

**MEETING MINUTES
COMMITTEE OF THE BOARD MEETING
June 11, 2019**

PRESENT: Board of Education: S. Marchese, Z. Ellis, M. Xiong, M. Vanderwert, J. Brodrick, J. Schumacher

J. Foster was absent (health).

Staff: Superintendent Gothard, M. Hoerth, K. Randall, K. Kimani, H. Kilgore, T. Battle, T. Parent, J. Kelly, A. Schilling, K. Cordes-Sween, C. Moore, K. Wilcox-Harris, C. Long, C. Baker, D. Watkins, J. Turner, M. Gilbert, Y. Vang, M. Doud, K. Burns, A. Collins, H. Ott, P. Matamoros, S. Reyes, S. Dahlke

Other: K. Smith, K. Driscoll, T. Lonetree, J. Verges, Members of LCD PAC

I. CALL TO ORDER

The meeting was called to order at 5:13 p.m.

II. AGENDA

A. Superintendent's Announcements

Superintendent Gothard began the meeting by noting the great pride and thanks to the community as we celebrated 2,300 students who received their diplomas at graduation ceremonies recently. He recounted his experiences at the graduations, noting the emotions and empowerment of our students and pride in their identify through their mortar board and stoles. He also noted the support of parents and families for our students, and images from these ceremonies exemplify the true meaning of the SPPS mission statement.

He went on to recognize Assistant Superintendent Dr. Theresa Battle, as her final day in SPPS is July 1 and she continues her career as Superintendent for ISD 191. He thanked her for her 28 years of service in SPPS and shared highlights of her career and history in SPPS. Since 2013, she has served as assistant superintendent. Dr. Battle then thanked the Saint Paul community, and everyone who nurtured her as a teacher and educator. She noted her two children who were students in SPPS, and this will always be home. She thanked Superintendent Gothard, her colleagues and friends, students, and parents and those that she had the privilege and pleasure of serving for 28 years.

Superintendent Gothard also noted that Director Schumacher and his wife are now grandparents and congratulated them and their family.

He went on to note the leadership changes, and those will be published after notifying the school communities. There is a variety of new leadership, including those promoted from within as well as outside the district. There will also be more details about the Leadership Academy led by Chief Watkins and other leaders, as well as professional learning.

He noted the budget and the legislature's actions that will positively affect it. He thanked Principal Saatzer of Bruce Vento for hosting the signing of the E12 bill, as well as thanking legislatures for their work in the bill as well.

Superintendent Gothard noted the start time changes and support for families, including work with the City to increase after school childcare and programming options, such as S'More Fun, Rec Check, transportation, and a Discovery Club fee discount for families that will utilize this program the most. There will also be support from the Office of Family Engagement and Community Partnerships to help families find care for after school, and thanked our childcare partners, YMCAs, and Boys and Girls Clubs for their support and increase in capacity for kids and families. He also recognized the Start Times Committee for their work to prepare for the upcoming year. We are ready to help to partner with families, and thanked everyone for their work. He encouraged families with questions to contact the District or their school principal.

Superintendent Gothard also provided a recap as noted at the May Board of Education meeting on the state of the Facilities Maintenance Plan, and has asked Chief of Staff Cedrick Baker to review and convene an external review team to look at the FMP process, specifically at the capacity as a system to manage and oversee the process and create a framework for review. In terms of membership of the team, there will be expertise in facilities management, and highlight that this review process will be to learn, adjust, and continue. We will learn how we got here, current state, and adjust and the team will make recommendations, determine implementation and continue. This is work for our students to ensure optimal learning environments for them. We are drafting the scope of work in building this team, and the plan is for the team to begin mid-July. We are halting into entering into new constructions contracts in facilities, and the review team will assess and their goal is to provide recommendations and bring to the Board and Administration for implementation. The goal is to review the current internal operations, structure and demands of projects. There will also be a comprehensive communication plan to ensure it is transparent and accessible to the entire SPPS community. More details will be forthcoming.

QUESTION/DISCUSSION:

- What kinds of things will the team be looking at? Response: Right now, we are trying to clarify the scope of the review, and making sure we are looking at as much as we can to get to the root of the issue to ensure this will not come up again. More information will also be provided at future meetings.
- Who is determining who will be on the team? Response: This is still in process. There has been conversation with board members about ensuring there is representation with the external review team, and conversations with the Executive Committee on how it would look, or periodic updates to the Board on the process. The external review team will be people with expertise in facilities management and experience in the field, or consultants. Other areas will be a finance component and perspective as well – we are making sure there are a lot of options currently on the table, and will be reviewing further to narrow it down.
- A board member noted that from this team, we will need to learn what, where, and how – what has happened so far with the FMP, where we are at in this moment, and how are we going to proceed in the future. The public and community also wants to learn that information, and will be included in the scope of this team.
- For the membership of the team, how soon will we hear the names of the people on the team? It will be important for the community to understand we are turning to an external team for their feedback and for them to be objective, and identifying the issues and hold our feet to the fire in this. It was noted that members would be identified in the next few weeks, and based on the scope of work, RFPs, and process and timeline.
- Discussion also involved if a board member would be on the review team, as was suggested at the previous Board of Education meeting. Board members mentioned there are advantages to a board member being an active participant on the review team. Board governance and oversight were also noted, as this will be day-to-day work and it will need to be determined to what level the Board wants to be involved. A governance oversight team of the external group is another option, which would allow the Board to have the information and input to the process. This external team will be meeting multiple times a day every week. We need to determine what would be best and most suitable for board members. The role of the board administrator, which is currently unfilled was noted, for reporting thoroughly and in a comprehensive manner, and

direct information to the Board. Many times, for teams and committees, the question has been whether the committee or team reports to the Board or Administration. Any way to get information from this team in a direct manner will be important. Superintendent Gothard noted that they will review recommendations and team members, and the original goal for the team is to review, and review and governance are two different aspects, in reporting and governance and there are options to ensure board members receive regularly scheduled information from the team. Chief Baker also noted the rationale for the external review team is to review the current state, how we got here, and make recommendations and planned changes from the implementations.

- The process for the external review team is still being determined – they may recommend a formal structure from the review in terms of a committee.
- Another board member noted there has been extensive conversations about this topic with the Executive Committee, and these concerns were also addressed, including the membership and the level of frequency at which the Board interacts with the group, and the role of the board administrator was also mentioned, because they will be a full-time position that will be interacting with this group, and to connect with them on behalf of the Board. There will need to be communication in advance, because there is a lot of interest and concerns about what comes next, and the Board looks forward to hearing more about the plan to move forward and to determine how to play the role in overseeing. We don't expect they will be operating very far from the Board, but also need to recognize to allow people with expertise in areas working in facilities and financial aspects to do the work and allow the work with team and staff not necessarily with a board member present, but closely tied. Another board member reiterated that at the last Board meeting it was proposed to have a board member on the team because there isn't a current board administrator, and ideally, it would be that position that would be the designee on behalf of the Board in those meetings, and does look forward to the presentation with more details and structure and how the Board will fit within that to receive updates and be kept up-to-date with the work around this team, and access to the information.
- It was also noted that there will be a prioritization of existing projects moving forward that will be part of the scope, and move to implementation and making suggestions on prioritizing future projects based on the strategic plan for buildings, which will be more from administration in financing, priorities and justification.
- The timeline of the team was also mentioned, and recommendations may be to form a committee. This external team will not serve for the duration of the plan, but to build the pathway internally and capacity to manage the team. They will look at the system to see what worked and what didn't, and procedures, and make recommendations for the system overall. There is not a defined timeline yet though. It will be important for the next presentation to get clarity on the scope and purpose to understand this team and their work and the need for such a timeframe and will be important to understand.
- A board member also mentioned the commitment and time of members on the team, and if they will be paid and amount.

B. Legislative Report

Superintendent Gothard then introduced Mary Gilbert, legislative liaison to present the Legislative Report.

Special Session Needed To Finish Work

- Legislature Adjourned May 20th
- Special Session Called May 24th
- E-12 Special Session bill passes
 - House 112-14
 - Senate 67-0
- Special Session Ends May 25th after sunrise
- E-12 Billed Signed May 30th
- Other 12 bills signed May 31st

The Big Three – In Millions

	Governor	House	Senate	Special Session
E-12 Target	\$711	\$900	\$211	\$543
Formula Cost	3% & 2% \$520.5	3% & 2% \$520.5	.5% & .5% \$94.83	2% & 2% \$388.8
Special Ed Tuition	\$90.6 Yes	\$117.8 Yes	\$0 No	\$90.7 Yes
VPK SR+	\$47.1	\$47.1	40 in scholarships	\$46.8

Other Key Provisions

	Governor	House	Senate	Special Session
ELL	No change	\$4.48 million	No change	No change
Grow Your Own	No change \$	\$7 million	No change	No Change \$
Teacher Mentor	\$4 million	\$3 million	No funding	\$1.5 million
Full Service Schools	\$4 million	\$15 million	No change	No change
School Safety	\$17.3 million	\$24.370 million	\$74.53 M for FY20-21 only	\$30 million dependent of surplus

SPPS Revenue Comparison FY20

	Governor	House	Senate	Special Session
Gen Fund	\$9.15 million	\$9.47 million	\$1.55 million	\$6.31 million
VPK/School – 266 Scholars	Included above	Included above	Not included	\$1.55 million
Special Ed	\$1.188 million	\$1.96 million	No Change	\$1.188 million
Other school/salary	\$0.45 million	\$0.735 million	\$1.48 million**	Dependent of forecast
TOTAL	\$10.79 million	\$12.17 million	\$3.05 million	\$9.045 million

Other Grants/Funding of Interest

- Promise Neighborhood — base funding continued
- Early Middle College — \$136,000
- Pregnant & Teen Parents Transportation — \$112,000
- P-Tech School Grants — \$1 million FY
- St. Paul College Savings Account — \$500,000
- On Line Access to Music Education — \$200,000
- MN Center for the Book — \$250,000
- Civics Education Grants — \$150,000
- State wide concurrent enrollment teaching \$400,000 FY20 only

Policy Provisions Dropped from Bill

- Sexual Health Education
- PESLB Licensing Changes
- Student Discipline
- Civics Education and Test
- Lead and Radon Testing and Reporting
- ECFE/ABE teacher contracting/salary provision

Provisions to Other Bills

- HHS: School linked mental health \$1.2 million in FY 20/21 and \$9.6 million in FY22/23
- Transportation: Lights On bill, no transit increases safe streets for schools \$1 million FY20/21
- Tax Bill: \$10 million in second tier equalization for schools, no "opportunity credits"
- Homework Starts at Home: \$7 million
- Jobs Bill: includes grants for child care, youth skills training, MN Youth program grants, Youth and works, Construction Career Pathways, YMCA, Boys and Girls Club, BBBS, Ujama, HAP, CLUES
- Higher Education provisions were also reviewed

Policy Status of Other Committees

- Family Medical Leave — not included
- Safe and Sick Time — not included
- Retainage Changes — Included in Jobs Bill Contractors —Unemployment Insurance requirement
- Pension Issue — multi-employer employees — included in Pension bill

QUESTIONS/DISCUSSION:

- For the money for McPhail to do online music, is that something that can be integrated into our music curriculum? Response: We do have access to some and provide other opportunities for music, including gifted orchestra. It will be especially useful for schools in greater Minnesota where they may not have access to direct instruction and will be able to work with music teachers across the state. The request was larger than \$100,000. More information can be provided.
- What is the allocation per child for VPK? Response: It's 06.% of the formula allowance, and is based on the formula allowance. It generates more ADM for us, but not a full ADM because there wasn't enough money to fund a whole ADM, and also generates compensatory revenue and capital operating, so any ADM that generates other pupil formula, also generates revenue. Our new rate is 46% with 2961 – it was noted that it should be 1.6 for those kids. We do have VPK money with School Readiness Plus and Pathway 2 scholarships, so there are multiple revenue streams for our 4-year old program. VPK and School Readiness Plus are tied to the formula and generate revenue, even EL revenue.
- The impact of this final analysis of the money, and it seems that what we've been projecting includes most or all? It will be included in the budget presentation, and sufficiently balanced our budget. We were uncertain on our programs, and the remainder of that balance.
- For the safe school grants, what are more details about the allocations and to the schools that submitted proposals for the first time around? Response: Some issues because it was a pure lottery last time without a priority setting. This time if there is a surplus over \$63M, then \$34 will be allocated on a per ADM basis. If less than \$63M but more than \$30M (due to the money that needs to go the budget reserve); there will be a prorated amount. If the full \$63M isn't allocated, there will be something between \$0-34 based on ADM, which would be about \$1.1, and can be used for currently use safe school revenue for, but only one-time money.
- Do they cover in discussion about the release of the original proposals that schools submitted? Response: The used those as the rationale for increasing safe schools revenue based on the total number of applications. That was part of the bind last time, because of the cash appropriation because of the bonds and stipulations on general obligation bonds, and was a cash allocation based on one-time expenditures on facilities, and guidelines. This language says that it can be used anything for currently allowed under the safe school levy, which is broader than just facilities. It is one time money, and if the department will prioritize it, and more of a contingency.
- The Board and Superintendent thanks Mary Gilbert for her continued and great work in advocating for SPPS and all schools in Minnesota.

C. LCD Presentation: Annual Report & Recommendations

Superintendent Gothard then introduced Pablo Matamoros and Sara Reyes, and members of the Latino Consent Decree Parent Advisory Council to provide the annual report. Missandra Huge, chair of LCD, and Karina Marine – Vice chair

Background: LCD Implementation Guide

- Implementation Guide
 - The existing Latino Consent Decree Implementation Guide, as it is today, does not address all the advancements, improvements and best practices in education. There are also considerable gaps between what the LCD Stipulation states and what is actually being done across the SPPS district.
- LCD PAC Task
 - The LCD Parent Advisory Council continues to work in revising and updating specific areas of the LCD Implementation Guide.
- 2019-2020
 - School Building Administrator Requirements under LCD

Recommendations

- Recommendation 1 - School Administrator Guidelines: Implement the school administrator requirements under the Latino Consent Decree Stipulation
 - Guideline 1: Be knowledgeable about the Latino Consent Decree (LCD) program, participate in a training and help train key school staff
 - Guideline 2: Be responsible for the coordination of the appropriate instructional program for all eligible students
 - Information on Hispanic students enrolled in SPPS was also provided
 - Guideline 3: Be responsible for carrying out existing and future LCD guidelines and roles and responsibilities as it applies to school staff
 - Guideline 4: Be responsible for designating an LCD contact person
 - Guideline 5: Coordination will take place at the district level
 - Conclusion
 - More resources need to be strategically aligned to support the schools, especially in regards to SPPS Achieves and its initiative 2c (Recruit and retain more employees who look like our students).
 - EL/LCD Teachers and LCD EAs bring a unique perspective to the education of our Latino students.
- Recommendation 2 - LCD Districtwide Parent Program: Continue to strengthen the collaboration with community-based organizations and SPPS
 - Programs for Latino parents were reviewed within the Office of Family Engagement & LCD, CLUES, and Wilder Foundation
 - LCD Parent Academy Fall 2018 – Cohort II
 - Pre and Post Survey results were reviewed of participants
 - CLUES: Sexual health Education
 - Multi-generational sexual health education program to eliminate health disparities
 - Amherst H. Wilder Foundation: Latino Leadership Program

QUESTIONS/DISCUSSION:

- When talking about the inadequacy of the training, is it that we need more staff or the training itself isn't adequate? Or a combination? Response: There is not enough training and staff. Training has been done and done before November 30, but there are not enough people to cover all the students that need help, and is more about not enough staff.
- In talking about having more people who look like our students, that's an ongoing challenge to make sure when we do have those folks, training them in ways that are helpful and useful in situations. Are you confident in our training programs? Response: Yes, it is more about finding more diversity and to get them into the training programs.
 - Directors thanked the team for their great work and appreciate their work and insights.

- About the LCD teachers, do they have to be fluent in Spanish and also from the culture? Or only fluent in Spanish? Response: Thinking more bicultural and bilingual to understand the needs of the students, and there are differences in students from a different country in family, needs, and thinking. Those without the cultural background may not understand our students and experiences and customs, and we need that support. We know our students, and what they experience and also need our LCD teachers to also know firsthand. The requirements in responsibilities in the LCD teachers are clear on the stipulations on requirements they need to have to be an LCD teacher, and are a part of that, and recommend in the previous years – not just bilingual and bicultural, and meeting requirements under the LCD stipulation.
- For the LCD teacher position, what are the criteria for those positions? Are they teachers who push in to support students, or have a caseload of students at schools? Response: They push into classrooms to support students with the LCD background in the school setting. They work with the MLL department and include inclusion, and support not only students with the LCD flag, but all students regardless of ethnicity. The role is to secure a more stable role, and have a caseload of students; there are still areas to be more determined. This role will also be a contact for teachers, and work with the school and families for those students they support, and to communicate with the school, family and student if a need arises; not only academic services, but also additional services to support the culture and family. More will be fleshed out as we go along as well. Board members also noted that is so important and referred to Recommendation 1 which ensures administrators understand the guidelines of LCD and how to set up a system to support students.
- Referring back to guidelines, how are we supporting our principals to not only understand the decree, but also to understand and ensure our Latino students, and all students, are learning about each other's culture? Response: We can certainly meet a deadline and the requirement for training, but the development and routines are key to what we do. These fit in many different parts of SPPS Achieves, especially in 3a, which we didn't have in place last year, and these now have a place to live within the current strategic plan and they lived in different places previously with great work. We will have training and PD in place by November 30, and find unique ways to build into weekly and other PD as well. Topics were also noted on page 10 of the report.
- Our parents noted the strategic plan also is in alignment with the work laid out for the LCD, and 3a addresses those areas. It is one location of this work in the plan, and allows parents and the community a place to grab on to, and focus our work. It's great to hear about how our plan fits with the work of groups, committees, and teams of the work they care so much about. 2c on hire and retain staff who look like our students is another area. There are specific PDs that will be in the plan as well for our leadership meetings, and using those practices in the buildings.
- It was noted that the district response will be in October or November back to the LCD PAC.
- In looking at the number of LCD teachers and the number of LCD students, how is that number determined by school? What is the formula to determine whether the site has an LCD teacher or an LCD EA? Response: In terms of staffing allocations, we don't have the criteria to staff by LCD, but can look at that going forward. We do look for Spanish-bilingual candidates, which takes priority in planning. We are very cognizant of the LCD guidelines of increasing bilingual staff. One aspect is by the positions that we are hiring them for, which are the EL teacher positions, and may have Spanish-bilingual skills. We do make recommendations to schools with higher LCD students.
 - If the teachers are hired and are the EL teacher, how is their time split up if they are also flagged by LCD? Currently it is not defined that way. If they are designated LCD teacher, and there is capacity to do as much as the stipulations allow in also working with their team. It's more of a contact.
- A board member noted this in talking about equity, because it is not equitable for our Latino staff who are teachers and flagged under LCD and the criteria of things to fulfill and do, and at the same time are classroom teachers, and also have a workload that is comparable to their colleagues who are not LCD too. A lot of times, staff of color are asked to do two times of the job requirement, due to speaking a different language and from a different culture, and fulfill a job duty that are hired to do as well. From an equity perspective, what can we do to support our staff of color? There is a concern that we need to address because an EL teacher is also LCD-flagged and still has requirements in their classroom. We need to ensure that we are supportive and create system of support for staff of color who do double the work. Staff are doing the great work, and this is more of a structure issue. This is an inequity here

that exists, and we need to disrupt this to ensure we meet the needs of our students and families, and ensure that we support our staff members.

- With LCD EAs and their responsibilities they have and how they are working in buildings, there are more of them than teachers, and how is the balance of teachers and EA support, and the kinds of work they are doing, and benefits to families and students? How do families feel about the levels of support from these positions? Response: The first complaint is that there isn't enough. Most of the time, they have a lot of work to do and overloaded with students and there are not enough for all 2000 students. They are also helping with LCD contact person not in place, and it is not enough. They have been helping a lot to the students in a way for the cultural aspects, and the EA knows the student and knows what they need.

D. March 31, 2019 Quarterly Report

Superintendent Gothard then introduced Chief Schrul to present highlights of the March 31, 2019 Quarterly Report, with Kimberly Cordes-Sween, Senior Budget Analyst, to highlight the report to provide a financial picture and projections about the end of the fiscal year.

The March 31, 2019 Quarterly Financial Report is an update to the Board of Education on the current fiscal year 2018-19 budget and includes a projection of Revenue, Expenditures and Fund Balance as of June 30, 2019.

A budget is a living, viable document. Once the budget is adopted in June, the Board is asked three times during the following year to look at and approve the changes that occur in the District's revenue and expenditures in each of the seven funds. The final determination, by fund, occurs each fall, following the acceptance of the audit report.

The fund balance accounts within the General Fund are prescribed by the Governmental Accounting Standards Board, known as GASB 54. The unassigned fund balance in the General Fund is the balance of 5% as referred to in Board policy. The fund balance in the Food Service fund is controlled by Federal USDA regulations.

The General Fund includes the five fund balance categories.

- Non-spendable
- Restricted
- Committed
- Assigned
- Unassigned

Details of the report were then reviewed, with the unassigned fund balance of \$37.2 million, which represents 6.1% of the current year expenditures and within the limit of current Board policy of 5%.

RECOMMENDED MOTION: Mr. Marchese moved the Board of Education to accept the March 31, 2019 Quarterly Financial Report as presented. It was seconded by Ms. Xiong and Ms. Vanderwert.

QUESTIONS/DISCUSSION:

- For the money that was received by selling the Albion property, that money went to the operating capital, and cannot go to the general fund? Response: It is in the general fund, but the categorical general fund, so it can only be used for certain purposes, including the furniture investment and investments within that fund.
- It was noted that the negative fund balance is not an issue due to the fact that the fund will be seen in the first quarterly revision next year, likely in December.
- Discussion about Title 1 and ABE expenditures that went down due to funding, and reimbursement-based for Title 1. We don't receive the revenue until the expenditures are there.
 - If it is entitled, why didn't we spend it? Response: It is the nature of the program and the allocation set-asides within certain areas that the nature of Title 1, and we are required to set aside funding for certain initiatives that were not spent, including indirect costs, or school improvement or professional

development, and family and parent involvement. If 100% of those funds aren't spend at each school or level, it all accumulates, and have \$3.8M, and we have about \$40M of entitlements in total. There are also staffing positions that were not filled, and we had projected the full year of salary, and those positions may have been filled into the year. Also, non-public allocations, and if they don't submit to the district for their portion, we don't reimburse them, and those expenditures are not submitted.

- What do we know about the amount left over that is not spent to do things differently next year? Response: We can provide more detail to the Board – it is a mix. The funds are restrictive in certain areas.
- Will they be carried over to the general pool to be reallocated? The funding is carried over at the district level and reapplied for the district to use, and comes into a carryover for specific allocation. In the past, we have reallocated additional funds to Title 1 sites. It's part of an adjustment to schools.
- If the school readiness funds were not expended, does that mean kids could have been served last year and weren't? Response: Part of the school readiness funds we had utilized, and part that was fund balance. Part of the school readiness here has to do with the fund balance there and available. More information can be sent, and fund balance planned there for additional resources for services planned. They allocated additional resources to schools with students in the population. It is planned fund balance for the next fiscal year, and will likely be used next year.

E. FY20 Budget Update

Chief Schrul then continued with the FY20 Budget Update. She thanked the CMD team for their work in the budget presentation and book, and to the Finance team for their diligent work in this year's budget process and book.

FY 2019-20 Budget: Influencing Factors

- Fiscal Year end projections vs. actual revenue & expenditures impact fund balance
- Enrollment fluctuations impact revenue, class size and building capacity
- Contractual settlements impact expenditure levels
- Legislative adjustments impact revenue
- Previous year's October 1 Free & Reduced lunch count impacts revenue
- Bond ratings
- Inflation

School Allocations

- All schools do not receive the same amount of money per pupil because:
- Some school funding is categorical (it has specific criteria on its spending)
- Funding for Compensatory Education and Title I follow the students on a one year delay (previous year's Oct 1 count)
- Higher poverty schools have greater access to categorical dollars than lower poverty sites
- School enrollment affects the dollars allocated

FY 2019-20 General Fund – Projected Revenue (as of 6/10/2019)

Projected Revenue Changes	Amount \$M
Referendum levy increase	\$17.3
State Aid decrease (due to enrollment decline)	(6.9)
Compensatory Education decrease (based on 10/1/18 Free & Reduced lunch count)	(5.5)
Special Education – Non-legislative increase	1.4
Other Adjustments (Levy, Pension & ALC)	1.8
State Aid increase (assumption of 2% increase on formula)	5.2

Special Education – Legislative increase	2.2
Voluntary Pre-Kindergarten	2.3
Total FY20 Projected Revenue Increase	\$17.8

FY20 Proposed Budget (Expenditures)

- Total FY20 Proposed Budget: \$794.0
 - General Fund: \$578.6
 - General Fund Fully Financed: \$45.7
 - Food Service: \$29.2
 - Community Service: \$23.2
 - Community Service Fully Financed: \$6.1
 - Building Construction: \$67.0
 - Debt Service: \$44.1

*(numbers reflected in millions)

General Fund Budget Categories

Category	Description
Schools	Refers to all budgets for school sites in SPPS
School Service Support	Refers to program budgets that provide direct support services to schools (ex: Transportation, MLL, Special Education, Student Placement Center)
Districtwide Support	Refers to program budgets that provide support to all areas of the District (ex: Operations, Human Resources, Employee Benefits, Technology Services)
Administration	Refers to program budgets necessary to support governance, policy, and staff support to the Superintendent (ex: Board of Education, Superintendent, Legal Counsel)

FY20 Proposed General Fund – Big Picture – Expenditures

Area	FY19 Adopted	FY20 Proposed	FY19 vs FY20 Difference	% Diff
Schools	\$247,054,701	\$258,819,579	\$11,764,878	4.8%
School Service Support	\$188,226,477	\$199,842,551	\$11,616,074	6.2%
Districtwide Support	\$107,705,160	\$116,188,942	\$8,483,782	7.9%
Administration	\$3,575,872	\$3,775,579	\$199,707	5.6%
TOTAL	\$546,562,210	\$578,626,651		

FY 2019-20 Staffing Impacts (as of 6/10/19)

FTE Reductions Related to Budget:	FTEs
Teachers	-27
Educational Assistants	-12
Teaching Assistants	-19
As of 6/10/19: there are 241.7 FTE Teacher, 17.39 EA, and 38.11 TA job openings	
*Staff may move from building to building based on resources/funding.	
Total FY20 FTE Reductions	-58

The Budget Development Timeline for FY2019-20 was also shown, with it beginning in August 2018 with the Pay19 Summer Levy Input, and finishing with the June 18, 2019 Board of Education meeting with the adoption by the Board.

QUESTIONS/DISCUSSION:

- How do our numbers connect with the numbers that showed the Governor, House, Senate, and the compromise bill? Many of us were at Vento when the bill was signed, and we were all happy and pleased he was pleased with the compromise bill. What happened at the State with what showed up here? Response: For the budget assumptions, 2% was used, and the question related to compensatory was open. Some of it was set aside. VPK was built-in now, because we got it, but was a question, and had money from compensatory. The half a percent is in addition to what we did for VPK, and additional money. They funded the special education proration for FY18 and 19, and the way the language was carried, we were paid for both years at the end of the year. Given where we were with the Senate, Governor, and House, we can be thankful. It would have been great to have the Governor and House's targets, and will have a battle again with VPK. Inflation keeps things moving, and there will be a task force on education funding. The EL cross subsidy got attention, and many bills were not heard. We did better than we budgeted, and flexibility, and funding pro-rations helped. The Governor's proposal matched what we received, with the exception of 3% on his; and had the Senate proposal carried, there would be much less funding.
- The Board noted the purpose was to coordinate the news of the legislature and the impact on SPPS. The Board thanked Mary Gilbert and Chief Schrul.
- Is the reduction in FTEs due to enrollment? Response: Part of the reductions and reminders of funds related to FRL, and schools that receive comp. ed. funding, and discretionary funding that was directly allocated were mentioned. There was a loss of about \$3M in allocation of discretionary funds, and decrease in FRL. A lot of the support positions and some of teachers, because some schools use comp ed. dollars to buy down class size even more. They utilize funds within comp. ed. and Title 1 to buy additional resources. Other reductions related to the budget, including overall staffing impacts, and programs, and this was all encompassing, and the District overall.
- The Board thanked Chief Schrul for the budget book, and thanked the team in the work put into this book. She did highlight the pages throughout the book as well.
- In trying to track previous updates, and the May BOE meeting, there was a \$2.7M shortfall. In looking at this and seeing higher expenditures, and added additional lines for revenue. How does the math translate? What changed? Response: We were cautious and conservative and didn't count in VPK and the other area we were conservative in was impact of the special education piece of legislation, originally \$2.2M for special education, and have \$2.2 and \$1.4, and a change in how we accounted for the legislative portion versus the expansion. With the legislation piece, we did modeling based on what we knew from the final bill. That projection in working with our staff to get more guidance, and were able to do more modeling around the increases. In terms of the \$4.5 in revenue, there was 2.3, 1.4, and a little bit in ALC, and increases with Gateway ALC funding. We continue to assess those impacts like comp. ed. and how it is linked to sites that may an opportunity to allocation additional to sites for resources.
- Is there a hold-back, contingency? Is that included? Response: Contingency was allocated upfront to sites; with the exception of the change in enrollment, and we are talking about doing an earlier enrollment check, there may be an appropriate revision at that time.
- The inflationary dollars of \$10.6 were noted, and \$6.7 for additional program changes. Other increases that were not referendum funding were also noted, and an important understanding of what the referendum is able to accomplish. These are general operations across the District and an understanding of buckets of where the money is going. The referendum is helping to maintain staffing in light of inflation. The 2% increase, and others, are not referendum funding, but in general operations and to understand the different buckets.
- It was noted that the original budget was using the assumption of a 1% increase, while being mindful of allocations and needs, and then looking at the legislature to be safe to build in 2%, and knowing the needs at sites and able to allocate additional resources in addition to utilizing those funds.

- The SPSS Achieves, the intent was to go slow with initiatives and be strategic and implement them in a way that is sustainable to the district, and also able to build them where staff can integrate into the work we are doing.
- Next year there will be inflation, and there will not be a referendum of \$17.3M. In talking about sustainability, there will be inflation again and will not have the referendum. That will be built into the base? Response: Yes, we will need to find a way in the next fiscal year without the increase year over year. We will have the increase in 2% from the legislature. Those inflationary increases will always adjust. Ensure we are also thinking about the next year in terms of programming. We don't want to solve a problem this year to create a problem for next year, and be done in a way to sustain and not bump up one year and bring it down the next.
 - Q-Comp was also noted. We have not applied for that, and not able to work with SPFE to do that. If it is an ongoing source, our participation might be critical. We have talked about this, and not forget this is out there as an ongoing conversation.
 - Looking at the allocation of resources, and an initiative to do a deep dive on that, and integrate this with our budget for FY21 and beyond.
- It's important to note the building construction fund around how Certificates of Participation are issued, bonds, and specific bond issues, and how the levy impact and the timing of receiving bonds. Funding for the FMP, operations and facilities has funding within other programs included. For the FMP, there are bonds issued annually for \$15M, and a portion of LTFM funding that has been shifted and reported to the general fund around \$27M, and our annual COPs of \$70M. In adding together, \$111-112M depending on the LTFM, and aid there too. We also always build that budget annually. There is also information on the timing of certificates and fund balance. In July, we will be receiving the proceeds for that fund balance.
- In the history, is there a way to indicate, and the years we cut, what if we could illustrate what it would have been had we adjusted for inflation just to see why there were cuts? The world would then know why we would have those drastic cuts. Response: It's dramatic at \$600/student, and other organizations have illustrated that. It would be interesting had we adjusted for inflation and to show those figures and differences.
- Enrollment trends were also highlighted by grade sections and clusters.
- Staffing allocations were also noted. They are originally allocated out to schools initially, and they work within their budgets. There is flexibility allowed. In the pie chart within the book, it is a visual that shows classroom teachers, at about half the pie chart allocated to sites, and special education and MLL. It's an important visual to highlight in allocating large sections of classroom support to our buildings. ALC sites were also added.
- What our ELL population and those numbers. Given the national culture and climate, if our student enrollment goes down, will our need for MLL go down? We do have contractual obligations and settlement worked out to meet the needs of our ELL learners. Don't know if we could correlate changes in numbers to allocation because we are in a time of recalibration and reemphasis to get our system in place. That trend may tell a story in years to come.
- Our contractual obligations are numbers of staff, not based on the numbers of students? Response: Staff are allocated on language levels and different needs of the MLL department allocated to schools. Currently in projected in our count for our student, is about 9100 that we receive funding for from the state model that are eligible. Also important to note the focus area for measurement is success for ELL learners.
- In this conversation and into the future, these are priorities right now and to continue and identify others will need a reinvestment. 5a is providing us the venue to evaluate and give us an understanding of our current resources to invest in the right places. Preliminary work has started. If we look at items from the ground up, we are finding opportunities to ensure we are focusing and investing in our priorities. That needs to be part of our ongoing work.
 - What is the group evaluating? They are looking at everything in gathering the initiatives and map them out, and gain feedback, and analyze them in a processed way to ensure they align to our priorities for the results we want. Start, stop, sustain. It's challenging to find things right away to stop. Through this budget we have started and plans to sustain through the strategic plan. It's giving us a place to start and sustain. With the work of 5a for reinvestment.

- Is that evaluation of programs and academic work? Or looking more at structure and physical kinds of savings? Response: Yes, we will be looking at opportunities to identify barriers to student success and address those. We need to build on success and remove barriers.
- When will they have the report? Response: It's a work in progress with ten strategic initiatives in different levels. It's exciting. The team is working and challenging each other in new and innovative ways. It's a new way of working in SPPS.
- A board member noted the work around "start, stop, and sustain" is incredibly important because we will not have new sources of revenue coming in, and reprioritizing is key. There are some operational questions around structure that need to be part of the conversation because we need to be able to focus our resources in the most effective way with the best results. That requires a scaling up of things that make sense, and a scaling down of things that don't. Costs that drive our budget are going to be difficult to not examine closely in maximizing the resources. Response: In looking at the scholarships at our high schools, it's incredible what opportunities our students have. We need to talk more about enrollment as well as we move forward and how we promote and market our school district. The Superintendent's goal is to bring forward to the Board a tied-together plan and strategy for the District.
- Other board members noted the budget presentation, and that the presentation and book are understandable and the visual aids are helpful. He thanked all staff for putting it together, and that it will be on the website. The importance of all this is telling our story, and telling what it takes about what it costs to educate our children successfully and to put that in a budget. Our staff work beyond their hours to do what they know is right for our kids. We need to know what that costs, and the equity issue is huge. This gives us a foundational way to look at it and talk with our community, and tell the story of what we are doing, which is critical. It allows us to stop, and also continue programs that are working. That story doesn't get out to the public in a large canvas, and there are smaller stories about our great students, and these large stories about what we as a district are providing for our students need to be out there and told, and this is a document that needs to be available to the public to help them understand and how we present it is critical. It is clear and easy-to-read, and readers will be able to comprehend the work and the information provided.
- A suggestion to add page numbers to the budget book was noted.

III. ADJOURNMENT

Vice Chair Marchese motioned to adjourn the meeting at 8:26 p.m. It was seconded by Director Xiong and Director Schumacher. The motion passed by acclamation.

IV. WORK SESSION

The Board then conducted a work session around the topics of the board administrator role and timeline, as well as the board budget worksheet.

Respectfully submitted,
Sarah Dahlke
Assistant Clerk