

**MEETING MINUTES
COMMITTEE OF THE BOARD MEETING
November 1, 2016**

PRESENT: Board of Education: Mr. Vue, Ms. Vanderwert, Mr. Schumacher, Ms. Ellis, Mr. Marchese, Mr. Brodrick, Mr. Baker

Ms. Jing and Ms. Schulz representing SEAB

Staff: Superintendent Thein, J. Statum-Allen, L. Cathey, T. Stewart-Downey, A. Collins, K. Wilcox-Harris, H. Kilgore, M. Hoerth, N. Cameron, L. Sayles-Adams, M. Schrul, T. Parent, J. Engen, K. Her, J. Turner, T. Burr, M. Gilbert

Other: J. Simon, J. Nathan, J. Nathan, J. Farnsworth, W. Greiner, T. Lonetree, J. Verges

I. CALL TO ORDER

The Vice Chair called the meeting to order at 4:38 p.m.

II. AGENDA

A. Update on Affordable Care Act & SPPS Health Insurance

A representative from AON Hewitt discussed the impact of ACA on SPPS:

<u>Item</u>	<u>Employee</u>	<u>Employer</u>	<u>Impact to Premiums</u>
Increase coverage of dependents to age 26	Positive	Neutral	Negative
Elimination of lifetime maximum	Positive	Neutral	Negative
Preventive coverage covered at 100%	Positive	Neutral	Negative
Additional taxes - e.g., transitional Reinsurance fee, health insurer tax	Negative	Negative	Negative
Additional notices - e.g., summary of benefits and coverage, market-place	Neutral	Negative	Neutral
Employer mandate - minimum coverage offered to all employees working 30 hours per week	Neutral	Neutral	Neutral
Employer mandate - cost of employee-only coverage of lowest value plan is no more than the 9.5% (indexed annually) of Federal Poverty Level	Neutral	Neutral	Neutral
IRS reporting - 1095C	Neutral	Negative	Neutral

In 2014, the District conducted the medical RFP. Five bidders participated in the RFP: BCBS MN, HealthPartners (incumbent), Medica, Preferred One and Public Employee Insurance Program (PEIP). Two bidders were selected to participate in the finalist phase: HealthPartners and Medica. HealthPartners was selected as the medical vendor. The original term of agreement was for 2015, 2016 and 2017. 2015 premium rates were 12% lower than 2014 premium rates. Rate increases were guaranteed to not exceed 4% in 2016 and 2017 (the actual rate increase was 2.2% in 2017 due to elimination of taxes related to

ACA). One additional year negotiated with a rate increase guaranteed not to exceed 8.5% for 2018.

Staff presented a chart comparing SPPS budget, medical trend and RFP results reflecting the savings made with the negotiated rate caps. They also presented a chart showing 2017-2019 rate projections for various plans. 2018 rates would be comparable to 2014 rates with no major changes to plan design since 2010.

Excise tax has been delayed from 2018 to 2020. Thresholds for Excise Tax remain at the same levels as today (\$10,200 single/\$27,500 family) and indexed from 2018 to 2020. The impact to SPPS is a two year delay of taxation. Under current projections, Distinctions plan will exceed the thresholds in 2020. The HRA plan may be impacted if increase in 2019 is higher than 26%. The estimated impact is between \$1 and 4.4 million.

There are still many things unknown about the Excise Tax including: specific age/gender adjustment calculations, allowed methodologies for calculating cost of coverage and the ability to aggregate/separate coverage types (Active/Pre-65).

SPPS is in the process of preparing its 2019 RFP. It will contain levers to reduce health insurance premiums:

- Plan design - shift costs to users, lowers premium for all
- Utilization of care - programs to reduce risk (wellness, condition management) and programs to ensure appropriate usage (prior authorization).
- Cost of services - limit networks based on cost and quality, limit what plan will pay for a particular service (reference-based pricing).

If the cost of health plans is financially out of reach of employees, increase employer contribution or change the plans (design and offerings).

The report was brought as information in order to notify Board of upcoming decisions in order to be proactive.

Questions/Discussion:

- The impact of excise tax, does it include unknown factors? Response: No, additional details have not been provided at this point due to the uncertainty of whether the excise tax will exist following the elections.
- Reference based pricing, how popular is this? Response: The biggest challenge is health plans actually implementing it. At this point what is known is based on a small number of procedures (i.e., colonoscopy, etc).
- Is dental included in this? Response: Dental has a five year cost guarantee with Health Partners. Plan premiums have a cap for that period.
- How depressing are the potential future increases? Response: Fairly if nothing is done. SPPS is not helpless, they do have options that will change the projections however neither option is painless to SPPS or staff. The 26% is based on current experience, the 40% is the most extreme estimate. As in the past, there will be a competitive bidding process and SPPS will be pleased if bids come in with a trend increase between 5 and 9% with plan changes.
- As you look at other districts what are the trends being seen with these costs? How can the Board help educate legislators about these costs and their impact? Response: We have not done a great deal of benchmarking against other districts. The SPPS offerings are based on what SPPS wants to offer. Finding apple to apple comparisons is difficult however all public entities are offering high value plans. SPPS is seeing more enrollment in account based plans (HSAs). However they do need to be made more attractive and less risky for employees (i.e., perhaps employer contribution to HSAs or some other option).

B. Final FY 16 Budget Revision

The Chief Financial Officer presented the Board with the final FY 2015-16 budget revisions to close out the year. Must have final budget approved by the Board for the upcoming audit.

Changes in Fully Financed Funds were:

- General Fund Fully Financed \$7,093,004
- Community Service Fully Financed \$14,555

General Fund - Restricted Fund Balance Re-appropriation

- Use of Restricted Fund Balance - Teacher Development and Evaluation (TD&E) \$444,824
(FY 16 use of funding that carried over from prior years)

FY 16 All Funds - Revenue Changes

Revenue	Adopted Budget	Previous Revision	Final Revision	Revised Budget
General Fund	\$522,765,875	\$0	\$0	\$522,765,875
GF Fully Financed	36,939,270	9,964,586	7,093,004	53,996,860
Food Service	26,706,000	0	0	25,706,000
Community Service	22,186,188	0	0	22,186,188
CS Fully Financed	4,220,623	3,046,432	14,555	7,281,610
Building Construction	27,062,000	0	0	27,062,000
Debt Service	41,172,000	0	0	41,172,000
TOTAL	\$680,051,956	\$13,011,018	\$7,107,559	\$700,170,533

FY 16 All Funds - Expenditure Changes

Expenditure	Adopted Budget	Previous Revision	Final Revision	Revised Budget
General Fund	\$525,265,875	\$11,894,666	\$444,824	\$537,605,365
GF Fully Financed	36,939,270	9,964,586	7,093,004	53,996,860
Food Service	25,706,000	0	0	25,706,000
Community Service	22,513,802	0	0	22,513,802
CS Fully Financed	4,220,623	3,046,432	14,555	7,281,610
Building Construction	27,400,000	0	0	27,400,000
Debt Service	55,750,650	0	0	55,750,650
TOTAL	\$697,796,220	24,905,684	7,552,383	730,254,287

Questions/Discussion:

- The Community Service Fully Financed shows the District receipt of grants throughout the year or additional grant revenue from existing grants, correct? Response: Yes.
- For Fully Financed Funds - the revenue needs to match expenditures and the accounts reflect grant income/expense.

RECOMMENDED MOTION: Mr. Schumacher moved the Committee of the Board recommend the Board of Education approve the FY 2015-16 final budget revision as presented. The motion was seconded by Mr. Marchese.

The motion passed.

C. Pay 17 Levy Update

The Chief Financial Officer stated school levy authority is established in law. School budgets are a combination of State, Federal and local funding, including the voter approved referendum. The Pay 17 school levy funds the 2017-18 school year. City and County reflect

the calendar year budget starting January 1. Districts receive payments after the May and October tax collections from the County. The Levy can only move down after October 1.

All figures in the report provided are based on Administration's best estimates, using the statutory authorized amounts. MDE provided updated Pay 17 levy calculations on October 3. SPPS certified the maximum levy ceiling at the September 20 Board meeting.

The CFO went on to describe how property taxes are determined and the major factors impacting property taxes. Factors impacting the levy this year include:

- Changes in St. Paul's tax base - home values continue to improve along with commercial values.
- Apartments also have a big jump - rates are heavily weighted on income production (rent).
- Net tax capacity in St. Paul increased 7.8%.
- Fiscal disparities aid is increasing \$1.57 million
- Change to Tax Increment Financing (TIF)
- Changes to pension contributions or unemployment
- Long term facilities and bonding, pay go, etc.

Other factors are:

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

She then reviewed the timeline for the Pay 17 levy process.

SPPS levy categories are:

- Operating - general levies that support school functions, including referendum, integration, operating capital, career/technical, transition, safe schools and abatement adjustments.
- Pension/OPEB/Contractual Obligations
- Facilities - includes health and safety, deferred maintenance, new construction and abatements.
- Community Service - community education programs, learning readiness, after school, ECCE.

Certified Pay 17 Levy Ceiling (approved 9/20/16)

Levy Category	Certified Pay 16 Levy	SPPS Estimated Pay 17 Levy Ceiling as of 9/9/16	Difference
Operating	\$47,242,112	\$47,263,069	\$20,957
Pension/OPEB/Contractual	36,133,492	37,545,435	1,411,943
Facilities	54,572,087	59,983,176	5,411,089
Community Service	3,260,938	3,441,986	181,048
Total All Levy Categories	\$141,208,630	\$148,233,667	\$7,025,037
Percent Change			4.97%

The CFO reviewed the estimated annual property tax impact (2016 to 2017 assuming 0% increase in market value and assuming a 6.4% increase in market value), for residential and commercial/industrial.

Questions/Discussion:

- What is the maximum amount approved now? Response: The Board approved the maximum allowable levy amount as certified by MDE and that is 4.97%. There has been no change in that percentage. The changes have been in amounts between categories but the overall bottom line is still 4.97%.
- Will there be a recommendation from Administration? Response: Yes there will be.
- The Superintendent stated he was concerned as the operating levy fund is the heart and soul of SPPS covering compensation, classrooms, etc. and directly affects the kids. This is a minimal increase from last year to fund the same programs on a very small adjustment.

D. Legislative Update

The SPPS Legislative Liaison provided an overview of the upcoming 2017 Legislative session. All members are up for election; the outcome of the election will determine House and Senate control and committee design. The Caucuses will organize in November/December with the session convening January 3, 2017. Governor Dayton will present his biennial budget in late January based on the November forecast. The Legislature must adopt a balanced budget by June 30, 2017.

She then moved on to review the proposed SPPS legislative agenda topics.

- Stabilization of funding for schools
- Ensuring mandates are funded
 - o Fund the inflationary increase (2.4%) in the general education formula and automatically adjust for inflation

The General Education formula is the single largest general fund revenue source for the district. The current funding formula has not kept up with inflation and inflation is not automatically calculated in the state forecast (there is no increase for FY 18 or 19). A 1% increase in the formula costs \$64 million in FY 18 and generates an estimated \$3.2 million for SPPS; 2% generates \$6.37 million.

- o Phase out state special education cross subsidy and maximize Medical Assistance (MA) reimbursement

The Special Education Cross Subsidy for SPPS is over \$900 per pupil. The state-wide cross subsidy is estimated at \$584 million for FY 15 and will rise to \$656 million by FY 19. The regular and excess cost formula must better recognize the cost and concentration of special education students and tuition billing for intermediates and charter schools.

Any new mandates must be funded in the years of service requirement and outside the cap. The State should maximize MA reimbursement for health related services in IEPs and also fund assessments completed by SPED staff that do not result in an IEP.

- o Fund Teacher Development and Evaluation (TD&E) and include Principals

In this area provide ongoing teacher development revenue for TD&E mandate for non-Q Comp districts - include the principals. Increase base funding for teacher residency programs to obtain teacher license, especially in high need areas. Provide incentives for teachers with professional development plans to meet new HLC requirements and provide tuition assistance and stipends during student teaching for candidates entering high need areas.

- Expanding local control and address tax burdens

Permit renewal of existing referendum levies with Board approval. Allow Boards to opt out of new state mandates that are not funded and increase referendum equalization to address tax burden.

- Fund programs critical to decreasing opportunity gaps
 - o Early Intervention - ECFE, Learning Readiness, Voluntary PreK and pre-school screening.
 - o Update ELL Formula - increase concentration factor
 - o Extended time and year - tie to formula allowance
 - o Increase funding for College in the School (CIS) and Early Middle College Programs plus funding to bring teachers up to par to instruct these programs.
 - o Provide support for programs that support highly mobile, foster and homeless children
 - o Add funding for full service community schools and support service grants
 - o Increase basic ABE funding and support navigators to address barriers for low income level learners to access services.

Example of funding for Early learning enrollment:

- 60 half day and 11 all day classrooms (Special Ed - 7% (16-17% when all students are identified), Free/reduced lunch 71% and ELL - 51%.
- Nearly 300 students in Montessori Pre-K (Special Ed - 8%, Free/reduced lunch - 68% and ELL 47%).

The State Pre-K methodology resulted in lopsided distribution of funding by district. Support splitting Minneapolis/St. Paul into separate regions, increase funding based on demand, maintain pathway II scholarships and streamline applications for both.

- Ensuring safe and secure facilities

Continue to enhance equalization for facilities formulas to ensure comparable tax payer effort. Expand allowable uses for building lease levies to include remodeling of existing space, building additions to existing space and modifications for safety and security. Expand credit enhancement for Certificates of Participation (COP's) that are issued by school districts (reduces cost of borrowing). Address code discrepancies for gender neutral bathrooms.

- Investing in Metro Transit equity of services

Support dedicated one-half cent sales tax for Metro Transit and support bonding request. Revenue will be used to: add equipment and expand routes, increase ridership and provide more access for school and work and meet demand for millennials who drive less and chose more transit options. This is an important investment for the regional economy.

- Supporting pension obligations

Provide state funding for any statutory employer contribution increase passed by the legislature. Funding should come from state department budget and not K-12 target.

- Ensuring funding support and flexibility in testing.

Require state to: pay directly for annual administration of ACT test; provide flexibility for district to administer assessments in the way that is most efficient for them (e.g., paper and pencil, online). Continue use of multiple measures including growth models; provide resources to support district use of formative assessments and add CLEP exams for state reimbursement. Require that testing vendors provide assurances that upgrades are

aligned and functioning to device operating systems and continue work with higher education institutions to develop a multiple measures systems for placement into college level course (such as GPA, grade on certain course work, student survey of skill area).

Questions/Discussion:

- Is there some sort of promise from Metro Transit to provide transport for high schools?
Response: No, they would not promise anything but SPPS cannot even have discussion on this if Metro Transit does not have additional funding. There is nothing in writing that they would support transporting additional SPPS students to additional high schools. They have notified SPPS of what they cannot do and made no promises as to what they might do.
- There is a Special Ed cross subsidy and one for ELL as well. That is about \$7 million between basic and concentration formulas and SPPS spends twice as much from its general fund as is provided by the State.
- SPPS needs to receive additional funding to support learners and staff. It needs to align with other districts facing the same issues to move this forward with the Legislature.
- There is bill back for students born in St. Paul who are disabled and going to a facility outside the district but SPPS also picks up any difference between allocation and what is actually spent. This holds true with Metro Deaf and for students going to charters outside the district, SPPS is billed for any differences. In cases like Metro Deaf and special ed, not offered by SPPS the impact on the district where the student lives continues along with billing for additional costs. Every dollar spent on reimbursement for these programs is a dollar being taken away from the district. This is not a cost neutral discussion.
- Board expressed interest in supporting efforts to address legislators on these issues.
- How does SPPS work with MDE? Are they aware of the agenda and supporting of it?
Response: SPPS works with department stakeholder organizations, the Governor's education staff, etc. SPPS has been working with these for months along with scenarios and outcomes. SPPS wants to get this into the Governor's budget. SPPS is also working with the Department of Human Services.

E. Standing Item: FMP Update - Capacity Building for the 5-year implementation Plan and 1050 Kent Delay

The Director of Facilities indicated the Board will be presented, in November, with a proposal to review and accept a new organizational structure for the Facilities Department. The reorganization will ensure the successful undertaking of the 283 facility improvement projects that are scheduled over the next five years. He went on to state SPPS is one of the largest land owners in the City of St. Paul with 72 facilities, 7.3 million square feet of space, 465 acres of land worth \$2.1 billion in replacement value.

Building construction funds are restricted funds and cannot be used for other funding categories. They are utilized for maintenance, improvement/remodel of buildings and for land. Increases to Building Construction Funds do not decrease the General Fund.

He stated Facilities' annual budget between 1994-2017 has been \$26 million per year. From 2017-2022 it will move up to \$90-110 million per year, a 246-323% increase to address work needed to keep SPPS facilities in order or expanded. To address this increase permanent staff needed for project planning and implementation needs to increase from the current seven positions to 15-19 position (114-171% increase).

To address this needed increase Facilities did a precedent analysis referencing six large entities. The current staff includes two project managers, an environmental specialist, a maintenance supervisor, a Facilities Department assistant and a Facilities Director. The proposed Planning and Project teams would divide between:

- Facility Planning (strategic planning, master planning, 5-year implementation plan programming, space and utilization analysis, facilities condition assessment, bond/levy program management, programmatic regulatory compliance and public engagement through the FMP Committee) and
- Capital Project Delivery (project management, quality assurance, commissioning, consultant and contractor management, project regulatory compliance and public engagement through the School Design Committees).

In order to implement the FMP Facilities has hired 20 project-specific trades members and will need to hire (over time) 8-12 planning and project management staff. Facilities divides services into four areas:

- Custodial - funded in the General Fund
- Maintenance (Trades) - funded through a combination of General Fund, Bond/Levy and proposed bonds and levies
- Environmental Services - funded through Bond/Levy (current and future)
- Planning and Project Delivery - funded through Bond/Levy (current and future)

LTFM cannot be used to fund on-going maintenance work orders all of which involve critical tasks for a safe and conducive learning environment and which are not fundable via bonds/levy. It also does not fund the custodial work in the buildings.

Roles of internal staff and external partners in a team-based organization are:

- Staff responsibilities - project planning, coordination, implementation; management of consultants and contractors and community and stakeholder engagement.
- Consultants - architects and engineers develop certified drawings and specifications for bidding and construction permits along with construction administration.
- Contractors - execute the design through coordination of the schedule and actual construction.

The FMP and the new reorganization will provide economy of scale. The support this new amount, type and complexity of work, new and diverse skill sets have to be brought onto the team to complement the existing staff and roles: Initially this would include:

- A Manager of Capital Project Delivery
- Two Project Managers (one existing already)
- A Senior Project Manager
- A Commissioning Coordinator and
- A Program & Document Controls Specialist

The Board will be asked to take action to create these new positions at its November meeting.

He noted that as they move forward with posting the positions for hire, they are acutely aware of the need to build a more diverse workforce within the Facilities Department. As such, to increase opportunities for people of color and women, they have paid great attention to external factors and job requirements that artificially limit the diversity of the candidate pool (i.e., by changing certain professional licensures to be preferred rather than required qualifications).

The Director of Facilities then moved on to provided an update on the progress of the RiverEast project and a recommendation to push the opening of the school to 2018. He also shared the impact to Jie Ming, Hamline and the ECFE program.

With regard to 1050 North Kent he reported the MN Pollution Control agency has approved the SPPS Response Action Plan, affirming the intended plan for cleaning the site, safeguards for neighbors, local hydrology and the future building occupants. The City Council has

approved including remediation at the site as part of their DEED submittal (a potential savings of \$200,000 toward the project). The contingency period has been extended to November 14 as the site purchase is taking longer than anticipated due to the wait time on the lifting of Deed Restriction.

Due to these delays Administration is recommending delaying relocation of the RiverEast program for one school year. This would allow SPPS to:

- Properly bid and build the new structure in as cost effective and prudent manner possible.
- Allow for all due diligence in handling acquisition of the property and
- Create more opportunities for collaborative work with District 6 and the property's neighbors.

The original timeline had SPPS breaking ground in December of 2016 with opening for the 2017-18 school year. Now groundbreaking would be in spring 2017 with opening in the 2018-19 school year. Other immediate impacts would be that RiverEast would stay where it is for SY 2017-18. Jie Ming relocation to Homecroft would be delayed one year. The co-location of Jie Ming and Hamline continues with accommodations –updating the contingency space plan with the Principal and work with both school communities to continue to build toward the desired permanent program supports. There would be no impact to ECFE.

Actions that will be brought to the Board in November will include approval of the department reorganization and an update to the resolutions passed in April to reflect the one year delay.

Questions/Discussion:

- What are the percentage of administrative costs and how much of cost will go to outside consultants? You are increasing administrative staff in Facilities – how much will it cost SPPS in terms of increased admin costs internally plus contracts with consultants and how can that be justified? Response: It will be seven positions for a 114% to 171% increase. The requested action will be to approve the new positions. SPPS is improving every building within the district or doing major renovation to some; there are 78 projects taking place. Facilities needs this staffing capacity to do what needs to be done. 78 project for \$500 million needs staff to do it well. Consultants are SPPS's way to use resources wisely. We get at specific areas of expertise by hiring consultants, they are used on an as needed basis.
- The Board needs to see more specific numbers in terms of actual costs on these things. We need to get more yield out of people with the more work being done.
- A Board member noted the FMP will need very drastic review. The plan was predicated on enrollment trends holding, that is not happening. SPPS is coming into a Superintendent search that may lead to differences in the organization and structure in future. The FMP may not reflect future circumstances, assumptions may change in the near future. The Board may need a commitment that Facilities will be judicious in new hiring. Response: Facilities is asking for approval of positions. How many people hired will be based on need and work will be adjusted accordingly. The structure of the FMP is set up to do the process of evolution with ways to evolve the process as changes occur. If you look at the work in the five year implementation plan, a lot of it is maintenance work, taking care of existing building systems and maintaining the building portfolio in the best possible condition.
- Staff noted that if one took the maximum positions and dollars spent per year the administrative cost would be under 2%.
- Can the Board expect to receive added information on new investment in the new administrative positions and consultant fees that will occur in order to do the work planned? Response: Yes

F. Re-Starting School Start Times 2016-17 Discussion

The purpose of the discussion was to: discuss the proposal for accomplishing start time change for SY 18-19; review community feedback, review some of the implications of the draft change and determine a Board motion for the November 15 Board meeting.

Draft Proposal for Start Time Changes for SY 18-19

Tier 1 7:45-2:15	Tier 2 8:30-3:00	Tier 3 9:30-4:00
All Community elementary schools (19)	All middle and high schools*	Remaining regional magnet elementary schools (7)
Some regional magnet elementary schools (7)	*Except Washington which would stay at 7:30-3:00 to maintain extended day model	All district-wide magnet elementary schools (10)
	Other specialized programs	Bridgeview/Focus Beyond

Cost increase vs. current: \$2 to \$4.4 million, due to shorter bus runs to accomplish the change. There would be no bus pick-ups before 7:00 a.m. for elementary students. Tier 1 travel time has been reduced to 30 minutes from current 45 minutes and results in an increase in transportation costs.

1. Communications to SPPS Community

- E-mail was sent to all students, families and staff
- Article in Happening Now publication (included translation in four primary languages)
- Invited students, families and staff to submit feedback online.
- Encouraged participation in Public Comment 10/25 and 11/15.
- Redesigned and updated the "Rethinking Start Times" webpage.

SPPS received comments from 678 individuals.* Respondents self-identified as**:

- 56% parents of elementary students
- 33% parents of secondary students
- 12% students
- 6% classroom teachers - elementary
- 6% classroom teachers - secondary
- 5% other staff
- 10% community members
- 2% other

* 678 responses as of noon on 11/1.

** Respondents could identify themselves with more than one category.

What did they say? The feedback form was an open field for comments. While not explicitly asked to vote, most comments stated if they were for or against the change.

- 40% for change
- 50% against change
- 10% not clear if for or against

There were several consistent themes from the feedback:

- 24% agreed with research/teen sleep needs
- 17% had concerns regarding childcare needs/costs
- 15% had concerns about lack of adequate sleep/early mornings for elementary students

- 7% had concerns about early morning bus pickup/walking for elementary students
- 7% had concerns about late end times for secondary students
- 7% had concerns about managing changes to family schedule.

The change option has been compared alongside the current structure to identify the impacts on multiple subgroups of students. Considerations included:

- Afternoon/evening time out of school
- After school programming
- Childcare
- Research-based recommendations
- Stability of school staff
- School choice
- Metro Transit
- Early mornings for elementary students
- Strategic actions
- Legislative actions
- Cost

The implications of the proposed restructure, which will need to be considered as plans are finalized and implemented, include the following:

- Childcare concerns for elementary families, particularly those moving to Tier 1
- Lack of research concerning impacts to elementary students
- Impacts to school choice options for families
- Alignment with other possible future strategic actions
- Increased costs to implement change.

Proposed next steps include:

- Fine tune the restructure proposal
- Work with the community partners to prepare for city-wide changes and resolve issues (Sprockets, libraries, parks and rec, etc.)
- Identify lessons-learned and best practices from other districts that have implemented similar changes
- Continue community engagement
- Provide periodic updates to the Board.

RECOMMENDED MOTION FOR THE NOVEMBER 15 MEETING: That the SPPS Board of Education direct Administration to develop a plan to change school start times beginning in the 2018-19 school year. The SPPS Board reserves the right to adjust the District Administration's plan as they deem necessary to meet the educational needs of the SPPS learning community. The final restructured system should consider the following areas: (1) alignment to research-based recommendations, (2) budget implications, (3) expanded childcare needs, (4) student safety, (5) strategic alignment and (6) opportunities for expansion of Metro Transit partnership.

Questions/Discussion:

- The motion is good but we need more information on what has been considered. This report focuses on school start times but more consideration needs to be made regarding improving the health and capacity of students through the change in schedule. We need to look at the different structural things that could be considered -- four day weeks, etc. Other things need to be explored in order to finalize and fine tune the plan, keep everything on the table. Response: The one thing we want to avoid is moving to change and then repeating another change. The SPPS community has already adjusted to a large system-wide change due to the SSSC strategic alignment. We have explored a two tier system with no one starting during the 7 a.m. hour, that was rejected due to the

\$8-10 million increase in cost and the large number of additional bus drivers needed (50% increase). We have explored an increased partnership with Metro Transit and if they were willing that could be done at a couple 9-12 high schools. It is more difficult at middle schools. There are challenges with Harding as it is not serviced well by Metro Transit.

- What about collaborating with Head Start and transporting some of their students?
- The motion is good, it is forward looking; the health implications are important. SPPS will have a new Superintendent coming in. There is major conversation around integration along with strategies around how to reorganize schools/programs, etc. The motion allows the new Superintendent to feel there is direction yet flexibility around on-going conversations. We want something lasting and sustainable. In the feedback it was noted families feel they are still recovering from SSSC changes so SPPS needs to do change in transportation in a strategic way; families need to be considered when making these decisions.
- This answers whether the Board is going to do this without defining the process. We need to align the district to best practices for students. We need to allow everyone to get behind this and think creatively on how we approach whole question. One never knows how things considered in the past might come forward. In conversations going forward we need to be engaged as a Board, we need to play a role in conversations with Metro Transit and the Met Council in order to understand the importance of standing with the district to make this change. It is critical to the community and we want to make it successful. The motion gives time to have conversations within a context. Response: SPPS has been careful in its communication when it offered this proposal it was indicated it was likely to change. SPPS does not want to set up a situation that is power based but one that is opportunity based.
- The motion is not clear I thought we wanted to change to later start times for middle and high school and wanted to figure out how to do that. We need to be clear that we are changing start times for middle and high school so the community is clear about what is being done. We need to be definite so everyone can prepare for change and so everyone is clear about what is being done. It is important to state secondary school start times - we need to be clear.
- General Counsel stated one iteration stated "that secondary students begin school later in the day".
- The Board Chair established an ad hoc committee of the Board working with Ms. Allen and General Counsel to develop a motion.
- A Board member noted it needs to say why it is being done: to change school climate, for student health and achievement.
- This is not an easy issue so we need to be clear in stating elementary kids will be impacted. Demographically a lot of low income families will be impacted and families need to be considered – we need to be aware of the impacts this will have on that demographic.
- Perhaps we should share potential impacts on families. This will be a very public process, it is an opportunity to show how SPPS can work outside the box as openly and transparently as possible for the entire community. Have slide showing impact to kids.

- G. Standing Item: SEAB Update - No Report
- H. Standing Item: Policy Update - No Report
- I. Standing Item: SSSC 2.0 Update - No Report

J. Work Session

1. **Board Representation**

Extended conversation occurred on how best and most efficiently Board members could engage the schools and community. The consensus was to assign Board members an

Area moving some schools around so that each had somewhat equal numbers. Generally that came down to:

- Chue – Area A
- Steve – Area F1
- John - Area C
- Zuki – Area F2
- Mary – Area E
- Cedrick - Area B
- Jon - Area D, again with some schools being moved into or out of areas to equalize numbers.

2. Budget Cuts Impact on TAs

The Executive Director of HR indicated that as of 9/30/16 there were 53.25 FTEs to be filled for TAs, 37 FTEs higher than the same period the prior year. As of 11/1/16 there are 28.50 FTEs to be filled, a 24 FTE reduction from the last update (hires).

Total FTE Comparison YTD:

	FTEs	Openings (FTE)	Total
9/30/15*	643	17.30	660.30
11/1/16	624.5	30	654.50
			(-5.8) FTE

* No actual population data for 11/1/15

HR Transaction Comparison YTD:

- 50 TAs listed as new appointments on the 10/20/15 HR Transaction list
- 69 TAs listed as new appointments on the 10/25/16 HR Transaction list.

Number increase due to timing, pushing budget later in year reflects hiring of TAs later in the year this year. Big lift usually occurs in beginning of school year. TAs most volatile group.

QUESTIONS/DISCUSSION:

- A Board member commented that as they listened to TA public comment it was obvious how important they are to the district and that many of them area long-time employees in the district. Concern was expressed that SPPS may not continue to keep the long-term TA group that help schools run.
- When are hires made typically? Response: TAs area offered late in the game with HR going for teachers and EAs first. TAs are recruited later as HR can be broader in its search for the positions. SPPS is still very competitive but is seeing signs it may have to revisit how it looks at its paraprofessional staff. Two things stand in way of doing one paraprofessional group: EAs have more formal education, TAs did not have a formalized background. With NCLB requirements this difference became more level and has created misalignment within SPPS. EA's are generally considered instructional and TA's logistic and behavior-based. SPPS had looked at putting the two groups together and is hoping to reengage that conversation at some point.
- HR will continue to update the Board on readiness up to winter break as at that point SPPS moves into a new hiring cycle.

III. ADJOURNMENT

The meeting was adjourned at 8:47 p.m. following approval of the motion to adjourn made by Mr. Marchese and seconded by Mr. Brodrick.

Respectfully submitted,

Marilyn Polsfuss
Assistant Clerk