17,673,000 to \$21,980,000. By our best estimate, this is the current status of Adams Spanish Immersion.

	FMP 1	FMP 2	FMP 3	5/2/19 Board Update	Costs Tracked by Finance (current)
Estimated Final Cost	17,566,000	21,980,000	21,980,000	24,821,815	
Current Costs				21,782,821	26,649,097
Estimated Start	2016	2017	2017	2017	
Estimated Finish	2018	2019	2019	2019	

American Indian Magnet School

FMP 1 - 2017-2021 Scopes of Work

Project	Est. Cost	Start of Design	Start of Construction
Project 1: Major Building Renovation & Addition	\$13,099,000		2018
Total	\$23,099,000		

FMP 2 - 2018-2022 Scopes of Work

Project Type	Project Description	Est. Cost	2017	2018	2019	2020	2021	2022
ASSET PRESERVATION	Project Highlights: Capital Improvement Key Points: ☐ Four-story general learning addition ☐ Administration Office addition ☐ Event Center & public digital commons addition ☐ Renovation of existing Learning Spaces ☐ Renovation of Restrooms ☐ Cafeteria and Kitchen addition	\$33,000,000		D	C	C		
Total		\$33,000,000						

FMP 3 - 2019-2023 Scopes of Work

Project Type	Project Description	Est. Cost	2018	2019	2020	2021	2022	2023
RENOVATION and ADDITION FMP School Work Scope: A & B	Project Highlights: Capital Improvement Key Points: ☐ Four-Story General Learning Addition ☐ Administration Office Addition ☐ Event Center & Public Digital Commons Addition ☐ Renovation of Existing Learning Spaces ☐ Renovation of Restrooms ☐ Cafeteria and Kitchen Addition ☐ Communication & Security Cameras Asset Preservation Key Points: ☐ Plumbing Replacement ☐ HVAC and DDIC Controls Replacement ☐ Lighting Replacement ☐ Doors and Hardware ☐ Miscellaneous Other	\$38,500,000	D	D	C	C		
Total		\$38,500,000						

There were two major changes. The budget was increased in each FMP and the start of construction has not started and was delayed by one year. By our best estimate, this is the current status of American Indian Magnet.

	FMP 1	FMP 2	FMP 3	5/2/19 Board Update	Costs Tracked by Finance (current)
Estimated Final Cost	23,099,000	33,000,000	38,500,000	38,500,000	
Current Costs				123,378	490,441
Estimated Start	2018	2018	2018	2019	
Estimated Finish	2020	2020	2021	TBD	

Como Park High School

FMP 1 - 2017-2021 Scopes of Work

Project	Est. Cost	Start of Design	Start of Construction
Project 3: Existing Building Systems Upgrades	\$305,000	2020	2021
Project 2: Athletics Improvements	\$1,843,000	2017	2018
Project 1: Major Building Renovation & Addition	\$30,300,000	2016	2017
Total	\$32,448,000		

FMP 2 - 2018-2022 Scopes of Work

Project Type	Project Description	Est. Cost	2017	2018	2019	2020	2021	2022
ASSET PRESERVATION	Replace exterior doors	\$0	D/C				D/C	
ASSET PRESERVATION	Site: Resurface Tennis Courts	\$74,000					D/C	
RENOVATION and ADDITION	Site: New Softball and Baseball Dugouts	\$94,000				D	C	
RENOVATION and ADDITION	Site: Artificial Turf Field replacement	\$108,000						
ASSET PRESERVATION	Site: Electrical - MV Service replacement	\$230,000				D	C	
RENOVATION and ADDITION	Project Highlights: Capital Improvement Key Points:	\$44,900,000	D/C	C	C			
Total		\$45,406,000						

FMP 3 - 2019-2023 Scopes of Work

Project Type	Project Description	Est. Cost	2018	2019	2020	2021	2022	2023
ASSET PRESERVATION	Site: Resurface Tennis Courts	\$150,000					D/C	
RENOVATION and ADDITION	Site: New Softball and Baseball Dugouts	\$190,000			D	C		
FMP School Work Scopes: A, B, D, & E								
ASSET PRESERVATION	Site: Electrical - MV Service Replacement	\$230,000			D	C		
RENOVATION and ADDITION	Project Highlights: Capital Improvement Key Points: □ Two-story General Learning Addition □ Renovation of Existing Learning Spaces □ Renovation of Cafeteria, Student Common □ Outdoor Learning Area □ Renovation of Main Entry Asset Preservation Key Points: □ Flooring Replacement Throughout	\$44,900,000	C	C	C			
FMP School Work Scopes: A, B, D, & E								
Total		\$45,470,000						

There were several modifications in the iterations of the FMPs.

- Project 3 (\$305,000) in the first FMP correlates to FMP 2 in the “Replace Exterior Doors,” “Resurface Tennis Courts,” and “Site Electrical” which totals \$304,000 and correlates to FMP 3 for a total of \$380,000 (note that “Replace exterior doors” actually moved into the major capital project in FMP 3).
- Project 2 (\$1,843,000) in the first FMP correlates to FMP 2 in Dugouts and Turf replacement lines for a total of \$202,000 and to the Dugouts line in FMP 3 for a total of \$190,000. The first FMP had included pole-mounted lighting but we cannot find reference to that in future FMPs. It also appears the artificial turf replacement was planned for some time beyond 2022 and dropped from FMP 3.
- Project 1 (\$30,300,000) in the first FMP grew to \$44,900,000 in the subsequent FMPs. It appears the only scope difference identified in the FMP documents was to include the exterior doors in the major project.

Based on discussions with Facilities, we also identified that the building footprint grew from the original planned scope and there were unknown environmental conditions that caused the price to increase.

By our best estimate, this is the current status of Como Park High School.

	FMP 1	FMP 2	FMP 3	5/2/19 Board Update	Costs Tracked by Finance (current)
Estimated Final Cost	30,300,000	44,900,000	45,470,000	47,530,242	
Current Costs				33,713,920*	34,782,513
Estimated Start	2016	2016	2016	2016	
Estimated Finish	2020	2020	2020	2019	

* Following meetings with Facilities, they identified the discovery of a previously unknown collapsed pipe under the existing building. Their current projections indicate Como Park High School may cost close to \$50 million when the project is complete.

Rondo Building: Mays International Magnet / Capitol Hill Magnet

FMP 1 - 2017-2021 Scopes of Work

Project	Est. Cost	Start of Design	Start of Construction
Project 3: Site Improvements	\$150,000	2020	2021
Project 1: Security Camera Installation & Existing Building System Upgrade	\$689,000	2016	2017
Project 2: Instructional Audio / Visual Installation	\$1,448,000	2017	2018
Total	\$2,287,000		

FMP 2 - 2018-2022 Scopes of Work

Project Type	Project Description	Est. Cost	2017	2018	2019	2020	2021	2022
CAPITAL	Communication & Security Cameras	\$33,000		D/C				
ASSET PRESERVATION	Site: Upgrade playground paving and grass area	\$150,000				D/C		
CAPITAL	Instructional Audio/Visual	\$1,448,000				D/C		
Total		\$1,631,000						

FMP 3 - 2019-2023 Scopes of Work

Project Type	Project Description	Est. Cost	2018	2019	2020	2021	2022	2023
CAPITAL	Communication & Security Cameras	\$33,000	C	C				
ASSET PRESERVATION	Exterior Lighting Replacement	\$50,000		C				
ASSET PRESERVATION	Doors & Hardware	\$75,000				C		
ASSET PRESERVATION	Playground Paving and Grass Area	\$165,000	C					
ASSET PRESERVATION	Chiller Replacement	\$600,000	C					
CAPITAL	Instructional Audio/Visual	\$1,700,000					D/C	
Total		\$2,623,000						

Rondo is another interesting case study in that only a flooring replacement project has been completed to date.

- In the first FMP, the floor replacement was included under Project 1 for \$689,000 (the security camera upgrades were not identified in the first FMP).
- The second FMP added \$33,000 for security cameras and dropped the flooring project which was completed.
- The third FMP increased the value for the playground from \$150K to \$165K. It also increased the value of Instructional A/V from \$1,448,000 to \$1,700,000, presumably to account for increased escalation as the project was pushed back. Lastly, the third FMP also added \$50K for exterior lighting, \$75K for doors and hardware, and \$600K for a chiller replacement.

By our best estimate, this is the current status of the Rondo Building.

	FMP 1	FMP 2	FMP 3	5/2/19 Board Update	Costs Tracked by Finance (current)
Estimated Final Cost	2,287,000	1,631,000*	2,623,000*	662,151**	
Current Costs				657,664	485,213***
Estimated Start	2016	2016	2016	2016	
Estimated Finish	2021	2020	2022	2016**	

*These estimated costs no longer include the \$689,000 which was completed prior to the second FMP being published and is an example of how the entire picture of what work was completed at each campus is not demonstrated in the FMP documents.

**Facilities only reported on the flooring replacement project which is why the number is less than the total of anticipated projects.

***The discrepancy may be attributed to the financial recording issues discussed above. The remaining \$172,451 that Facilities reports having been spent is most likely tagged by Finance to the catch-all "district-wide" category.

Johnson Senior High School

FMP 1 - 2017-2021 Scopes of Work

Project	Est. Cost	Start of Design	Start of Construction
Project 2: Athletics Improvements	\$190,000	2017	2018
Project 3: Instructional Audio / Visual Installation & Existing Building System Upgrades	\$10,290,000	2019	2020
Project 1: Select Building Renovation & Addition	\$16,000,000	2015	2016
Total	\$26,480,000		

FMP 2 - 2018-2022 Scopes of Work

Project Type	Project Description	Est. Cost	2017	2018	2019	2020	2021	2022
ASSET PRESERVATION	Exterior Doors and Hardware	\$7,000		D/C				
RENOVATION and ADDITION	Site: New pole-mounted lighting for athletic fields	\$187,000				D/C		
RENOVATION and ADDITION	Instructional Audio/Visual	\$520,000				D/C		
ASSET PRESERVATION	Remaining HVAC replacement	\$9,200,000					D	C
RENOVATION and ADDITION	Project Highlights: Capital Improvement Key Points: □ Renovation of existing general learning space	\$15,500,000	D/C	C				
Total		\$25,414,000						

FMP 3 - 2019-2023 Scopes of Work

Project Type	Project Description	Est. Cost	2018	2019	2020	2021	2022	2023
ASSET PRESERVATION	Interior Lighting Replacement Gymnasium and Pool	\$60,000				C		
CAPITAL	Site: New Pole-Mounted Lighting for Athletic Fields	\$220,000					D/C	
CAPITAL	Remaining Instructional Audio/Visual	\$520,000				D/C		
ASSET PRESERVATION	Remaining HVAC and Controls Replacement	\$10,000,000				D	C	
Total		\$10,800,000						

Johnson is another interesting example because it fully displays the complexity of this analysis.

- Lighting at the baseball and football/soccer field changed from \$190K in the first FMP to \$187K in the second FMP to \$220K in the third FMP, with the project being delayed from 2018 to 2020 to 2021.
- Exterior Doors and Instructional A/V were included with HVAC upgrades in the first FMP for a total of \$10,290,000. In the second and third FMPs they were broken out (\$9,727,000 in second FMP and \$10,520,000 in the third FMP). Note also that it appears the exterior doors were completed in 2018 because they do not appear in the third FMP.
- The third FMP added a new scope of \$60,000 for lighting replacement in the gymnasium and pool. It also dropped the major renovation project as it was completed prior to the FMP being approved.

By our best estimate, this is the current status of Johnson Senior High School.

	FMP 1	FMP 2	FMP 3	5/2/19 Board Update	Costs Tracked by Finance (current)
Estimated Final Cost	26,480,000	25,414,000	10,800,000*	17,048,613**	
Current Costs				16,993,622***	5,308,721***
Estimated Start	2015	2015	2015	2016	
Estimated Finish	2020	2022	2022	2018**	

* These estimated costs no longer include the major construction projects which was completed prior to the third 5YP being published and is an example of how the entire picture of what work was completed at each campus is not demonstrated in the FMP documents.

** Facilities only reported on the major renovation project which is why the number is less than the total of anticipated projects in the first two FMPs and greater than the third FMP.

*** The discrepancy may be attributed to the financial recording issues discussed above. The remaining \$11,684,901 that Facilities reports having been spent is most likely tagged by Finance to the catch-all "District-wide" category.

**** The best guess at this point is that Johnson Senior High School will exceed \$27.8M when all projects are complete.

Humboldt High School & Open World Learning

FMP 1 - 2017-2021 Scopes of Work

Campus	Project	Est. Cost	Start of Design	Start of Construction
Humboldt High School	Project 2: Athletics improvements	\$201,000	2018	2019
Open World Learning	Project 2: Existing Building System Upgrades	\$242,000	2018	2019
Open World Learning	Project 3: Existing Building System Upgrades	\$677,000	2020	2021
Open World Learning	Project 1: Select Building Renovation & Addition	\$3,745,000	2016	2017
Humboldt High School	Project 1: Major Building Renovation & Addition	\$26,566,000	2016	2017
Total		\$31,431,000		

FMP 2 - 2018-2022 Scopes of Work

Campus	Project Type	Project Description	Est. Cost	2017	2018	2019	2020	2021	2022
Open World Learning	CAPITAL	Communication & Security Cameras	\$3,000		D/C				
Open World Learning	ASSET PRESERVATION	Exterior Doors and Hardware	\$17,500		D/C				
Open World Learning	CAPITAL	Theater/Stage Lighting replacement	\$30,000					D/C	
Open World Learning	CAPITAL	Auditorium Sound Board upgrade	\$40,000						D/C
Open World Learning	CAPITAL	Theater Audio Visual System upgrade	\$200,000						D/C
Humboldt High School	RENOVATION and ADDITION	Site: New pole-mounted lighting and fencing for athletic fields	\$200,600						D/C
Open World Learning	ASSET PRESERVATION	Direct Digital Controls (DDC) replacement	\$677,200				D/C		
Total			\$44,318,300						

FMP 3 - 2019-2023 Scopes of Work

Campus	Project Type	Project Description	Est. Cost	2018	2019	2020	2021	2022	2023
Open World Learning	CAPITAL	Communication & Security Cameras	\$3,000	C	C				
Open World Learning	ASSET PRESERVATION	Door & Hardware Replacement	\$20,000					C	
Open World Learning	CAPITAL	Theater/Stage Lighting Replacement	\$30,000					D/C	
Humboldt High School	ASSET PRESERVATION	Interior Lighting Replacement Gymnasium	\$40,000			C			
Open World Learning	CAPITAL	Auditorium Sound Board Upgrade	\$40,000					D/C	
Open World Learning	CAPITAL	Theater Audio Visual System Upgrade	\$200,000					D/C	
Humboldt High School	RENOVATION and ADDITION	Site: New Pole-Mounted Lighting and Fencing for Athletic Fields	\$250,000						
Open World Learning	ASSET PRESERVATION	Direct Digital Controls (DDC) Replacement	\$677,200						
Humboldt High School	RENOVATION and ADDITION	Project Highlights: Capital Improvement Key Points: Three-Story General Learning Addition	\$43,150,000	C	C	C			
Total			\$44,410,200						

Several changes were associated with Humboldt High School.

1. \$3,745,000 of renovations attributed to Open World Learning (Humboldt and OWL are interconnected) were included as part of Humboldt in subsequent iterations, bringing the total of the major project in the first FMP to \$30,311,000.
2. Project 2 (\$201,000) in the first FMP correlates to lighting and fencing in the next two FMPs (\$200,600 and \$250,000, respectively). These projects were moved off in each subsequent FMP, with the original completion in 2019, then 2022, and the latest being 2023.
3. An interior lighting project for the gymnasium was added in FMP 3 for \$40,000.
4. The major projects grew from \$30,311,000 to \$43,150,000 from the first to second FMP. The only change identified in the FMP documents is that the new addition grew from a two-story to a three-story building.

Based on discussions with Facilities, we identified several additional changes that caused the building price to go up. First was that the original FMP didn't adequately account for phasing and the costs associated with a prolonged construction. The first FMP also inadequately provided for renovation; the first FMP budgeted renovation at a "light" type but when design commenced, it was determined that a "heavy" type was more appropriate. Lastly, it does not appear that FF&E was adequately budgeted in the original FMP.

By our best estimate, this is the current status of Humboldt High School.

	FMP 1	FMP 2	FMP 3	5/2/19 Board Update	Costs Tracked by Finance (current)
Estimated Final Cost	34,277,625**	43,150,000	43,440,000	44,988,536	
Current Costs				26,727,621*	32,403,520
Estimated Start	2016	2016	2016	2016	
Estimated Finish	2020	2020	2020	2020	

*Following meetings with Facilities, they have identified further unknown conditions and potential expenditures. At this point, it is likely that Humboldt High School may cost close to \$48 million when the project is complete.

**This is the total of Humboldt plus \$3,745,000 of work at Open World Learning that subsequently was included with Humboldt.

Observations

There has been quite a lot of movement from the first FMP to current. Because there was never an approval of the entire master list of projects, it is impossible to determine “success or failure” against that list. Similarly, because the Board approved each subsequent FMP and the increases and shifts described therein, Facilities was operating within the parameters established by the Board. While we would not recommend this as a best practice and while Facilities could have detailed the changes in each FMP much more thoroughly, it does appear that Facilities followed the guidelines and general intent of the FMP process.

However, even though Facilities did update the FMP for some of the major anticipated changes, it has not kept the Board or Superintendent informed as to their current projections. For example, Humboldt and Como Park HS are both expected to exceed their last published cost estimates due to current conditions; both of these should have been reported during regular updates on the status of the program.

Recommendations

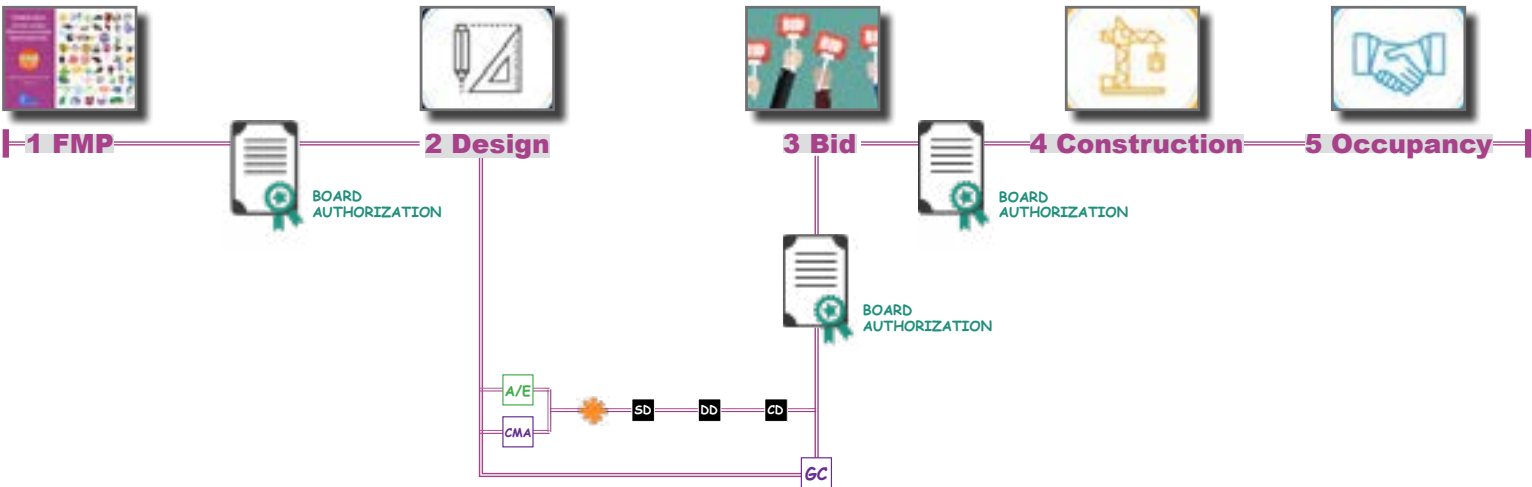
Because there is no consistent budget and cost tracking system in place, it is difficult for Facilities to produce the reports typical on programs of this size. It is incumbent on Facilities to implement a controls system immediately and get the accounting up-to-date so that this type of tracking can happen and be reported.

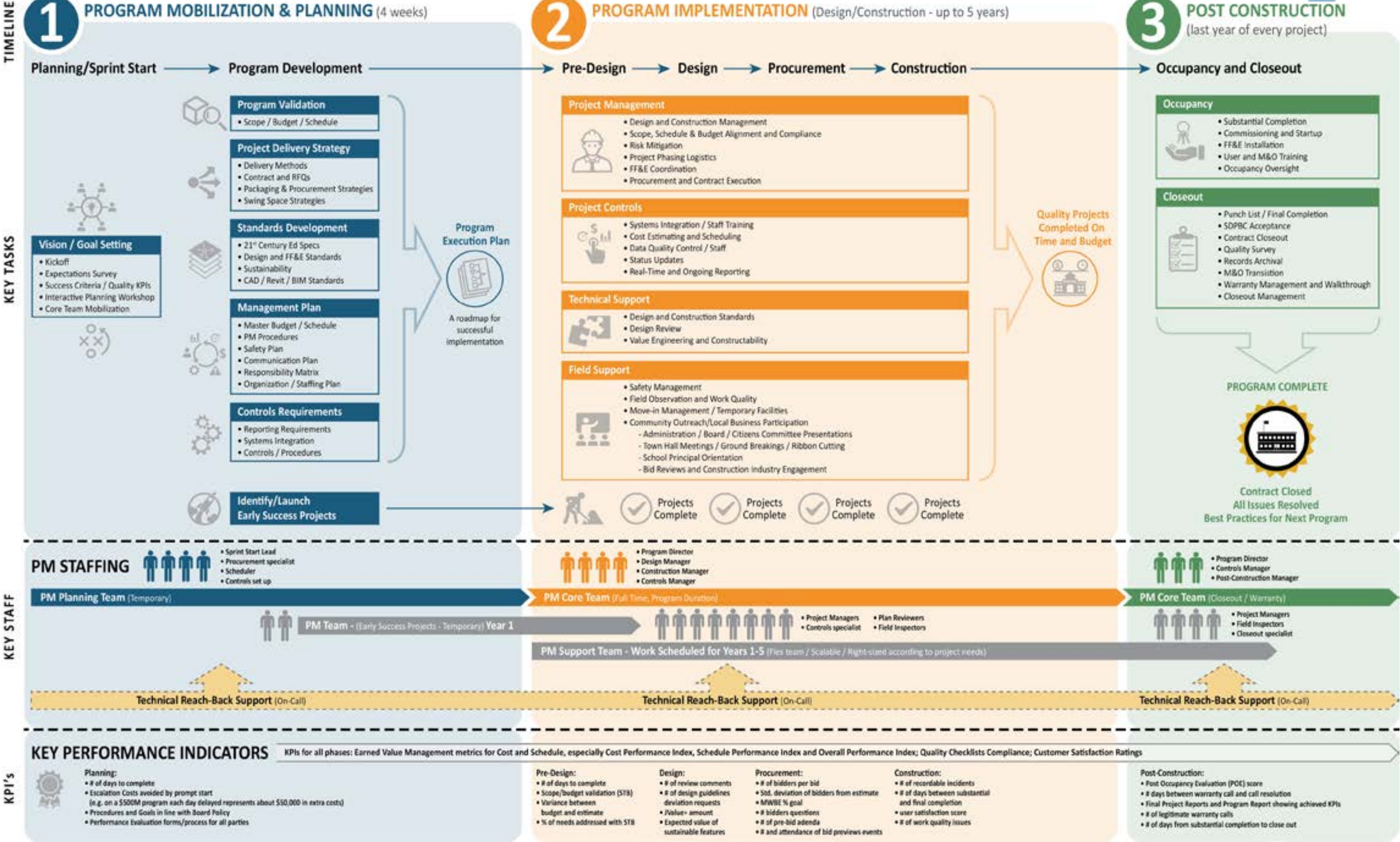
We also recommend that the entire FMP process be re-initiated so that a current and future picture of the entire FMP is clearly outlined and approved. Once the Board approves the master list, it then becomes much easier to track how each project is performing against the originally established baselines. It also becomes much more transparent when scope items change because they will be approved as they develop, rather than once a year within the FMP implementation approval.

BUSINESS PROCESS ANALYSIS

Similar to the FMP process, the business process utilized is within SPPS policies and procedures. Primary issues are that there is no master schedule, budget or change management protocols that meet industry standards or best practices. There are no formal decision points or specific deliverables that allow for appropriate checks and balances of a large scale capital improvements program.

The graphic below represents the framework by which the FMP should be implemented. The overall process would be developed using the approved master schedule and decision making matrices as approved by the District.





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ADMINISTRATIVE/LOGISTICS

Managing a program of projects of this magnitude requires a clear identification of roles and responsibilities among the myriad departments involved, starting from the Board on down. Many times when entities drastically increase their capital spending, specific procedures are put in place to facilitate the increased spending, allowing a more streamlined approach to dealing with massive expenditures and possible changes.

We explored several components of decision making, approval authorities, and roles and responsibilities that affect the outcomes of the capital projects. We found that no specific procedures were developed to manage the increased spending, rather relying on “business as usual” to manage the work. In essence, SPPS is treating these major projects in the same manner in which they have dealt with routine maintenance and minor upgrades in the past. However, these types of procedures are insufficient to deal with this level of spending and therefore specific procedures must be put in place that allow executive and Board level oversight and prioritization when necessary.

We explored two major areas – The approval levels / decision matrix for the major departments and the process for approving a project.

Approval Levels and Decision Matrix

Observations

During a portion of the discussion, approval levels for the various components of managing a large capital improvement program was analyzed. We identified that there were no formal approval levels established specifically to deal with the construction program though the District’s standard policies were adhered to.

Recommendation:

In order to facilitate consistent and transparent decision making, we recommend implementing a decision matrix similar to the one outlined below, which describes the departments that have approval authority for decisions throughout the capital lifecycle.

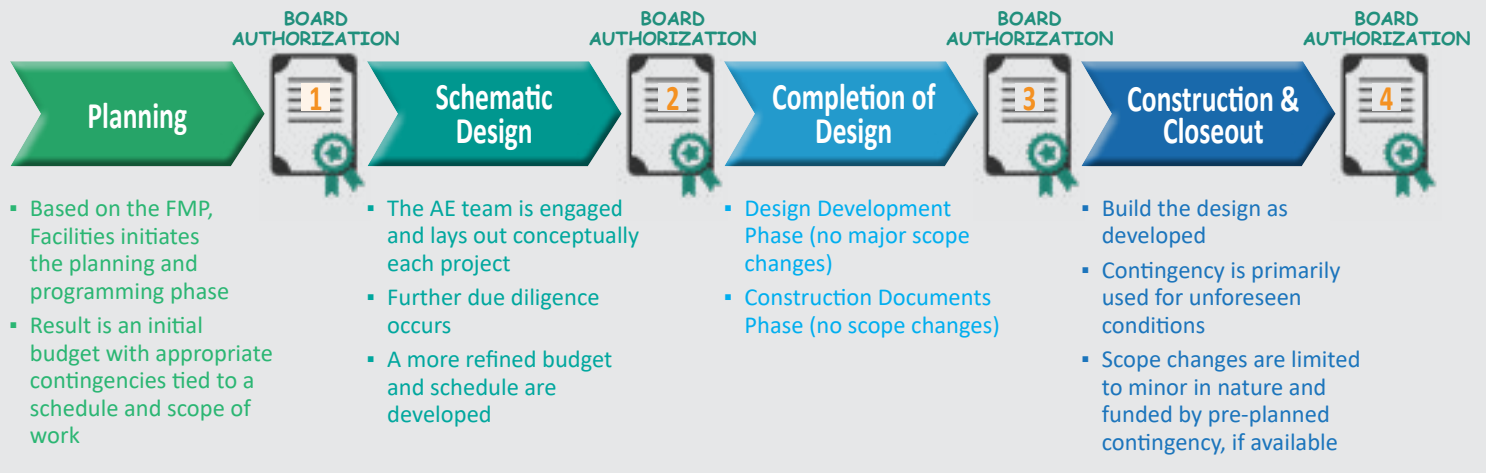
Adhering to this decision matrix means that the pertinent staff, executive, and Board representatives will remain informed during and have input into the life of a project. It also disperses responsibility so that no individual department is allowed to make wholesale changes without understanding the effects on other groups.

	Facilities	Finance	Purchasing	COO	Superintendent	Board
BUDGET						
Initial	X	X	X	X	X	X
Changes	X	X	X	X	<\$50K	>\$50K
Contracts / POs	<\$5K	<\$5K	<\$25K	<\$25K	<\$175K	>\$175K
DESIGN						
Planning	X	X	X	X	X	X
Schematic Design	X	X	X	X	X	X
Design Development	X	ONLY FOR MAJOR CHANGES				
CHANGE ORDERS						
Funded by Contract Contingency	X			>\$50K	>\$100K	
Funded by Project Contingency	X	X	X	>\$50K	<\$175K	>\$175K
Funded by Program Contingency	X	X	X	X	<\$50K	>\$50K
Requiring Additional Funding	X	X	X	X	X	X
PROJECT CLOSEOUT	X	X	X	X	X	X

Process for Approving a Project

Because of the iterative, yearly-renewal based FMP, no process currently exists to formally approve any individual project. Rather, the process is currently that the Board is presented with a comprehensive five-year outlook at projects with some general schedule targets and “estimated costs.” The Board is then asked to approve the entire slate at which point Facilities updates their mandate from the previous year. If during the course of the year, changes are identified to better the project, Facilities adds those to the scope and delays a future project. Since no formal, project-by-project budgets are approved, the implementation schedule is updated to offset the added cost. This process, while operating under the guidelines established by the FMP, is not a best practice. Effectively it has allowed Facilities to re-prioritize the FMP without formal input from the governing body. This process has also led to the huge increases in budgets and delays in schedules as individual projects grew larger in scope and other projects were further delayed.

Recommended Project Lifestyle



Recommendation:

While the concept of updating the FMP implementation plan yearly is not a bad plan, there is not currently a formal process to finalize the parameters of a project – scope, schedule, and budget - before it is implemented. We recommend implementing a formal approval process for each individual project before the design process begins. The process is mapped out as follows:

1 – Board approves Planning, which establishes the project’s formal budget, formal schedule, and formal program of requirements. Board must be informed how this project fits into the overall FMP.

2 – Board approves Schematic Design. If major changes are required to the budget, schedule, and/or scope requirements, the Board is asked to formally approve. If additional funding is required, the implications must be presented at this time.

3 – Board approves construction contract (70-75% of the total project cost). At this point, Board is given an update on the budget status. If additional money is required, the source must be identified (Program Contingency or new Funding). Board is then given monthly updates on status of project, including any projected costs.

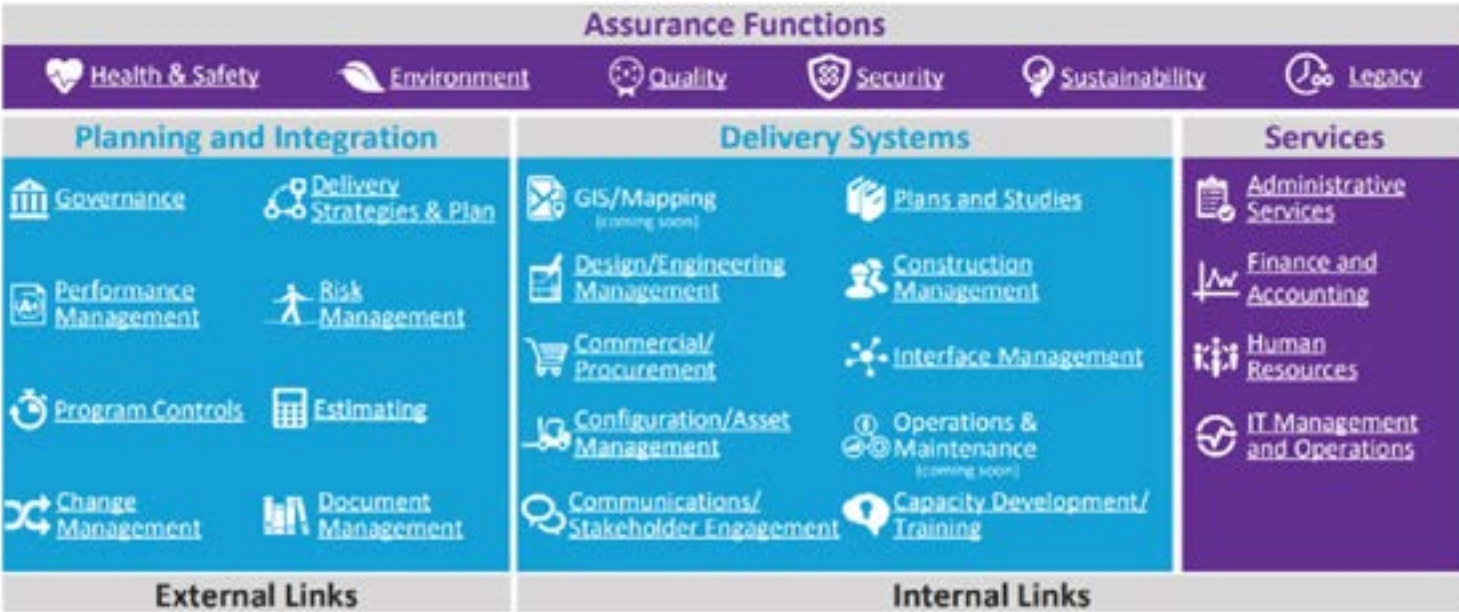
4 – Board is given a final close-out report indicating how the project did relative to the Schematic Design approval in terms of scope, schedule, and budget.

By implementing this process, SPSP leadership would have been aware of how each project develops and would eliminate surprises from beginning to end.

Program Management Plan

Throughout this document we have made recommendations for improving the management and ultimately the outcomes of the capital improvements program. As part of every program we initiate, we develop a series of processes, procedures, templates, forms, checklists, and guiding documents that are coalesced into a document called the Program Management Plan (PMP). This becomes the central location for all items related to managing the program and allows for all parties to understand their roles and responsibilities as well as to have access to the tools needed to deliver the work consistently and at a high quality. The image below is a snapshot of that plan and what it typically includes. We recommend SPPS coalesce a Program Management Plan as part of these efforts.

Program Management Delivery Platform



PROGRAM SCHEDULE/ BUDGET DISCUSSION

Overview

The first step in implementing any major capital improvements program is to establish the master schedule and the master budget. While changes may occur along the way (see Change Management section), a program cannot be adequately tracked without an approved baseline schedule and budget. The master program schedule and master program budget need to be delivered concurrently with the master scope document so that a full picture of the implementation can be shown, including any assumptions, clarifications, risks, and contingencies. Without these, it becomes nearly impossible to judge the success and true impact of any program

Master Program Schedule – A master program schedule is a schedule showing anticipated start and end dates of each project anticipated during the entirety of the program. It is usually detailed to include time-frames for planning, design, construction, and closeout and is displayed in a gantt chart using modern scheduling software such as Primavera P6 or Microsoft Project.

Master Program Budget – A detailed accounting of the maximum amount of money allocated and available to be spent across all of the projects, including adequate program and project-level contingencies, escalation, and all other ancillary costs that may be directly attributed to a project such as furniture, fixtures, and equipment. While cost estimates are utilized in tandem with finance to determine how much money is necessary and can be provided, a master budget is NOT an estimate of expected costs; it is an accounting of the maximum money available for the program.

Over the course of our evaluation, we have found that no master program schedule nor a master program budget exist. Over the years there have been several documents distributed showing myriad numbers and schedules but none are true master program level documents because they do not capture the entire picture of the proposed work. Because none of these baselines exist, we are unable to accurately depict whether a project is “over budget” or “behind schedule.” What we were able to do is present how the numbers developed over time and where some of the major changes occurred.

Schedule Development

While there appears to have been a substantial effort, though flawed, to estimate project costs, we found very little evidence of an exhaustive effort as master scheduling. Through all of our data requests, we were unable to locate any gantt-type schedules in any of the documents received. When we asked Facilities during our in-person work sessions if any master schedules existed, the answer was “no.” We are left to conclude that no master program nor detailed project schedules exist and the best we have are the estimated dates in the FMP implementation plans, which are limited to only a yearly timescale. The lack of a master program schedule also indicates that the Facilities Department cannot predict expected cash flows with any good degree of accuracy and therefore cannot provide the necessary information to Finance which would allow them to make sure funds are in place.

Regardless, using the data we were able to gather from SPPS, we developed the following draft master schedule and cash flow exhibits that indicate our best estimate of the 2019-2023 FMP Implementation Plan plus additional projects completed prior to this FMP.

Recommendation:

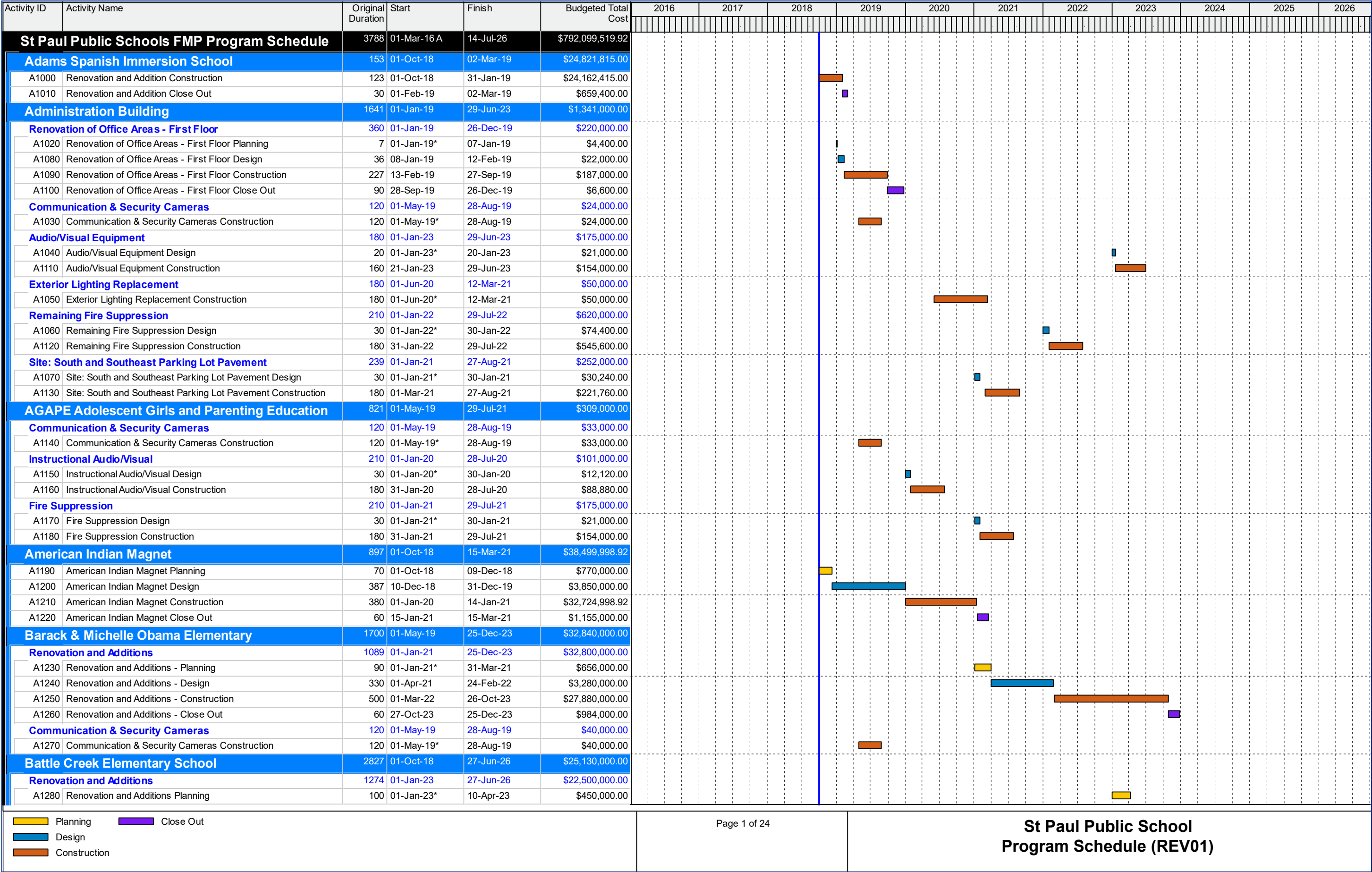
We recommend that all projects in the master list be revisited. All projects should have updated cost estimates, with appropriate contingencies, so that master budgets can be established and approved. Working with Finance to establish financing/funding limitations, Facilities should then create a master implementation plan tied to a cost-loaded master schedule based on the updated cost estimates. Once all of those steps are completed, a revised Facilities Master Plan should be presented to the Board of Education for approval, showing the entire length of the FMP, not just five-year snippets. Any changes in future years can then be referenced to the initial plan with appropriate explanations and justifications.

FMP EXTERNAL REVIEW FINAL 51 JACOBS

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FMP EXTERNAL REVIEW FINAL 53 JACOBS

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Budget Development

Initial FMP

The initial development of the 10 Year Facilities Master Plan took place from 2014 to 2015. During that time, a master list of projects was developed to address the priorities as determined by the FMP team. While a master list of projects existed, it was never published. When the Board of Education approved the Facilities Master Plan on December 15, 2015, it did not approve a master budget nor a master schedule.

From our research, we were able to deduce that the initial master list of projects that was never published represented about \$805.6 Million of capital improvements. Using a conservative estimate of escalation over 10 years, this master list of projects represents nearly \$1 Billion in expected capital expenditures. We did find evidence that a 3% per annum escalation factor was used for any projects starting beyond 2017. We could not find any detailed initial budgets which would show anticipated budgets by category, including design, construction, furniture, miscellaneous expenses, and appropriate contingencies.

FMP 1: 5YR Implementation Plan (2017-2021)

On April 26, 2016, the Board of Education approved the first 5 year implementation plan of the FMP. The document approved outlined all of the projects anticipated to start during the first five year timeline. An important nuance is that the numbers presented in that document were NOT project budgets but rather estimated expenses over the first five years. In other words, if a project was anticipated to extend into years beyond 2021, ONLY the costs expected through 2021 were included in that document. By adding up all of the “estimated costs” in the first 5YR FMP, we found that the Board approved a total spending package of \$496,781,000. However, comparing to internal spreadsheets maintained by facilities, this list of projects actually represented \$528,624,781 worth of projects when we included spending anticipated beyond 2021. It is also important to note that the number reported to the Board in the presentation was “+/- \$484 million”. Our best guess at what the entire project list would cost over the anticipated 10-year horizon is \$923.6 million.

FMP 2: 5YR Implementation Plan – (2018-2022)

The second 5YR FMP was approved by the Board on July 11, 2017. Our inquiries revealed that Facilities identified some major issues with their basis of estimates in the first FMP along with additional scope items needed for some of the major projects. There was also a fundamental shift in how projects were displayed in the 5YR FMP. Rather than showing only the amount anticipated to be spent during the five-year time frame as was done with the first FMP, this time the entire anticipated spend for each project was displayed (reverse of the first FMP). By totaling all of the projects in the approved document, we found that the second FMP represented \$682,755,300 in total projects. Using spreadsheets provided by Facilities, we estimated that these projects would represent spending during the five-year time frame of \$554,609,310. It is also important to note that the number reported to the Board in the presentation was “+/- \$587 million”. At this point, our best guess at what the entire project list would cost is \$1.26 billion and likely extends further than 10 years.

FMP 3: 5 YR Implementation Plan – (2019-2023)

The third 5YR FMP was approved by the Board on October 9, 2018, and was a continuation and re-prioritization of the second FMP. This third FMP, when totaling all of the projects identified in the approved plan, shows \$765,784,500 in projects approved by the Board. Using spreadsheets provided by Facilities, we estimated that these projects would represent spending during the five-year time frame of \$507,370,152. It is also important to note that the number reported to the Board in the presentation was “+/- \$522 million”. Furthermore, using the data available, we find that the total of projects initiated by the first three FMPs is \$784,048,065 (several of the projects from the first two FMPs were completed and not included in the third FMP; for example, Johnson Senior School’s major renovation). Because the spreadsheets provided by Facilities no longer showed the entire list and removed those projects that were already completed, we are unable to provide an updated estimate of the entire project list.

The following chart details how the estimated costs have changed in each publication of the FMP.

It is important to note that these are interpretations of the data presented and provided by SPPS and not an assessment of whether those numbers truly represent the anticipated cost of the projects. It is also important to remember that because these numbers were not officially baselined, we do not consider them master project budgets but simply the estimates available at the time of publication.

#	SCHOOL	4/26/2016 1st FMP (2017-2021)	7/11/2017 2nd FMP (2018-2022)	10/2018 3rd FMP (2019-2023)	5/2/19 Board Update - Inferred Projected Cost	2016 Plan according to newspaper	2018 Plan according to newspaper
0	Major Projects						
14	Adams Spanish Immersion School	17,566,000	21,980,000	21,980,000	24,821,815	17,673,000	23,962,006
4	American Indian Magnet School	23,099,000	33,000,000	38,500,000	38,500,000	23,099,000	38,500,000
3	Barack & Michelle Obama	19,061,000	26,375,000	32,800,000	Future	19,101,000	36,365,000
7	Bruce Vento Elementary School	13,542,000	21,413,000	25,000,000	25,000,000	13,577,000	25,035,000
16	Cherokee Heights Elementary School	11,655,000	14,400,000	17,000,000	17,000,000	11,686,000	17,000,000
5	Como Park Senior High School	30,300,000	44,900,000	45,470,000	47,530,242	32,448,000	46,838,807
13	District Service Facility	8,587,000	11,795,000	13,650,000	15,038,361	8,623,000	15,038,361
8	Farnsworth Lower	17,090,000	21,690,000	26,020,000	Future	17,126,000	26,148,614
9	Frost Lake Elementary	16,803,000	21,785,000	25,500,000	25,500,000	16,907,000	25,529,000
2	Highland Park Senior High School	7,188,000	8,030,000	2,615,000	34,492,000	16,544,000	34,492,004
2	Highland Park Middle School	7,636,000	16,833,000	30,000,000	Combined	Combined	Combined
17	Highland Park Elementary School	17,752,000	20,600,000	20,600,000	22,436,358	17,752,000	20,600,000
11	Horace Mann School	11,363,000	17,690,000	17,690,000	19,255,125	11,363,000	18,917,727
1	Humboldt High School	30,532,625	43,150,000	43,440,000	44,988,536	26,767,000	48,000,000
10	Linwood Monroe Arts Plus ▯ Lower	14,974,000	22,520,000	22,770,000	22,520,000	14,974,000	23,523,224
12	Linwood Monroe Arts Plus ▯ Upper	15,430,000	21,370,000	21,700,000	22,200,965	15,430,000	22,245,124
18	Phalen Lake Hmong Studies Magnet	3,675,000	4,293,000	5,004,000	Future	3,717,000	5,501,000
6	Ramsey Middle School	11,393,000	20,000,000	23,500,000	23,500,000	11,412,000	23,500,000
15	St. Anthony Park Elementary School	14,005,000	19,660,000	19,935,000	20,407,268	14,005,000	19,910,000
0	Major Project started prior to FMP						
19	Johnson Senior High School	16,000,000	15,500,000	15,500,000	17,048,613		
0	Other Major Projects						
	Gordon Parks High School	3,854,000	6,060,000	7,237,000	Future		
	RiverEast New	TBD	25,500,000	25,500,000	25,943,764		
	Area 'A' New Middle School	6,500,000	67,000,000	3,200,000			
0	Minor Projects						
	Rondo Education - Flooring	689,000	0	689,000	689,000		
	Bridge View - Fire Suppression	0	0	493,000	535,310		
	Central HS - Fire Alarm	0	0	949,000	949,000		
	Student Placement - Fire Suppression	0	0	632,565	660,100		
	Harding HS Tennis Court	426,236	426,000	426,000	426,000		
	Jie Ming renovation	948,000	1,430,000	1,400,000	1,558,793		
	Murray MS & L'Etoile du Nord Upper HVAC Upgrades	535,354	1,132,000	1,300,000	1,132,000		
	Communication & Security Cameras (District-wide)	2,459,854	2,027,200	2,013,200	2,020,550		
0	Other Projects to begin within 5 years	173,716,931	152,196,100	253,270,735			
	Total	\$496,781,000.00	\$682,755,300.00	\$765,784,500.00	\$454,153,800.00	\$292,204,000.00	\$471,105,867.00
1	Estimated Costs of Projects Published in 5YR FMP	496,781,000	682,755,300	765,784,500			
	% Change from 1st FMP	0.00%	37.44%	54.15%			
	% Change from 2nd FMP		0.00%	12.16%			
2	Estimated 5 Year Spend of Projects in 5YR FMP	497,222,282	554,609,310	507,370,152			
3	"Total Facilities Investments" over 5 years as presented to Board	+/- \$484 million	+/- \$587 million	+/- \$522 million			
	Board Date	April 12, 2016	July 11, 2017	October 9, 2018			
4	Estimated Value of Projects Represented in 5YR FMP	528,624,781	682,755,300	784,048,065			
5	Best Guess of Entire 10YR FMP with Escalation	923,638,333	1,259,941,092	Not Enough Info			
Footnotes							
1	This is the expected total cost of all the projects represented in the 5YR FMP plan as approved by the Board. If you were total all of the values in the FMP document, you would get this number						
2	This is approximately the total value anticipated by the 5YR FMP plan approved by the Board to be spent during the 5YR time frame						
3	This is the value reported to the Board in public forum that was anticipated to be spent during the 5YR time frame. It is inclusive of escalation. The difference between this and row 2 is most likely attributed to variations in calculating escalation.						
4	This is the value, derived from facilities' spreadsheets, that represents the total expected costs of the projects initiated by the 5YR FMP as well as those completed to date						
5	This is the value, derived from facilities' spreadsheets, that represents Jacobs' best estimate of what the entire 10 YR FMP would cost. This is a rough estimate.						

PROCUREMENT/PACKAGING

The ability to implement a successful procurement and packaging strategy is one of the many keys to a successful capital improvement program. Those strategies must be in place to select the best vendors to provide the best value services on behalf of the entity. The ability to take advantage of bulk buying power comes through effectively packaging scopes of work.

During our worksession, we discussed the process by which SPPS selects vendors to provide design and construction services, furniture, and equipment. The following summarizes what we found:

Professional Design Services

SPPS uses a pre-qualified slate of professional services vendors (mostly architects) to select the appropriate design teams for each of the projects. This slate includes a maximum billing rate for their highest compensated employee. This slate has not been updated in several years. When a project opportunity comes up, SPPS issues a Request for Proposal (RFP) to a select few of the vendors, who then respond with an hours estimate and billing rates (none of which can exceed the maximum rate). After evaluations, SPPS selects the best proposal and proceeds with a Time and Materials contract.

Observation

As with many of our findings, this process is a vestige of managing a smaller, yearly maintenance program rather than a large capital improvements program. With maintenance items, there is value in having “on-call” providers that can provide a cost and hours based proposal. However, when working on multiple, large capital improvements program, it is usually better to open the pool of vendors to a much larger group. This allows finding the best value provider for a specific project (e.g. best High School Performing Arts Center architect). And while having a maximum hourly rate in the on-call list is a start, it effectively plays no role in limiting the hours a design firm can charge. Lastly, while a Time & Materials contract may save some money over the course of the contract, the inherent administrative burden plus the risk of additional services should be evaluated.

Recommendations

It is our recommendation that SPPS develop a Request for Qualifications process to identify the best value design teams a project, rather than competitively bidding to a select few. This will result in better quality designs and better projects.

We also recommend SPPS consider switching to an established design fee schedule for projects adjusted for size and complexity. This will result in more predictable and consistent design fees and eliminate the need for maximum billing rates and hours estimates.

Lastly, we recommend SPPS consider the benefits of switching to lump sum contracts, which shift the risk profile on to the professional services providers to manage their time within their allocated fee. It will also reduce administrative burdens on SPPS staff allowing them to focus on delivering even better quality projects.

Construction Services

SPPS uses primarily two construction contracting methods – Design/Bid/Build (DBB) with General Contractors (GCs) and Construction Management as Agent (CMA) with Multiple Prime (Multi-Prime) contractors. Within both methods, when selecting the general and/or multi-prime contractors, the District is using the low-bid method of selection. It is our understanding the SPPS is working to implement best value procurement, whereby a contractor can be selected on the basis of price and qualifications, rather than low bid where a less qualified vendor could be awarded a project. The CMA's provide per-construction phase services and then oversee the multi-prime contractors. For DBB projects, SPPS does not have third party advisors assisting during the per-construction phase.

Observation

SPPS is not taking advantage of the State's “best-value” procurement strategies. Anecdotally, we understand that there have been several instances where unqualified bidders were awarded work due to their low bids, but were not able to complete the work or provided poor quality work.

While the Multi-Prime method eliminates a management fee from a general contractor, it also places a heavy administrative burden to manage. Though the CMA should be managing those administrative tasks, because the contracts are written directly to SPPS, SPPS' staff are also buried in paperwork related to these contracts.

Because neither method is taking advantage of Guaranteed Maximum Prices (traditional for Construction Manager at Risk and Design/Build methods), these projects are open to significant change orders due to underdeveloped designs.

While outside the scope of this report, evidence that low participation in some of the multi-prime trades was found, which could be resulting in increased construction prices.

Recommendations

SPPS should implement best-value procurement as soon as possible. This will increase the quality of work and reduce the headaches and burdens of working with unqualified vendors.

SPPS should re-evaluate the terms of the CMA contracts so that the CMA's take on more of the administrative burdens of managing multiple prime contractors, thereby freeing SPPS staff to focus on delivering better projects.

SPPS should consider using the Construction-Manager-at-Risk delivery method on the most complicated projects to shift the risk profile on to the qualified vendor.

SPPS should continue to identify ways to reach more potential bidders to increase participation and lower pricing, through engagements with local contractors associations, trade fairs, minority contractor participation events, and others.

Furniture, Fixtures, & Equipment (FF&E)

We discussed how FF&E is currently procured, whether items are approved in bulk, on a pre-bid list, or ad-hoc. What we found was that there was actually a larger problem in terms of funding for FF&E. Finance and Purchasing were not able to provide clear direction on what funds could be used to purchase FF&E since according to District policies, most of the items typically thought of as FF&E are not treated as capital expenses. Apparently in a few recent projects, the District had to use general funds and funds reserved for maintenance projects from the sale of a building to pay for the required FF&E at several campuses. It also appears that FF&E was not consistently budgeted originally and not consistently included in the requests to the State for COP funding.

Observations

Facilities is inconsistently estimating the costs for FF&E and in many cases did not include those estimates costs in the applications for COP money. Finance is unable to provide a clear direction on how to capitalize furniture purchases and therefore causing great uncertainty into how FF&E will be purchased in the future.

Recommendations

Before a procurement strategy can be established for purchasing FF&E, SPPS must revisit all of the project estimates and make sure FF&E is included. Once completed, it should be included in the implementation schedule so that those expenses can be projected. Finally, Finance, Purchasing, Legal, and whichever other entities are required, need to provide Facilities clear guidelines on how to appropriately fund FF&E purchases.

PROJECT CONTROLS

A program of any large magnitude must utilize a sophisticated set of controls tools to accurately and effectively manage the program. Those tools address elements such as budgeting, cost tracking, cost forecasting, document management, field administration, scheduling, estimating, and design reviews. Effective controls systems utilize databases accessible through the cloud allowing project participants real-time access to the latest information from any location.

Primary Controls System

In our discussions with Facilities and Finance, we determined that no master program management control system (PMCS) exists, though there are two competing efforts underway – one through the Finance Department and one through the Facilities Department. Finance has been attempting to customize their capital budgeting tool, Hyperion, to act as a program cost management tool. About five months ago, Facilities signed a contract with Procore, a commercial program management software, to serve as the PMCS. Neither effort is complete and Facilities is still managing the capital improvements program without a true PMCS, rather relying on several hundred disparate spreadsheets, documents, and other tools, including Tririga, their tool for managing work orders.

Observations

While the Hyperion effort was an effort to streamline budget and cost management, the Procore effort is more aligned with the needs of managing a capital improvement program as it includes document management, field administration, and schedule components along with budget and cost management.

It is also noteworthy that in our recent experience, we have not found this level of capital spending without a true PMCS in place at the beginning of the program. This effort is at least four years behind when it should have been implemented.

We also noted a strong disconnect between Facilities and Finance in terms of workflows and approvals in a digital system, primarily because the efforts have been distinct from each other.

Scheduling System

As discussed above, we were unable to identify any master schedules built within any scheduling software, the most popular of which are Primavera P6 and Microsoft Project. We could also not identify any strategies for scheduling nor schedule reviews with the CMAs, Architects, and other contractors.

Design Reviews

We found that design reviews, where conflicts with standards, constructibility issues, and quality concerns can be addressed, were happening without a formal process. It appears design teams can transition from one design stage to another without a formal approval by the District. Lastly, it does not appear that SPPS is using any design review software tools, such as Bluebeam, to facilitate these reviews.

Recommendations

We recommend SPPS dedicate the resources necessary to implement Procore as quickly as possible. SPPS should start all new projects and those in design within the Procore platform. Once Procore is setup, budgets and schedules should be baselined and all project related transactions should occur within the Procore system.

Facilities and Finance need to identify proper digital workflows to ensure quick approvals as well as reconciliation with PeopleSoft, the District book of record. This alignment must take place concurrent with the implementation of Procore.

Recommendations:

We recommend Facilities identify a scheduling champion within their organization to lead the master scheduling efforts. Licenses should be procured for a scheduling software and guidelines should be placed into the design and construction teams' contracts for scheduling expectations. Schedules should be updated monthly with cash flow projections updated no less frequently than every three months.

Recommendations:

We recommend SPPS formalize a design review process including checklists for each design stage and a phase-gate approach whereby a design team cannot proceed to a subsequent design stage without SPPS validating scope, schedule, and budget parameters.

We also recommend SPPS purchase a design review software package to help facilitate and track design reviews.

PROGRAM REPORTING / COMMUNICATIONS

For any publicly funded capital improvements program, it is important to regularly update the community on the progress of the work and of the positive impacts of their tax dollars. Communications include regular, thorough update presentations to the Board, published monthly reports showing budgets and schedules, graphical representations of the proposed projects, interactive dashboards, and many others. By providing transparency into the progress of the projects, a district can gain trust from the taxpayers that their money is being spent judiciously and for the overall benefit of the community. Without that type of reporting and communications, districts run the risk of others telling the story of success or failure on their behalf without the intimate knowledge required to fully understand a program of this complexity.

Observation

While we found a lot of information available on the SPPS website, much of it relates to the process for developing the Facilities Master Plan itself rather than the actual implementation. Much of the data is old and outdated with no status reports on the progress of the schedules. We also could not find any regular or consistent reporting to the Board, Superintendent, or a “Citizens Oversight Committee” (which are staples of many school district construction programs).

As discussed in previous sections, we cannot find evidence of any master schedules or master budgets that show how the projects are progressing relative to their initial, approved baselines.

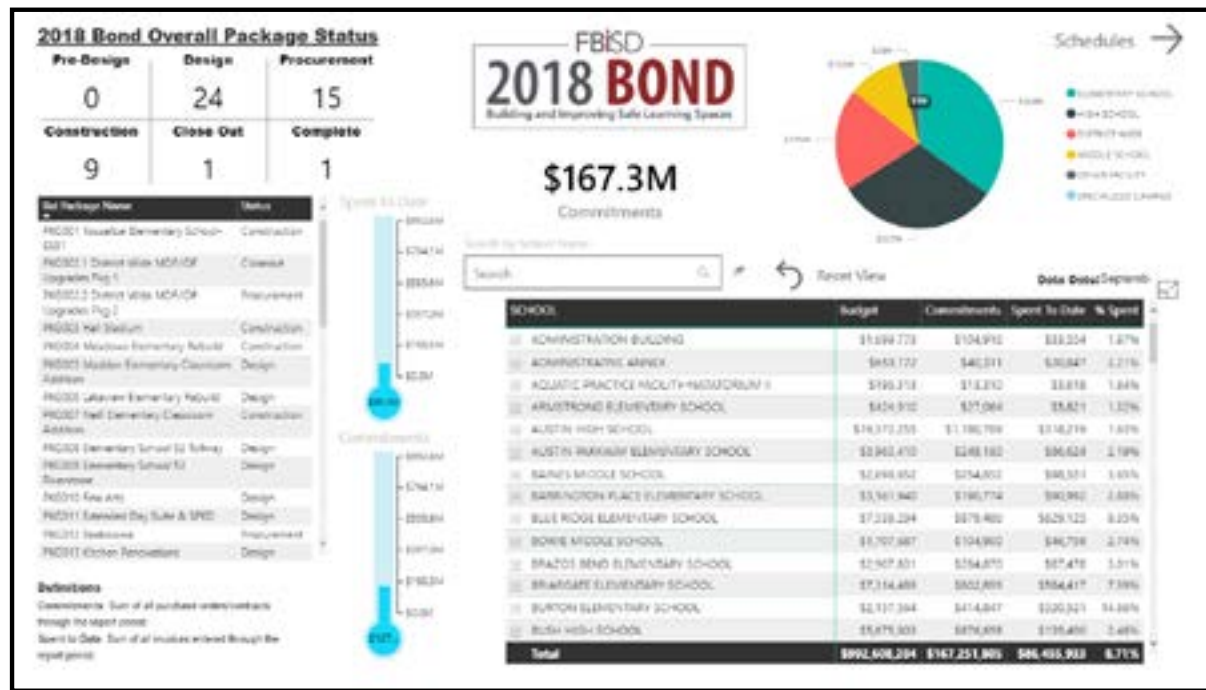
This is an area that was unfortunately sorely lacking and obviously a cause of much consternation in the community.

Recommendations

SPPS must take a much more transparent stance into the progress of the projects. Facilities should provide monthly public updates to the Board on the status of all projects, including total contracts, total expenditures, and any potential risk items. SPPS should also publish monthly reports outlining all the progress details of the projects. SPPS should also consider forming a Citizens Oversight Committee whose mission will be to provide feedback to and from the community on the status of the construction program. Likewise, SPPS should consider implementing a public dashboard, similar to the one shown below, to allow even greater transparency into all the projects of their enormous program.

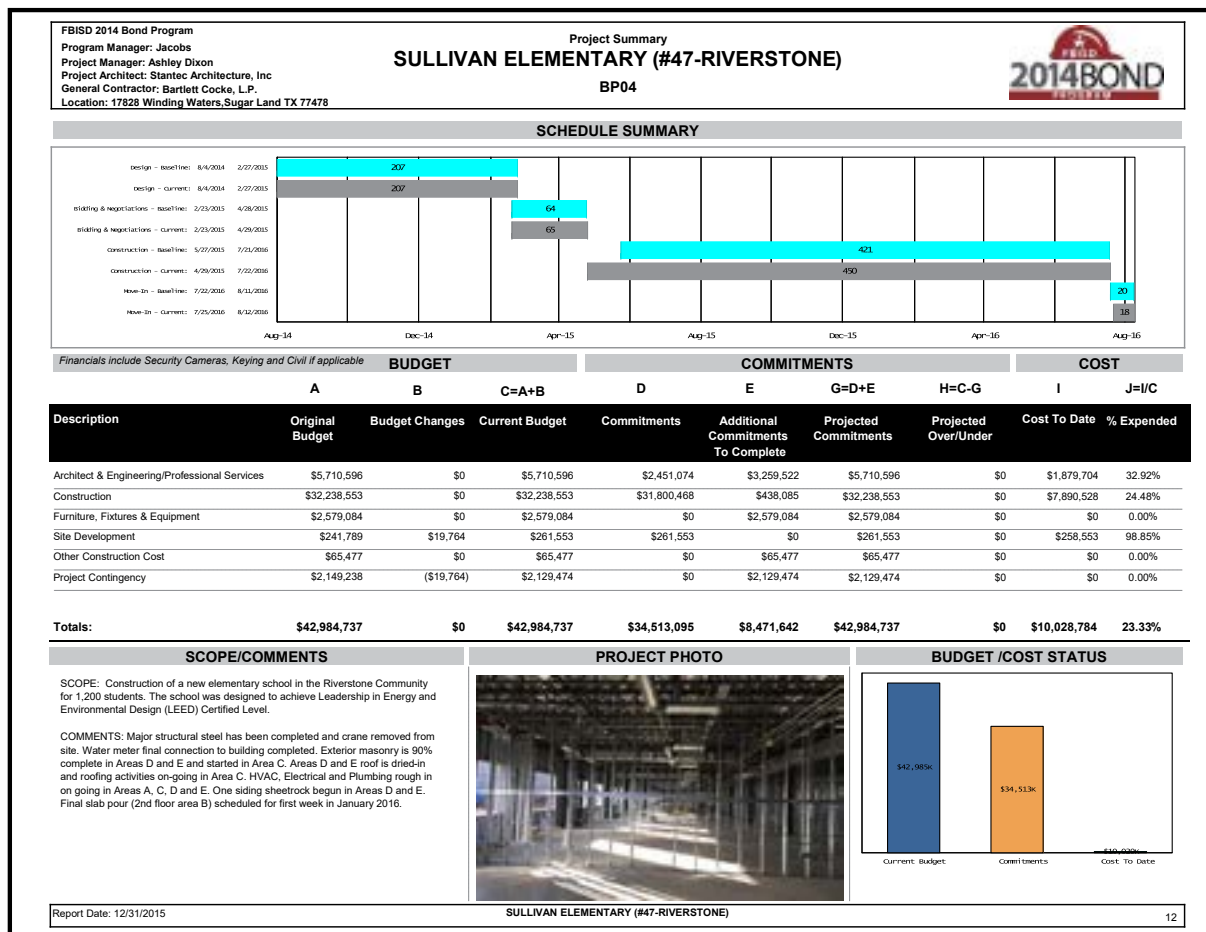
However, we have found that many of these reports are currently nearly impossible and extremely time consuming to develop given the myriad and disparate data sources that currently contain the relevant data. The Program Controls systems and appropriate workflows need to be in place first before these types of reports can be produced. Urgency should be given to implementing the controls system to facilitate generating the type of information the public needs to understand the progress of their construction program.

Example of Dashboard



Source Fort Bend ISD - Sugarland, TX

Example of Monthly Spending Report



Source Fort Bend ISD - Sugarland, TX

CHANGE MANAGEMENT

There is nothing more constant than change. Changes do and will occur, but they can also be anticipated and therefore planned into the budget and schedule. When changes do occur, there must be a process for dealing with change, to validate that a change is beneficial, and that cost and schedule impacts are within the tolerances established.

Part and parcel with Change Management is **Contingency Management**. Through proper budgeting of contingencies based on industry best practices, most of the common project changes can be addressed without impacting other projects or the overall program. But it requires that contingencies be explicitly planned into the budgets from the beginning and a process identified by which to release contingency when appropriate.

Observations

Being able to incorporate change accordingly is among the top issues that the FMP implementation phase is challenged with. From the initial FMP to current, hundreds of changes have taken place without evidence of an existing formal change management process in place. Having this would allow changes to be reviewed, validated, and approved as being necessary or beneficial to SPPS' overall mission. It appears that Facilities retained almost exclusive control of how scopes changed from those approved by the Board in the FMP approvals. Whenever a scope change occurred, Facilities then downgraded another priority project to afford the increased cost of the new scope change. And while it is true that Facilities did explain a few of the more major changes to the Board, these were post facto, meaning the Board could not truly weigh in on their opinions of those changes.

It appears that many substantial changes are being made at a project level, rather than a program level. This means that the needs of a particular project are placed above the needs across the program. For example, if scope is added to one campus, without considering the impact to another, the program is deprived of identifying the best use of the money.

In another case, some of the changes were significant enough that they may have altered the dynamic of the original decision to initiate the project in the first place. For example, there are elementary schools where the costs for additions and renovations exceed 80% of the assessed value and could potentially be built new for nearly the same amount of money.

Recommendations

We recommend SPPS develop and implement a change management process. This process should define how changes are made and handled during planning, design, and construction, who can approve them, thresholds for approval, documentation required for approval, and process for approval. For example, Facilities may retain flexibility for changing programmatic requirements during programming, but once the Board establishes a formal project at the end of planning, Facilities may no longer change the requirements of the project without another approval from the Board.

Likewise, during construction, changes of all sizes happen for myriad reasons, including owner requests, unforeseen conditions, design errors & omissions, and contractor issues. There must be a formal process for addressing construction phase changes and how to approve them.

Lastly and concurrently, SPPS needs to implement a contingency management process. We typically recommend the following types of contingencies be distributed across the program and are explained in further detail on the following page:

1. **Program Contingency:** 5-10% of the value of the entire program.
2. **Project Contingency:** 5-10% of the value of the individual project.
3. **Design Contingency:** 5-10% of the value of the design fees.
4. **Owner's Construction Contingency:** 3-7% of the value of the construction contract.
5. **Contractor's Contingency:** 3-5% of the value of, and internal to, the construction contract.

1. **Program Contingency:** 5-10% of the value of the entire program. This contingency is typically reserved for extreme circumstances or re-prioritizations approved by the Board to fund new projects or major changes to projects.
2. **Project Contingency:** 5-10% of the value of the individual project. This contingency is self-contained to the project and should be anticipated to be spent as necessary to accomplish the scope of work. Therefore, the Board is typically not involved in approving expenditures from this source, though the Superintendent or COO may want to weigh in when spending these funds. All savings from the project budget roll up into this line item. At the end of the project, any savings are transferred to Program Contingency.
3. **Design Contingency:** 5-10% of the value of the design fees. This is a smaller contingency used to fund small changes in design contract that may be necessary due to unanticipated design items.
4. **Owner's Construction Contingency:** 3-7% of the value of the construction contract. Depending on the complexity of the construction (new, addition, renovation, etc.), a certain percentage of the value of the construction contract is reserved for the Owner's use. This contingency is mostly used for three purposes: unforeseen conditions, owner requested changes, and design team errors and omissions (for costs not reimbursed by E&O insurance claims). We recommend including this value directly into the construction contract so the Board has a chance to approve its use once at the beginning and then allowing Facilities (according to the decision matrix presented earlier) control to deal with the day-to-day project issues as they arise without the need for extended change order processes that could delay the project. Savings at the end of this construction contract are returned to Project Contingency.
5. **Contractor's Contingency:** This contingency is included by all contractors to account for their mistakes in bidding or workmanship. Its use is exclusively for the contractor though for some contracts they must notify the Owner when the contingency is being used. In some contracts, savings from this contingency is returned to the owner either in full or through a shared-incentive clause.

FMP CONTRACT REVIEW ANALYSIS

Contracts awarded for professional and construction services are within the District's policies and procedures and have resulted in multiple vendors competing for the work.

- Architectural - of the 10 projects awarded to date, there were multiple submittals that resulted in six different architecture firms being selected.
- Construction - projects are assigned in two specific delivery methods.
 - Construction Manager Agent (CMA) - there are currently two CMA contracts that are assigned to specific projects. An additional two-three CMAs are planned in the near future.
 - Design Bid Build (DBB) is currently used on over half of the projects and are awarded based on best price.

Multiple bids have been received and multiple contractors have been selected based on SPPS procurement procedures.

Areas of improvement would include CMA contractors be required to provide a minimum of three bids per CSI category. Additionally, the SPPS should consider utilizing best value, as opposed to low-price for non-CMA projects.

STAFFING

Ultimately, even with the best tools, processes, and procedures in place, the success of a major capital improvements program rests on the talent, motivation, and skillset of the staff and team managing the program. There are basically three models for school districts to manage large programs of this type:

1. Entirely managed by employees of the District
2. Entirely managed by a third party program manager
3. Led by the District with staff augmentation provided by a 3rd party program manager

Districts across the country elect one of these three models to manage large capital improvements program. The first model, led entirely by in-house staff, is most successful with essentially two requirements – (1) internal senior leadership has led programs of a similar magnitude and (2) a history of successfully completing past programs. The second model, led entirely by a third party, is most successful when school districts don't have the in-house resources necessary to manage the program and/or do not have a successful history of completing past programs. The third model, essentially a blend, is most successful for school districts that have some in-house resources that can lead a team but cannot hire or find the right talent to fill any remaining gaps or skill-sets.

Our analysis found that certain competencies exist within the internal staff though gaps do exist that should be addressed to increase the likelihood of future success.

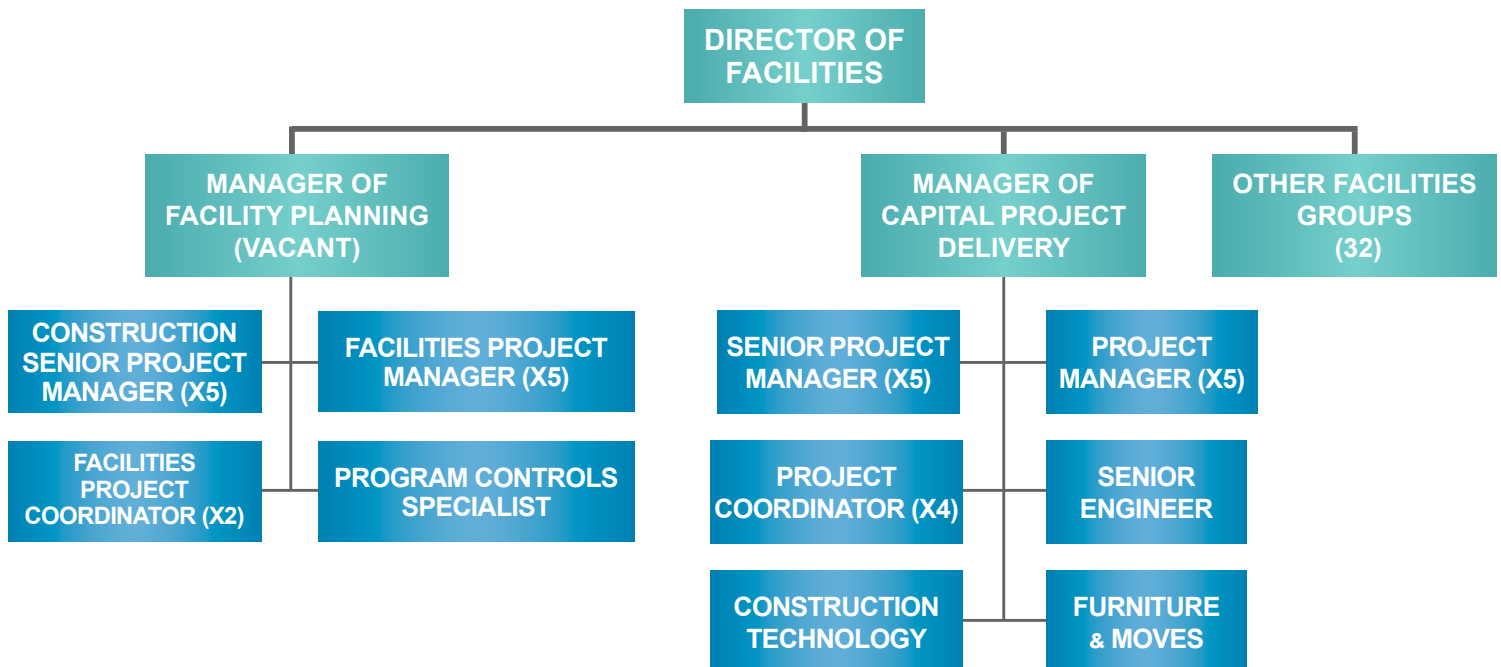
Currently, the Director of Facilities is serving as both the overall director and filling the void in overseeing the Planning Department until the vacancy is filled.

Functionally, the Planning Department is tasked with continuous refinement of the FMP for future years and identifying strategic needs across the district. They are also tasked with managing the planning and programming phases of each project in the FMP. This group has a total of five current employees.

The Capital Projects Delivery (CPD) group is tasked with executing the priorities of the FMP, managing from design through construction. This group has a total of 15 current employees, though one will be retiring at the end of the year.

Baseline

Facilities is currently organized in the following manner:



Typical Organization for a Major Capital Improvements Program

Organizations with whom we work have varying types of organizational structures depending on several factors, including institutional knowledge and skills, whether a third party program manager is involved, type and size of projects, and other criteria. However, all have the following basic components:

Director of Capital Improvements

- This position typically reports either to an overall Facilities Director, the Chief Financial Officer, or the Chief Operations Officer.
- This is the person singularly responsible for the execution of the capital improvements program.
- This position is most typically an in-house employee in any delivery model; when a 3rd party program manager is involved, there is usually a Program Director whose main point of contact is the Director of Capital Improvements.
- Depending on the size of the program, there may be a Deputy Director / Deputy Program Manager to assist.

Director of Design / Design Phase Manager

- This position reports to the Director of Capital Improvements and is tasked with coordinating all design phase activities, ensuring standards and educational specifications exist and are adhered to, and providing guidance to the project management staff during design.
- This position is also responsible for managing the design review process.
- This position can either be an in-house or employed by a third party consultant.

Director of Construction / Construction Phase Manager

- This position reports to the Director of Capital Improvements and is tasked with coordinating all construction phase activities, ensuring construction projects adhere to their design, change orders are addressed quickly and approved only as required, and providing guidance to the project management staff during construction.
- This position can either be in-house or employed by a third party consultant.

Director of Program Controls / Program Controls Manager

- This position reports to the Director of Capital Improvements and is tasked with implementing and maintaining a sophisticated program controls system, providing support and guidance, and ensuring its use during the program. This position is also responsible for delivering the monthly reports and other data as required to support the project managers.
- This position also interfaces regularly with the Finance Department to ensure alignment between the program controls system and the accounting system of record. In some cases, Finance assigns a direct liaison who is either the primary Point of Contact for Facilities or actually works in-house with the Facilities Department on a full-time basis (usually a Project Accountant).
- There may be an Assistant Program Controls Manager depending on size and complexity.

Project Management Staff (both in-house and third-party consultant)

- These positions are made up of a combination of Senior Project Managers, Project Managers, and Assistant Project Managers / Project Coordinators, depending on skill-set, experience, and capabilities.
- A Senior PM may supervise PMs and APMs, may manage the more complicated projects, or both. A Senior PM can usually manage 4 to 6 concurrent projects depending on complexity. This position is the single point of contact for the duration of the project and is the primary facilitator among the design, construction, and other team members. This position is responsible for the successful execution of the project.
- A Project Manager is the most common position on a capital improvements program and has direct responsibility for the projects he/she is managing. When there is no Senior PM, this position is the single point of contact for the duration of the project and is the primary facilitator among the design, construction, and other team members. This position is responsible for the successful execution of the project. A Project Manager can usually manage 2 to 4 concurrent projects depending on complexity.
- Assistant PMs / Project Coordinators provide support to the Senior PMs and PMs. They are usually responsible for documentation, reporting, and field observations. They are usually deployed across several PMs to assist on various projects.

Cost Estimating & Scheduling

- These positions may be either in-house or through a third party, depending on amount of concurrent work
- These positions usually report to the Director of Program Controls / Program Controls Manager, but have direct interfaces with design and construction teams.
- They are responsible for providing estimating and scheduling support to the Project Management staff to assist in reviews and decision-making.

Quality Control, Safety, and Commissioning

- These positions vary by school district and internal competencies. They offer quality control, safety, and commissioning oversight services and support the project management staff in delivering their work.
- These positions usually report to the Director of Construction / Construction Phase Manager, but can report to Controls or directly to the Director of Capital Improvements.

Observations

After discussions and observations with the SPPS team we have identified several gaps in the organizational structure. The first and primary gap is with Program Controls. This position is currently identified as a junior level position working within the Planning Department. Functionally this position does work regularly with the CPD team, but structurally is not assigned to that group.

The second gap is the lack of a design phase management team or assigned design phase support services. We did not find evidence of a robust in-house design review team nor the owner of the design standards and specifications. This is one of the primary causes for the scope increases and could lead to inequitable results across the various design projects.

We did find that once projects transition out of design and into construction, the team is organized to manage the construction process, including the addition of the Construction Managers as Agent. However, it appears there is a heavy burden placed on the Senior PMs which will only increase with the impending retirement of one of them.

Prior to the FMP External Review, the following was the current operating status of the program:

Status	#	Est. Cost
In Planning	3	\$74,992,000
In Design	4	\$100,795,000
In Construction	4	\$95,671,328
In Close Out	14	\$179,452,111
Closed	0	

It's important to note that this list is only for the major projects and does not include many of the maintenance / LTFM projects which are also part of the FMP, though managed by a different sub-division of Facilities. These maintenance groups are not working as closely as necessary to ensure alignment between the priorities of both groups.

Recommendations

Based on our observations and industry best practices, we recommend the following adjustments to the organizational structure of the team:

1. Re-align Program Controls to a more senior position reporting directly within the CPD group
2. Assign an Assistant Program Controls Manager; this position would help ensure that active projects are able to transition to the program controls system
3. Assign a Director of Design to take ownership over developing educational specifications and design standards to ensure equitable results across the District
4. Identify Cost Estimating, Scheduling, Quality Control, Safety, and Commissioning resources to assist the Project Management team in delivering their work
5. Given the technical financing complexities, we strongly recommend that Finance assign a full-time individual to work within and report to the CPD group
6. The number of Project Managers currently employed by the District should be sufficient to manage the ongoing projects. However, it appears most of the burden is falling on the Senior PMs. Further analysis of the project management team would be required to identify the root cause of this burden.
7. There are too many projects in the "close-out" stage. Individuals should be re-assigned to a "tiger team" dedicated to closing projects out as soon as possible.
8. A liaison should be assigned to coordinate between the CPD group and the maintenance groups managing the LTFM work. Both groups should utilize the same program controls system to track the projects in one location to allow a combined report on the entire status of the FMP.

APPENDIX 1: MEETING ATTENDEES

8.26.19 11:00am

Financial Oversight Discussion

FACILITIES OVERSIGHT COMMITTEE

Steve Torgrimson
Mike Vogel
Kelly Smith

JACOBS

Chappell Jordan
Alexandra Marler
Aaron Sarfati

SPPS

Brian Kinder
Cedrick Baker
Tom Parent
Marie Schrul

COMMUNICATIONS ADVISOR

Lynn Brun

8.26.19 1:00pm

FMP Development (Planning/prioritization)

FMP EXTERNAL REVIEW COMMITTEE

Steve Torgrimson
Mike Vogel

JACOBS

Chappell Jordan
Alexandra Marler
Aaron Sarfati

SPPS

Tom Parent
Marie Schrul
Monika Watkins
Jackie Turner
Angela Selb-Sack
Lora Boehlke

COMMUNICATIONS ADVISOR

Lynn Brun

8.27.19 8:00am

Business Process Analysis

FMP EXTERNAL REVIEW COMMITTEE

Steve Torgrimson
Mike Vogel

JACOBS

Chappell Jordan
Alexandra Marler
Aaron Sarfati

SPPS

Tom Parent
Marie Schrul
Monika Watkins
Jackie Turner
Angela Selb-Sack
Amy Ennin
Jeff Lorenzen
Lora Boehlke
Arleen Schilling

COMMUNICATIONS ADVISOR

Lynn Brun

8.27.19 8:00am

Business Process Analysis

FMP EXTERNAL REVIEW COMMITTEE

Steve Torgrimson
Mike Vogel

JACOBS

Chappell Jordan
Alexandra Marler
Aaron Sarfati

SPPS

Tom Parent
Marie Schrul
Monika Watkins
Jackie Turner
Angela Selb-Sack
Amy Ennin
Jeff Lorenzen
Lora Boehlke
Arleen Schilling

COMMUNICATIONS ADVISOR

Lynn Brun

8.29.19 8:00am

FMP Contract Review/Analysis

FMP EXTERNAL REVIEW COMMITTEE

Steve Torgrimson
Mike Vogel

JACOBS

Chappell Jordan
Alexandra Marler
Aaron Sarfati

SPPS

Tom Parent
Marie Schrul
Monika Watkins
Jackie Turner
Angela Selb-Sack
Trinh Tranberg
Jeff Lorenzen
Lora Boehlke

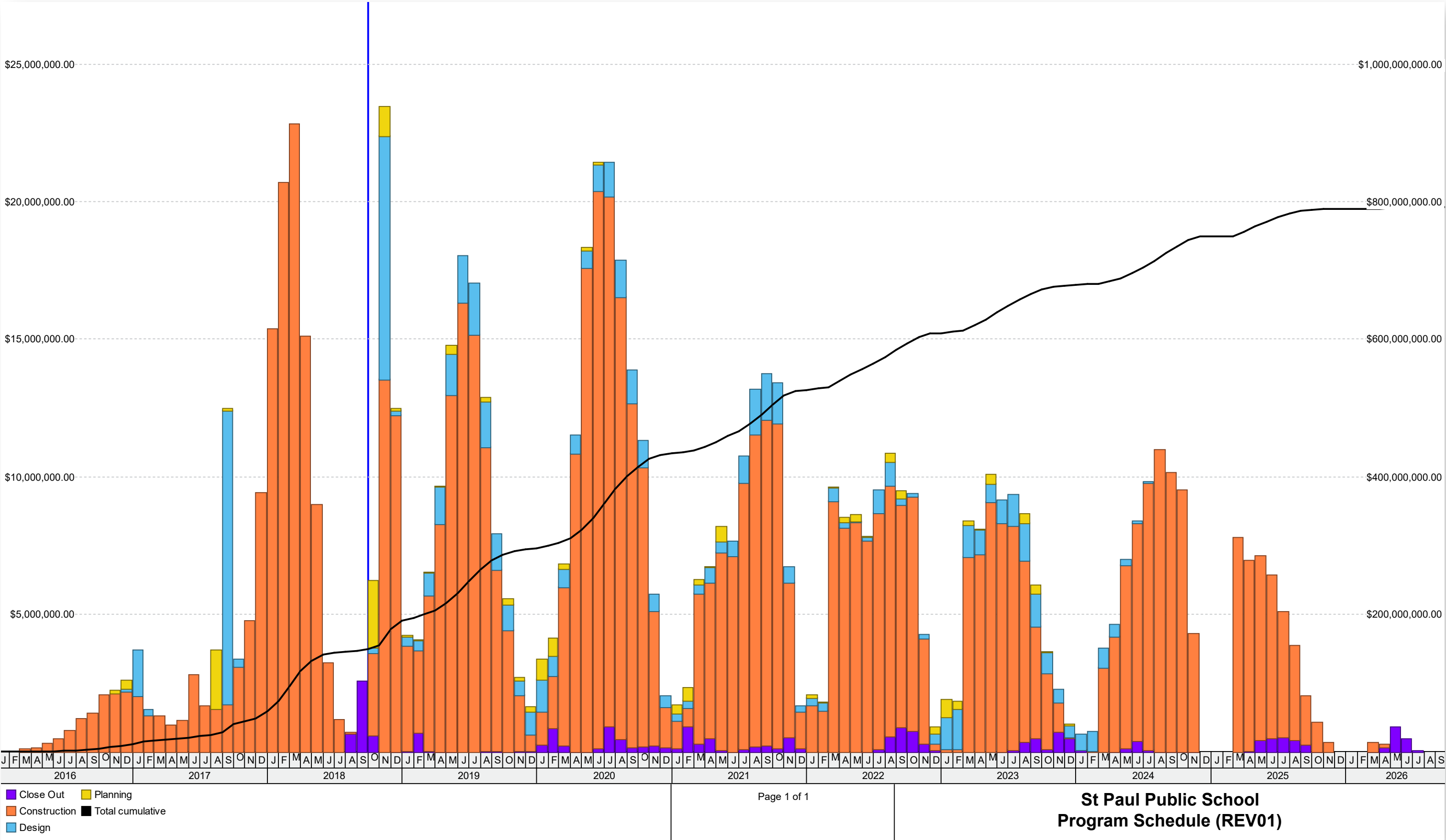
COMMUNICATIONS ADVISOR

Lynn Brun

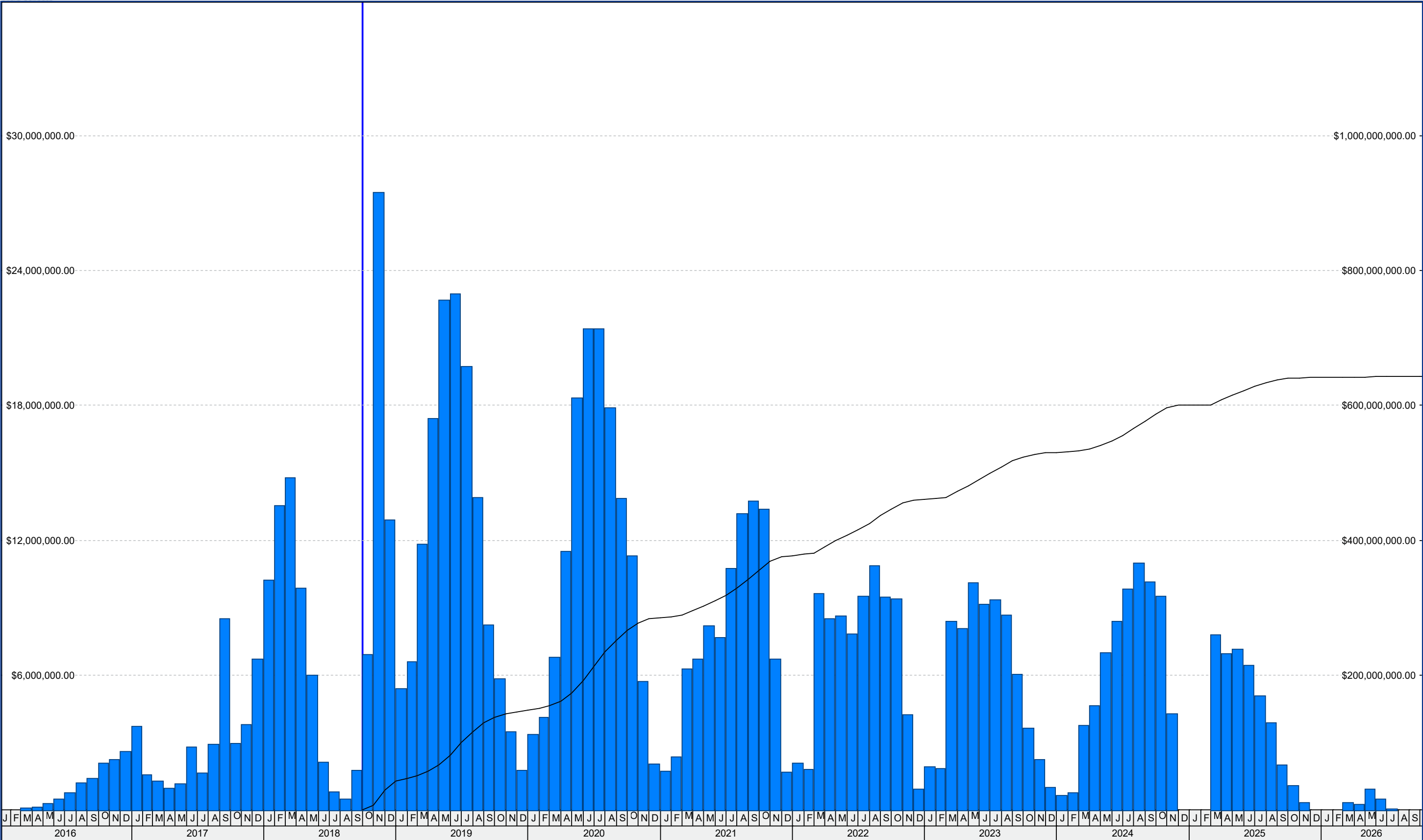
APPENDIX 2: PROGRAM COST CURVE



The graphic below represents the cost curve associated with third 5YP. Of concern, is the validity of the assumptions pertaining to schedule and budget and what impacts from additional cost expenditures from the first and second 5YPs may have on the development of future projects.



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Facilities Master Plan External Review Final Report

Prepared by: Steve Torgrimson, External Consultant

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INTRODUCTION

General Overview

It is clear that SPPS did not assess their ability to enter into and manage a major multi-year \$1.3B capital construction program when the Facilities Master Plan (FMP) began. A key missing element in creating a successful program is that SPPS did not hire dedicated FMP leaders experienced in implementing a major capital program. My impression is that most departments assessed task requirements and some staff was added, but the District failed to staff up to provide the functional continuity required to sustain this sizeable effort over time. It appears that management assumed that current leaders could just add the FMP to their normal responsibilities. This was short sighted.

Any successful working relationship, whether between individuals or departments, has to be built on a foundation of trust and productive communication. At SPPS, effective communication has broken down between Finance and Facilities primarily due to the rapidly changing project budget baselines provided by Facilities to Finance over the first two years of the FMP implementation. Finance requires accuracy in everything they do. With all these project budget changes coming from Facilities, Finance could not trust the accuracy of the numbers from Facilities. Finance pushed for accuracy and stability in project budgets—it wasn't there and discontent between the departments worsened.

These shortcomings are being addressed and both Facilities and Finance are committed and working together to successfully move the program forward. Each department is committed to doing good work for the students and staff in each of the buildings that the FMP touches.

However, I believe that the FMP would benefit from a pause for a year before the District starts any more major construction projects. I recommend that the District sell bonds in December 2019 (COP lease and LTFM bond) and January 2020 (annual GOB). These bonds will be used to fund current project overages on completed and current projects under construction. Included in this funding, the District should keep and expand all deferred maintenance projects in backlog. If the District chooses to fund some new projects, they should be funded only if the District is confident in the budgets being proposed and projects should then be funded at 100%. This will keep Facilities staff working and moving forward through the pause.

During this pause the District should work to get systems defined and fully implemented, staff hired and trained, new projects defined and estimated, develop reporting tools, start Education Specifications (Ed Specs) development and build Master Schedules. This activity will all lead to the next bond sale in December 2020 for projects starting in summer 2021 and will create a restart program baseline.

Professional Background and Context

My involvement at SPPS began on April 25, 2019, primarily by interacting with and reporting to the Director of Facilities as a consultant tasked with developing an FMP program-funding strategy. I met and attended numerous meetings with the COO, the Director of Facilities, and the Program Controls Specialist; meetings were expanded to the Manager of Capital Project Delivery, the Manager of Facilities Planning, and other Facilities staff through meetings and interviews. In early May, I began interacting with the Finance team, primarily with the CFO, the Finance Controller and with the Finance support team, including the Business System Manager and the accounting staff supporting Facilities. Since that time I have attended the bi-weekly Finance/Facilities strategy meetings which are normally attended by representatives from BakerTilly, the District's Financial Advisors.

Due to my professional experience in the capital improvement management campaign in Minneapolis Public Schools (which is most identical to SPPS' size and has the same statutory funding structure and options) and knowledge of SPPS' Facilities and Finance systems, in early July, I was asked to join the FMP External Review Team which reported to the Chief of Staff. I participated in weekly Skype meetings with the External Review Team, as well as other meetings with that team and other District leaders. I participated in all four days of the Jacobs on-site fact finding sessions attended by Finance and Facilities management, the Purchasing Manager, the Facilities planning and program management staff, as well as the Jacobs staff coordinating and leading these sessions.

This report is based on my background in contract administration at Honeywell for 14 years and my 21 years of finance support for Minnesota school districts, in which my last 10 years were at Minneapolis Public Schools (MPS) helping to manage the successful implementation of their last major capital construction program.

FINDINGS AND RECOMMENDATIONS

1. Primary Evaluation Scope (1 of 3): Financial Controls

In this first evaluation category of Financial Controls, I noted a lack of fundamental systems and a lack of dedicated staff that both hold the program together and provide the Superintendent and Board of Education with the checks and balances needed for the program to be successful. As staff turnover happened, tasks were reassigned and covered, but the functional continuity of the program as a whole suffered. The system shortfalls are starting to be addressed; however, addressing staffing issues is being complicated by the availability of qualified candidates in the marketplace and by the time needed to train new staff.

A. Systems

1. Project Management Systems

Finding: There is no construction management software being used two years into the capital improvement program.

Status: Procore has been selected for use and is being piloted on the new projects to be started going forward.

Recommendation: None at this time. SPPS will need to invest in the time to get all Facilities staff and contractors trained on this new system for it to be successful. The pause in the program should help provide the time needed to accomplish this. Having a dedicated staff person overseeing the full implementation and management of Procore would be advisable.

2. Cost Management Systems

Finding: There is no project tracking and reporting system in place where both Facilities and Finance can view project costs. The lack of a shared system to track costs complicates accuracy and timely reporting.

Status: A project-tracking system is being developed in Hyperion and is in beta testing. This new system will automatically download actual cost data from PeopleSoft into this new database. Unused PeopleSoft data entry fields are being modified to house project information. Once fully implemented, this new system will provide real time project financial status and allow Facilities and Finance to reconcile between all three systems (Procore, Hyperion, and PeopleSoft).

Recommendation: Proceed with full implementation of the Hyperion project-tracking software. Make sure the District has full project reporting across fiscal years. Also, it should be ensured that the system deals with accruals, accrual reversals, and direct posting of journal entries to prior periods.

Option: It may be helpful to set up new funds to segregate LTFM spending for tracking and reporting. These new funds would crosswalk appropriately at year-end to Fund 1 or Fund 6.

3. Change Management Systems

Finding: Finance and other levels of management do not appear to have a consistent role in reviewing or approving project change orders or scope changes to make sure funding is available to cover these potential added costs. There appears to be a lack of procedure on when the CFO, COO, Superintendent, Board of Education, and MDE need to approve revisions to Facilities' plans.

Recommendation: Change-management procedures need to be developed and or strengthened. Hire another purchasing person dedicated to the FMP and have Purchasing acquire and implement change

management software (MPS used 'Novatus') which routes all contract approvals and contract changes through the District's approval hierarchy using a progression of email notifications that automatically move the contract to the next approver in the District's approval hierarchy. This will keep Finance actively involved and allow them to verify funding coverage.

B. Staffing

1. Operations Finance Manager

Finding: The high-level finance Operations Accounting position supporting Facilities is vacant. This position has not been replaced after the prior individual retired in 2018. Currently, the Finance controller and the CFO are covering these responsibilities along with their other core responsibilities.

Recommendation: Hire a Director of Finance Operation for this vacant position to provide the proactive interface between Finance and Facilities. This person must have interest or work experience in construction finance and should be co-located in Facilities and housed close to the Facilities FMP Program Manager/Director of Facilities. This position should have a dotted line to the Director of Facilities and a hard line to the CFO. This position is key in translating the Facilities' needs to Finance and Finance needs to Facilities in a proactive way that provides the financial checks and balances for the CFO/District. This key manager/director position helps coordinate and integrate the Facilities annual financial needs into the District's overall revenue plan and also provides strategic financial direction to the construction-funding requirements of the District. This position should manage all operations finance staff and may coordinate with the District's Financial Advisor on bond sales and rating calls and may lead the annual levy process.

2. On-site Finance Staff

Finding: The two Finance support staff embedded in Facilities are no longer co-located and the two replacements (one hire and one temporary) have been hired by Finance. Their positions are not fully dedicated to Facilities and they are not currently housed at the Facilities Department site (1930 Como Ave.). Neither hire has facilities/operational experience. They are currently in the process of learning UFARS, SPPS financial systems and processes, and Facilities business and procedures. The two new Finance staff provide transactional checks to Facilities Department charges. Their effectiveness should improve over time as they learn. Unfortunately, time is of the essence.

Recommendation: Replace one of the two new staff with an experienced SPPS Finance employee and co-locate them in Facilities as soon as possible. These positions need to be a dotted line to the Director of Facilities and hard line to the Director of Finance Operations.

Option: Hire an experienced construction finance person from outside. These positions are key to providing the financial check and balance for the CFO/District.

3. Change in upper management midway through FMP implementation

Finding: There was a loss of continuity in FMP upper management oversight with the turnover in the Superintendent and COO positions.

Recommendation: Hire an experienced capital construction program manager to take over the implementation of the FMP. This new position can bridge this gap in managerial oversight. Have the position report directly to the COO. Require weekly meetings between the COO and the Facilities Construction Program Manager and the Facilities Director. The COO then briefs the Superintendent and the cabinet as needed.

4. Facilities Staff

- A. Finding:** In the last three and a half years, the District has had three Managers of Planning and the position is currently vacant.

Recommendation: Hire a new Planning Manager.

- B. Finding:** The Manager of Capital Project Delivery was replaced midway through the FMP.

Recommendation: None.

- C. Finding:** Staffing in Facilities is heavily weighted toward architects.

Recommendations: Set goals to bring into the department more construction project management staff to help balance the design vs. build experience/education required to implement capital projects.

Finding: Facilities staff need more insights into the levy/bonding process as it relates to the inflexibility for funding out-of-cycle changes in project scope and price. This is partly the result of not having key finance persons dedicated to the program. Currently, Finance relies heavily on the Facilities Director and Programs Control Specialist to provide much of the Facilities information integration to Finance from a budget and project perspective, which has resulted in potentially-inaccurate information exchange between Facilities and Finance.

Recommendation: Hire an experienced Facilities accountant and invest both Finance's and Facilities' time in training the current Finance hires.

2. Primary Evaluation Scope (2 of 3): Cross-department Collaboration

Finding: Any successful working relationship, whether between individuals or departments, has to be built on a foundation of trust and productive communication. At SPPS, effective communication has

broken down between Finance and Facilities primarily due to the rapidly changing project budget baselines provided by Facilities to Finance over the first two years of the FMP implementation. Finance requires accuracy in everything they do. Because of what I call a ‘rubber’ project-budget baseline, Finance could not trust the accuracy of Facilities’ funding requests. Finance pushed for accuracy and stability in project budgets. Now that project scopes and budgets have begun to stabilize, and regular joint Facilities/Finance meetings are taking place, effective communication is slowly being rebuilt.

Second, Finance has limited access to capital funds. Bonds and COP leases have to be rated and sold and debt servicing for those bonds has to be built into the District’s annual debt-levy cycle. Likewise, LTFM PAYGO funding is also set annually in the levy cycle, but with funding access further constrained because it is planned a year ahead of funding availability. These funding limitations do not allow Finance to quickly respond to the changing funding requests from Facilities that resulted from their changing project estimates. Both Finance and Facilities have been left frustrated. Stability in project estimates and defining consistent annual funding strategies should help correct this situation.

- A. Recommendation:** Facilities has to lock in scope and budget on every project before they request funding from Finance. Once locked, that budget is fixed. Because this is a potentially dynamic multiyear program, this lock-in process should be done annually for just those projects that start the following summer. Going forward, I recommend those locked-in projects be funded at 100% and that they are funded by LTFM and Capital bonds and by COP leases, not LTFM PAYGO. This strategy reinforces the project budgets that Facilities is accountable for and provides both Finance and Facilities with clear and accurate project-funding baselines. Funding strategies will be discussed later in this document.
- B. Recommendation:** Cross-department collaboration success hinges on people and how well they can communicate and work together as partners. Not having dedicated Finance staff working to partner/team with Facilities staff complicated collaboration. Dedicated staff have program history, familiarity with operational plans, understand personalities and are able to translate needs back and forth between dissimilar functional departments. Again, Finance clearly attempted to have task coverage to support Facilities, but did not provide that partnering/teaming role needed. My recommendation is to again, hire an upper-level finance manager and at least one accountant dedicated and co-located with Facilities to support the FMP.
- C. Recommendation:** Finance/Facilities should continue meeting every two weeks to support the FMP until dedicated Finance staff are in place to adequately provide the partner/teaming role with Facilities. These meetings are helping strengthen the Facilities/Finance relationship in order to determine the best funding strategy for the FMP going forward. They are very effective meetings that bring the right players together to move forward with budget development and the development of project funding strategies. But more importantly, they are good for helping

to build 'team' and working through the current issues while also building finance knowledge in the Facilities leadership staff.

3. Primary Evaluation Scope (3 of 3): Financial Staffing Capacity

Having Finance staff support operational departments is key to the District's check and balance for sound financial management in those departments. These staff should report to Finance and be imbedded throughout the District in the departments they support. When staff turnover happens, positions go vacant, and once refilled, training these new staff may require that they be removed from their embedded location to be trained at the District Office. Both open positions and new employee training are the current case with Finance staff supporting Facilities. With Finance staff currently absent from the Facilities Department site (1930 Como Ave.), Facilities staff feel "abandoned" by Finance. To be fair to Finance, they are shifting staff assignments in an attempt to provide task coverage for Facilities and struggle with finding qualified replacement staff and getting new staff trained.

1. **Finding:** There has been a significant level of turnover of staff in Finance which continues today. Finance struggles to find qualified candidates to fill open positions.

Recommendation: Have Human Resources work with Finance to do a comprehensive market assessment and make recommendations on how to attract and retain qualified Finance staff. This analysis should include salary evaluation and marketing strategies with audit firms, other school districts, colleges and universities

2. **Finding:** The current hands-on role of the CFO in working to address the Facilities/Finance teaming/collaboration issues may be needed short term, but unfortunately, long term this degrades the strategic role of the CFO. Of the three largest school districts in Minnesota, only St. Paul does not have a strong number two Finance position running the day-to-day finance functions. The controller is currently being asked to do much of this coordination.

Recommendation: At a minimum, the Director of Finance Operations position needs to be filled to replace the CFO's current role in resolving these teaming/collaboration issues. At maximum, that position should be filled plus a new position created to manage the day-to-day Finance functions across SPPS. This new position will allow the District to elevate the CFO position into a more strategic financial cabinet role. The CFO should be officed on the fifth floor where the Superintendent has easy access to strategic financial council.

3. **Finding:** In my discussion with the CFO, Finance Controller, the two new Finance staff assigned to Facilities, and other Finance members, there seemed to be an overly-concerned focus on the possibility of being audited by outside organizations, beyond the annual state-mandated audit. I felt this led to unproductive conversations when Finance staff know there are issues that need help

resolving. In my meetings with the Finance team in joint meetings with Facilities, Finance was very good at finding and pointing out problems, but I did not find Finance effectively offering solutions to improve processes and communication. I do feel that the audit focus in these meetings with Facilities hampers Finance's ability to address and solve operational needs and to function as a partner with Facilities focused on moving forward.

Recommendation: None at this time. By co-locating both the Director of Finance Operations position along with the finance support staff to Facilities at the Como Ave. site there will be a better chance of this partnering to be established.

Note: In the event that the Finance Controller retires in the near future, it would be advisable that the District creates a succession plan for this position.

4. **Finding:** Facilities staff have incomplete knowledge of Finance processes and the requirements needed to support a major capital construction program. Likewise, Finance has incomplete knowledge of Facilities and the complex processes required to create and implement a major capital construction program.

Recommendations: Finance training needs to be provided to Facilities staff related to funding options, funding timing, debt, debt servicing, levy, etc. Facilities needs to train Finance staff on Facilities Conditions Assessments, Educational Adequacy Assessments, scope development, design, cost estimating, scheduling, construction and construction changes, etc. This investment in effort and time will provide long-term benefits to the District.

4. Other findings

1. **Finding:** SPPS made cash flow the primary driver for implementing the FMP. As a result, contracts were funded incrementally rather than funded at 100% at contract award. The Facilities' FMP was developed based on prioritization of building risks, educational program needs, and building access. However, it was presented to the Board of Education and the community based on a limit of \$30 a year in year-over-year levy increases to the average homeowner. That added limitation required the original plan to be modified to fit this \$30 threshold and the cash flow required to meet that limitation. Projects were delayed and pushed into higher-cost years.

A. Recommendation: The funding plan for the FMP should not have been presented to the Board of Education with a fixed dollar annual cap on tax impact. At a minimum, a year-over-year annual percentage change should have been used that would have then taken into account inflation escalations over the five to seven year timeframe of the FMP. At a maximum, the original FMP implementation plan created by Facilities should have been presented and approved because the Facilities plan should have been based on District needs and coordinated

with the site access of projects. This issue should be addressed again when the FMP is restarted after the pause.

- B. Recommendation:** By shifting funding from LTFM PAYGO to LTFM bonds, the District would have had additional funding flexibility over the life of the program and may have even lowered the tax impact on taxpayers near term with this shift. I recommend that Finance use modeling to verify taxpayer impact and present this analysis to the Board of Education during the FMP restart.

The question arises whether when implementing a major capital construction program, should the project needs drive the funding plan (Facilities position) or should the funding plan drive the project implementation (Finance position)? Funding by managing cash flow (incremental project funding), rather than funding 100% of project budgets at contract award, has a number of drawbacks:

- Future funding requirements to complete the projects incrementally funded by cash flow are potentially subject to the politics of the Board of Education when they are faced with competing needs during the annual levy process. Committing PAYGO as a base for funding a major capital program limits this versatile funding source for the Superintendent and Board to use these funds for new programmatic initiatives. This then makes this use political and if diverted away from Facilities, may negatively impact the FMP.
- Incrementally-funding projects puts the Board of Education at potential risk by allowing them to approve full contract values without having 100% of the funding for that contract in hand before award.

- C. Recommendation:** No Facilities contracts or contract change orders should be approved by the Board without full funding in hand at time of approval. Incremental project funding allows for project scope creep. Follow-on funding can be obtained in the next funding cycle to cover this rubber project baseline. This lowers Facilities' project accountability and has eroded Board of Education confidence in the program.

- 2. Finding:** SPPS chose to not sell LTFM Bonds and add to debt. They chose to increase their LTFM PAYGO amount each year, in effect paying cash for long-life fixed building assets. This is a very conservative funding approach which is not considered industry standard to fund major capital programs. PAYGO has both strengths and weaknesses:

Strengths:

1. The District avoids additional debt. (But is debt bad? There is no Debt Policy for SPPS to gauge when to use debt as a funding tool. I believe the answer is no, debt is not bad when used responsibly. When an organization only does a major capital program every 10+ years, bonding should be looked at as the primary source of funding.)
2. The State allows for over/under spending carryover for up to three years to help balance project fiscal spending fluctuations using PAYGO.
3. You avoid the costs of rating and issuance of additional bonds. (It should be noted that these costs are more than offset by the premiums received at bond sale).

Weaknesses:

1. Debt is the industry-standard financing tool in the District's tool chest to launch and sustain a major capital program.
2. PAYGO is planned a year in advance of funding availability. If amounts change year over year it is difficult to manage.
3. PAYGO fiscal periods start and stop in the middle of the summer construction season. This adds complications for Facilities to estimate and manage costs in each fiscal year. Contractor spending can be erratic and depends on variables like availability of long lead items, building access changes, weather and crew availability.
4. PAYGO has the highest tax payer impact year over year. Using PAYGO to finance a \$10M project costs taxpayers \$10M in one year. The taxpayer is paying cash for that project that normally has a 15 to 20 year life. If bonds were used for that project, the cost in that first year would be \$500K to \$700K, when financed over 20 years. With the use of bonds, repayment correlates with the life of the asset being built by that project.

Recommendation: Fund the FMP with bonds. This strategy gives Facilities clear and immediate funding to start projects and it locks in project budgets Facilities will be accountable for.

3. **Finding:** SPPS FMP project-management costs are not attached to the assets being created. Project management costs are a standard cost category in any construction project. This is a GASB 34 (Government Accounting Standards Board) compliance issue.

Recommendation: Use the Time & Material system or create an internal Facilities time reporting system to collect program management costs and attach them using the new project fields in PeopleSoft.

4. **Finding:** SPPS annual Capital GOB (general obligation bond) capacity is not on par with MPS. MPS has \$32M annually while SPPS has \$15M. SPPS has the same number of buildings, similar building ages, similar Average Pupil Unit, yet different net tax capacity. MPS has its own MN Statute 128.

Recommendation: SPPS should seek parity with MPS in its annual GOB capacity calculation, adjusted for Net Tax Capacity by getting this parity calculation into MN Statute. This is a long-term process that if successful, will provide an estimated additional \$7M to \$10M in annual GOB capacity. This is important for SPPS because this capacity is the most flexible and least expensive bonding option for the District. The CFO and the Superintendent will need to prioritize and lead this effort working with the District Lobbyist and St. Paul legislators.

5. **Finding:** SPPS has no debt policy.

Recommendation: Create a debt policy that provides the District with working debt guidelines that the CFO can use in developing future funding strategies for the District. MPS policy 3290 Debt: Purposes and Limitations can be used as an example. In Section II D the policy defines that 70% of debt has to be paid off within 10 years. I recommend that SPPS evaluate whether or not that guide is too restrictive. The 10 years could be increased. In addition, COP leases are not calculated as part of district debt. However, they are serviced annually similar to other debt servicing and they also have the same taxpayer impact as other debt. I recommend that COP debt be included as part of any District debt policy.

6. **Finding:** Finance struggles to get final year-end contractor invoices in to close the year.

Recommendation: Add a contract clause for all construction contracts that requires contractor recognition of the District's fiscal year-end date. Require expedited invoicing through June 30th and require that Facilities program management staff coordinate compliance with their project contractors.

7. **Finding:** SPPS incrementally funds construction projects.

A. Recommendation: Fund projects at 100% up front using bond funds (industry best practice). This locks in your project budget and removes any unfunded liability from the Board of Education when they approve a contract.

B. Recommendation: Track and report projects by the bond that funded each. This will assist Finance in arbitrage calculations and aid in accountability by funding source.

8. **Finding:** Contractors are not providing spend plans at contract award or updating those spend plans as needed.

Recommendation: Facilities should require contractors to provide spend plans by month at award. In addition, contractors should be required to update spend plans by month each May to meet forward cash flow requirements and budget planning by Finance.

9. **Finding:** The current FMP Board-review document is a cash-flow document and does not reflect complete status on prior approved projects because it drops off prior year costs and adds next year project estimates with each annual update. This creates confusion.

Recommendation: Revise this document into two separate documents: projects and cash flow requirements. Projects should be displayed in this report with budget and spend status and include future spend requirements. These spend requirements are then integrated into the Facilities program master schedule. The cash flow portion of this report will pull the future spend requirements listed for each project. If the District fully funds projects on the back of annual bond sales, split the project report to include projects by funding year/bond.

10. **Finding:** The FMP is currently being funded using COP leases and LTFM PAYGO using a cash flow model that includes future design estimates, continued funding on projects under construction, and partial funding on new projects.

A. Recommendation: Project budgets should be fixed at bond sale and are funded at 100%.

B. Recommendation: Program design costs should be funded by fund balance/cash flow and reimbursed at bond sale. The District has approved a reimbursement resolution which governs this reimbursement.

11. **Finding:** District Project Managers are not actively involved in project development prior to project estimates being shared with the Board of Education.

Recommendation: Have Project Managers actively involved early in the design process to add site, program, and implementation realities into the design such as project phasing and meeting swing space requirements.

12. **Finding:** There is confusion on how project Furniture, Fixtures & Equipment (FF&E) can be funded.

Recommendation: FF&E for new or remodeled spaces is a normal cost of a construction project as it is required to provide that space as 'ready for use'. COP lease or GOB bond dollars are appropriate funding sources for FF&E.

13. **Finding:** SPPS does not have a District-wide FF&E cycle-of-replacement plan with recurring funding strategies.

Recommendation: Create a District-wide FF&E cycle-of-replacement plan based on highest need. Use GOB Capital bond proceeds to fund annually. If SPPS can expand their annual GOB capacity, fund this plan more aggressively out of this annual GOB capacity.

14. Finding: The formal process for Board of Education approval of the FMP and revisions to the plan is done inconsistently; is not coordinated across all departments, in particular Finance; and this rolling five-year document is difficult to tie back to project budgets for accountability.

Recommendation: Create a formal annual review process for the FMP that is consistent each year, includes Finance as a partner in plan development prior to presenting the plan to the Board, and is easier for the Board to understand (see 'Other Findings #9). SPPS may want to look at using the MDE Review and Comment processes or at least mimic them internally. These processes would add discipline, transparency, accountability, and formality to an annual project-funding approval process.

Facilities Master Plan External Review of Saint Paul Public Schools’ Consultant and Construction Contracting and Design Validation Processes

Prepared by: Michael Vogel, External Consultant

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Introduction

Consistent with the terms and conditions of the consultant contract between myself and St. Paul Public Schools, this document has been prepared to summarize current construction consultant and construction contractor contracting practices; evaluate the design validation process; outline my findings in regard to those practices; and make recommendations where warranted to enhance the efficiency and/or effectiveness of those existing processes. In keeping with the Consultant Contract deliverables, there are five sections to this report comprised of:

- 1) Architectural and Engineering Contracts
- 2) Construction Management Contracts
- 3) Contractor Contracts
- 4) Procurement Practices
- 5) Design Validation Review

As a precursor to the development of this document, I have had an opportunity to review the contract deliverables with Chief of Staff Cedrick Baker and Superintendent Dr. Joe Gothard. I have also reviewed the Facilities Master Plan (FMP) document, the Five-year Facilities Maintenance and Capital Implementation Plan, the FMP Vision, Principles and Standards, the Criteria for Prioritization of Facility Improvements and the SPPS Design Standards as well as several newspaper articles dealing with the District's Facilities Master Plan.

Throughout my engagement I have conducted numerous interviews with the SPPS Facilities Department staff, Purchasing staff, external consultants, and construction contractors. I gratefully acknowledge the welcome I received from the SPPS staff and commend them for their openness when sharing the history of their contracting and design methodologies and the degree of knowledge and experience they bring to the table. I am equally grateful for the frank and meaningful discussions with those firms contracting with SPPS. Each conversation was guided by the understanding that they were asked to compare and contrast SPPS' facility practices with other clients and industry norms to aide in the identification of ways that SPPS might achieve greater efficiency and economy when contracting for construction services.

Section 1: Architectural and Engineering Contracts

A. School Board Approval Process

1. Current Practices

The Facilities Department presents a slate of Architectural and Engineering firms to the School Board on a bi-annual basis for the Board's approval for use by the Facilities Department for the variety of construction projects to be undertaken in the two-year period. The slate of firms consists of those consultants with a history of providing high-quality consulting services at a cost that is reasonable and competitive in the current marketplace. Firms not currently on the approved list may submit a letter of interest and qualifications to the Facilities Department for its review and if they receive a satisfactory review the department will submit their names for School Board approval. Every two years the approved firms are requested to express their continued interest in working with the District and are required to submit an updated maximum hourly rate to apply to their work during the following biennium. The list of firms is reviewed periodically by the department and firms that have not performed up to expectations or have been inactive are not solicited for future work by Facilities.

The Department has discretion to select the firm(s) that it deems most appropriate for each project under consideration and will commonly request proposals from multiple Architectural and Engineering firms for large scale projects.

2. Findings

- a) The contracting method SPPS employs for Architectural and Engineering Services is consistent with industry standards.
- b) School Board authority is retained at the policy governance level and administration's authority is retained at the management level.
- c) School Board approval of a slate of firms provides the Facilities Department access to an adequate number of firms to select from as projects arise and provides a venue for other interested firms to apply for inclusion of the approved list.
- d) By seeking proposals from multiple firms as projects arise, Facilities provides assurance to the Board that proposals are competitive; selected firms have the requisite qualifications; and all firms are treated fairly in the solicitation process.
- e) Purchasing is working to derive a master contract for consultant submittals that minimizes the need for an RFP submittal on a project-by-project basis.

3. Recommendations

- a) As discussed with Facilities and Purchasing, staff should continue to refine their methods to identify and attract additional firms to provide professional services to SPPS in a more expedited fashion.

- b) When firms are selected to perform studies or assess building conditions, consider expanding their contracts to include the design phase of the work identified in the study. This should reduce the learning curve and duplication of effort required if/when a second firm is selected for the design work.

B. Rate Language in Contracts/Rate increases

1. Current Practices

- a) Rates for Architectural and Engineering contracts are expressed as an hourly rate applied to each level of employee assigned to the contract for both the Prime Consultant (architectural firm) and Sub-Consultants (Mechanical and Electrical, civil, structural etc.) that work under contract to the Prime. Consultants must also include a not-to-exceed maximum fee that will apply to the total cost of each specific project.
- b) Board approved Architectural and Engineering firms are provided the opportunity to resubmit their rate proposals every two years.
- c) When the Architectural and Engineering firm is selected as the designer for a specific project, the rates in place at that time will be held firm throughout the duration of the project design and construction period.
- d) Architectural and Engineering firms may submit for additional compensation beyond the not-to-exceed maximum if there has been a significant increase in the work scope, consistent with the terms in the approved AIA (American Institute of Architects) contract.

2. Findings

- a) The hourly rate contract methodology is less common for large-scale projects than a lump-sum fee based on a percentage of construction cost or budget estimate. However, the not-to-exceed cap generally serves the same purpose in controlling contract cost.
- b) Contracting on a percentage of construction costs basis eliminates the need to evaluate and approve periodic rate increases as the Architectural and Engineering firms' fees will escalate with construction costs.
- c) The architectural firms I interviewed had 30 and 60 years of experience working with SPPS and would typically calculate what their lump-sum fee would be and adjust their hourly rates to provide comparable compensation.

3. Recommendations

- a) Implement a side-by-side comparison of the lump sum vs. hourly rate methodology when contracting for Architectural and Engineering services on a similar scale and budget projects to gauge whether there is a material variance in fees.

C. Invoice Protocols

1. Current Practices

- a) Architectural and Engineering firms submit invoices monthly detailing the number of hours spent on the contract design for their firm and the sub-consultants under contract to them. Invoices are reviewed against the hourly rate sheets in place and are approved by the SPPS Planning or Construction Delivery Manager and submitted to the Business Office for payment.

2. Findings

- a) The invoicing method SPPS employs for Architectural and Engineering Services is consistent with industry standards although it is equally common for Architectural and Engineering firms to bill for their services as various design phases are completed. For example 15% at completion of predesign, 25% at completion of schematic design, 25% at completion of design development, 10% at completion of the construction document phase, etc.

3. Recommendations

- a) None

D. Errors and Omissions Process

1. Current Practices

- a) When errors or omissions are discovered during the design review, the documents are sent back to the architect and corrective action is taken. If material errors or omissions are discovered during the construction phase that result in additional effort on the part of the architect, they will incorporate corrective action in to the project plans and be compensated at the normal hourly rate for the redesign work under the assumption that the labor cost would have been incurred initially if the omission had been included up front.
- b) In the unusual event of an architectural error in the design, for example, if a wall is designed to be or is constructed in an inappropriate location that would not allow

for that construction, the architect would be expected to correct the design without additional compensation. However, if construction has already taken place or materials have been ordered and corrective action results in additional costs to SPPS, the architect would be expected to pay an appropriate share of those additional costs.

2. Findings

- a) In the great majority of circumstances, the corrective actions required due to “errors or omissions” in the contract documents results in a cost-neutral corrective actions that does not add additional costs to the construction project or District. This is true both in design costs and construction costs.

3. Recommendations

- a) Consideration should be given to incorporate language in the SPPS Design Standards to address Errors and Omissions on the part of the design consultant that materially affect Owner costs and/or project schedule. For example, there may be circumstances where construction has taken place and it is later discovered that the work was incorrectly designed and requires both a redesign from the consultant and additional work on the part of the contractor(s) via a change order. The cost incurred for the redesign should be absorbed by the consultant and the additional work as identified in the change order could constitute an additional expense to the Owner. To minimize conflict, contract language should define a negotiation process to identify additional costs and methods of compensation to the Owner prior to engaging the mediation and/or arbitration process outlined in the AIA documents as those processes tend to be very costly, often exceeding the disputed amount.

E. Change Order Process

The Change Order process is discussed in detail in the **Construction Contractors Contracts** section that follows in this document.

Section 2: Construction Management Contracts

A. Current Practices:

- 1. The Facilities Department performs construction projects under both a Single Prime General Contractor (GC) model and a Multi-Prime Construction Manager (CM) as Advisor model, with the current nine active construction projects, four have been undertaken in the GC model and five have been undertaken in the CM as Advisor model.

With the increased dollar value and increased complexity of performing the construction accompanying the FMP projects, as evidenced by the need for a multi-phased, multi-year approach to construction, the District has been shifting its emphasis to the CM model. This practice reflects the enhanced expertise that the Project Managers and Site Superintendents employed by the CM's bring to the complex projects being undertaken. It also reflects the benefit that the District receives from having the CM staff serve as an Owner's Representative onsite.

2. The process of board approval, assignment of projects, establishment of fees, and invoice protocols for Construction Management Services mirrors the identified methods for contracting for Architectural and Engineering Services in that section of this report.

B. Process for Documenting Soft Costs (General Conditions)

1. General conditions costs can be summarized as those construction costs that are incurred separately from the bid costs included in each of the construction contracts. Examples of general conditions expenses would be trash removal, providing temporary restrooms, security services, providing temporary heat, snow removal, equipment rentals, construction tenting etc.
2. When working under the GC model, it is the responsibility of the general contractor to estimate these general conditions expenses and incorporate them into the lump sum construction bid. In the CM model the costs are segregated out of the construction bid and contracted for separately, which eliminates the guesswork associated with those costs and the District pays only the actual costs incurred.
3. In the early stages of its use of construction managers, the SPPS Facilities and Purchasing staff endeavored to contract internally for the general conditions expense. However, the SPPS internal processes proved to be too unwieldy to provide timely service and the task was turned over to the CM for contracting the services. In selecting the vendors to provide these services, SPPS requires the CM to get multiple quotes, when possible, to provide the services to ensure competitiveness and equal opportunity for interested vendors. The CM approves the invoices and submits them to SPPS for processing and payment. The CM will provide an audit trail for each general condition contract at the request of SPPS.

C. Construction Site Diaries (CM Site Superintendent Activity Log)

1. The Site Superintendent log is a tracking device to document construction activity during the construction process. The CM's Site Superintendent will document the number of workers each contractor has onsite each day and the general nature of work being performed. The Site Superintendent also logs the deliveries received and stored

on site each day; the required testing being performed on site; and any unusual activities that might have occurred.

2. The Site Superintendent log serves as a device to monitor contractor performance if/when a contractor's work lags behind expected progress or adversely affects the work of other contractors on site. It also provides an informal audit trail for the CM or facilities project manager to track the level of effort involved in performing additional work requests through the Change Order Process.

D. Findings

1. SPPS has been cautious in its transition from the GC construction model to the CM as Advisor construction model, and as a result, SPPS does not yet take full advantage of the array of services typically provided by CM's to their clients.
2. There is redundancy and confusion in the collection, tracking, and administration of documents relating to the bid process and contract execution between Purchasing, Facilities and Construction Manager.
3. The Project Managers on the CM side report that there are inconsistencies in how the SPPS Project Managers run their projects.
4. CM involvement in budget development is limited to construction costs as opposed to overall project costs resulting in some confusion as to which line items should be included in construction costs and which should be included in project costs. It was also reported that those decisions vary from project to project or from one SPPS project manager to another.
5. The Construction Change Directive/Change Order process can be administratively burdensome and confusing to contractors. Some contractors are reluctant to bid on SPPS work due to concerns with the Construction Change Directive/Change Order process and the long delays in receipt of payment for the work.
6. The CM is more flexible and agile in its ability to secure competitively priced and timely contracts for General Conditions expenses than is SPPS.
7. CM's ability to exercise meaningful value engineering is sometimes hindered by SPPS' rigid adherence to its Design Standards.
8. CM documentation of construction activities contained in the Site Diaries provides valuable documentation and serves as a resource for managing the construction schedule and contractor performance.

9. Some bid processes that are designed to provide consistent treatment of potential contractors and public information sharing tend to have a negative effect on bid competitiveness. As an example, if only one bidder attends the mandatory pre-bid meeting and SPPS excludes all other bidders on that basis, the bidder in attendance is free to escalate its bid numbers without concern for lower competitor bids.
10. Frequent scope changes between preliminary design and final design occurred without appropriate budget evaluation and revision by the CM.

E. Recommendations

1. Continue the conversion of the high-dollar, high-complexity projects in the FMP to the CM as Advisor model.
2. Review the full array of services the CM can provide with Facilities and Purchasing staff and consider transitioning to the CM handling the bid solicitation process and collection of contract documents on behalf of SPPS. Note: SPPS would retain review and approval authority.
3. In situations where only a single contractor attends a mandatory pre-bid meeting, waive the attendance requirement and allow the CM to contact other contractors and promote solicitation of additional bids.
4. Adopt a philosophy of more open sharing of overall project budgets with the CM so they have a better understanding of the budgeting process and can offer input on cost containment measures outside of the construction costs.
5. Engage the CM representatives in the pre-design phase of projects and provide input on the cost ramifications of scope changes between conceptual design and pre-design phases.

Section 3: Construction Contractor Contracts

A. Current Practices:

1. At the conclusion of the Architectural and Engineering firm's construction document phase, the Purchasing Department initiates the formal bid solicitation process. The formal bid process includes a public advertisement, mandatory pre-bid meeting, and a public bid opening. Bids and bidders are evaluated for compliance with the bid specifications and capability to perform the bid requirements by the architectural and/or construction management firm. Their award recommendations are forwarded to the SPPS Facilities and Purchasing Departments which in turn make an award

recommendation to the School Board. Absent extenuating circumstances, the contracts are awarded to the lowest bidder (per state statute) following submission of the required Performance Bonds, insurance certificates, and other contractual requirements.

2. There is little opportunity to make qualitative distinctions between competing contractors even when there are only minimal variations in cost. A contractor is deemed capable of performing based on its ability to secure the necessary bonding to comply with the contracting requirements.

B. Tracking and review process for Change Orders:

1. The change order process utilized by the Facilities Department is documented in the departmental design standards which require that:
 - a) The consultant issues a Proposal Request (PR) to the affected contractor.
 - b) The contractor prepares a response to the PR that includes a not-to-exceed cost to perform the work and submits to the consultant and Facilities Planning Manager.
 - c) The consultant evaluates the proposal against recognized cost estimating references.
 - d) Upon acceptance, the consultant issues a Construction Change Directive (CCD) authorizing the contractor to proceed with the work and submits the CCD to the owner for its signature.
 - e) Upon completion of the work, the Consultant will prepare a Change Order (CO) for the signature of the Owner, Contractor and Consultant.
 - f) Once the CO is executed, the Contractor may submit for payment.
2. Change orders primarily occur in three categories: Owner requested, Contractor requested, and Errors and Omissions. Each is discussed briefly below.
 - a) Owner requested change orders: Generally, an owner's request will fall into the category of minor changes based on user preferences. Frequently, these can be dealt with through informal negotiations with the contractor if identified in a timely manner. An example might be to relocate electrical outlets to comport with interior furnishings placement. If the owner request involves more substantial changes or costs, the Consultant would follow the process outlined above.

- b) Contractor-requested change orders: Generally, a Contractor will request a change order when observed field conditions vary from that described in the construction specifications or when they encounter unforeseen conditions during the construction process. An example would be the discovery of deteriorating subfloor conditions upon removal of the floor covering or the discovery of substandard/non-compliant electrical or plumbing service inside an existing wall.
- c) Change orders resulting from Errors and Omissions: See Section 1, Architectural and Engineering Contracts.

C. Findings

1. Long-standing contractors express both understanding and frustration as SPPS transitions to larger more comprehensive projects. They express a desire to continue to serve SPPS and bid on its projects while expecting improvements in administrative processes.
2. Most contractors work more commonly under the CM as Advisor Model vs. the General Contractor model.
3. A comparison of the number of bidders on SPPS FMP projects and projects of other school districts during the same time frame suggests a less robust bid climate for SPPS projects.
4. All contractors I spoke with expressed some frustration with SPPS' extensive timeline from submittal of a pay application until receipt of payment (approaching 60 days).
5. The Construction Change Directive/Change Order process received mixed reviews from contractors with complaints about long timelines until receipt of payment; the failure to follow prescribed processes; and the appreciation for having approvals to proceed in writing vs. orally.
6. Even though the incorporation of allowances into the bid documents for those bid divisions that consistently experience a high degree of unforeseen conditions can significantly reduce the number of Construction Change Directive/Change Orders and expedite the construction process, the Facilities staff have discouraged their inclusion in bid packages.
7. Both the SPPS Facilities and Purchasing staff have expressed an intent to create a more agile and less cumbersome business model to attract greater competition in the bid solicitation process and encourage participation from new and emerging contractors. Of special interest is attracting more small minority- and women-owned contractors.

8. Contractors cite the current busy construction climate, labor shortages, and multi-year phasing of work with uncertain inflationary factors and material costs as primary reason for escalated prices on SPPS construction work. Other concerns that were raised without necessarily impacting contractor bids were:
 - a) Bidding schedule.
 - b) Challenging site conditions (site size, soil conditions, stormwater management, adjoining residential developments).
 - c) Historical preservation desires/requirements.
 - d) Timeliness of payments.
 - e) Project Labor Agreements.
 - f) Other, more attractive and/or profitable, construction opportunities.

D. Recommendations

1. Allow the CM to oversee the bid solicitation process and more aggressively solicit bids from multiple contractors for all work scopes.
2. Direct Architectural and Engineering firms to incorporate allowances into the bid packages to reduce the quantity of CCD/COs issued and expedite construction activities.
3. Adopt an expedited payment process for construction contracts that have already been reviewed and approved by the Architectural and Construction Management consultants. (Suggested target would be ten (10) days from receipt in the Facilities Department.)
4. Adjust bid schedules to allow for bidding to occur in late fall or early winter before contractors are booked up for the summer.

Section 4: Purchasing Practices

A. Current Practices - Construction Bids

1. Upon completion of the Construction Document phase, the Facilities Planning Project Manager supplies the Purchasing Department with the pertinent information required for advertising and posting of formal bid notices.
2. Purchasing oversees the collection of bids during the open bid period and conducts the formal bid opening at the specified time at the Purchasing Department.
3. Purchasing evaluates the bids in conjunction with Facilities for compliance with the bid specifications and submittal of required bonds, etc.

4. Award recommendations are almost universally given to the lowest bidder (which is dictated by state statute) unless there is a failure to qualify for bonds or meet the insurance requirements.
5. Low bidders may withdraw their bids only if there is a demonstrable arithmetic error.
6. Upon Board of Education approval of the award recommendation, Purchasing prepares contracts and submits them to awarded vendors.
7. Purchasing receives the signed contracts and reviews for inclusion of necessary bonds and insurance documents and turns completed contract packets over to the Consultant and Capital Projects Manager.
8. In an effort to increase competitiveness and formalize the solicitation process, Purchasing has recently been more directly involved with the solicitation of RFP's for professional services from construction consultants.
9. Purchasing is investigating alternative approaches to construction contracting such as "Best Value" contracting to provide greater evaluation of contractor capabilities and qualifications to perform the contract rather than simply awarding contracts to the lowest bidder.

A1. Findings

1. Purchasing's involvement in the construction contracting process is designed to ensure compliance with statutory requirements, provide fair and equal opportunities for bidders, and monitor compliance with contract requirements.
2. Purchasing does not target specific contractors to submit bids outside of the bid advertisement process. Facilities does encourage its consultants to inform qualified or preferred contractors of the bid notices to increase competition and the quality of bidders.
3. Purchasing has indicated a level of resistance to a CM managing the administration of the bid solicitation and collection of the required post-bid award contractual documents based on prior history of inadequate performance on the CM's part.
4. With the transition to the CM multiple prime bid model, the number of bids received and contracts awarded increases exponentially by 25-30 times per project. When multiplied by the volume of projects considered in the Five-year Plan, the Purchasing Department may be overwhelmed by the bidding and contracting requirements.

A2. Recommendations

1. Once Purchasing has received the necessary information for the posting and advertising of construction bids, allow the construction manager to handle the dissemination of bid packets; the receipt and collection of bids; the bid opening process; and the dissemination and collection of contract documents. Assign Purchasing responsibility for overseeing the process for compliance with statutory requirements. Note: CM's successfully administer this process for multiple public sector clients. Their direct involvement allows them to monitor the number of bid packets sent out and bids received to aggressively recruit bidders if bids are lacking for any specific bid division.
2. Select a mid-level dollar value and complexity project to pilot the best value contracting method and refine criteria development for award recommendations.

B. Current Practices – State contracts

1. Purchasing acknowledges that buying from state or other governmental agency cooperative purchasing agreements is an expedient way to meet statutory competitive requirements without having to solicit multiple quotes/bids.
2. Buying from state contracts is common when staff purchase requests are brand specific and available under state contracts.

B1. Findings

1. SPPS' use of state contracts is consistent with what occurs in school districts and other public entities across the state.
2. Use of state contracts eliminates the need for redundant development of detailed specifications for the purchase of common-use items and continued use is encouraged.

B2. Recommendations

1. None.

Section 5: Design Validation Review

A. The Design Process

The development of the FMP was undertaken through a four-phased planning process. Phase 1 was data collection and evaluation; Phase 2 was establishing District-wide priorities, baseline and criteria; Phase 3 was developing schools' site-based priorities and plans; and Phase 4 was finalizing plans and sharing results with the School Board and community. To validate the design process, I have looked at how well the Facilities team did at executing Phases 2 and 3 of

the planning process as they moved from District-wide baselines to specific site-based plans, and for those projects that have been completed, I looked at whether they achieved the results specified in the FMP.

Phase 2 baseline data for each facility was derived at principally by internal staff updating the Facility Condition and Educational Adequacy Assessment conducted in 2008 by: 1) Eliminating items already completed; 2) Aligning the buildings' large-scale system requirements (electrical, mechanical, plumbing, etc.) with the updated Facility Design Standards, and; 3) Updating the educational needs assessment to account for anticipated educational programs and demographic information. Cost estimating during this phase was largely a function of updating the costs identified in the 2008 assessment to current year costs by applying an annual inflation multiplier and indexing facility improvements to standard construction metrics.

In Phase 3, each school site worked with one of the five assigned architectural firms to develop conceptual site and floor plans that laid out the additional (new) space requirements and remodeling effort for existing spaces to address the 2008 identified programmatic deficiencies and incorporate the quantitative and qualitative dynamic program components in the FMP. A construction management firm was assigned to work with the Facilities and site teams to derive cost estimates based on generic square foot construction formulas for new spaces and light, medium, or heavy remodeling efforts for existing spaces. The site/floor plans and cost estimates generated in Phase 3 formed the basis for the presentation of the 2016-17 five-year capital projects cost estimates contained in the initial FMP presentation to the School Board.

As the Facilities team moved to execute the formal design process on the initial phase of construction, a new architect was selected and assigned to each project, five projects were assigned to one of two CM firms, and each project was assigned a Capital Projects Delivery Project Manager from the facilities team. A comprehensive pre-design process was initiated to move the conceptual designs in Phase 3 to the schematic design phase. It was through the robust pre-design process that the design team recognized there were gaps in the conceptual designs that needed to be addressed in order to adhere to the vision, principles and standards of the FMP. The assigned Architects, Construction Managers, and Construction Project Delivery Project Managers updated the project work scope and prepared detailed cost estimates based on the revised work scope requirements. The updated work scope and cost estimates were shared with the School Board and administration in March of 2017 and were reflected in the updated 2017-18 Five-Year Plan.

B. Findings

1. The FMP Planning Process was a thoughtfully designed approach to identifying the desired 21st century modernization requirements of the District's student learning environment, core facilities, building systems and external spaces.

2. There were gaps and/or inaccuracies identified by the current Facilities team in the 2008 Facilities Condition Assessment that resulted in increased costs as they were resolved during the design process.
3. As the FMP process evolved, the Facilities team indicated they perceived political pressure to move more quickly from planning to actionable results, i.e. to get the initial construction projects underway and create a positive vibe in the community around the FMP effort. Consultants' recommendations to issue bid documents in the most favorable time frame added pressure to the Facilities team efforts.
4. The Facilities leadership was overly optimistic in its belief that it had adequate, well-trained staff to rapidly scale up for the quantity of projects set out in the initial phase of implementation.
5. The FMP Criteria for the Prioritization of Facility Improvements acknowledged: "The building diagrams that are associated with each site's work scope are conceptual in nature. As projects progress into the design phase, it is anticipated that further school community engagement may modify final building plans."
6. As reflected in the case study undertaken by the External Review Team of Humboldt High School, the conceptual designs created in Phase 3 lacked the necessary details to generate accurate cost estimates; specifically:
 - a. The conceptual designs lacked geo-technical data (soil borings, site surveys, underground utilities condition, stormwater treatment requirements, etc.) to support the site plans.
 - b. Existing classroom remodeling estimates accounted for aesthetic improvements, but did not address remodeling required to expand undersized classrooms and the subsequent loss of classrooms resulting in the need to add additional new construction square footage.
 - c. The classroom-use schedule did not account for the required breakout spaces for students with special needs resulting in the need to add additional new construction square footage to the design.
 - d. Upgrading of mechanical systems failed to account for the upsizing of ductwork and piping throughout large portions of the school and the inefficiency of tying aging mechanical components to new equipment rather than updating all components simultaneously.
7. Scope and budget refinements contained in the School Board update of February/March of 2017 reflect similar work scope adjustments for the remaining schools in the initial

FMP rollout. The increased cost estimates in the initial projects were cascaded through the remaining projects to update their probable costs prior to undertaking the pre-design effort at those sites.

8. The Facilities staff's course correction identified work scope and cost increases required to adhere to the vision, principles and standards of the FMP with no decline in the qualitative or quantitative outcome for each school.
9. The Facilities Director posed the question of 'should we do more, less or stay the course' to Administration and School Board members in March 2017 and interpreted the responses to be an affirmation to stay the course.
10. The design and construction effort at the schools where projects have been completed have reportedly successfully incorporated the specified outcomes of the FMP and the outcomes have been favorably received by the school communities.

C. Recommendations

Although the Facilities team has undergone a two-year self-examination of the missteps identified in the initial FMP presentation and taken corrective actions to rectify its design methodology and cost estimating procedures, the Facilities Department needs to take steps to address the perception of an inadequate planning process before it proceeds with the FMP and the following recommendations are designed to aid in that process:

1. Place specific constraints on the rolling five-year, capital-projects budget that restrict escalation of project costs once the pre-design phase for a project has been completed.
2. Incorporate a level of programmatic guidelines into the departmental Design Standards to facilitate more accurate cost estimating in the conceptual design phase.
3. Expand on the use of the Construction Management as Advisor model for the complex multi-phased projects in the FMP and include them in all phases of design development.
4. Develop a more integrated approach between planning and capital project delivery that allows for better coordination of what is a planning function and what is a construction delivery function while also identifying how planning efforts can be improved through observing the Capital Projects Delivery work scope development.

5. Identify the appropriate staffing level on the project planning side of the department and resolve the underlying reasons for the high turnover rate in the Project Planning Manager position.
6. Formulate a training plan for new hires and less experienced Construction Project Delivery Project Managers that is not so heavily reliant on hands-on training by Senior Project Managers.

Summary

The SPPS consultant contracting, construction contracting, and purchasing processes are well defined, consistent with industry standards, and conducted in adherence with statutory requirements. The School Board and community should have a high level of confidence that SPPS staff conduct the contracting process without bias or favoritism toward a particular consultant or contractor and arrive at their decisions based on a competitive review of prices and qualifications.

The Facilities staff has acknowledged an intent to modernize its process to conform to more current construction practices and create a more efficient and agile business model. An encouraging aspect of this effort is the on-going process of converting from a General Contractor model to a Construction Manager as Advisor model for the multi-phased, highly-complex projects contained in the Facilities Master Plan. The Facilities Department should be encouraged to take full advantage of the services the Construction Management firms can provide. This will assist in the District's effort to streamline its processes and become more efficient and business friendly to some of the mid-sized and smaller firms desiring to compete for the District's construction opportunities.

It is inaccurate to suggest that every contractor wants to work for SPPS because it's an "open checkbook." The consultants I spoke with opined that it is often a challenge to get contractors to bid on SPPS projects. A review of the number of bidders on SPPS projects vs. other school districts' bidding projects during a similar time frame indicates less robust competition for SPPS projects than experienced by the other school districts. Contractors stated that the busy construction climate, bid timelines, challenging timeframes for project completion, and multi-year phasing of construction activities tend to inhibit bidding on SPPS contracts.

I have not found that change orders are excessive, as has been reported. Change orders on bid projects are averaging 5-6% of construction costs. Change orders are an inevitable component of construction projects. They are of greater prevalence when renovating aging facilities than in new construction. The use of allowances within bid divisions where unforeseen conditions are common will serve to further reduce the level of change orders experienced on remodeling projects.

While the Criteria for Prioritization of Facility Improvements acknowledged that facility diagrams developed in Phase 3 of the FMP were conceptual in nature and subject to revisions in work scope and cost as additional school communities input was incorporated, the ensuing increased costs estimates point to an inadequate planning effort in developing those conceptual plans. The incorporation of a vigorous pre-design phase prior to identification of cost estimates has aided the alleviation of those inadequacies in the conceptual plans.

Finally, I saw no evidence that the inadequate planning in the creation of the conceptual designs represented a deliberate effort by the Facilities Department to understate cost estimates thereby allowing a greater number of projects to proceed in the initial phase of implementation of the FMP. Rather, the Facilities Department presented revised work scopes and cost estimates to the School Board in advance of soliciting bids for any construction.

Baker Tilly Municipal Advisors



Baker Tilly Virchow Krause, LLP
380 Jackson Street, Suite 300
Saint Paul, MN 55101-2887

Tel: 651-223-3000
Fax: 651-223-3002
www.bakertilly.com

now joined with
Springsted and Umbaugh

September 20, 2019

To: Mr. Cedrick Baker, Chief of Staff

Re: Findings/Recommendations for FMP External Review

Fr: Kelly D. Smith, Municipal Advisor with BTMA

As the financial advisor for St. Paul Public Schools, Baker Tilly Municipal Advisors (BTMA) was pleased to be part of the External Review Team for the SPPS Facilities Master Plan (FMP). As part of this team, the scopes of work that I concentrated on were the Bond and Levy Strategy/Best Practices and the Debt Service Management.

Most of my meetings with District staff were with the Finance Department and the Facilities Department. I have attended numerous Facilities and Finance joint meetings as well as additional meetings coordinated by Jacobs Engineering (Chappell Jordan). The findings and recommendations that I have provided the District are focused on the following areas: Communications between the Finance and Facilities Departments; Financing Options for the District; Cash Flow for Construction Fund and Current Projects; and Debt Service Schedule Management.

Following are the Findings and Recommendations that I offer to the District:

Communications between the Finance Department and Facilities Department

- **Findings**

- Communication between the Finance and Facilities Departments has not been consistent nor timely in the past.
- Clear and final project costs have not been communicated from the Facilities Department to the Finance Department in a timely manner. The Finance Department has been asked to provide financing for projects that have only had "projected" final costs instead of budgeted final costs.
- Invoices for construction work completed do not make it into the finance system (to the Finance Dept.) in a timely manner.

- **Recommendations**

- Regular meetings between the Finance and Facilities Departments should be held (at a minimum of one per month). There have been attempts to start this process, but it needs to be formalized to ensure both departments are on the same page regarding projects and financing.

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- The Finance Department should not issue financing for projects until a final budget is established for the project. The final budget for each school site should include a contingency line item to provide for potential unknowns within the project. Once a budget is established and financing is secured for a project, final project costs must fall within that final budget.
- Invoices received by the Facilities Department must be entered into the finance system within the week of receipt or they must be delivered to the Finance Department within that same time frame.
- A joint report should be developed and routinely updated that projects cash flow needs for approved projects including current budget estimates by project, and the timing and sources of funding available for said projects.

Financing Options for the District

- **Findings**

- The District has several financing sources to continue the work on the FMP into the future. The District has the authority to issue \$15M in General Obligation bonds annually, has the authority to levy for Long Term Facility Maintenance (LTFM) each year (currently at \$27M per year), and the District has authority from the Minnesota Department of Education (MDE) to issue Certificates of Participation (COPs) to provide funding for MDE-approved construction projects (\$62M issued during this current year).
- The GO Capital bonds are the most flexible in terms of use by the District. It would be desirable to have access to more GO Capital bonds.
- The District has the authority to bond against their annual LTFM revenue, but at this time has opted to use a Pay As You Go (PAYGO) methodology that incurs no long-term interest expense for the District.
- All financing options have an impact on school District taxpayers as each financing source requires an annual levy to make annual payments for the financing. The SPPS Board of Education directive was to limit the annual tax increase to no more than \$30 for the median home value in Saint Paul (\$151,600 in 2016) and the Finance Department has worked hard to stay within that directive. Timing of issuance and the dollar amount have an impact on the District's ability to stay within this parameter.

- **Recommendations**

- The District must continue to utilize all existing revenue sources available to them as it seeks to provide appropriate funding for ongoing projects.
- Currently, Minneapolis Public Schools has twice the bonding authority that SPPS has with similar student enrollment and facility makeup, albeit a larger tax base. Efforts should be made at the legislature to achieve an increase in level of authority for GO Capital bonding for SPPS.

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- The District should take efforts to increase the annual PAYGO LTFM revenue when opportunities present themselves in the levy process. This has been discussed at joint Facilities/Finance meetings and the CFO has committed to trying to increase the annual LTFM revenue while minimizing any tax increase for constituents.
- Certificates of Participation should be issued and designated for specific project budgets that have been approved by MDE. The approval by MDE should set the budget for each facility and if it is expected that additional funds are necessary for completion of the project, approval from MDE must be received before any additional financing is provided to the project.

Cash Flow for Construction Fund and Current Projects

- **Findings**

- SPPS issues \$15M in GO Capital bonds each year, receives approximately \$27M in LTFM revenue per year, and issues approximately \$60M to \$70M in COPs each year for facility construction, renovation and maintenance.
- Limits on the amounts levied for LTFM revenue and COP debt service correlate to the level of tax increase needed to accomplish the finance need.
- Annual LTFM revenue has increased over time from \$12M to \$27M.
- The level of financing for facility projects has not kept pace with spending on these facility projects.

- **Recommendations**

- If additional funding is needed for ongoing facility projects, the Board of Education/administration should re-evaluate the tax increases that will be allowed/needed to cover the facility needs;
- Or, the Facilities Department will need to re-evaluate the schedule for facility projects to fit within the financing parameters that are in place for the District.
- The District may wish to consider extending the term of their finance issue from 20 years—as is currently the standard—to 25 or 30 years. Note that this extension of the term will lower annual costs but increase overall interest costs paid by the District/taxpayers.

Debt Service Schedule Management

- **Findings**

- Annual Debt Service payments for SPPS have increased from \$37,902,558 in Payable 2016 to \$46,099,432 in Payable 2020.
- The District monitors outstanding debt for opportunities to save money through refinancing.

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- Longer-term planning for anticipated debt issuance is done so each issuance may be structured to reflect overall tax containment goals.
 - Increases have occurred while the property tax base has been expanding and the median home value has risen from \$151,600 (in 2016) to \$199,800 (in 2019).
 - The Finance Department has acted to ensure that debt service increases have been limited to the parameters set forth by the Board of Education at \$30 per increase for the median home.
- **Recommendations**
 - Continue current debt planning and monitoring efforts.
 - See recommendations for Financing Options for the District.

Donald Mullin
Executive Secretary
Saint Paul Building Trades Council

October 2019

As a current School Board member in White Bear Lake and the executive secretary of the Saint Paul Building Trades Council, I approached Saint Paul Public Schools to volunteer my time on the FMP External Review Committee. With my background, I felt I could contribute to the District's process of examining practices and procedures related to the Facilities Master Plan.

I thought I could be most helpful in meeting with individual Board of Education members to listen to their concerns regarding past FMP updates to the Board in order to improve communication efforts going forward. I also answered Board members' questions related to the construction trade, especially regarding the practice of work scope changes, which is a common occurrence in the industry. Along with gathering feedback, I was able to share my observations about the external review process and offer assurances with regards to the expertise of the team.

I took part in many of the weekly check-in meetings with the FMP External Review Team. I also provided Chief of Staff Cedrick Baker with periodic updates related to the insights I gained from Board members. As a volunteer, I was not paid for my time and I did not have a contract with the District. As such, I did not produce a formal report, but rather shared my findings through my conversations with Chief Baker.

Sincerely,

Donald Mullin



BOARD OF EDUCATION

Zuki Ellis, Chair • Steven Marchese, Vice Chair • Jeanelle Foster, Clerk • Marny Xiong, Treasurer • John Brodrick, Director • Jon Schumacher, Director • Mary Vanderwert, Director

Dr. Joe Gothard, Superintendent

Saint Paul Public Schools, District 625
360 Colborne Street, Saint Paul, MN 55102
651-767-8100 | www.spps.org

OCTOBER 2019

HUMAN RESOURCE TRANSACTIONS
September 1, 2019 – September 30, 2019
October 22, 2019

NEW APPOINTMENT

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Ojala, M. J.	Central Administrator	08/26/2019	\$48.56	E-STEM Middle School
Thao, K. S.	Central Administrator	10/07/2019	\$53.53	Colborne Admin Offices
Anderson, J. S.	Classroom Teacher	09/23/2019	\$50.04	Harding Senior High
Asseln, T. D.	Classroom Teacher	08/31/2019	\$30.27	Battle Creek Middle School
Eiler, R. M.	Classroom Teacher	09/26/2019	\$30.65	Murray Middle School
Johnson, P. K.	Classroom Teacher	09/23/2019	\$33.94	Hazel Park Preparatory
Koch, K. M.	Classroom Teacher	09/23/2019	\$53.68	271 Belvidere Bldg
Meyer, S. M.	Classroom Teacher	08/17/2019	\$31.58	Washington Tech
Paulson, K. L.	Classroom Teacher	09/09/2019	\$36.08	Benjamin Mays/Museum
Slater, C. M.	Classroom Teacher	09/18/2019	\$37.47	Daytons Bluff
Steinhoff, M. M.	Classroom Teacher	11/01/2019	\$27.18	Murray Middle School
Woodis, C. A.	Classroom Teacher	09/03/2019	\$28.13	Johnson Achievement Plus
Berry, J. M.	Classroom Teacher	09/14/2019	\$51.60	271 Belvidere Bldg
Fish, C. A.	Classroom Teacher	09/24/2019	\$53.09	Como Park Elementary
MacLachlan, S. M.	Classroom Teacher	09/30/2019	\$53.09	Maxfield Elementary
Madden, W. J.	Classroom Teacher	09/23/2019	\$54.09	Murray Middle School
Hunkins, A. D.	School/Community Professional	08/03/2019	\$27.47	Central Senior High
Burge, H. R.	School/Community Professional	09/04/2019	\$25.95	Bridge View
Guerrero Pacheco, L.	Education Assistant	08/26/2019	\$27.30	St. Paul Music Academy
Her, L.	Education Assistant	08/28/2019	\$17.82	1780 West 7th St
Mattsen-Vang, M. L.	Education Assistant	09/27/2019	\$25.02	Ronald M Hubbs Center
O'Neal, M.	Education Assistant	09/25/2019	\$15.56	Focus Beyond
Abas, B.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Ambriz, N. M.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Anderson Millay, X. M.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Ayinde, Q. J.	Teaching Assistant	08/26/2019	\$15.00	1780 West 7th St

HUMAN RESOURCE TRANSACTIONS
September 1, 2019 – September 30, 2019
October 22, 2019

NEW APPOINTMENT

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Babiker, I. A.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Bartee, K. D.	Teaching Assistant	09/14/2019	\$16.00	Humboldt Secondary School
Black, M. S.	Teaching Assistant	09/03/2019	\$15.00	Hazel Park Preparatory
Bonfe, J. P.	Teaching Assistant	09/10/2019	\$15.00	Nokomis Montessori North
Bowie, I.	Teaching Assistant	09/04/2019	\$15.00	Murray Middle School
Bromenschenkel, E.	Teaching Assistant	09/09/2019	\$15.00	Benjamin Mays/Museum
Campbell, D. E.	Teaching Assistant	09/11/2019	\$16.00	Como Park Senior High
Cashen-Smart, B. A.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Charpenter, T. M.	Teaching Assistant	09/03/2019	\$15.00	Wellstone Elementary
Chinn, J. A.	Teaching Assistant	09/10/2019	\$16.00	Rondo Education Center
Cobbins, K. L.	Teaching Assistant	09/17/2019	\$16.00	Hazel Park Preparatory
Coleman, S. A.	Teaching Assistant	09/30/2019	\$15.00	Chelsea Heights Elementary
Dai, Y.	Teaching Assistant	09/04/2019	\$15.00	Jie Ming Mandarin Immr
Dennis, K. T.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Dodge, R. A.	Teaching Assistant	09/23/2019	\$16.00	Battle Creek Middle School
Espinoza Cortes, O.	Teaching Assistant	09/28/2019	\$15.00	Como Park Elementary
Friedmeyer Vacek, A.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
George, K. M.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Glass, S. J.	Teaching Assistant	09/30/2019	\$15.00	Galtier Elementary
Hammer, J. L.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Hanson, M. L.	Teaching Assistant	08/26/2019	\$15.00	1780 West 7th St
Her, G.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Hlaing, N. W.	Teaching Assistant	09/09/2019	\$15.00	Crossroads Montessori
Igo, H. R.	Teaching Assistant	08/26/2019	\$15.00	1780 West 7th St
Johnson, J.	Teaching Assistant	09/14/2019	\$16.00	Benjamin Mays/Museum
Jones-Zehourou, J.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Klein, M. A.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St

HUMAN RESOURCE TRANSACTIONS
September 1, 2019 – September 30, 2019
October 22, 2019

NEW APPOINTMENT

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Lee, B. P.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Lee, G. P.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Lee, P. N.	Teaching Assistant	09/03/2019	\$15.00	271 Belvidere Bldg
Lee, S. P.	Teaching Assistant	09/03/2019	\$15.00	Johnson Achievement Plus
Lobough, L. G.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Lopez, T. J.	Teaching Assistant	09/25/2019	\$15.00	Central Senior High
Martin, N. M.	Teaching Assistant	09/03/2019	\$15.00	Rondo Education Center
Martodikromo, T. S.	Teaching Assistant	08/26/2019	\$15.00	1780 West 7th St
Mohamed, S. A.	Teaching Assistant	09/05/2019	\$15.00	Rondo Education Center
Moran, D. M.	Teaching Assistant	09/11/2019	\$15.00	Maxfield Elementary
O'Connor, D. A.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Ortiz, J. N.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Oye, D. P.	Teaching Assistant	09/16/2019	\$15.00	Galtier Elementary
Pavlak, R. J.	Teaching Assistant	09/03/2019	\$15.00	Murray Middle School
Pereira, S. Y.	Teaching Assistant	09/09/2019	\$15.00	Adams Spanish Immersion
Rios, W.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Rossmann, R. G.	Teaching Assistant	09/03/2019	\$16.00	Daytons Bluff
Schuyler, M.	Teaching Assistant	09/03/2019	\$15.00	Johnson Achievement Plus
Scoonover, G. J.	Teaching Assistant	08/26/2019	\$15.00	1780 West 7th St
Shackleford, M. L.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Shaw, B. S.	Teaching Assistant	09/30/2019	\$16.00	Journey's Secondary School
Shor, M. A.	Teaching Assistant	09/03/2019	\$15.00	Global Arts Plus - Lower
Sims, T. A.	Teaching Assistant	09/30/2019	\$16.00	Benjamin Mays/Museum
Soe, T. T.	Teaching Assistant	09/09/2019	\$15.00	Crossroads Montessori
Soto, M. T.	Teaching Assistant	09/03/2019	\$15.00	Como Park Elementary
Spooner, A. M.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Squire, P. F.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St

HUMAN RESOURCE TRANSACTIONS
September 1, 2019 – September 30, 2019
October 22, 2019

NEW APPOINTMENT

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Stenerson, V. J.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Swygart, B. A.	Teaching Assistant	09/16/2019	\$16.00	Maxfield Elementary
Valerio, E. C.	Teaching Assistant	09/03/2019	\$16.00	Murray Middle School
Vue, E. A.	Teaching Assistant	09/23/2019	\$15.00	Phalen Lake Hmong Studies
Williams, C. N.	Teaching Assistant	09/14/2019	\$15.00	Capitol Hill Magnet
Winter, I.	Teaching Assistant	09/24/2019	\$16.00	Humboldt Secondary School
Wucherer, M. J.	Teaching Assistant	09/03/2019	\$15.00	Cherokee Heights Elem
Xiong, A.	Teaching Assistant	09/03/2019	\$15.00	Phalen Lake Hmong Studies
Xiong, T. J.	Teaching Assistant	09/03/2019	\$15.00	The Heights
Yang, G.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Yang, N. H.	Teaching Assistant	08/31/2019	\$15.00	1780 West 7th St
Baker, S. K.	Clerical	09/19/2019	\$19.73	Colborne Admin Offices
Chea, A. M.	Clerical	09/16/2019	\$18.34	RiverEast Elem/Secondary
Xiong, P. N.	Clerical	09/28/2019	\$19.73	Farnsworth Aerospace Lwr
Abdi, H. H.	Nutrition Services	10/04/2019	\$15.00	Rondo Education Center
Garcia, T. L.	Nutrition Services	10/04/2019	\$15.00	Highland Park Senior High
Loggins, L. D.	Nutrition Services	10/04/2019	\$15.00	Como Service Center
McFadden, K. M.	Nutrition Services	10/04/2019	\$15.00	Farnsworth Aerospace Upr
Schaenzer, L. L.	Nutrition Services	10/04/2019	\$15.00	Adams Spanish Immersion
Shaugobay, R. A.	Nutrition Services	10/04/2019	\$15.00	Harding Senior High
Thor, K.	Nutrition Services	10/04/2019	\$15.00	Washington Tech
Vang, K. M.	Nutrition Services	10/04/2019	\$15.00	Johnson Achievement Plus
Scharpen, A. B.	Professional Employee	09/30/2019	\$27.54	Colborne Admin Offices

PROMOTION

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Murphy, E.	Assistant Principal From: Central Administrator	08/17/2019	\$57.37	Expo for Excellence Elementary
Head, M.	Central Administrator From: Classroom Teacher	09/23/2019	\$54.16	E-STEM Middle School

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PROMOTION

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Jackson, C. A.	Classroom Teacher From: Teaching Assistant	08/17/2019	\$28.81	Harding Senior High
Olivo, Y. C.	Classroom Teacher From: Teaching Assistant	08/17/2019	\$27.18	Wellstone Elementary
Jackson, D. M.	Classroom Teacher From: School/Community Professional	08/17/2019	\$28.06	Washington Tech
McCarty, K. M.	Superintendency From: Supervisory	09/14/2019	\$61.07	Colborne Admin Offices
Ward, A.	Teacher on Special Assignment From: Classroom Teacher	08/26/2019	\$46.63	E-STEM Middle School
Aung, S.	Education Assistant From: Teaching Assistant	09/30/2019	\$18.62	Wellstone Elementary
Kay, H.	Education Assistant From: Teaching Assistant	09/28/2019	\$18.62	Battle Creek Middle School
Yang, E. J.	Education Assistant From: Teaching Assistant	09/23/2019	\$21.60	1780 West 7th St
Lee, P.	Teaching Assistant Career Progression	09/03/2019	\$22.64	Nokomis Montessori North
Parker, C.	Teaching Assistant Career Progression	09/03/2019	\$21.64	Rondo Education Center
Tomczak, S.	Teaching Assistant Career Progression	09/28/2019	\$19.67	Battle Creek Elementary
Williams, C. I.	Teaching Assistant Career Progression	09/23/2019	\$16.00	Hazel Park Preparatory
Blees, K. A.	Clerical Career Progression	06/08/2019	\$27.74	Colborne Admin Offices
Clark, D.	Clerical Career Progression	09/02/2019	\$31.89	Colborne Admin Offices
Hernandez, P. L.	Clerical Career Progression	09/14/2019	\$24.53	Colborne Admin Offices
LaValla, A. E.	Clerical Career Progression	10/09/2019	\$27.12	Groveland Park Elementary
Sonnenberg, D. L.	Clerical Career Progression	09/02/2019	\$31.89	Colborne Admin Offices
Moua, B.	Supervisory From: Professional Employee	09/14/2019	\$54.57	Colborne Admin Offices

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TEMPORARY APPOINTMENT

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Bendickson, K. E.	Classroom Teacher	08/17/2019	\$34.42	Harding Senior High
Blanes Esclapez, M.	Classroom Teacher	08/17/2019	\$38.22	Wellstone Elementary
Gan, J.	Classroom Teacher	08/17/2019	\$29.01	Jie Ming Mandarin Immr
Kristjanson, M. D.	Classroom Teacher	09/23/2019	\$27.18	Farnsworth Aerospace Upr
Levingston, M.	Classroom Teacher	09/19/2019	\$27.18	Global Arts Plus - Upper
Li, M.	Classroom Teacher	08/17/2019	\$29.01	Jie Ming Mandarin Immr
Lin, J.	Classroom Teacher	09/14/2019	\$33.67	Central Senior High
Luebke, J. R.	Classroom Teacher	09/16/2019	\$39.74	Parkway Montessori / Middle
Magsig, A. C.	Classroom Teacher	08/17/2019	\$27.18	American Indian Magnet
Nauman, R. A.	Classroom Teacher	09/14/2019	\$24.31	Crossroads Montessori
Rice, A. M.	Classroom Teacher	09/11/2019	\$31.58	Four Seasons A+
Thor, A. D.	Classroom Teacher	09/16/2019	\$27.18	Hazel Park Preparatory
Wahpepah, N. N.	Classroom Teacher	08/17/2019	\$29.01	American Indian Magnet
Benedict, A. L.	Classroom Teacher	08/17/2019	\$28.64	Focus Beyond
Laabs, J. H.	Classroom Teacher	08/17/2019	\$29.01	Bridge View
Solberg, A.	Classroom Teacher	08/17/2019	\$36.43	Bridge View

LEAVE OF ABSENCE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Adams, E. K.	Classroom Teacher	09/05/2019	Colborne Admin Offices
Allender, B. T.	Classroom Teacher	09/12/2019	Obama Service Learning
Appelbaum, M.	Classroom Teacher	09/05/2019	Humboldt Secondary School
Balcerzak, K.	Classroom Teacher	08/17/2019	St. Paul Music Academy
Birchland, A. M.	Classroom Teacher	09/05/2019	Como Park Elementary
Borstelmann, J. M.	Classroom Teacher	09/05/2019	Farnsworth Aerospace Lwr
Caldwell, D. D.	Classroom Teacher	08/17/2019	Highland Park Elementary
Charn, M. M.	Classroom Teacher	10/07/2019	Galtier Elementary
Danks, D.	Classroom Teacher	08/17/2019	Hamline Elementary
Dobbelaere, T.	Classroom Teacher	09/03/2019	E-STEM Middle School

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LEAVE OF ABSENCE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Her, S.	Classroom Teacher	09/13/2019	Jackson Preparatory
Katona, W. E.	Classroom Teacher	09/27/2019	Harding Senior High
Kedrowski, E. S.	Classroom Teacher	09/20/2019	271 Belvidere Bldg
Larson, A. M.	Classroom Teacher	10/15/2019	Wellstone Elementary
Maschke-Jordan, M.	Classroom Teacher	09/12/2019	Como Park Elementary
Murphy, C. M.	Classroom Teacher	09/16/2019	Four Seasons A+
Peterson, J. C.	Classroom Teacher	10/15/2019	Bruce F Vento Elementary
Polga, X. L.	Classroom Teacher	09/30/2019	Jie Ming Mandarin Immr
Theodis, B. L.	Classroom Teacher	09/03/2019	Hazel Park Preparatory
VanOverbeke, C. C.	Classroom Teacher	08/17/2019	Harding Senior High
Walden, D. L.	Classroom Teacher	10/08/2019	Parkway Montessori / Middle
Dagen, N. M.	Classroom Teacher	08/26/2019	Riverview School
Scheevel, R. A.	Classroom Teacher	09/17/2019	Battle Creek Middle School
Xiong, X.	Classroom Teacher	09/26/2019	Highland Park Senior High
Blum, A.	Classroom Teacher	09/20/2019	Cherokee Heights Elem
Rounds, T. L.	Classroom Teacher	09/23/2019	Washington Tech
Christoferson, K. A.	Classroom Teacher	09/06/2019	271 Belvidere Bldg
Jauert, A. L.	Classroom Teacher	08/17/2019	271 Belvidere Bldg
Balasis, M.	Classroom Teacher	10/01/2019	Farnsworth Aerospace Up
Drier, K. E.	Classroom Teacher	08/17/2019	271 Belvidere Bldg
Erickson, J. A.	Classroom Teacher	10/15/2019	Bridge View
Kozioł, C. C.	Classroom Teacher	09/11/2019	Bridge View
Bougie, S. R.	School/Community Professional	08/13/2019	Student Placement Center
Abdisalam, Z.	Education Assistant	08/29/2019	Washington Tech
Alger, V. L.	Education Assistant	09/23/2019	Bridge View
Drexler, I. M.	Education Assistant	08/26/2019	Four Seasons A+

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LEAVE OF ABSENCE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Harris, K. J.	Education Assistant	09/23/2019	Rondo Education Center
Patterson, M. L.	Education Assistant	09/10/2019	Humboldt Secondary School
Rupert, D. M.	Education Assistant	09/05/2019	Hamline Elementary
Cervantes, A. M.	Teaching Assistant	08/26/2019	Focus Beyond
Jacobsen, C. M.	Teaching Assistant	09/03/2019	Bridge View
Rodriguez Merfeld, I.	Teaching Assistant	09/19/2019	Eastern Heights Elem
Hollins, N. R.	Clerical	09/03/2019	Maxfield Elementary
Zarse, W. M.	Nutrition Services	08/26/2019	Bridge View
Shanley, T. J.	Plumber	08/28/2019	Como Service Center

ADMINISTRATIVE LEAVE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>
B., P. K.	Classroom Teacher	09/06/2019
H., A. M.	Classroom Teacher	09/16/2019
V., R.	Classroom Teacher	09/30/2019
P., T.	Education Assistant	09/17/2019
S., V. N.	Education Assistant	09/06/2019
G., T. M.	Teaching Assistant	09/24/2019
H., D.	Custodian	09/13/2019

REINSTATEMENT AFTER LAYOFF

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Kemp, N. L.	School/Community Professional	08/17/2019	\$27.47	Creative Arts Secondary
Chouanard, L. A.	Education Assistant	08/17/2019	\$30.04	Washington Tech

REHIRE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Coyne, M. J.	Classroom Teacher	08/26/2019	\$56.20	Johnson Achievement Plus
Jacobson, L. B.	Classroom Teacher	09/14/2019	\$31.58	Daytons Bluff
Sanchez, M. E.	Classroom Teacher	10/01/2019	\$31.43	Hazel Park Preparatory
Shuros, M. H.	Classroom Teacher	09/09/2019	\$39.74	Central Senior High
TenBensel, C. R.	Classroom Teacher	09/16/2019	\$48.37	Groveland Park Elementary
McAfee, M. A.	Education Assistant	08/26/2019	\$20.50	1780 West 7th St

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REHIRE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Ahmed, H. M.	Teaching Assistant	09/14/2019	\$15.00	Johnson Achievement Plus
Alonso, K. I.	Teaching Assistant	09/03/2019	\$15.00	Johnson Achievement Plus
Cole, M.	Teaching Assistant	09/09/2019	\$15.00	The Heights
Currie, M. T.	Teaching Assistant	09/04/2019	\$15.00	Global Arts Plus - Lower
Figuera, N.	Teaching Assistant	09/14/2019	\$15.00	Highland Park Elementary
Gipple, C. L.	Teaching Assistant	09/23/2019	\$20.55	Horace Mann School
Hopkins, J. K.	Teaching Assistant	09/03/2019	\$15.00	Mississippi Creative Arts
Jones, I. O.	Teaching Assistant	09/16/2019	\$16.00	Wellstone Elementary
Moua, M.	Teaching Assistant	09/03/2019	\$15.00	Phalen Lake Hmong Studies
O'Connor, C. M.	Teaching Assistant	09/25/2019	\$16.00	Groveland Park Elementary
Outen, K. R.	Teaching Assistant	09/25/2019	\$15.00	Frost Lake Elementary
Siguenza, B. J.	Teaching Assistant	09/03/2019	\$20.67	Murray Middle School
Strub, Q. M.	Teaching Assistant	09/03/2019	\$16.00	St. Paul Music Academy
Tolentino, J. B.	Teaching Assistant	09/18/2019	\$20.67	Humboldt Secondary School
Vang, N. S.	Teaching Assistant	09/23/2019	\$15.00	Johnson Achievement Plus
Westberry, N. C.	Teaching Assistant	09/09/2019	\$15.00	Ramsey Middle School
Woods, P. J.	Teaching Assistant	09/01/2019	\$15.00	1780 West 7th St
Faciana, J. L.	Clerical	09/30/2019	\$20.75	Como Service Center
Fischer, J.	Nutrition Services	10/04/2019	\$15.00	Crossroads Science
Hutterer, F. R.	Nutrition Services	10/04/2019	\$15.00	Farnsworth Aerospace Up

REINSTATEMENT FROM LEAVE OF ABSENCE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Adams, E. K.	Classroom Teacher	09/23/2019	Colborne Admin Offices
Anglin, R. H.	Classroom Teacher	08/17/2019	Washington Tech
Beach, A. S.	Classroom Teacher	08/26/2019	Ramsey Middle School
Beese, D. J.	Classroom Teacher	08/17/2019	Riverview School
Buzicky, C. W.	Classroom Teacher	08/17/2019	Johnson Senior High
Campbell, N.	Classroom Teacher	08/17/2019	Frost Lake Elementary

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REINSTATEMENT FROM LEAVE OF ABSENCE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Carlson, J. S.	Classroom Teacher	08/17/2019	Farnsworth Aerospace Lwr
Dimayuga, M. P.	Classroom Teacher	08/17/2019	Wellstone Elementary
Hartzell, A.	Classroom Teacher	08/17/2019	Como Park Senior High
Her, S.	Classroom Teacher	09/30/2019	Jackson Preparatory
Hernandez, T. M.	Classroom Teacher	08/17/2019	American Indian Magnet
Jenson, L. M.	Classroom Teacher	08/17/2019	Expo for Excellence
Jordahl, K. S.	Classroom Teacher	08/17/2019	Central Senior High
Sward, M. L.	Classroom Teacher	09/03/2019	Washington Tech
Bellamy, R. C.	Classroom Teacher	08/17/2019	Central Senior High
Fornes-Bates, B. V.	Classroom Teacher	08/17/2019	Nokomis Montessori North
Hjelm, M. B.	Classroom Teacher	08/17/2019	Chelsea Heights Elem
Johnson, J. M.	Classroom Teacher	08/17/2019	Four Seasons A+
Redmond, C. M.	Classroom Teacher	08/17/2019	Riverview School
Bougie, S. R.	School/Community Professional	09/03/2019	Student Placement Center
Her, N. S.	School/Community Professional	09/09/2019	Student Placement Center
Jackson, D. M.	School/Community Professional	08/17/2019	Washington Tech
Drexler, I. M.	Education Assistant	09/30/2019	Four Seasons A+
Garrido Hernandez, V.	Education Assistant	08/26/2019	Highland Park Middle School
Gutierrez, M.	Education Assistant	08/26/2019	St. Paul Music Academy
Anderson, K.	Teaching Assistant	09/05/2019	Murray Middle School
Butler, L.	Teaching Assistant	09/03/2019	American Indian Magnet
Cervi, K.	Teaching Assistant	09/03/2019	Ramsey Middle School
Edberg, K. A.	Teaching Assistant	09/23/2019	Eastern Heights Elementary
Gruber, D. S.	Teaching Assistant	09/03/2019	Battle Creek Middle School
Hernandez, J.	Teaching Assistant	09/23/2019	Wellstone Elementary

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REINSTATEMENT FROM LEAVE OF ABSENCE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Santoro, J. A.	Teaching Assistant	09/05/2019	Bridge View
Yang, E. J.	Teaching Assistant	09/23/2019	1780 West 7th St
Germain, M. E.	Custodian	09/12/2019	Adams Spanish Immersion
Ali, A. A.	Nutrition Services	08/26/2019	American Indian Magnet

VOLUNTARY REDUCTION IN TITLE

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Pay Rate</u>	<u>Location</u>
Cave, Z. J.	Teaching Assistant	09/03/2019	\$15.00	Capitol Hill Magnet
Goodwin, J. A.	Teaching Assistant	09/03/2019	\$15.00	Expo for Excellence
Handford, A. R.	Teaching Assistant	09/28/2019	\$15.00	Farnsworth Aerospace Up
Yang, L.	Teaching Assistant	09/03/2019	\$15.00	Phalen Lake Hmong Studies
Yang, K.	Clerical	09/14/2019	\$26.35	Int'l Academy - LEAP

RETIREMENT

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Yackley, M.	Central Administrator	12/21/2019	Colborne Admin Offices
Asmussen, N. J.	Education Assistant	09/04/2019	Humboldt Secondary School
Carter-Richardson, C.	Education Assistant	08/30/2019	Bruce F Vento Elementary
Chinn, L.	Education Assistant	10/01/2019	Central Senior High
Lovering, M.	Education Assistant	08/27/2019	Highland Park Middle School
Cyprian-Berry, B.	Teaching Assistant	09/08/2019	Benjamin Mays/Museum
Shepherd, D.	Nutrition Services	01/01/2020	Ramsey Middle School

RESIGNATION

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Ayers, D. K.	Classroom Teacher	08/17/2019	Highland Park Elementary
Dretzke, J.	Classroom Teacher	08/16/2019	Hazel Park Preparatory
Haille, S. H.	Classroom Teacher	08/17/2019	Highwood Hills Elementary
Nadeau, N. R.	Classroom Teacher	08/03/2019	Mississippi Creative Arts
Pham, T. A.	Classroom Teacher	10/01/2019	Hazel Park Preparatory
Ramos, G. A.	Classroom Teacher	10/05/2019	Mississippi Creative Arts
Schmit, E. L.	Classroom Teacher	09/14/2019	Four Seasons A+
Spilseth, K. E.	Classroom Teacher	08/03/2019	Wellstone Elementary

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RESIGNATION

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Corrow, M. A.	Classroom Teacher	09/14/2019	Highland Park Middle School
Cappelen, L.	Classroom Teacher	09/15/2019	Maxfield Elementary
Carroll, J. P.	Classroom Teacher	06/11/2019	Boys Totem Town
Johansen, S. M.	Classroom Teacher	08/17/2019	The Heights
Cathey, L.	Superintendency	09/14/2019	Colborne Admin Offices
Emerson-Kramer, J.	School/Community Professional	09/12/2019	1780 W. 7th St
Gill, V. O.	School/Community Professional	08/31/2019	Global Arts Plus - Upper
Salah, F. H.	School/Community Professional	10/03/2019	Student Placement Center
Webb, M.	School/Community Professional	08/17/2019	Bruce F Vento Elementary
Boone, A. M.	Education Assistant	08/26/2019	Harding Senior High
Cook, D.	Education Assistant	09/20/2019	Washington Tech
Hersi, O. D.	Education Assistant	08/26/2019	Humboldt Secondary School
Htoo, L.	Education Assistant	08/18/2019	Bruce F Vento Elementary
Moe, L. S.	Education Assistant	08/17/2019	1780 West 7th St
Nauman, R. A.	Education Assistant	08/31/2019	1780 West 7th St
Samelian, A. J.	Education Assistant	09/14/2019	Washington Tech
Winkler, F. D.	Education Assistant	08/20/2019	Hamline Elementary
Xiong, P. M.	Education Assistant	08/24/2019	1780 West 7th St
Bartee, K. D.	Teaching Assistant	09/15/2019	Humboldt Secondary School
Brantingham, D. A.	Teaching Assistant	08/31/2019	Central Senior High
Castrejon, S. A.	Teaching Assistant	10/10/2019	Galtier Elementary
Claiborn, K. M.	Teaching Assistant	08/17/2019	Wellstone Elementary
Cotone, G. R.	Teaching Assistant	09/02/2019	Highland Park Elementary
Faciana, J. L.	Teaching Assistant	09/18/2019	American Indian Magnet
Florentin, S.	Teaching Assistant	08/17/2019	Adams Spanish Immersion

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RESIGNATION

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>	<u>Location</u>
Flynn, T. L.	Teaching Assistant	09/07/2019	Expo for Excellence
Gruber, D. S.	Teaching Assistant	09/28/2019	Battle Creek Middle School
Herrera, G.	Teaching Assistant	10/12/2019	Mississippi Creative Arts
Hite, J. B.	Teaching Assistant	10/09/2019	St. Paul Music Academy
Htoo, S.	Teaching Assistant	08/17/2019	Como Park Senior High
Jackson, C. M.	Teaching Assistant	06/09/2019	Rondo Education Center
Janilla, A. B.	Teaching Assistant	09/21/2019	Battle Creek Elementary
Jorgenson, T. L.	Teaching Assistant	08/09/2019	Battle Creek Elementary
Lewis, A. C.	Teaching Assistant	09/25/2019	Battle Creek Middle School
Lipsey, P. L.	Teaching Assistant	06/29/2019	Parkway Montessori / Middle
Lorenz, V. J.	Teaching Assistant	08/31/2019	St Anthony Park Elementary
Luger, S.	Teaching Assistant	08/03/2019	Como Park Elementary
Mumin, S. M.	Teaching Assistant	09/02/2019	American Indian Magnet
Neubauer, B. J.	Teaching Assistant	08/28/2019	1780 West 7th St
Quast, C. A.	Teaching Assistant	08/13/2019	1780 West 7th St
Rivera, E. L.	Teaching Assistant	09/18/2019	Riverview School
Roelofs, A. E.	Teaching Assistant	08/24/2019	1780 West 7th St
Schaidler, E. R.	Teaching Assistant	09/27/2019	271 Belvidere Bldg
Sellers, G. T.	Teaching Assistant	09/17/2019	RiverEast Elem/Secondary
Silas, L. A.	Teaching Assistant	09/05/2019	Battle Creek Middle School
Tarver, P.	Teaching Assistant	09/20/2019	Rondo Education Center
Fuentes, L. P.	School Bus Driver	09/07/2019	Transportation Services
Xiong, N.	Clerical	09/08/2019	Frost Lake Elementary
Heu, B.	Nutrition Services	09/14/2019	Johnson Senior High
Oehrlein, M. M.	Nutrition Services	09/10/2019	Johnson Achievement Plus
Overton, M.	Nutrition Services	08/29/2019	Global Arts Plus - Upper
Peterson, S. D.	Nutrition Services	09/12/2019	Como Service Center

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TERMINATION

<u>Name</u>	<u>Job Category</u>	<u>Eff Date</u>
A., S.	Teaching Assistant	09/01/2019
H., K. N.	Teaching Assistant	09/10/2019
H., L. P.	Teaching Assistant	08/26/2019
N., M. C.	Teaching Assistant	08/04/2019
S., M. D.	Teaching Assistant	09/24/2019
S., C. L.	Teaching Assistant	09/14/2019

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Donation from Inver Grove Honda to Cherokee Heights Elementary School

A. PERTINENT FACTS:

1. Inver Grove Honda has selected Cherokee Heights Elementary School to be the recipient of a donation of \$5,000.00.
2. With this donation of \$5,000.00, Inver Grove Honda concludes its second year of their Greater Twin Cities Honda Dealers Check Presentation program, having donated \$100,000.00 to local schools.
3. This will be a one-time donation to the school.
4. Use of these funds is at the school's discretion based upon their greatest need. Cherokee Heights has designated that the funds will be spent on enrichment opportunities such as traveling theater programs, and Artist in Residency programs. Additional monies will be designated on PBIS incentives (both school-wide and classroom).
5. This project will meet the District strategic plan focus area of Positive School and District Culture.
6. This item is submitted by Heidi Koury, Principal Cherokee Heights Elementary School; Andrew Collins, Assistant Superintendent – Division of Schools; and Dave Watkins, Chief of Schools.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent (designee) to accept the donation and have the funds used to support student achievement outcomes at Cherokee Heights Elementary School.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Gift Acceptance for Flooring at Four Seasons A+ Elementary from Julie Mickelson

A. PERTINENT FACTS:

1. Four Seasons A+ Elementary School would like to accept a monetary gift of \$9,000.00 to be used to update entryway flooring.
2. In accepting this gift we will be able to create a more welcoming and warmer entryway for our students, families, and staff by removing current carpeting and polishing the concrete floors that are beneath.
3. The current carpet as well as tile underneath will be removed and concrete would be polished over 4-5 non-school days in December 2019 (specific dates to be determined).
4. Asbestos containing tile and mastic under current carpeting would need to be removed prior to polishing of concrete, This removal cost is covered through a Healthy & Safety fund. Polishing of the concrete is estimated to cost \$8,200.00 per estimate by MAVO. If transition strips are needed, the cost will be approximately \$500.
5. This project will meet the District strategic plan focus area of creating a positive school and district culture: 1b every school and district office is friendly and welcoming.
6. This item is submitted by Jennifer Mickelson, Principal of Four Seasons A+ Elementary School; Dr. Joshua Delich, Assistant Superintendent; and Dave Watkins, Chief of Schools.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent (or Designee) to accept the gifts from Julie Mickelson and provide a letter expressing appreciation for the gift.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Request for Permission to Accept a Grant from 3M Gives

A. PERTINENT FACTS:

1. 3M Gives awards funding for schools that build interest and achievement in STEM among underrepresented populations.
2. Saint Paul Public Schools has received funding from 3M Gives for general operations at E-STEM Middle School for the 2019-20 school year.
3. Saint Paul Public Schools will serve as fiscal agent for the grant. This grant is for approximately \$5,000. The project will benefit the students and staff of E-STEM Middle School.
4. This grant does not align with a strategic focus area but provides essential operational support that creates a foundation for strategic projects to build on.
5. This is one-time grant from 3M.
6. This item is submitted by Jocelyn Sims, E-STEM Middle School Principal; Rebekah Doyle, Grant Management Coordinator; Billy Chan, Assistant Superintendent; and Marie Schrul, Chief Financial Officer.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent (designee) to accept a grant from 3M Gives for funds to support 2019-20 school year at E-STEM Middle School; to accept funds, if awarded; and to implement the project as specified in the award documents.

INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS

DATE: October 22, 2019

TOPIC: Request for Permission to Accept a Grant from Bush Foundation

A. PERTINENT FACTS:

1. The Bush Foundation awards grants for projects that create learning environments that welcome and support students from all cultures and backgrounds.
2. Saint Paul Public Schools Office of Planning and Policy has been awarded a grant to support the SPPS Achieves Strategic Plan. The goal of this project is to support activities related to the Positive School and District Culture strategic focus area. Staff at the program researched this grant opportunity.
3. Saint Paul Public Schools will serve as fiscal agent for the project. This grant is for approximately \$100,000.
4. This project aligns with the District strategic plan focus area of Positive School and District Culture.
5. This is a new grant-funded project.
6. This item is submitted by Rebekah Doyle, Grants Management Coordinator; Karen Randall, Assistant Director, Strategic Planning; Marie Schrul, Chief Financial Officer; and Cedrick Baker, Chief of Staff.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent (designee) to accept a grant from the Bush Foundation for funds to support the SPPS Achieves Strategic Plan; and to implement the project as specified in the award documents.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Request for Permission to Accept a Grant from the Saint Paul Youth Programs Fund

A. PERTINENT FACTS:

1. The Saint Paul Youth Programs Fund awards grants administered by the Twin Cities Regional Science Fairs group to Saint Paul schools that offer afterschool Science Club programs.
2. Washington Technology Magnet School prepared an application and received a grant to participate in the Regional Science Fair and State Science Fair.
3. Saint Paul Public Schools will serve as fiscal agent for the project. The grant is for approximately \$2,000 and will benefit students and staff participating in the Science Club program at Washington Technology Magnet School for the 2019-20 school year.
4. This project will meet the District strategic plan by ensuring all students have access to a well-rounded education.
5. This is a new grant-funded project.
6. This item is submitted by Stacie Bonnick, Washington Technology Magnet School Principal; Rebekah Doyle, Grants Management Coordinator; and Andrew Collins, Assistant Superintendent.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent (designee) to accept a grant from the Saint Paul Youth Programs Fund for the afterschool Science Club program at Washington Technology Magnet School; and to implement the project as specified in the award documents.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Request for Permission to Accept a Grant from the Shakopee Mdewakanton Sioux Community

A. PERTINENT FACTS:

1. The Shakopee Mdewakanton Sioux Community provides grants and donations that improve the lives of others across the country. Sharing is fundamental to Dakota culture.
2. Saint Paul Public Schools American Indian Education Program staff prepared an application and received funds for school supplies. Staff at the program researched this grant opportunity.
3. Saint Paul Public Schools will serve as fiscal agent for this project. This donation is for approximately \$12,500. It will benefit the students and staff of the American Indian Education Program.
4. This project will meet the District strategic plan focus area of Positive School and District Culture by ensuring all students have access to a well-rounded education.
5. This is a new grant-funded project.
6. This item is submitted by John Bobolink, American Indian Education Program Director; Rebekah Doyle, Grants Management Coordinator; Kate Wilcox-Harris, Chief Academic Officer.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent (designee) to accept a grant from the Shakopee Mdewakanton Sioux Community; to accept funds; and to implement the project as specified in the award documents.

**INDEPENDENT SCHOOL DISTRICT NO 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Request for Permission to Accept a Grant from Teaching Tolerance

A. PERTINENT FACTS:

1. Teaching Tolerance awards grants for projects that embed anti-bias principles in schools, promote affirming school climates and educate youth to thrive in a diverse democracy.
2. Saint Paul Public Schools Harding High School has been awarded a grant to improve school climate. The goal of this project is to bring sustainable programming that teaches students and staff about implicit biases and cultural knowledge through communication and collaboration.
3. Saint Paul Public Schools will serve as fiscal agent for the project. The grant is for approximately \$5,000. Staff at Harding High School researched this grant opportunity. All students and staff at the school will benefit from this project.
4. This project will meet the District strategic plan focus area of Positive School and District Culture by creating inclusive school cultures where students can show up as their full selves.
5. This item is submitted by Be Vang, Harding High School Principal; Rebekah Doyle, Grants Management Coordinator; Billy Chan, Assistant Superintendent; Marie Schrul, Chief Financial Officer; and Cedrick Baker, Chief of Staff.

B. RECOMMENDATION:

That the Board of Education authorizes the Superintendent (designee) to accept a grant from Teaching Tolerance that supports school climate improvement; to accept funds; and to implement the project as specified in the award documents.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Change Inc. Services in SPPS

A. PERTINENT FACTS:

1. This recommendation reflects new contracts with Change Inc. (formerly known as Guadalupe Alternative Programs or GAP) in which the total amount exceeds \$100,000. Change Inc. will provide site-based mental health clinics at 12 Saint Paul Public Schools' sites: Adams Spanish Immersion, American Indian Magnet School, Battle Creek Elementary, E-STEM Middle School, Four Seasons Elementary, Galtier Elementary, Gateway to College, Hamline Elementary, Journeys, Murray Middle School, Ramsey Middle School, and River East during the 2019-20 school year.

2. With parent/guardian consent, Change Inc. will provide the following services to students: Consultation with school staff regarding the social emotional and mental health needs of students on their caseload; Diagnostic Assessments (DA); Individual Treatment Plans (ITP); Psychotherapy (individual, family, group); Skills Training (individual, family, group); and Crisis Assistance.

These mental health services provide additional support for our students during the school day. The collaboration supports the critical relationship needed between home, school and community that allows the district to meet the needs of students experiencing social-emotional barriers to learning and mental health challenges.

3. This contract is for the 2019-20 School Year.

4. Fees for services are not to exceed \$150,000 for Fiscal Year 2019-20 and will be funded by General Education funds, Special Education funds, and Gateway to College funds.

5. This contract will meet the District strategic plan focus area of Positive School and District Culture, and Family and Community Engagement.

6. This item is submitted by Kathy Lombardi Kimani, Director, Office of School Support; and Dr. Kate Wilcox-Harris, Chief Academic Officer.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent (designee) to approve the expenditure General Education funds, Special Education funds, and Gateway to College funds in an amount not to exceed \$150,000 for site-based mental health services provided by Change Inc.. This amount supports site-based mental health services a 12 SPPS sites, and is equivalent to the amount expended during school year 2018-19.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: District Provided Cell Phone Service & Equipment Agreement

A. PERTINENT FACTS:

1. The District currently provides employees cell phones for work related use. Cell phones provide a way for staff to stay connected during remote meetings, operational issues and or outages. Cell phones have been a great technology to allow voice and text communications when other SPPS network services are not available. Cell phones also provide a way for staff to stay productive as they can read and respond to emails on their cell phones.
2. This is a 2-year agreement to span the period from 2019 through 2021. Each department will continue to pay for their cell phone plans and equipment.
3. The total, not to exceed, amount for this agreement is \$1,170,000 that is made up of monthly services charges and equipment purchases. Monthly service is estimated at \$45,000 per month with 900 lines of service. Equipment is estimated at \$90,000 for 900 lines over the term of the agreement.
4. The cellular service on the account totaling 900 units in accordance with the rate plans and terms and conditions now or in the future applicable to each of such lines pursuant to GSA Federal Supply Schedule Number GS-35F-0119P. The equipment portion is purchased on an open market basis.
5. This project meets the District Strategic Plan focus area of Program Evaluation and Resource Allocation.
6. This item is submitted by Jamie Atkins, Purchasing Manager and Idrissa Davis, Deputy Chief, Technology Services.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent (designee) to approve and enter into the agreement between SPPS and Verizon Wireless.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Contract Approval for Emergency Transportation

A. PERTINENT FACTS:

1. Due to a shortage in labor, the current contracted yellow bus vendors have been unable to acquire enough bus drivers to fulfill their transportation obligations to the school district.
2. SPPS is entering into emergency contracts with Minnehaha Transportation and Northfield Lines, in order to add capacity to our current pool of yellow school bus vendors.
3. The contracts are for school year 2019/2020.
4. The anticipated costs of the two vendors for school year 2019/2020 are described below.
 - Minnehaha Transportation: \$400,000
 - Northfield Lines: \$80,000
5. This supports the District strategic plan focus area of Program Evaluation and Resource Allocation through a safe and efficient student transportation system.
6. This item is submitted by Tom Burr, Director of Transportation; and Jackie Turner, Chief Operations Officer.

B. RECOMMENDATION:

That the Board of Education authorizes the Superintendent (designee) to award contracts based on the District's increased need for yellow school bus vendors.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Approval to Create a Cooperative Sponsorship between St. Paul Central High School and Open World Learning in Girls' Gymnastics

A. PERTINENT FACTS:

1. Open World Learning and Central High School would like to create a 2-year cooperative participation agreement. Open World Learning typically establishes cooperative sponsorships with St. Paul Humboldt, however, Humboldt does not have a gymnastics team.
2. This Cooperative Sponsorship will meet the District strategic plan focus area of Positive School and District Culture and Family and Community Engagement.
3. This item is submitted by Laura Ranum, Athletic Secretary; Treacy Funk, Central Athletic Director; Joshua Delich, Assistant Superintendent; and Dave Watkins, Chief of Schools.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent (or Designee) to approve the Cooperative Sponsorship for Girls Gymnastics with Open World Learning at Central High School.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Approval of an Employment Agreement with Operative Plasterers Local Union No. 265, to Establish Terms and Conditions of Employment for 2019-22

A. PERTINENT FACTS:

1. New Agreement is for the three-year period June 1, 2019 through May 31, 2022.
2. Contract changes are as follows:

Wages: Wage and benefit changes reflect prevailing wage for the industry.
3. The remaining language provisions of the previous contract remain essentially unchanged, except for necessary changes to dates and outdated references.
4. The District has one regular F.T.E. in this bargaining unit.
5. The estimated total of all new costs (including wage adjustment, insurance and pension adjustments) for this agreement has been calculated as follows:
 - in the 2018-19 budget year (June 1, 2019-June 30, 2019): \$333
 - in the 2019-20 budget year (July 1, 2019-June 30, 2020): \$3,985
 - in the 2020-21 budget year (July 1, 2020-June 30, 2021): \$3,886
 - in the 2021-22 budget year (July 1, 2021-May 31, 2022): \$3,562
6. This item will meet the District's strategic plan focus area of Program Evaluation and Resource Allocation.
7. This request is submitted by Kenyatta McCarty, Interim Executive Director of Human Resources; Jim Vollmer, Assistant Director of Employee/Labor Relations; Joyce Victor, Negotiations/Employee Relations Assistant Manager; and Jackie Turner, Chief Executive Officer.

B. RECOMMENDATION:

That the Board of Education of Independent School District No. 625 approve and adopt the Agreement concerning the terms and conditions of employment of those employees in this school district for whom Operative Plasterers Local Union No. 265 is the exclusive representative; duration of said Agreement is for the period of June 1, 2019 through May 31, 2022.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Memorandum of Understanding with GOATote LLC.

A. PERTINENT FACTS:

1. The Saint Paul Public Schools' Nutrition Services Department would like the District to enter into a Memorandum of Understanding ("MOU") with GOATote LLC for a reusable bag program that will be utilized for Breakfast To Go.
2. This MOU would allow for a pilot program of reusable bags at no cost to the district.
3. The Nutrition Services Department requests authorization to negotiate an appropriate and reasonable MOU with GOATote LLC.
4. This request has been reviewed by Jamie Atkins, Purchasing Manager.
5. Funding will be provided from the Nutrition Services budget 02-005-680-707-6401-0000.
6. This project will meet the District strategic plan goal of Program Evaluation and Resource Allocation.
7. This item is submitted by Stacy Koppen, Nutrition Services Director, and Jackie Turner, Chief Operations Officer.

B. RECOMMENDATION:

That the Board of Education authorize the Nutrition Services Department to negotiate and enter into an appropriate and reasonable MOU with GOATote LLC for a reusable bag program on behalf of the District.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Request Permission to Continue an Agreement with the Minnesota Department of Health to Participate in the Minnesota Immunization Information Connection

A. PERTINENT FACTS:

1. Every 3 years the Minnesota Department of Health requires an updated Data Use Agreement to participate in the Minnesota Immunization Information Connection (MIIC). This statewide registry allows the District to assure compliance with Minnesota School Immunization law.
2. Student Health and Wellness depends on information found in MIIC to collect accurate information about vaccinations for students and enters data into MIIC on vaccines administered at Student Placement Center and occasionally in schools. Student Health and Wellness participates in the Minnesota Vaccines for Children (MnVFC) program. MnVFC program offers free or low-cost vaccines for eligible children age 18 years and younger. MnVFC ensures that children are vaccinated on time by not letting the cost of vaccines preventing a child from receive recommended vaccines. In our most recent annual report to MDH, 1150 vaccines were given to 466 students through MnVFC.
3. MIIC statewide registry and MnVFC help meet the District strategic plan focus area of Positive School and District Culture.
4. Requested by Mary Yackley, Supervisor, Student Health and Wellness; Marcy Doud, Assistant Superintendent of Specialized Services; and Dr. Kate Wilcox-Harris, Chief Academic Officer.

B. RECOMMENDATION:

That the Board of Education authorize the Superintendent to enter into an agreement with Minnesota Department of Health for ongoing participation in the Minnesota Immunization Information Connection (MIIC).

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Monthly Operating Authority

A. PERTINENT FACTS:

1. The Board of Education must authorize and approve all expenditures of the District.
2. The Board of Education must ratify any changes in collateral that have been previously approved by the Assistant Treasurer.
3. This item meets the District target area of Program Evaluation and Resource Allocation.
4. This item is submitted by Marie Schrul, Chief Financial Officer.

B. RECOMMENDATIONS:

1. That the Board of Education approve and ratify the following checks and wire transfers for the period August 1 – August 31, 2019.

(a) General Account	#715103-716069	\$47,111,710.91
	#0003460-0003496	
	#7003416-7003446	
	#0003819-0003912	
(b) Debt Service	-0-	<u>\$337,862.00</u>
(c) Construction	-0-	<u>\$3,655,023.89</u>
		<u>\$51,104,596.80</u>

Included in the above disbursements are two payrolls in the amount of \$9,982,977.30 and overtime of \$54,312.15 or 0.54% of payroll.

(d) Collateral Changes

Released:

None

Additions:

None

2. That the Board of Education further authorize payment of properly certified cash disbursements including payrolls, overtime schedules, compensation claims, and claims under the Workers' Compensation Law falling within the period ending January 31, 2020.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Recommendations for Exclusion of Students in Non-Compliance with Minnesota Statute 123.70 Health Standards: Immunizations

A. PERTINENT FACTS:

1. There are students in the district who are not in compliance with M.S. 123.70 Health Standards for Immunizations. The students' parents/guardians have been informed of needed immunizations, provided a copy of the law, and given information about community immunization clinics. A contact is made to verify the parents/guardians know that the child is non-compliant, understand the law, and are aware of the possible exemptions to the law. All parents/guardians have had a minimum of 30 days to comply with the law after they are informed that their child is non-compliant.
2. A list of the students is under separate cover.
3. This project will meet the District strategic plan focus area of Positive School and District Culture.
4. Requested by Mary Yackley, Supervisor, Student Health and Wellness; Marcy Doud, Assistant Superintendent of Specialized Services; and Dr. Kate Wilcox-Harris, Chief Academic Officer.

B. RECOMMENDATION:

That the Board of Education excludes the named students from school effective October 31, 2019, should they not comply with Minnesota State Health Standards for Immunizations on or before this date.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Permit Category and Rate Changes

A. PERTINENT FACTS:

1. Board Policy 902.00 outlines the community use of school facilities.
2. The Permit Committee would like to update the District's current permit categories and rate structure based on programmatic updates, business process updates, and a recently completed rate structure analysis.
3. Proposed Rate Structure Changes:
 - a. Current category IV: For-profit organizations generating profits will be eliminated
 - b. Current category V: Groups not fitting category I, II, III, or IV will become Category IV: Groups not fitting category I, II, III (negotiated rate)
 - c. Fees will be adjusted to reflect more accurate true costs and better align with market conditions
4. This item is presented by Tom Parent, Director of Facilities, and Jackie Turner, Chief Operations Officer

B. RECOMMENDATION:

That the Board of Education adopt the updated permit category and rate changes based on the Permit Committee's recommendation.

Proposed Category Changes

Broad Category Definitions:

Category I: SPPS programs → no change

Category II: nonprofits, government agencies and religious organizations → no change

Category III: for-profit organizations, private organizations, and individuals → no change (break even rate)

Category IV: for-profit organizations generating profits → entity not fitting categories I, II, III (negotiated rate)

Category V: groups not fitting category I, II, III, or IV → eliminate (now category IV)

Cost by Category (Hourly Unless Noted)								
Type of Space	I	II		III		IV		V
Auditoriums	No Fee	~~\$48~~	\$50	~~\$96~~	\$100	~~\$148~~	Negotiated	Negotiated
Baseball Field	No Fee	~~\$22.50~~	\$25	~~\$45~~	\$50	~~\$90~~	Negotiated	Negotiated
Cafeteria	No Fee	~~\$48~~	\$30	~~\$96~~	\$60	~~\$148~~	Negotiated	Negotiated
Classroom - General	No Fee	~~\$15~~	\$10	~~\$30~~	\$20	~~\$60~~	Negotiated	Negotiated
Classroom – Specialized e.g. Computer Labs/Teaching Kitchens	No Fee	\$15		\$30		~~\$60~~	Negotiated	Negotiated
Gymnasium	No Fee	~~\$48~~	\$35	~~\$96~~	\$70	~~\$148~~	Negotiated	Negotiated
Media Center / Library	No Fee	~~\$48~~	\$30	~~\$96~~	\$60	~~\$148~~	Negotiated	Negotiated
Outdoor Grounds	No Fee	~~\$15~~	\$10	~~\$30~~	\$20	~~\$60~~	Negotiated	Negotiated
Parking Lots (with no other rental associated)	No Fee	\$25		\$25		~~\$25~~	Negotiated	Negotiated
Grass Fields: Soccer / Football Field	No Fee	~~\$30~~	\$15	~~\$60~~	\$30	~~\$90~~	Negotiated	Negotiated
Stadiums: Central, Harding, & Highland	No Fee	\$265		\$265		~~\$265~~	Negotiated	Negotiated
		max \$1,590/day		max \$1,590/day				
Turf Fields: Como Sr, Humboldt, & Johnson	No Fee	~~\$30~~	\$75	~~\$60~~	\$150	~~\$90~~	Negotiated	Negotiated
Softball Field	No Fee	\$15		\$30		~~\$60~~	Negotiated	Negotiated
Swimming Pool	No Fee	~~\$75~~	\$50	~~\$150~~	\$100	~~\$250~~	Negotiated	Negotiated
Tennis Court	No Fee	~~\$7.50~~	\$10	~~\$7.50~~	\$20	~~\$7.50~~	Negotiated	Negotiated
Track	No Fee	\$15		\$30		~~\$60~~	Negotiated	Negotiated
Storage (with corresponding approved permit)	N/A		\$1.49/sq ft per month					

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Request for Approval for Funds from the Minnesota State High School League's Foundation

A. PERTINENT FACTS:

1. Our district high schools are members of the Minnesota State High School League.
2. The Minnesota State High School League Foundation has monies available to award to high schools in the State of Minnesota. These monies are sales taxes collected on tickets sold at state tournament contests. These funds are being rebated to member schools based on free/reduced lunch participation on athletic teams. The League accepts requests twice during the school year.
3. This grant will meet the District strategic plan focus area of Program Evaluation and Resource Allocation.
4. This item is submitted by Laura Ranum, Athletic Department Specialist and Dr. Joshua Delich, Assistant Superintendent.

B. RECOMMENDATION:

Authorize the Superintendent (or Designee) to submit an application to the Minnesota State High School League's Foundation for monies being awarded to high schools in the State of Minnesota; to accept funds, if awarded; and to implement the project as specified in the award documents.

FORM A

RESOLUTION OF SCHOOL BOARD SUPPORTING FORM A APPLICATION TO MINNESOTA STATE HIGH SCHOOL LEAGUE FOUNDATION

WHEREAS, the Minnesota State High School League Foundation was formed to provide support for Minnesota's high school youth to participate in athletics and fine arts;

WHEREAS, the District 625 School Board recognizes the value of student participation in extracurricular activities; and

WHEREAS, the MSHSL Foundation is offering grants and funding to assist school districts in recognizing, promoting and funding extracurricular participation by high school students in athletic and fine arts programs.

THEREFORE, BE IT RESOLVED, that the Saint Paul Public School Board supports the District's application to the Minnesota State High School League Foundation for a FORM A grant to offset student activity fees.

Date

Board Chair

Date

Board Clerk - Treasurer

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Facilities Department FY20 Purchases over \$175,000 Correction

A. PERTINENT FACTS:

1. This is a correction to the Facilities Department FY20 Purchases over \$175,000 board agenda item that was approved at the September 17, 2019 meeting.
2. The bid number reference on the BAI, RFP #A218180, for Iceman Industries is incorrect.
3. The District is choosing to extend the agreement from FY19, Bid #U12345-A, for Iceman Industries.
4. The approved contract amount of \$90,000 remains unchanged.
5. The purchases meet the District Strategic Plan goals by aligning Program Evaluation and Resource Allocation to District priorities.
6. This item is submitted by Tom Parent, Director of Facilities, and Jackie Turner, Chief Operations Officer.

B. RECOMMENDATION:

That the Board of Education authorize the contract correction to the Facilities Department FY20 Purchases Over \$175,000 board agenda item that was approved at the September 17, 2019 meeting.

**INDEPENDENT SCHOOL DISTRICT NO. 625
BOARD OF EDUCATION
SAINT PAUL PUBLIC SCHOOLS**

DATE: October 22, 2019

TOPIC: Request for Proposal (RFP) – No. A216592-A
Data Centers Upgrade and Site Switch Replacement

A. PERTINENT FACTS:

1. Technology Services has had repeated issues with the current network configuration of our Data Centers and some large schools with regards to network and internet access. The goal is to replace the existing obsolete solution with updated technology. The updated solution will establish faster, more efficient network and internet connectivity Districtwide.
2. The Request for Proposal requested multiple solutions quotes with 3 and 5 years of licensing and maintenance. The following proposals were received,

	<u>Lump Sum Costs</u>
Insight Public Sector, Inc	\$4,942,488
Works Computing, Inc.....	\$5,995,268
AERCOR Wireless, Inc.....	\$3,135,505

3. The most responsive proposer, Insight Public Sector, Inc., offers the most compatible, comprehensive and reliable 5-year solution at a total cost of \$4,942,488. Approximately \$3,115,614 of the hardware, installation and maintenance costs will be paid by E-rate funds.

Insight Public Sector, Inc scored highest in the evaluation of the proposals which included the following areas:

- Connectivity solution compatible with our existing network
 - Experience and qualifications – specifically K12 focus
 - Ability and capacity to deliver products
 - Training and knowledge transfer
 - Invoicing, reporting and E-rate expectations
4. The solution will include hardware, installation, configuration, training, and five years of software licensing/support and five years of maintenance/support.
 5. Funding will be provided by the Technology Services budget.
 6. This project meets the District Strategic Plan focus area of Program Evaluation and Resource Allocation.
 7. This is submitted by Idrissa Davis, Deputy Chief, Technology Services and Jackie Turner, Chief Operations Officer.

B. RECOMMENDATION:

That the Board of Education authorize award of RFP No. A216592-A to Insight Public Sector, Inc, for the purchase of technology connectivity hardware; switches, wireless controller, router, licenses, maintenance, installation and training in the amount not to exceed \$4,942,488.



Saint Paul
PUBLIC SCHOOLS

Policy Update

Cedrick Baker, Chief of Staff

October 22, 2019

SECOND READING:

503.01: Children and Youth Experiencing Homelessness

We are updating the current Policy 503.01: Attendance: Homeless Children & Youth. It is being proposed that the policy be retitled to Policy 503.01: Children and Youth Experiencing Homelessness.

264

Why do we have this policy?

To ensure that children and youth who are experiencing homelessness receive the same educational opportunities as other students who are not homeless; and McKinney-Vento Homeless Assistance Act and applicable Minnesota law.

SECOND READING:

503.01: Children and Youth Experiencing Homelessness

Why are updates being proposed?

- To create alignment with the McKinney-Vento Homeless Education Assistance Improvements Act of 2001
 - Children and youth who experience homelessness have the right to receive a free, appropriate public education
- The services provided under McKinney-Vento provide families the opportunity to maintain education stability for their student, which is key to their educational trajectory and success.
 - One of the priorities of the act is the provision of transportation services to allow students experiencing homelessness to remain in their school of origin, which is defined as the school that the student attended when they first experienced homelessness.

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SECOND READING:

503.01: Children and Youth Experiencing Homelessness

Changes include details on:

- Purpose statement
- General Statement
- Definitions
 - “Children and youth experiencing homelessness”
 - “School of origin”
 - “Homeless Liaison” – Project REACH and Fostering Connections
- School Selection and Enrollment
- Dispute Resolution
- Transportation

266

FIRST READING:

510.03: Class Rankings

Why are updates being proposed?

- At the May 22, 2018 Board of Education meeting, the Student Engagement and Advancement Board (SEAB) presented on the inequities of the current policy.
- They recommended that SPPS, “Implement consistent recognition of academic achievement by updating policy 510.03.”
- They proposed for the district to:
 - Celebrate academic success of more students
 - Remove the verbiage, “the top ten students ranked by grade point average of each high school’s senior class will be identified and recognized in alphabetical order” from the current policy
 - Develop consistent use and logic of weighted course material that supports a district-wide system for recognizing academic honors

FIRST READING:

510.03: Class Rankings

Changes to the policy include:

- Removing “the top ten” verbiage (currently paragraph two)
- Adding this language (proposed paragraph two):
 2. Students will be recognized for academic achievement based on the Latin Honor system, using their weighted GPA.
 - High Honors with Distinction (Summa Cum Laude) — Cumulative GPA average of 4.000 and above
 - High Honors (Magna Cum Laude) — Cumulative GPA average of 3.75 to 3.99
 - Honors (Cum Laude) — Cumulative GPA average of 3.3 to 3.749

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FIRST READING:

510.03: Class Rankings

- Implications of proposed changes:
 - The District will no longer host the “Celebration of Excellence” which honored the top ten from each high school
 - The cost savings from no longer hosting the “Celebration of Excellence” will be used to buy cords and help to support individual high schools’ celebrations
 - High school principals have requested for Board members and Senior Leadership Team to have a presence/role at their school-level celebrations
 - High schools that do not currently have the GPA cutoffs for honors, high honors, and high honors with distinction as stated in the proposed policy, will have to update their internal systems and practices and communicate those changes to students and families.
 - Because we are doing away with “top ten” - who have been acknowledged in newspapers historically - the District will need to find a new way to best recognize students publically that appeal to newspapers

Questions

270

**INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
360 Colborne Street**

Proposed Policy:

Proposed Policy Revision:

503.01 - Children & Youth Experiencing Homelessness

First Reading **August 20, 2019**

Second Reading **October 22, 2019**

Third Reading _____

COMMENTS:

**Saint Paul Public Schools
360 Colborne Street
Saint Paul, Minnesota 55102
651-767-8149**

Adopted: 8/27/2002

Saint Paul Public School Policy

503.01

Revised: 6/17/2008
x/xx/xxxx

503.01 Children & Youth Experiencing Homelessness

I. PURPOSE

The purpose of this policy is to ensure that children and youth who are experiencing homelessness receive the same educational opportunities as other students who are not homeless. This policy is intended to ensure that the School District is in full compliance with the McKinney-Vento Homeless Assistance Act and applicable Minnesota law.

II. GENERAL STATEMENT

Children and youth who are homeless will have the opportunity to meet the same state and School District standards expected for all students. Children and youth who are homeless are to be provided educational services comparable to those received by any student of the School District, and all appropriate educational and support services available at all grade levels.

III. DEFINITIONS

A. The phrase “children and youth experiencing homelessness” means individuals who lack a fixed, regular, and adequate nighttime residence. They include:

1. Children and youth who are sharing the housing of other persons due to loss of housing, economic hardship, or similar reason; are living in motels, hotels, trailer parks (as defined by applicable law) or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals;
2. Children and youth who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
3. Children and youth who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and,
4. Migratory children, as this term is defined in section 1309 of the Elementary and Secondary Education Act of 1965, who qualify as homeless for the purposes of this definition because the children are living in circumstances described above.

B. The phrase “school of origin” means the school the student attended when he or

503.01 Policy
Page 1 of 4

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Homeless children and youth, as defined by federal law, shall be provided services comparable to those received by other students including¶ transportation to and from their school of origin to the extent possible. The¶ district shall designate a liaison for homeless children and youth who shall ensure that their rights are protected and they have the opportunity to reach¶ the same high academic standards expected of all students.¶

¶

ENROLLMENT¶

Immunizations, guardianship, residential status or other documentation shall not be barriers to immediate enrollment of homeless children and¶ youth. Where appropriate, the enrolling school or office shall refer the parent¶ or guardian to the district homeless liaison for assistance in obtaining appropriate documentation. The district homeless liaison shall also assist¶ unaccompanied youth with placement/ enrollment choices.¶

¶

PLACEMENT¶

To the extent feasible, homeless children and youth shall remain in their school of origin and transportation shall be provided. To the extent provided¶ by federal law, homeless children and youth have the right to stay in their¶ school of origin for the entire time they are homeless, unless a parent or guardian chooses otherwise.¶

¶

DISPUTE RESOLUTION¶

Disputes regarding the educational placement of a homeless child or youth shall be expeditiously addressed through the dispute resolution process¶ mandated by the Minnesota Department of Education. Parents or guardians¶ and unaccompanied youth shall be informed of the process and in the event of a dispute, the homeless child or youth must be immediately enrolled in the¶ school of choice while the dispute is being resolved.¶

¶

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she last had permanent housing or the school last attended.

- C. The “Homeless Liaison” is a person designated by the School District as the School District contact for students in homeless situations. The Homeless Liaison is responsible for carrying out the duties prescribed in applicable federal and state laws. The Project REACH and Fostering Connections Supervisor is designated as the School District’s homeless liaison.

IV. SCHOOL SELECTION AND ENROLLMENT

- A. Children and youth experiencing homelessness shall have equal access to the same free, appropriate public education as provided to other students.
- B. Homelessness is not sufficient reason to separate students from the mainstream school environment. Children and youth experiencing homelessness shall not be segregated in separate schools, separate programs within schools, or separate settings. This does not prohibit special programs for short periods of time for health and safety emergencies or temporary, special, and supplemental services for any student.
- C. The School District will keep a child or youth experiencing homelessness in his or her school of origin, unless it would be in the student’s best interest to enroll the student in another school. The School District will presume that keeping the student in the school of origin is in the student’s best interest, except when doing so is contrary to the request of the parent or guardian (or youth in the case of an unaccompanied youth). Factors related to the student’s best interest include student-centered factors related to the impact of mobility on achievement, education, health, and safety of children and youth experiencing homelessness. In conducting the best interests analysis, the School District will give priority to the request of the child’s or youth’s parent or guardian (or the youth in the case of an unaccompanied youth).
- D. Children and youth experiencing homelessness may stay in their school of origin the entire time they are homeless and until the end of any academic year in which they move into permanent housing. Alternatively, students may enroll in any public school that students living in the same attendance areas are eligible to attend.
- E. The School District homeless liaison must assist unaccompanied youth, who are not in the custody of a parent or guardian, in making placement or enrollment decisions.
- F. If, after conducting the best interest determinations, the School District determines it is not in the student’s best interest to attend the school of origin or the school requested by the parent or guardian (or the youth in the case of an accompanied youth), the School District will provide a written explanation of the reasons for its determination, including information regarding the right to appeal, in a manner and form that is understandable to the parent, guardian, or unaccompanied youth.

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G. The School District will immediately enroll the child or youth experiencing homelessness in the school selected in accordance with this policy, even if the child or youth cannot produce records normally required for enrollment (including previous academic records, records of immunization and other required health records, proof of residency, or other documentation) or has missed application or enrollment deadlines during any period of homelessness.

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H. The enrolling school must immediately contact the school last attended by the child or youth experiencing homelessness to obtain relevant academic and other records. If a student does not have immunizations or other required health records, the homeless liaison must immediately assist in obtaining them. The student must be enrolled in school in the interim. Educational and medical records must be obtained as soon as possible, consistent with applicable state and federal laws, by the School District.

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V. DISPUTE RESOLUTION

- A. If a dispute arises over eligibility, school selection, or enrollment, the child or youth shall be immediately enrolled in the school in which enrollment is sought, pending final resolution of the dispute, including all available appeals.
- B. The parent or guardian (or youth in the case of an unaccompanied youth) will be provided with a written explanation of any decisions related to school selection or enrollment. The notice must include a dispute resolution process developed by the Superintendent in accordance with any applicable guidance from the Minnesota Department of Education.

VI. TRANSPORTATION

- A. Children and youth experiencing homelessness must be provided transportation to and from their school of origin at the request of the parent or guardian, or by the Homeless Liaison in the case of an unaccompanied youth, consistent with the School Board Policy 707.00 Transportation Eligibility and applicable law.
- B. If a child or youth experiencing homelessness has living arrangements outside of the School District's boundaries, the School District will attempt to reach an agreement with the school district in which the student has living arrangements in an effort to apportion costs and responsibility for transportation.

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LEGAL REFERENCES:

42 U.S.C. § 11431 et seq. (McKinney-Vento Homeless Assistance Act)

CROSS REFERENCES:

Policy 707.00 Transportation Eligibility

Adopted: 8/27/2002

Saint Paul Public School Policy

503.01

*Revised: 6/17/2008
x/xx/xxxx*

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CROSS REFERENCES:

Policy 707.00 Transportation Eligibility

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
360 Colborne Street

Proposed Policy:

Proposed Policy Revision:

510.03 - Class Rankings

First Reading	<u>October 22, 2019</u>
Second Reading	
Third Reading	

COMMENTS:

Saint Paul Public Schools
360 Colborne Street
Saint Paul, Minnesota 55102
651-767-8149

510.03 CLASS RANKINGS

1. Class rankings and the honor-point averages for members of the senior class shall not be made public. This shall apply to school newspapers, yearbooks, public announcements, and public news media. In addition, no valedictorian or salutatorian shall be named.
2. Students will be recognized for academic achievement based on the Latin Honor system, using their weighted GPA.
 - High Honors with Distinction (Summa Cum Laude) – Cumulative GPA average of 4.000 and above
 - High Honors (Magna Cum Laude) – Cumulative GPA average of 3.75 to 3.99
 - Honors (Cum Laude) – Cumulative GPA average of 3.3 to 3.749
- ~~2. The top ten students ranked by grade point average (GPA) of each high school's senior class (except in the case of ties) will be identified and recognized in alphabetical order.~~
3. In addition, each high school may, with the involvement of students, staff, and community, develop a plan to identify and recognize other student achievements.

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Saint Paul
PUBLIC SCHOOLS

E-STEM Middle School

Jocelyn Sims, Principal

October 22, 2019

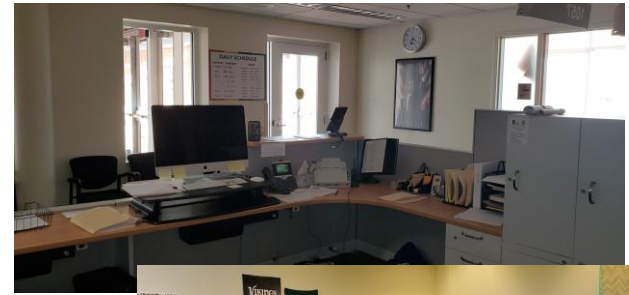
Crosswinds to E-STEM Middle School

- Purchased in May 2018
- Principal hired August 2018
- Interest in STEM school
- Environment stood out
- Added “E” to STEM
- Named E-STEM Middle School



E-STEM Transformation

- February 2019 construction @ E-STEM Middle School began!
- Focus Areas:
 - Gender neutral bathrooms for 6th grade area
 - Removal of ½ walls to open up classroom space
 - Technology upgrade (projectors, speakers, internet, labs, etc.)
 - Kitchen upgrades
 - Main Office remodel
 - Main Door secured entrance
- Furniture planning to support innovative learning spaces that enhance the E-STEM focus.
- E-STEM staff are hired and begin the planning work!



Fall of 2019 - E-STEM Middle School Opens!



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Next Steps for E-STEM Middle School

- Seek approval from the SPPS School Board to officially name E-STEM Middle School.
- If approved, begin to elicit feedback from parents, students, staff and community regarding possible name choices for E-STEM Middle School.
- School Naming Committee to determine top 3 choices and put to a vote.
- Present top choice to the School Board no later than December, 2019.



Questions

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BOARD OF EDUCATION | 2019-2020SY MEETING DATES

	COB	BOE
TIME	4:30pm (unless otherwise noted)	Public Comment 5:30 Board of Education Meeting 6:05pm
2018-2019SY		
JAN	1/8/2019 4:30 pm	1/8/2019 6:00 pm Annual Meeting
		1/22/2019
FEB	2/5/2019	2/19/2019
MAR	3/5/2019	3/19/2019
APR	4/9/2019	4/23/2019
MAY	5/7/2019	5/21/2019
JUNE	6/11/2019	6/11/2019 Special Non-Renewals 4:00pm
		6/18/2019
JULY		7/23/2019
AUG	Wed. 8/7/2019 Rescheduled to Wed. – NNO	8/20/2019

2019-2020SY		
SEPT	9/10/2019	9/17/2019
OCT	10/15/2019	10/22/2019
NOV	11/12/2019	11/19/2019
DEC	12/3/2019	12/17/2019
JAN	1/7/2020 4:30 pm	1/7/2020 6:45 pm Annual Meeting
		1/21/2020
FEB	2/11/2020	2/18/2020
MAR	3/10/2020	3/24/2020

APR	4/7/2020	4/14/2020
MAY	5/5/2020	5/19/2020
JUNE	6/9/2020	6/9/2020 Special Non-Renewals 4:00 pm
		6/23/2020
JULY		7/21/2020
AUG	Wed. 8/5/2020 Wed. – NNO	8/18/2020

**INDEPENDENT SCHOOL DISTRICT NO. 625
SAINT PAUL PUBLIC SCHOOLS
BOARD OF EDUCATION MEETINGS**

The following Board of Education Meetings will be held in the district's Administration Building at
360 Colborne Street unless otherwise noted.

OCTOBER 22, 2019 4:00 pm	SPECIAL MEETING OF THE BOARD OF EDUCATION Closed Meeting Negotiation Status Updates
OCTOBER 22, 2019 5:30 pm 6:05 pm	REGULAR MEETING OF THE BOARD OF EDUCATION Public Comment Regular Meeting
NOVEMBER 12, 2019 4:30 pm	SPECIAL MEETING OF THE BOARD OF EDUCATION Canvass of Election Results
NOVEMBER 12, 2019 To follow the Special Meeting	COMMITTEE OF THE BOARD MEETING

FUTURE BOARD OF EDUCATION MEETINGS

Committee of the Board	Board of Education
<u>2019</u>	
November 12	November 19
December 3	December 17
<u>2020</u>	
January 7, 2020	January 7, 2020 (Annual Meeting)
	January 21
February 11	February 18
March 10	March 24
April 7	April 14
May 5	May 19
June 9	June 9 (Special Non-Renewals 4:00 pm)
	June 23
	July 21
August 5 (Wed.)	August 18

OTHER EVENTS BOARD MEMBERS ARE SCHEDULED TO ATTEND

December 3, 2019 6:00 pm	Taxation and Budget Hearing 360 Colborne
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* Please note that the Committee of the Board meeting and the Public Comment sessions will also constitute a special meeting of the Board of Education.