

**MEETING MINUTES
COMMITTEE OF THE BOARD (COB)
March 24, 2009**

PRESENT: Board of Education: Elona Street-Stewart, Kazoua Kong-Thao, Tom Goldstein, John Brodrick, Anne Carroll, Tom Conlon, Keith Hardy

Staff: Superintendent Carstarphen, Joe Raasch, Hitesh Haria, Anita McLaughin, Bob Byers, Brett Johnson, Jaber Alsiddiqui, Valeria Silva, Michelle Walker, Nancy Stachel, Sharon Freeman, Stacy Akyea, Denise Quinlan, Heidi Bernel, Matt Mohs, Christine Wroblewski, Teresa Rogers, Michael Baumann, Kathy Brown, Jeremiah Ellis, Jeff Lalla, Mary Gilbert

Other: Steve Clausen, Emily Johns, Doug Belden, Cathy Kingston, Heather Muller, Elodie Sontgerath, Nancy Vernon, Eugene Moning, John Krenik

I. CALL TO ORDER

The Committee Chair, Ms. Street-Stewart, called the meeting to order at 4:35 p.m.

II. AGENDA

1. Legislative Update

The Superintendent introduced the three areas to be covered in the update: statewide employee health coverage legislation; an update on the current legislative session and MSBA Resolutions. She introduced Steve Clausen, Deloitte Consulting who provided information related to the bill on statewide employee health coverage, the Executive Director of Human Resources and Employee Relations and senior member of the Labor Management Committee who would provide an update on the status of the SPPS health care RFP and finally Mary Gilbert, district lobbyist, who would present information on the current legislative session.

• **Statewide Employee Health Coverage Legislation**

Mr. Clausen stated there were two bills in the House applicable to a school insurance program. House Bill File No. 866 – which is still passing through committees. This bill creates a single purchasing pool for all school districts in the State of Minnesota. It is designed to have mandatory participation by all districts in the state. The proposed start date if it passes is January 1, 2011.

The bill (866) would leverage the PEIP Program and the existing programs PEIP has to offer. The Public Employees Insurance Plan (PEIP) was created by the legislature in mid-1980's to address problems public entities (cities, counties, municipalities) had in accessing health care. PEIP is a voluntary program. Even though the proposed plan would be mandatory, a school district would still be able to negotiate (through labor negotiations) eligibility (who can participate) and contributions (how much is contributed toward the cost of the program) but the benefit levels themselves would be established by a committee (14 members) that would represent all school districts in Minnesota.

A second bill in the House, House Bill File No 867, mandates that the service cooperatives provide information so the proposed program could be successful.

A third bill, House File No. 992, allows school districts to join the State of Minnesota Advantage Health Insurance Plan. Districts would participate voluntarily if the bill passed. This bill doesn't appear to have a great deal of support as there is risk to the State plan relative to the potential for selective participation.

Ms. Gilbert stated the companion Senate bill (915) to 866 has met the Senate Policy Committee deadline.

QUESTIONS/DISCUSSION:

- Clarification was sought on the single purchasing pool, does this go beyond PEIP? Mr. Clausen stated the bill creates a single purchasing pool for all school districts in the State of Minnesota and mandates that all school districts participate. It is not just represented groups but all employees (a pool of approximately 100,000).
- Did SPPS and the St. Paul Federation of Teachers combined in a study of PEIP that was not as all inclusive as this? The PEIP Program exists as an option for public entities to consider, it is not mandatory. It also allows representative groups to consider joining the plan outside of their employer arrangement.
- If 866 were to pass, it would mandate districts join (provided the Governor doesn't veto it)? If it passes, districts would have no choice, all health insurance programs for all school districts would be purchased through the program and districts would participate in the mandated program. By having the program mandatory a larger pool is formed which tends to balance out the risks and allows a better prediction of the future. It provides more consistency rather than volatility and spreads the costs over a larger group of individuals.
- What are the cost saving in the plan? The bill does not reference cost savings. A study was done on a similar concept by Towers Perin Actuaries about 4-5 years ago. The study was done from the perspective of all districts participating. There were savings involved (in the millions of dollars relative to reduction in the cost of administrative fees and the taxes associated with fully insured premiums).
- Who are the proponents of 866? Education Minnesota on the basis of a bigger pool providing more stability. MSBA, the Association of Metropolitan Schools Districts, the service cooperatives and some individual schools, school boards and unions are opposed. Their arguments are that (1) a district that has a self-insured pool doesn't pay some of the taxes and fees so they believe the costs will be higher and (2) they like having control over their program and what their benefit package should be and what their wellness package should look like as well as possibly more control over premiums. The service cooperatives simply want to stay in business.
- St. Paul's initial concern, based on the first study that was done (which was a self-insured pool that did not pay any of the taxes) was that SPPS teachers and employees would pay a higher premium for a benefit package that was not as rich as what was already being offered. Another issue concerned how much control the district would have over designing the benefit plan and having recourse to the provider if issues developed (leverage and service).
- Do those concerns still exist? The District would have to look at what plans are offered, what the premiums would be or what the cost sharing arrangements would be which are unknowns right now. In order to take an educated stand on the issue, it would be valuable to know if it is beneficial or not. The Executive Director of HR responded this is the challenge right now as there is a lot of uncertainty as to what would or would not happen. The only reference available is the study which was done and the analysis it provided at that point in time.
- A Board member restated his request that Education Minnesota be allowed to present their side so the Board would be aware of their position. Another member stated it would be beneficial to hear both sides of the argument. The Chair stated the intent of the presentation at this meeting was to provide as much impartial information as was available at this time.
- Ms. Gilbert stated the plans offered through PEIP would allow some choice to providers.

- The Executive Director of HR stated the district is currently in the process of an RFP on health care. The District worked with its Labor Management Committee to put together the RFP, met with those interested in bidding; bids will be coming in on March 26. The bids will be analyzed and in-depth information on plan design, cost, self-funding, etc. will be brought to the Board.
- A clarification was provided that as the bill is currently structured there will be an assessment to the pool for their prorated share of the assessment and premium taxes. This bill's cost savings can't be compared to the original proposal.
- Concern was expressed about the change relative to individuals with a pre-existing condition. It was indicated there shouldn't be a concern in most cases as this would be a transition from an existing plan.
- It was again stated it would be valuable to hear the arguments from the two main protagonists (MSBA and Education Minnesota) about why the District should take a stand on the bill or if a stand should be taken at all.
- In the original discussion on this issue the idea was there is more variation within a group being served than there is between groups so looking at this by district or bargaining unit is not a good way of viewing needs. They should be looked at by how the needs cluster regardless of who is involved. Within the proposed Bill 866 and within the District RFP is there any attention to trying to look at alternative sets of services that are based on peoples' needs/situations rather than what box they fall into? With regard to the RFP, the District is asking for multiple plan design options to provide options for employees to select health insurance according to their needs regardless of the bargaining unit. 866 is built on a platform which is based on the three plans the PEIP Program offers: the PEIP Advantage plan, the PEIP Value Plan (greater cost sharing for lower premium) and a High Deductible Health Savings Account Qualified Plan (fixed premium costs lower, high deductible). Is there no provision within 866 for the committee to come up with a more contemporary user-oriented plan? That will be the decision of the committee itself, the bill provides for the minimum rather than maximum.
- Is the legislature looking for school boards to weigh in on this proposal? No districts have endorsed it at this point.
- Clarification was sought by administration as to whether they should schedule presentations from Education Minnesota and MSBA. Response: Not at this time.

- **Update from District Lobbyist & MSBA Resolutions**

The District Lobbyist stated both the Senate and House have announced their targets. The Senate has an across-the-board cut and will use some of the federal stimulus money to replace cuts in the first two years of the biennium. The House budget target was not as low as the Senate's and they will use some of the federal stimulus money to backfill as well. There is also the Governor's supplemental budget which is not yet fully complete. It appears all three entities will be using the stimulus funds to offset reductions.

There is not a lot of information on the supplemental plan but so far the Governor has proposed \$28 million in the supplemental budget; there might be a slight formula increase subject to further action.

In regard to the Minnesota Miracle (a chief MSBA resolution) the concept is still being pushed, the case is being made and the needs are still being discussed. The Governor and the House are proposing using education shifts (tax and payments) to help balance the budget with their targets. There is no clear idea what the Senate will be doing in this area. There was a bill passed that the budget must be balanced not only in this biennium but into the future which complicates things further. The Finance Committee deadline is April 15. At that time there will be a better idea what is actually being proposed in the House and Senate and how the Federal stimulus money fits in to it all.

The Policy Bill will be out this week. Some of the provisions in the MSBA resolutions have been heard in committee (wind energy, green buildings, charter school authorization, care

and treatment language). Anything that has a fiscal note of any sort is in grave trouble. The Committee Chair is still trying to get some implementation of the Minnesota Miracle in place.

QUESTIONS/DISCUSSION:

- Is it fair to say there is little possibility that taxes will be raised to support education or override the Governor? The budget situation is extremely serious and the full impact is not recognized yet. Once the bills are put together and recognition is made of the depth of the issue, some movement might occur.
- What is the status of the anti-bullying bill and the compulsory attendance age bill? The Senate took up the anti-bullying legislation, the policy bill was defeated. Senator Dibble's bill moved to the floor; the district's concern is that the same standard for reporting and dealing with student climate as for any other offense be maintained and that two separate reporting systems not be set up. The bill has not yet been heard in the House. Regarding the compulsory attendance age, this item does have a fiscal note so it is competing against all other fiscal note items in the finance bill. The fiscal note is related to the number of students staying in school and thus their impact on the student funding formula.

2. Update on Recommendations for Administrative Budget Reductions

The Superintendent stated administration is bringing forward a proposal to modify three areas within the \$25 million structural deficit. The changes being addressed in the recommendation are reflected in the lines Central Administration, Itinerant Instrumental Music Teachers and Athletics. Administration is looking for direction from the Board so it can proceed to work with staff to make the changes necessary particularly in areas that will have down-line impacts.

When proposals were made on the \$25 million budget shortfall at the February 10 COB meeting part of the solution included a line item of Central Administration reductions totaling \$1.4 million. In an effort to provide more flexibility and potentially offset other proposed reductions, Administration brought forward a proposal regarding Central Administration reductions totaling instead \$2.3 million or \$900,000 more than previously recommended. The proposal includes both direct cuts to the General Fund and shifts from the General Fund to other budgets, as allowable in law. The \$2.3 million reductions include the elimination of 16.3 FTE central admin positions totaling \$1.7 million. It will also include reduction to services (shifts from General Fund to other budgets as allowed) and a few other additional Central Administration positions that will actually bring the Central Administrative reduction to 19.3 total positions.

If the Board approves the proposed administrative reductions, the difference in funding (\$900,000) may be applied to help offset reductions to the itinerant instrumental music program and athletics. The action will determine the speed and direction in which administration can move next. The itinerant instrumental music reduction will be offset by half from \$1.4 million to \$700,000. Rather than cutting the 19.3 FTEs from instrumental itinerant music teachers, 10.95 FTEs will be cut and 8.35 FTEs will be kept. While the design is still being finalized, what this will do is provide one day of instrumental music at every elementary school based on specific guidelines and expectations from the Office of Academics. Support for the four elementary schools with a focus on music (Mississippi Creative Arts Magnet, Linwood Monroe Arts Plus, Four Seasons A+ Elementary and Franklin Music Magnet) would remain at the same number of FTEs they had in 2008-09, they would be held harmless for one year.

The athletics reduction would be offset from \$650,000 to \$450,000. The revision includes 1 FTE, some assistant coach reductions and eliminates three sports that have extremely low participation (alpine skiing, danceline and cheerleading), a reduction in transportation expenditures and a \$10 increase in fees for all students.

Based on the original proposals from February 10, the Business Office forwarded the 2009-10 allocations to schools. Program allocations to departments have been held up until board action

determines those allocations. These reductions will affect employees in the form of lost jobs or changed jobs and some because of workload changes.

The Superintendent stated SPPS central administration runs very lean at 3.4% of the total budget expenditure. This compares to 4.2% across Minnesota and nationally there are ranges up to 10%. Additional administrative cuts will affect schools both directly and indirectly; the ability to carry out needed improvements, support schools, track what the district does and report on the results is dependent on central administration staff. As stated in the 2008 ERS Report "leadership is especially important when turnaround is needed for low performing schools or a low performing district." They also noted that "the elimination of funds directed toward administration does not eliminate the necessity to perform the functions assigned to central office." Their third finding was "research does not support the contention that allocating a mandated percent of the budget to the classroom will actually improve student achievement." SPPS has 76.5% of its funding directly supporting classrooms.

Another important issue is some employees will have rights to similar positions due to seniority or contracts; this will affect other departments and schools. Once the Board approves the reductions proposed, Human Resources will work with employees affected by the cuts to inform them of their rights and notify supervisors if staffing changes result from cuts elsewhere in the organization.

Other items which will affect the impact of the reduction solution include the Federal stimulus package, actions taken by the State legislature and Governor, the economic crisis as it continues to play out and school enrollments in the spring.

Input received from the community engagement sessions will inform refinements to the budget shortfall solutions administration will recommend to the Board; the Board can further revise the budget at any time in October and February and as large scale system change moves forward the District is working to functionally align additional areas as a means to create efficiencies and to more tightly focus key areas of support. This will involve restructuring areas under a specific line of accountability, leadership and program evaluation.

Implementation and guiding principles within the recommendation being proposed include:

- The decision made by the Board would need to be maintained for further action at the April 14 Board of Education meeting and continue through the June adoption (hold the line on the reductions recommended for action at this meeting).
- Nutrition services fees for families must be cost neutral
- There would be no reductions in custodial supports to buildings and schools
- Where appropriate and allowable by law functions and positions would be charged to Title I to better support Title I schools (schools in poverty)
- Administration would examine the realignment of departments in three areas: information technology, family engagement, accounting.

The Interim Chief Financial Officer then moved on to review details of the actual proposed reductions. The planning assumptions used in formulating the proposed reductions were:

- The proposal addressed reductions to the General Fund budget ONLY
- If a position did not exist in the FY 09 budget it was not projected to the FY 10 budget.
- Personnel cuts recommended in the proposal will be sustained into the future
- HR conducted a personnel review to aid the assessment
- Other-than-personnel reductions are considered feasible and sustainable over time
- Allocations for program budgets will be predicated on the proposed reductions
- Further reductions in State funding for FY 10 could result in additional reductions.

Proposed additional reductions to central administration are recommended as:

- 3.0 FTEs in Academics
- 1.3 FTEs in Accountability

- 2.0 FTEs in Business
- 1.0 FTE in Community Relations
- 6.0 FTEs in Operations
- 3.0 FTEs in Superintendency (including HR)

Other administrative dollar savings were reviewed as well. The recommended action from administration was:

That the Board of Education approve the recommendations for the 2009-10 central administrative reduction line item as presented by administration and further, that the Board of Education not alter this line item after the March 24 COB meeting or after the April 14, 2009 Board of Education meeting.

That \$700,000 of the additional central administration cuts be used to offset the proposed cuts to itinerant instrumental music teachers from \$1.4 million to a total cut of \$700,000. And,

That \$200,000 of the additional central administration cuts be used to offset the proposed cuts to athletics from \$650,000 to a total cut of \$450,000.

QUESTIONS/DISCUSSION:

- Are there any major grants running out this coming year that might need to be funded? The Superintendent reminded the Board the proposal is for the General Fund. Grants are reflected in the Fully Financed Budget which is separate. The Federal stimulus money needs to be used to target low performing schools and those experiencing program changes so there will be some support for BioSMART and some other programs.
- Regarding the music cuts, every elementary has 1 day per week, what is currently scheduled? It currently varies by school. Ensuring the bottom line of number of students served with a comprehensive plan at least once a week, means the program needs to be restructured/reformed. 4-6 graders would have access. Schools can buy more music from within their school budgets.
- On the Administrative cuts recommended, is there a breakdown of level (director, clerical, etc)? Would one have a greater burden? There will be 1 FTE in athletics; the Office of Academics is working on details to ensure there is a structure there to deliver services appropriately.
- On Central Administration cuts, how are those broken out? Who will feel the brunt of it? Everyone will feel it. Central administration will be reduced by 19.3 FTEs at the administrative level plus clerical support changes and other impacts. Supervisors need to talk to staff about which people will actually be affected.
- Could Federal stimulus money for low performing schools, could any of that money be used to further offset music and athletic reductions? The guidance for the stimulus monies is very explicit on Title I and Special Education and there is not much flexibility within it. The money is designed to support school sites, not for systemic reform which makes it difficult to do something across the system to improve arts, program evaluation, etc. The District wants to ensure whatever is designed best supports schools and children for which the money is intended and creates, within reason and manageability for sustainability and longevity NEW positions. The money cannot be used to supplant.
- Concern was expressed about the overall design of the itinerant music program not being as effective as it could be and being unevenly applied across the district. How does the proposed change address the basic concerns about this program? It is about quality and equity in the number of children served. Inefficiencies in the program included such things as transportation, moving among multiple sites. The redesign will be much more streamlined with dedicated sites with full days to create a basic "case load" and allow for tracking of number of children served. More innovation and creativity are included in the design with a baseline of expectations. The district design is about number of kids paying for FTEs, offering the service is important.

- The itinerant music program was never intended to be the same thing for everyone; it was intended to be responsive. If a more formal structure is created will there be damage done because the system isn't set up that way? How will it roll out with kids in buildings? Administration responded there is site based management in the schools; administration tries to bring efficiencies and smart baseline research to the sites while still allowing the various sites to have the flexibility they need to do exactly what was described while at the same time saying there can't be a full time person who serves five kids while another person serves 250 kids at another school and manages to do multiple other things as well. Administration has worked to clean up the worst parts of an unaccountable design by setting expectations and standards for how many are served, assignment loads and ensuring the stretching of dollars as far as possible while putting limits to extra payouts being given for driving from site to site. In other words; cleaned it up for efficiency and accountability while not dictating to schools how they should use the person within the day allotted.
- Issues include the quality or performance of certain teachers, in the revamping is that being addressed? Yes.
- Back to hole plugging, different schools use the music services differently to plug holes in music services depending on decisions they make on a site-based level, their focus, the needs of kids, etc. When the district restructures how it is delivering centrally funded music services, what will happen at the building end? Schools with a higher demand and less site based funding could experience cuts in music services while other schools because of focus already have a lot of music, will this give them more than they need? The implications to the kids are not coming through. Administration responded it had very similar questions and in the design went back to the four schools with a music focus and held them harmless; they will end up with no less than they had last year. If they want more they can buy more but they will not end up with more as a result of the program redesign. The other schools' loss will result if they don't match or increase from their school-based budgets to compliment the district allocations. There is a baseline for what was previously; there will be a baseline for what is being proposed but the results won't be known until schools decide what they are doing with their budgets and how it is designed. Guidance is also being provided from the Office of Academics about what is a reasonable caseload for the program and schools should consult with each other about the best designs. Schools have never previously been held accountable for outcomes around the instrumental music piece, now they will be
- A request was made to allow the community members at the meeting to share their comments.
- The rationale that no changes be made to the three central administrative budget lines once they are approved, is that because of the impact to buildings? Yes.
- How many principal positions are affected through bumping? Administration responded that will depend on individual employee's interest if a position changes; it will be impossible to tell until a decision is made so administration can trigger the conversations and learn who might be interested in retiring, applying for a different position, how licensure affects the changes, etc. Fewer than 10 will be impacted.
- It was stated by a board member that he was not happy with any of the choices before the board, nor should anyone else be. The concern is about how to balance the components (sentimental/political). Music and athletics are important but athletics is a bigger candidate for outside funding. Has that possibility been considered? Can administration provide more detail on the overall impact of the administrative cuts because something might be missed in the discussion of "cut administration vs. cut here," if people don't understand the impacts, what might they be? Administration responded the greatest will be the lack of backup personnel ready to step into major positions if they become vacated. People who have the "history" to know how to function within a position. Another is that when reductions are done this tightly, there is no flexibility to do cross departmental work; it exacerbates silo behavior or the "lone expert" on a particular area – it restricts breadth of knowledge across departments. There will be fewer support staff to meet the needs of the organization and the community. While the work is being delivered it is hard to step out of the work and do a legitimate, objective assessment of how things are going; it limits leadership in reforms and changes that need to happen. It limits outside supports/expertise available to schools (people stepping in

- looking, guiding, supporting, evaluating objectively). It limits research in order to know how/if progress is achieved or if changes need to be made.
- Do these cuts mean the various departments will not be able to do as good a job as needed? Administration responded that only those areas where there are already questions about the efficiency or effectiveness are being viewed for change/restructure/reduction. This is not about performance, it is about the structure and rethinking the areas for additional efficiencies, streamlining, narrowing the model.
 - With regard to the budget process being a “dynamic and fluid process,” which would allow people to weigh in about particular areas, at the February 10 meeting a list of other “not recommended” areas was provided. That list has been accessed now with the \$900,000 for central administration reductions. Discomfort was expressed about setting the three proposed adjustments “in stone” which may upset the dynamics of the whole process. What is the urgency for these three adjustments right now? Administration responded ideally there would be more flexibility and time, however there are things staff, including the principals union and other unions, have requested. Additionally, it is important to bring the most stability to the schools with what is happening with their leadership and budget as soon as possible so they can know what is being offered to families and kids while putting schedules together, hiring principals, providing training where needed, and meeting contract stipulations for various staff members. Feedback indicated two things (1) if positions are being cut, let individuals know as soon as possible so they can plan their lives and (2) stabilize the principalships so they know who will be in what school before they leave at the end of the school year. The best schools in the country name their principals and assistant principals before the school year ends so they are totally focused on getting staff hired and managing operations and getting school open for the next school year. It is prudent to give staff a heads up, give them time to adjust, help them in making the transitions/changes they are facing and let the bumping begin in order to stabilize everything before the end of the school year. It is the Board’s call; administration is providing its best recommendation to bring as much stability to the organization as possible under a very difficult scenario.
 - The school reduction part of the budget will also generate changes and cuts within the system, there will be a great deal of movement within the district. Should the process be put in jeopardy to satisfy 10 at this point? How much will the 19.3 FTEs filter down into the buildings? Administration responded that this was not about a couple people and making them comfortable. Research shows that stability in the school leadership is critical. Having people want to be in their schools, wanting to build their teams and their staff and being accountable for the work they are doing is what the district is after. It is about performance, the achievement gap, owning and being accountable for the designs built at individual schools. These are very specific pieces to being able to implement the best quality school designs and have the best support people in place and providing whatever training is necessary to make them most effective. The only other thing is that if a job will be lost due to the reduction, staff wants administration to give them a heads up so they can start planning.
 - Administration stated it is bringing forward the recommendation because they believe it will make a difference in the bottom line for outcomes in academics. It will make a difference for the child.
 - The question needs to be asked how are cuts relate to the Strategic Plan, is it about fulfilling the goals of that plan? There is a requirement that the budget be passed by June 30, there is no prohibition to passing it sooner is there? No.
 - In all the programs, as the Board looks at them and until government restores monies to education, there is talk about best practices, design and tracking. If it is not in place, will this continue to be streamlined? Not only one program but all programs? Administration responded the District is making a conscious effort to have specific programs in schools and has been systematically going through departments and programs. Some have been completely eliminated; designs that were not getting appropriate outcomes have been changes, new programs have been implemented. At the heart of the philosophy of the model, having more athletics, having more music/arts are the right thing to do but it must be shaped in such a way to get the best outcome. On any of these things, for the broad \$25 million budget reduction, all of those things were looked at by the budget team. There are

many other opportunities for program re-evaluation, for looking at other designs which may be better. For where the District is, needing to get the budget put together and out to schools/departments, what could be moved on the fastest were brought forward. There are many other things that could be looked at. What will be difficult for the system is the structural deficit reductions and the \$103 million deficit that faces the district over the next several years – there will be more reductions, many more. This is just the beginning. This permanent \$10 million in cuts is an essential start.

- Discussion then occurred on how the recommendation could be split out.
- Regarding the administrative cuts, administration indicates it doesn't know exactly what the implications are going to be, how can you know the problem of letting people know what the implications will be at the building level? With the proposed cuts in central administration, which will directly impact kids, what specific services, supports and programs (that support the Strategic Plan) are going to be hurt? What is the cost, not financial, the cost to kids of these cuts? Administration responded, it is looking at areas where it knows already it is not doing a good job in either quality in the creation or the design or at positions which are vacant and not being filled, personnel close to retirement but haven't announced or who, with the changes, might want to retire. Some is support staff, others are shifts into different budgets, if it is a great support to Title I schools instead of funding out of the General Fund, it will be funded out Title I. It is a mix of things to get to the numbers. What the District did try to do is only go after those things where it was already known, if they could not be shifted, then it was the things which were not being delivered at the high quality level they needed to be (for many reasons) and/or streamlined the functions. This should result in a better job being done overall.
- The previous questions, more specifically, is concern for how the implications will affect Board members – administration may understand the consequences, but they are unknown to the Board. The Board is uncomfortable not knowing what it means, how many of the FTEs will bump principals in buildings and which will be bumped; which programs, etc. The Superintendent stated she couldn't get to that until the Board makes a decision because each situation is unique. Administration's recommendation is an effort to keep the system strong in view of all the changes/challenges it is facing.

MOTION: Mr. Conlon moved that the Committee of the Board recommend that the Board of Education approve the recommendations for the 2009-10 central administrative reduction line items as presented by administration. Further that the Board of Education not alter this line item after tonight's committee meeting or after the Board vote on April 14, 2009. Mr. Brodrick seconded the motion.

Motion passed 6 in favor, 1 abstention (Brodrick)

Mr. Brodrick indicated he would abstain and wait to make his final vote on April 14 as more information if provided.

- The Superintendent stated she was not prepared to make the analysis of the impact of the reductions on schools, programs and kids at this meeting.
- Administration stated it needs enough flexibility to create the best possible outcomes with what is left after taking on 10% of the \$25 million deficit.
- The Superintendent provided a broad estimate on the areas of reduction as being approximately 1/3 central administrators, 1/3 support and 1/3 readjustments to TOSAs.
- Clarification was provided on the chart "Additional Central Administrative Reduction Proposal" and the relation of reduction in force to other administrative savings.
- A point was made it is not the function of the board to decide who is eliminated; the board's decision should be to provide parameters within which administration can work.
- A Request for Information (to be available by 4/14) that administration provide information to give the Board a sense of the school level implications of the FTE reductions (leadership bumping in schools).

- A Request for Information (to be available by 4/14) just exactly what specific work areas are being cut?
- How are internal and external stakeholders being engaged in identifying savings and cuts as well as stimulus decisions? Administration responded there are the board listening sessions, public engagement events are scheduled for input from staff and community as well as an input vehicle on the website. Administration was asked to provide how questions are being put to staff about stimulus ideas.

COMMENTS FROM PUBLIC IN ATTENDANCE:

- G.Moning (Credenza Music) – expressed appreciation of the one day at each school. It makes sense, however some smaller schools don't have enough students to justify a full day while others may need multiple days.
- J Krenik – expressed concern about front line teachers and the structural deficit and concern about not being able to alter line item after the meeting – cuts to ELL and Special Ed particularly. Can't afford to loose more students.
- H. Muller – supported restructuring of music so more students can be served and the program is more effective. Employees know cuts will be made, they are anxious to know the decisions.
- N. Vernon – would prefer action on the bumping be firmed up tonight and that the other decisions be left more fluid.

MOTION: Mr. Conlon moved that the Committee of the Board recommend the Board of Education that \$700,000 of the additional central administration cuts be used to offset the proposed cuts to itinerant instrumental music teachers from \$1.4 million to a total cut of \$700,000. And, that \$200,000 of the additional central administration cuts be used to offset the proposed cuts to Athletics from \$650,000 to a total cut of \$450,000. Mr. Brodrick seconded the motion and then subsequently withdrew his second in order for the motion to be modified. Mr. Conlon withdrew his motion to allow broader discussion.

- Mr. Conlon stated he wanted to be sure the cuts didn't go deeper than proposed later but that they can always be reduced if the opportunity arises.
- It was stated the motion spoke to a particular design, which the board member would like assurance from Academics, is still being thought through and formulated beyond the recommendation of one day per each school.
- Concern was expressed that no one likes making cuts however by buying back these cuts now, when other cuts are being made elsewhere, is the action being taken because of pressure about an unpopular decision? Is this setting up how the Board will deal with cuts and the broader issue which is what about the legislature? There is no pressure on the legislature. A way must be found to harness the anger and frustration that people have and direct it at the legislature. Everyone knows intrinsically the value of athletics, but athletics is not connected to academics and the Strategic Plan in the way it needs to be. There are not athletic standards in place in many of the schools; there is not a comprehensive, coherent way in which student athletes are tied to their academics. There is a need to build accountabilities in.
- The statement was made all Board decisions should be based on how it improves student outcomes.
- Administration stated the proposed budget cuts were not arrived at in a vacuum. A great deal of scenario planning was done in developing the budget, including each department (ELL, Special Ed, etc.). It was a true team effort to arrive at the decisions proposed.
- **BOARD NOTE:** Not satisfied with the information the Board has been provided about how the itinerant instrumental music program will be redesign but it is expected that Academics will continue to work on it so the implications are understood and damage is minimize for the students.

MOTION:	Mr. Conlon moved that the Committee of the Board recommend the Board of Education approve that \$700,000 of the additional central administration cuts be used to offset
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the proposed cuts to itinerant instrumental music teachers from \$1.4 million to a total cut of no more than \$700,000. Ms. Carroll seconded the motion.

Motion passed with 6 in favor, 1 abstention (Goldstein)

MOTION: Mr. Conlon moved that the Committee of the Board recommend the Board of Education approve that \$200,000 of the additional central administration cuts be used to offset the proposed cuts to Athletics from \$650,000 to a total cut of no more than \$450,000. Ms. Carroll seconded the motion.

Motion passed with 6 in favor, 1 abstention (Goldstein)

- o A request was made that talking points (FAQs) be made available as soon as possible particular regarding page 3 of the presentation as well as on ELL and Special Education on the cuts and what the impact will be. To be provided as soon as possible.

MOTION: Mr. Brodrick moved that the Committee of the Board recommend that the Board of Education request, relative to Appendix 1, Exhibit C, Attachment B (the “Possible but not recommended cuts) of the information package issued for the COB of February 10”, that information be provided (prior to the next COB session) for each item on that list which would inform the Board of the rationale as to why these items were placed on the not recommended list. Motion seconded by Mr. Conlon.

Motion passed.

- o The Superintendent clarified that the referenced items were administration’s recommendations, they are not untouchable.
- o Clarification to the motion was made that the Board wants to understand why these items wouldn’t be considered, it is not being suggested that they be considered at this time.
- o It was pointed out that the 2 Mile Transportation issue is the whole “school choice” issue.

Board Referral: That, by Fall, administration begin serious conversations about how to more appropriately incorporate athletics into the Strategic Plan and long range goals around student achievement.

COMMUNITY MEMBER COMMENTS:

- o John Krenik – thanks for allowing the community members to provided input.
- o Anita McLaughlin – extended thanks for the hard work. She state the 1 day a week has some ramifications on space availability, pull out policies and the district calendar schedule around days off.

3. Standing Item: School and Program Changes Update - No Report

4. Standing Item: Policy Update

Referral to Policy Team – That the team begin addressing the issue of policy around honorary diplomas and actual diplomas.

- o This is about a clear policy about what constitutes the right number of credits and minimum expectations around what it means to get a diploma from SPPS.
- o Tied to the ALC vs. non-ALC, life skills, rigor and readiness, special ed., etc.

5. Work Session

- **Board Development**

The Committee Chair reported she and the Chief of Staff had met with TeamWorks regarding the contract. The changes and revisions were discussed. The contract is now with the Purchasing Department which will complete negotiations and finalize the contract prior to the April 14 Board meeting. TeamWorks will be available to begin work with the Board immediately following approval of the contract. The Office of Innovation and Development has found funding for the contract. Clarification was provided on the involvement of the Superintendent and senior staff in the development process.

- **Transition Update**

Board members offered some preliminary thoughts for an announcement regarding the search process. These included:

- The initial search will be a local/regional search
- There are no plans to hire a national search firm at this point
- There is a strong desire to have a new superintendent in place for the 2009-10 school year
- It will be an open search process
- The process will incorporate inclusive community involvement
- Within ten days to two weeks the Board will be able to announce an interim superintendent to serve between the end of current superintendent's tenure and the start of the new
- Within 10 days to 2 weeks the Board will have a basic job description prepared.

III. **ADJOURNMENT**

MOTION:	Mr. Conlon moved the meeting adjourn. Motion seconded by Mr. Hardy.
Motion Passed	

The meeting adjourned at 9:24 p.m.

Respectfully submitted,
Marilyn Polsfuss
Assistant Clerk