

BOARD MEETING MINUTES

July 19, 2022

Call to Order

President Rivera called the Regular Board Meeting of the Shoreline Board of Directors to order in the Board Room of the Administrative Offices at the Shoreline Center at 6:00 p.m. on July 19, 2022. This meeting was also available to the community via Zoom.

Roll Call

Rebeca Rivera, President; Emily Williams, Vice President; Sara Betnel, Member (*attended remotely*); and Sarah Cohen, Member.

Absent: Meghan Jernigan, Member.

Land Acknowledgement

President Rivera took a moment “to collectively recognize that we are meeting this evening on the traditional lands of the Coast Salish people and here in Shoreline, that includes our local tribes, the Tulalip and the Snoqualmie Tribes, who have been stewards of this land since time immemorial.”

Celebrations, Recognitions, Introductions and Gratitude

Superintendent Reyes expressed gratitude as she introduced four new administrators to the District:

- Mike VanOrden, District Academic Officer—comes to us from Lake Washington School District and was a former principal at Highland Terrace Elementary School
- Jennifer Farmer, Assistant Superintendent for Business and Operations—comes to us from South Kitsap School District and also supervised the Purchasing Department in Shoreline 20 years ago
- Trish Campbell, Executive Director of Student Services – comes to us from Marysville (last year) and Seattle School Districts
- Mark Roschy, Executive Director of Human Resources—comes to us from Edmonds and Mercer Island School Districts

Agenda Review

No changes.

Comments from the Community

“We will now turn to comments from the community. We are so grateful for community voice through public comment. So that everyone who is interested in addressing the board has a chance to be heard and so that all community comments have equal time, each person will be allowed two minutes to speak and the board would ask that you conclude your comments at that time. To monitor your time, please see the light indicators on the table or in a separate zoom window. The lights are green, yellow, and red. When the color turns red, you are out of time. The yellow light indicates when you are almost out of time. When you see the yellow light please make your concluding remarks.

As a reminder the Board does not respond to public comments and your two minute comment does become part of the public record.

Community members have an opportunity to give comment in person or via Zoom. We will start with community members in person. Please take turns coming up to the microphone and sign in on the sheet provided. We ask that those giving comments this evening to please start by stating your name and relationship to the district.

With that, is there anyone in person tonight interested in addressing the board? Please sign in at the front.”

The following individual spoke:

- Charles Leone, Transportation Staff Member – Spoke on behalf of the Schiller Institute. The institute's stated aim is to apply the ideas of the poet and philosopher Friedrich Schiller to what it calls the "contemporary world crisis." Mr. Leone left copies of a petition for anyone interested in supporting this movement.

Approval of Minutes

The minutes of the May 3 Study Session had been submitted to the Board.

MOTION NO. 60: Director Williams moved that the Board approve the minutes of the May 3 Study Session as submitted. The motion was seconded by Director Cohen and carried unanimously.

Adoption of Consent Agenda

President Rivera announced that the Board had an opportunity to ask questions on the consent agenda and have them answered prior to this meeting. The following consent agenda was presented for adoption:

- a. Acceptance of Gifts, Grants, Donations
 - 1) Shorewood - \$5,800.00 – Shoreline Public Schools Foundation – College Write & Ready Program
 - 2) District-Wide - \$75,000.00 – Shoreline Public Schools Foundation – 2022 Summer School Program
- b. Approval of Interlocal Agreement with Shoreline Community College – Career and Technical Education
- c. Approval of Multi-Year District-Wide Plan for Career and Technical Education (CTE)
- d. Approval of SAAA Initial 2022-2023 Pay Rates
- e. Approval of 2022-2023 Short-Term Facility Leases and Rates
- f. Transportation Building Modifications and Access Improvements Projects – Final Acceptance
- g. District-Wide Safety and Security Systems Project – Elementary Vestibules, Phase 2 – Final Acceptance – Kassel and Associates, Inc.
- h. Approval of Extended Field Trips
- i. Approval of Personnel
 - 1) Certificated
 - 2) Classified
- j. Approval of Payroll and Vouchers

MOTION NO. 61: Director Cohen moved that the Board adopt the consent agenda, items 7a through 7j, which is attached hereto and becomes a part hereof. The motion was seconded by Director Williams and carried unanimously.

As of July 19, 2022, the Board, by a unanimous vote, approved for payment, those vouchers described as follows: June 2022 Payroll Warrants #447842-447878 and Electronic Transfers totaling \$12,587,745.03; Reconciliation of Warrants Issued Between June 10 and June 17, 2022 – General Fund Warrants #96055-96059 and 96195-96198, totaling \$94,624.14; Capital Projects Fund Warrants #96055-96059 and 96195-96198, totaling \$94,624.14; and Student Body Fund Warrants #96060-96079, 212201047-212201059, 96199-96224, 212201061 and 212201089-212201098, totaling \$157,427.65; for a grand total of \$13,475,738.22.

Reports and Presentations

Home Education Exchange (HEE) Annual Report

Jonathan Nesson, HEE Program Director, presented.

The Home Education Exchange is the District's Alternative Learning Experience (ALE)/Parent Partnership Program and it is housed at the Aldercrest Learning Center. During the 2021-2022 school year, HEE served 130 K-8 students (approximately 120 FTE) from 75 families. Some students are partial FTE and are shared with middle schools and elementary schools. HEE served as a great option for many Shoreline families with medically fragile children during year 2 of the coronavirus pandemic. Many families were helped to transition from their neighborhood schools to HEE and back, as vaccines became available.

Mr. Nesson expressed appreciation for former HEE office manager, Rachel Belfield, who, in her new role as the District's Public Information Officer, is consistently including verbiage related to the HEE in the district announcements and updates. In terms of outreach, HEE embarked on a new campaign by which they shared information digitally but also mailed informational post cards to each family.

A shift occurred during the pandemic in terms of parent participation. Pre-COVID, parents were accustomed to staying on campus during the day. HEE has provided work-arounds through interesting pick up and drop off activities as well as a supervised study hall for assisting students who have an open period during their day.

Mr. Nesson is assisted at HEE by teachers Laura Brown and Patricia Kreemer, office manager April Sargent and six part-time HEE coaches. The program provides a unique and valuable service of hybrid home/school learning both inside (68%) and outside (32%) Shoreline's boundaries.

Director Cohen asked if the program was filled to capacity throughout this past school year. Mr. Nesson responded that it had been. Two years ago, during remote learning, HEE expanded their capacity and staff in order to serve up to 150 students, with 120 being the normal amount. This year, the numbers stayed in the 120-130 range of students.

Director Cohen asked if there was room for growth. Mr. Nesson felt that even though the campus opened with a target of serving 120 students, it was manageable when they readjusted for 150 during the pandemic. He would be happy to accommodate more students in the community.

In reference to last year's report regarding outreach activities, Director Betnel asked if the demographics had shifted at all. Mr. Nesson responded that they had remained pretty much the same. Approximately 78% of the families are white, but the outreach for diversity continues and he feels the work is moving in the right direction.

Director Williams asked if there were any information sessions offered for families to gain a better understanding of the program. Mr. Nesson stated that he does those frequently. Over the course of the year, he holds them every 4-6 weeks; however, beginning in the spring, he holds them every two weeks.

First Reading: Revisions to Policy 2161, Special Education and Related Services for Eligible Students

Presenters:

Trish Campbell, Executive Director of Student Services

Dr. Susana Reyes, Superintendent

School districts are required to update the special education policy/procedure to align with updates to Washington Administrative Code (WAC) Chapter 392-172A. Districts are required to revise the policy and procedure by September 1, 2022. There have been language revisions for added clarity. The accompanying procedure will be updated and submitted for review by Superintendent's Staff.

Revisions include:

- **Paragraph 1 – added the following sentence to the end of the paragraph:**
 - The district adopts the state’s full educational opportunity goal to provide students in need of special education services with a free and appropriate public education.

- **Paragraph 3 – revised as follows:**
 - Not all students with disabilities are eligible for special education services. The needs of ~~those~~ students **with disabilities** will be addressed individually and, if appropriate, the students will be provided accommodations, ~~or~~ modifications, **and/or related aids and services as** required under Section 504 of the Rehabilitation Act in accordance with district policy and procedures.

- **Paragraph 4 – DELETE**
 - Each eligible special education student in the district will be afforded a full education opportunity. This goal will be met consistent with the state’s goals through ensuring the provision of a free appropriate public education, complying with state and local procedures, and improving performance goal indicators.

- **Paragraph 6**
Commencement Participation – Certificate of Attendance

In order to participate in commencement exercises, students must have met the minimum criteria for graduation prior to the date of the exercises and otherwise be in good standing with their school through the commencement date. By state statute, minimum criteria for participation may be adjusted for students with an **Individualized Educational Program** (IEP) whose disabilities have impacted their opportunity to accumulate credits. Each student’s IEP team will determine the student’s graduation plan, including graduation date. Students with an IEP who have attended four years of high school and need additional time to complete IEP goals and/or credits may request participation in commencement exercises. ~~and~~ **Students with an IEP** will receive a certificate of attendance **until they complete their credits for graduation.**

- **Cross References and Legal References**

Additional edits have been made to this section

Director Cohen asked if any of these changes were substantive in terms of altering the student experience. No, they are not.

These revisions were presented for first reading and would be brought forward for recommended adoption at the Board’s August 2 regular meeting.

2022-2023 Preliminary Budget: General Fund

Presenters:

Jennifer A. Farmer, Assistant Superintendent

Mark Spangenberg, Director of Finance and Business Services

Ms. Farmer began by acknowledging the great work that had already been done by her predecessor Marla Miller, Superintendent Reyes, Mark Spangenberg and other district staff (as noted on slide 3 covering February through June).

The budget schedule is generally fixed and finite. A draft of the F195 state-mandated budget document must be submitted to the Puget Sound ESD by July 10 and it must be available for public review. The preliminary General Fund budget review was taking place at this meeting (the other funds were presented in June).

Notices of the public budget hearing (required by law) would be published the weeks of August 1 and August 8 and the budget hearing and subsequent authorization for the 2022-2023 fiscal year is scheduled for August 23. There would also be a budget update provided at the August 2 regular board meeting.

Priorities for the 2022-2023 General Fund budget include:

- Provide robust and inclusive instruction for each student in our schools
- Maintain safe, clean, welcoming environments for staff and students
- Ensure district values are embedded in budget and planning
- Continue to be nimble to a changing pandemic landscape
- Honor collective bargaining agreements
- Minimize impacts, where possible, within the system due to declining revenues and increased costs

Ms. Farmer reviewed the budget landscape in terms of the good news and also the challenges.

Good News

- Enrollment Stabilization dollars from State to support lost enrollment
- Robust state revenue
- ESSER dollars supported district through beginning of pandemic (have been spent wisely)
- Additional dollars for school supports from legislature (nursing, social workers, psychologists but nowhere close to the Shoreline model)

Challenges

- Declining enrollment
- Declining regionalization, -2% (equates to about 25% reduction over the effected years)
- 5.5% IPD is significantly funded by local levy
- Demographic changes within community (housing is very challenging for families; lower birth rate)
- 87% staffing costs
- Declined federal revenue for meal program

In reviewing a spreadsheet that compared five years of budgeted revenues and expenditures, Ms. Farmer noted that in every year but one (2018-2019), there was intentional or needed use of ending fund balance. Moving forward, she is hoping that doesn't happen until we can get to a point when we may potentially want to make some adjustments, using ending fund balance dollars. Also of note from the spreadsheet was that as enrollment has declined, the staff levels have not always adjusted in response. She also noted the significant increases in expenditures for teaching, teaching support and mandatory benefits.

Enrollment

- Preliminary budget assumptions based on a total of 8,901 FTE students
- Schools are now open for transfers K-12, district wide, depending on space and services available
- Enrollment projected to continue to decline
 - Pandemic student migration (most districts are experiencing this)
 - Home prices in the area
 - Declining birth rates

2022-2023 Preliminary Budget

Enrollment, K-12 FTE Total	8,901
Certificated Staff	601.25
Classified Staff	404.547
Revenue	\$157,518,079
Expenditures	\$168,042,857
Total Beginning Fund Balance, Estimated	\$11,525,707
Total Ending Fund Balance, Estimated	\$1,000,929

The ending fund balance is projected to be below 5% in preliminary budget but staff continue to work the budget to reduce expenditures, ensure accuracy to revenue projections. This is a significant change from what was brought to the Board in the spring. The revenues at that time were about \$5 million higher and the expenditures were lower.

Surrounding districts have various levels of ending fund balances, but generally were budgeted between 5-7%, with a few outliers, Lake Washington for one. It is difficult to compare after two years of COVID; most districts have been spending beyond their revenue to be and stay open for in-person instruction.

Fund balance is important for stability for several reasons:

- Apportionment is not paid in equal installments/cash flow
- Unexpected enrollment changes
- Unforeseen incidents

Next steps in the budget process include:

- Critical to verify and continue to refine revenue and expenditure data and finalize a budget prior to adoption in August
 - Educational Service District review of budget – earlier in the afternoon, staff were apprised that there were no big finds;
 - Resource review of budget - reviewed by Stephen Nielsen, well-respected consultant in our region and former Deputy Superintendent Miller
- Develop a plan to work with stakeholders on future budget direction and work that must occur to support fund balance
- Continually review budget and ensure it aligns with our strategic initiatives, goals and compass as a district

Mr. Spangenberg reported on the Safety Net Award of \$1.9 million; the effect of this award has been factored into the beginning fund balance for 2022-2023. Additionally, the enrollment stabilization funding was received in May and was reflected in the ending fund balance; however, accounting guidelines indicate that it should be reflected in the year in which it will be expended. The net is the same.

President Rivera asked if there was anything that could be done to change the structure of the regionalization factor, given that Shoreline's rate is the same as districts that are much further away from Seattle. Mr. Spangenberg responded that it is currently hardwired into the state's process; however, it was his understanding that there was some discussion about restudying the compensation factors. Ms. Farmer added that there were some legislative efforts focused in that direction as well. Legislative changes would need to take place during a session.

In response to Director Cohen's comment regarding her impression that the regionalization factor was going away entirely, Mr. Spangenberg confirmed that it was just being reduced.

Director Williams asked Ms. Farmer about her approach to getting community feedback, particularly during this time of budget constraints. Ms. Farmer responded that in an ideal world, we might have started a fairly lengthy process to bring a group together with invested staff. "The onramp to understanding all this is lengthy and people really need to be invested and present in the process so they can understand the numerous ways our revenue comes in and the restrictions around how we can spend it. For this year's budget when we have to move pretty quickly to complete on time, stakeholder surveys or perception information might be helpful. We could also have a more robust presence on our webpage about where our money goes and maybe some sort of voting tool that would indicate [stakeholder] priorities . . . Obviously, we want to work on thoughtful, available reductions that might be there and get feedback on those as opposed to an open wide forum. We'll try to attack it from those ways first of all. But if we can build knowledge with invested community members

quickly and get their insights as we move through this process, that would be terrific.” Mr. Spangenberg added that we put lots of good things into the budget with good thought, but unfortunately, we also have to deal with mathematical limitations in terms of the levy and with state revenues.

Director Betnel asked what happens if we have to use up the reserve at any point in the year. Mr. Spangenberg responded, that in the short term, it would most likely mean an interfund loan from the Capital Projects Fund (with interest) on an emergency basis. Ms. Farmer added that first actions will include reviewing enrollment when school starts in the fall and then determining the actual fund balance for 2021-2022. Each month, staff will be working tirelessly to ensure there is not a negative cash flow. Another option, as Mr. Spangenberg explained, is an apportionment loan, but the downside is that it would need to be repaid by June 30.

In answer to Director Betnel’s question about additional reductions, Ms. Farmer responded that we are looking to reduce another \$2 million to \$2.5 million from the 2022-2023 budget.

Director Cohen asked about the role of the Board in the upcoming months in terms of assisting in this process. Ms. Farmer responded that she hopes to see the continuing collaboration that she witnessed the Board providing this past spring and she felt that focusing on the Board’s and the District’s priorities was where their role was best served in order to inform staff as to where the budget priorities should be. “We can do anything within the law; we just can’t do everything.”

The Board and Superintendent Reyes warmly welcomed Ms. Farmer to the financial team and thanked her for her willingness to take on this difficult process.

Board Requested Discussion and Future Topics

Director Williams stated she would very much like to learn more about the acceptance of gifts, grants, donations process, possibly in a board retreat or study session.

Director Betnel asked about having a board conversation in the near future (August) around setting the Board’s legislative priorities for the next session. President Rivera stated she would follow up with Superintendent Reyes and Director Betnel on setting the date.

Action Items

None

Reports and Communications – Board Members, Superintendent

Director Betnel reported that she and Superintendent Reyes met with a variety of Shoreline stakeholders in a meeting convened by Representative Cindy Ryu regarding an anticipated development of a multi-use facility (including a youth center) on the east side of the district. She was invited to attend as the Board’s legislative rep.

Superintendent Reyes encouraged board members to stop by Summer School and visit classrooms—elementary at Meridian Park from 9:00-1:30 and secondary at Shorewood from 9:00-1:00. She was able to visit earlier in the day and very much enjoyed it.

Executive Session

None

Adjournment: 7:17 p.m.

Dr. Rebeca Rivera, School Board President

Attest: September 20, 2022

Dr. Susana Reyes, Secretary
Shoreline Board of Directors

All documents referenced in the minutes may be viewed in the Superintendent's Office during normal business hours.