

Highland School District #203
District Office
Monday, May 5, 2025
Regular Board Meeting -7:30 a.m.

The **May 5, 2025, AM Regular Board Meeting** was convened by Chair David Barnes at 7:46 a.m. Those present also included board members Lupita Flores, Kerry Jones, Carlos López, and Cindy Reed, Superintendent Mark Anderson, Director of Business & Operations Francis Badu, Director of Student Success/Superintendent Designee Mindy Schultz, and Recording Secretary Julie Notman. David announced that the meeting is being recorded.

II. Business:

A. Communication Check-In: Nothing to share/report

B. Clean Building Performance Standard: Francis: In 2019 Washington state passed rules about Clean Building Performance Standards using Energy Used Intensity (EUI) as a measuring tool with rules for different sizes of buildings. Compliance dates kept getting pushed back but ours is July 1, 2027 for the HMS/HHS building which is in the greater-than-50K-SF building-size category because it is considered to be one building since there isn't a wall separating the two sections. We must build a history of measuring our EUI (cost of power, gas, the energy used etc.) as we may be able to get an extension if we show we've been working on becoming compliant. The measurements must fall within a certain range and those that fail must pay a fine, \$1.50/SF. The next size is 20K-50K SF and MWC and TES are in this category. This size does not have a compliance date but we must start preparing for it. This size also does not incur a fine if it fails although improvements must be made. We have already been working on getting ready as we have added LED lights in the HS & MS gyms and outside areas funded with a grant from Pacific Power. We have upgraded the HMS HVAC system, and the HS HVAC system upgrade is scheduled for this summer. Lacking adequate in-house resources we are to the point where we need to contract with a consultant to help guide us through the improvement-to-compliance process and are in contact with one out of Spokane who has shared that there might be grants available to help.

D. Employee of the Year Presentations & Discussion:

TES Principal Brandon Jensen joined the meeting at 7:54 a.m. and left at 8:00 a.m. Brandon presented TES custodian Jim Jackson as the Classified Employee of the Year commending him for the pride he takes in his work, punctuality, and that he always sees that things get done. Brandon nominated Counselor Veronica Dimas for Certificated saying that she has been awesome and has had a huge impact on the building in this, her first year as TES & MWC counselor. The work she has done has been exciting, she is extremely positive, and the students and staff love her.

C. Overnight Travel Request-HHS Band Trip: This is an annual trip for the band. There were no questions nor concerns. Carlos moved to approve the HHS Band Overnight Travel Request as presented, Kerry 2nd: motion carried.

D. Employee of the Year Presentations & Discussion continued:

SSO-Director of Special Education and SEL Courtney Sund joined the meeting at 8:02 a.m. and left at 8:05 a.m. For Classified, Courtney nominated Samantha Miller commending her for her positive influence, how she models great behavior and believes in the work of inclusion so that disability is not a barrier to education. Certified nominee was Evelia Salazar. Evelia, a HHS grad was a para and is now a Special Ed teacher. She has really grown this year, collaborating with the Gen Ed team. She advocates for the students, was a multi-language learner so understands how it is to bounce between languages, and she makes sure the students get the services they need.

HMS Principal Don Strother joined the meeting at 8:05 a.m. and left at 8:09 a.m. Certified nominee: Rebecca Kok. Rebecca has been at HSD around 20 years, is very dedicated, very caring and the students love her. She was very helpful the last two years with the new incoming 6th graders. Can't say enough great things about her, she deserves recognition. Don nominated for Classified Hannah Currans sharing that she is extremely helpful, thoughtful and thinks of things to do before being asked, anticipating what is needed. She is very, very nice, and very, very caring with students and staff, is bilingual and does a variety of things to support students in the classroom.

Director of Business & Operations Francis Badu: Hands down the nominee is Jim Jackson. He goes the extra mile and has a 'work must be done' ethos. Jim is reliable, steady, professional and always ready to help.

HHS Principal Jeremy Gillespie joined the meeting at 8:27 a.m. and left at 8:30 a.m. Certified nominee: Elise Marchand. This is Elise's first year as the HS counselor and has been committed to getting to know the students, working with them individually and giving programs and opportunities for after high school. With the district's Tier II, she targets kids who are struggling, and has set up getting ready for next year so much so that the next year schedule might be done (unheard of!) by next Friday. Classified nominee: Geobany Silva. Jeremy shared that he and Geobany stepped into new roles at the same time. She is very busy every day calling about every absence, tracking those and managing the reports to see which grade level has the best attendance to earn the 5 minutes early lunch reward. She is great to work with.

MWC Principal Andrea Wickenhagen joined the meeting via speaker phone at 8:31 am and left at 8:37 a.m. Certified nominee is Colleen Christenson. Colleen goes above and beyond for the students, staff, and the building. She takes on additional responsibilities for the betterment of the students and staff. She is the sunshine person in the building to build morale and is the building rep that meets with the superintendent monthly being the voice for the staff and returns with all that needs to be shared. Andi nominated Lily Loza for Classified Employee of the Year. She has stepped up to make sure the building continues to run super efficiently with Andi out on maternity leave, she has great enthusiasm, makes sure she is doing the best possible, acts as mom to many students supporting them in their experience at school which helps with their academics, she is very respected and cherished by staff and families.

The Board discussed the Employee of the Year nominations. They liked what was shared about each nominee and were pleased to hear about how the new employees are stepping up. It was a tough decision but ultimately, they selected Colleen Christenson for Certified, Lily Loza for Classified and Jim Jackson for Business & Operations.

D. Budget Status and Staffing Update: Francis; With the current budget situation we must delve more into the district's fund balance and look into the future. For years, the district policy was to keep a 7.5% fund balance but that was upped to 9% in 2021 when McCleary changed things and we needed to build in more [financial] security. Cindy (Leg rep) mentioned that the legislature just passed, but not sure if it has been signed yet, how they are reallocating how they pay districts and Francis agreed that is something we have to work into our budget. The state is giving a 2.5 IPD and is changing the timing of when they pay districts. They will be holding onto funds longer, paying districts later. Instead of paying at the end of the month they will pay at the beginning of the next month and lowering the percentage they pay each month, which is where districts can get into cash-flow problems. Francis shared a chart showing the history of what fund balances other districts have and have had and how Highland compares (right in the middle). Next he shared a slide with enrollment figures from 2013-14 to the present. FTE (Full-Time Enrollment) is always less than headcount and FTE drives our income. This year we got \$10,032 per student basic-ed funding. We have always budgeted conservatively for the next school year's anticipated enrollment and then celebrated when enrollment was higher. We anticipated 1,003 FTE for 2024-2025 about 30 below the 2023-24 FTE yet ended up another 30 below that which means an over \$600K loss in funding, a big hit for our district. Projecting for 2025-2026 we could see almost \$1M gone. Mark shared an updated enrollment projection that has an anticipated 50 incoming kinders each year. With the upper grades that have larger class sizes graduating, we could be down over 100 FTE by 2028-2029. Next year MWC will be down 17 FTE, TES will be up 5, HMS

down 22, and the HS up 7. This enrollment trend has been and is being shared with the staff to make sure they understand it as we prepare to share it with our community. The [drop in enrollment] is at other districts too. The next slide was the General Fund (GF) forecast and fund balance analysis. We have to look very closely at our fund balance projection and how we are going to end this school year. The 2025-2026 budget has been reworked a number of times to try to keep the fund balance where the policy states it is supposed to be. The general recommendation is that a district has at least one-month's operating budget on the books. Next slide was Evaluating Cash Flow to Meet Operational Needs, showing cash in the bank each month for 2023-2024, 2024-2025 and projected possibilities for 2025-2026 with the flow of funds in and out for A/P and payroll. The next slide contained Actual Budget Financials for school years 2019-20 through 2023-24 and 2024-25 YTD. It included three drafts of budget possibilities for 2025-2026. The first draft had our FB at 3.69%, it was worked over with cuts that then brought the 2nd draft to a FB of 6.02%, worked more cuts and movement within the district so the third draft that brought the FB to 7.78%. These are projections and we still don't know exactly how things will turn out. One obvious issue is the infeasibility of maintaining two elementary buildings so discussion has begun about consolidating them. Much has to be calculated and considered. Last year was hard because of the cuts we had to make and this year is even more challenging for multiple reasons. The board wants to leave the Fund Balance policy at 9% as a goal to work to get back to.

F. Capital Projects Update: Continued discussion about bringing the two elementary schools into one and the question is how do we pay for that? The district has three that can be moved: the preschool portable at MWC and the two at the high school. At the high school they are being used this year but there are empty classrooms in the building and so the portables will not be needed there next year. All three are plumbed and can be 'wet' portables. Francis shared a Capital Levy Projected Cash Flow chart. The pending HVAC project will cost about \$2.2M, fortunately it came in lower than anticipated. He noted that the state requires districts to report where capital project funds come from, i.e.: bond or levy or grant money. Because ours was a levy, the income comes in a bit at a time when revenue is collected at property tax time, so we have to borrow to do our projects and pay off the principal as the money comes to us and the interest out of the GF. Since the bid for the current project [Phase II-HHS HVAC upgrade] came in lower than expected, at the end of 2025 we anticipate we may have \$1M in the CP fund. Discussed levies and bonds. Our last bond was in 2015 for eight years so we expect to qualify for state matching funds in 2028-2029/2029-2030. We will need to run an M & O bond in 2027 for collection in 2028 and in 2027 begin the process for a capital projects levy or bond to go to a vote in 2028 with collection starting in 2029. This would be how we ran them last time.

Francis left the meeting at 9:21 a.m.

G. Policy Review Options: The two options are either all three readings take place at board meetings or the first reading is done by a two-person board policy committee. The latter is a slightly quicker way to get through policies for approval. Final decision as to which to do will be decided at the June AM/Work Study meeting.

H. 1st Reading Policy 2020 Course Design, Selection, and Adoption of Instructional Materials. There were no questions about the proposed changes to this policy so it moves to the 2nd reading at the next board meeting.

III. Closing Items

There were no further question nor comments.

The May 5, 2025, AM meeting was adjourned at 9:24 a.m.

Chair

Secretary