

## **BOARD MEETING MINUTES**

March 21, 2023

### **Call to Order**

President Cohen 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 March 21, 2023. This meeting was also available to the community via Zoom.

### **Roll Call**

Sarah Cohen, President; Emily Williams, Vice-President; Sara Betnel, Member; Meghan Jernigan, Member; Rebeca Rivera, Member; Luke Smith, Shorecrest Student Representative; Helen Murphy, Shorewood Student Representative; and Esme Harkess, Shorewood Student Representative.

Absent: Lily Fredericks, Shorecrest Student Representative

### **Land Acknowledgement**

President Cohen provided a brief land acknowledgement.

### **Celebrations, Recognitions, Introductions and Gratitude**

#### **Oath of Office**

Superintendent Reyes administered the oath of office to Shorewood junior student representative, Esme Harkess.

#### **Musical Presentation of Passacaglia by Handel and Halvorsen**

Shorewood students Keiyu Mamiya and Misha Miropolskiy provided a stunning performance and received a standing ovation.

### **Agenda Review**

No changes

### **Comments from the Community**

The following individual spoke in person:

- 1) Dominic Groves, Shorecrest Parent – Can't remember the last time his daughter arrived at school on time, not because she's up all night on her phone, but because she is a teenager. The average teenager wants to go to bed around 2 a.m. Please move the high school start times topic forward; maybe a questionnaire would be helpful to start the process.

The following individual spoke over Zoom:

- 2) Maris Abelson, Parent – Thanked Dominic for his persistence on the topic of high school start times. It's a timely issue and should be brought up for discussion.

### **Approval of Minutes**

The minutes of the January 24 Regular Board Meeting and January 29 Study Session (School Board Retreat) had been submitted to the Board for review and approval.

MOTION NO. 33: Director Williams moved that the Board approve the minutes of the January 24 Regular Board Meeting and January 29 Study Session (School Board Retreat), as submitted. The motion was seconded by Director Rivera and carried unanimously.

### **Adoption of Consent Agenda**

President Cohen announced that the Board had an opportunity to ask questions on the consent agenda and have them answered prior to this meeting. Director Betnel requested that agenda item 7i, *Approval of School Year 2023-2024 Tuition Rates for Shoreline Children's Center Programs*, be pulled for further discussion. This was a result of receiving community input after board member questions had been submitted on this packet Monday morning. She stated that her understanding was that the Board was voting on tuition rates but that now it appeared they were also voting on program hour changes. The Board engaged in a lengthy discussion. The Edwin Pratt Early Learning Center had made some program hour changes in order to focus more fully on the inclusion instruction that takes place there. Families have been informed of the changes. The purpose of this action item was only to approve the tuition rates. The rates and the hours are comparable to other preschools in the area. This was confirmed through a text sent in from Director Hillery Clark. There was a discussion about tabling this item to a future meeting; however, after further discussion, there was consensus to move forward with the vote on the tuition rates. Additional information about the process would be shared in a future Friday Briefing.

The following consent agenda was presented for adoption:

- a. Adoption of Resolution 2023-3, Approval of Settlement in JUUL Litigation
- b. Adoption of District Instructional Materials Committee (DIMC) Recommendations
- c. Declaration of Surplus – District Furniture and Equipment – Authorization for Disposal
- d. Approval of Addendum #5 to the Educational Cooperative Agreement with Spokane Public Schools for 2023-2024 Shoreline Virtual Learning (SVL) Tuition Rates
- e. Approval of 2023-2024 Addendum to the Employment Agreement with Superintendent Susana Reyes
- f. Acceptance of Gifts, Grants, Donations
  - Shorewood High School - \$7,584.50 – Shorewood Boosters – Senior Activities for Class of 2023
- g. Elementary Schools Intercom System Upgrade – Approval of Final Acceptance
- h. Authority to Enter Into Contract with CDW-G for E-Rate Eligibility Networking Equipment
- i. Approval of School Year 2023-2024 Tuition Rates for Shoreline Children's Center Programs
- j. Approval of Extended Field Trips
- k. Approval of Personnel
  - 1) Certificated
  - 2) Classified
  - 3) Administrative
- l. Approval of Payroll and Vouchers

MOTION NO. 34: Director Rivera moved that the Board adopt the consent agenda, items 7a through 7l, which is attached hereto and becomes a part hereof. The motion was seconded by Director Jernigan and carried unanimously.

As of March 21, 2023, the Board, by a unanimous vote, approved for payment, those vouchers described as follows: February 2023 Payroll Warrants #448102-448133 and Electronic Transfers totaling \$12,572,807.84; Reconciliation of Warrants Issued Between February 24 and March 3, 2023 – General Fund Warrants #99495-99540, 99561-99656, and 222300595-222300603, totaling \$651,580.79; Capital Projects Fund Warrants #99541-99543 and 99657-99658, totaling \$100,420.04; and Student Body Fund Warrants #995440-99560, 99659-99713, and 222300604-222300612, totaling \$30,591.72; for a grand total of \$13,355,400.39.

### **Reports and Presentations**

Mid-Year Financial Update Including January and February Financial Report, February Forecast, Enrollment for February and March and Projections for 2023-2024

*Presenters:*

*Jennifer A. Farmer, Assistant Superintendent, Business and Operations*

*Mark Spangenberg, Director of Finance and Business Services*

Ms. Farmer announced that in the “interest of transparency and in continuing to explore our budget journey as we head into what will be necessary this spring, we wanted to provide the Board with a robust amount of information about how we’re performing fiscally this year and then transition into where we are in our process for next year.”

Mr. Spangenberg reported that overall enrollment has been growing slightly throughout the year. The forecast for the General Fund year-end fund balance has increased from the original budget of \$1,040,000 to \$3,334,613. The new formats of the monthly revenue and expenditure reports were shared as well as the traditional monthly enrollment reports for February and March. It was reported that this year’s Safety Net application is for \$2,800,000. Typically, the District receives somewhere between 87% and 93% of the application amount, which for this submission would be \$2,240,000. The District won’t know the confirmed award until June.

The full report can be found at: <https://app.eduportal.com/documents/view/861703>

The full meeting can be viewed at: <https://vimeo.com/810600053>

The current forecast vs. adopted budget for the ending fund balance for 2022-2023 is as follows:

	<b>2022-23 Adopted Budget</b>	<b>2022-23 Current Forecast</b>	<b>Current Forecast vs. Adopted Budget</b>
Beginning Fund Balance	\$11,526,000	\$11,526,000	
2021-22 Year End		\$688,639	+\$688,639
Total Beginning FB	\$11,526,000	\$12,214,639	+\$688,639
Revenues	\$155,928,000	\$159,733,809	+\$3,805,809
Tech Levy/Other Fin.	\$2,619,000	\$2,619,000	
Total Revenues	\$158,547,000	\$162,352,809	+\$3,805,809
Expenditures	\$169,033,000	\$171,232,835	(\$2,199,835)
Revenues/Less Exp	(\$10,486,000)	(\$8,880,025)	+\$1,605,975
Total Fund Balance	\$1,040,000	\$3,334,613	+\$2,294,613

In reviewing the General Fund Cash Flow Report as of February 28, 2023, Mr. Spangenberg highlighted that total expenditures are projected to be over \$171 million. Since this is over the budgeted amount of \$169 million, it is very likely that a budget extension will need to take place, possibly in July, in order to increase the total budget authority.

Ms. Farmer provided information about the independent financial review that the Board had requested. This review was performed by someone who has worked extensively in school finance and had just recently retired. For the current year, his report affirms and supports the fiscal work of the district finance team; there were no significant exceptions or disputes noted. For next year, he encourages that reductions be made over multiple years and affirms the urgency of the reduction process and targets. The report is available for review.

In summary, the current year has been reviewed by district staff and independent consultant with general consensus that this is an accurate representation of our financial condition, updated with what we now know

at the midpoint of the year. Washington Education Association has also conducted a review of our financial condition. Our staff have responded to the budget emergency to keep us on track overall; kudos to all who have restricted expenditures and a huge thanks to Student Services for a robust Safety Net application. We have significant budget work ahead to restore financial health and sustainability in Shoreline Public Schools, and this process will continue over future years.

Ms. Farmer shared two slides towards the end of the presentation, one outlining projected revenues for 2023-2024 and one outlining projected expenditures. For revenue, the current projected amount is \$170,443,047 (compared to \$158,547,000 for 2022-2023) and for expenditures, the current projected amount, without reductions is \$184,222,379 (compared to \$169,033,000 for 2022-2023). With the projected ending fund balance for 2022-23 of \$3,334,613, the projected deficit ending fund balance for 2023-2024 would be (\$10,444,719).

The presentation included four frequently asked questions and their answers.

*Question #1 Can the District lease or sell property to help with the budget problem?*

No, the sale of real property or long term lease proceeds must be deposited in the Capital Projects Fund or Debt Service Fund in accordance with state law. RCW 28A.335.060 which states in part:

*“Each school district’s board of directors shall deposit moneys derived from the lease, rental, or occasional use surplus school property as follows:*

*(1) Moneys derived from real property shall be deposited into the district’s debt service fund and/or capital projects fund, except for:*

*(a) Moneys required to be expended for general maintenance, utility, insurance costs, and any other costs associated with the lease or rental of such property, which moneys shall be deposited in the district’s general fund;”*

*Question #2 Can the District raise more revenue? Fundraise? Fees?*

Generally, no. In response to the McCleary lawsuit and ultimate resolution, the State limited the amount of money school districts can generate locally in order to attempt to limit funding disparities between districts. We can do limited fundraisers for specific things, or accept donations for specific schools/programs within limits. We can also raise fees for various endeavors like athletics, although those fees cannot significantly impact our budget deficit, and fees must be balanced to avoid loss of participation.

*Question #3 Can the District reduce administration? Travel?*

According to our comparisons, Shoreline is below average in administrative overhead costs. We have previously reduced administration by 5 FTE in the past few years. This area, like every other area in the district, is still under review for additional constriction.

As for travel, there are two kinds of travel charged to this activity. First, mileage between buildings for staff who travel, which is paid at the IRS mileage rate. Second is travel to conferences or meetings, which is frequently covered by grant monies. Travel was paused in July 2022 as we attempted to constrict expenditures this year. Travel accounts for 0.074% of the current budget.

*Question #4 Will the District close or consolidate a school for 2023-2024?*

No, we are not currently planning to close a school for this coming September. We believe this is a process that requires approximately a year or more to engage with the community and plan for properly. This is not off the table for 2024-2025. The estimated overhead for an elementary school is \$1.5 million currently, so this may be a future budget consideration. Pandemic recovery enrollment at elementary is a key factor to this decision.

Next steps:

- Continued review of programs/positions and meetings with partner associations to find/refine budget adjustments
- April 4 – Preliminary reduction list presented to the Board
- April 18 – Reduced Educational Program presented to the Board for discussion and approval
- April 19 – May 15 – Notice to affected staff
- July 10 – Draft budget complete and available for public review as required
- August – Board adoption of 2023-24 budget

Legislative Update

*Sara Betnel, School Board Legislative Representative, presented.*

Director Betnel provided a brief update on the current legislative session. This is the first week where bills are being heard in the opposite chamber of origin. The less preferable House special education bill (HB 1436) had a hearing but has not yet been scheduled for executive session. The next cutoff date is March 29, which is when bills must have made it out of the chamber's policy committee. The more preferable Senate bill (SB 5311) made it out of the policy committee on March 20; it will now move into appropriations. The remaining transportation bill is still alive and moves into a hearing on March 23. All of the dual credit bills are either getting a hearing or an executive session this week. The school meals bill, which is no longer being called the universal meals bill, passed out of its policy committee on March 20; it is focused on grades K-4. Initial budgets will begin to be released later in the week.

**Board Requested Discussion and Future Topics**

None

**Action Items**

None

**Reports and Communications – Board Members, Student Reps and Superintendent**

Student Rep Smith reported that the Shorecrest Talent Show was taking place that evening from 7-9 p.m.; Student Rep Fredericks was performing and couldn't be at this board meeting. A spring pep assembly would take place on Friday, March 24; daily Spirit Week activities would precede the assembly. ASB elections were continuing at Shorecrest.

Student Rep Murphy congratulated Esme Harkess for being selected as Shorewood's new junior rep. A sophomore had also been selected to serve as next year's junior rep. Upcoming activities include class officer elections and a multi-cultural night in April; this will be the first totally student-driven and designed event of its kind. Spring sports teams are off to a good start.

Director Betnel reported that she had been visiting staff at schools with President Cohen and Vice-President Williams and she very much appreciated staff taking the time to have these conversations.

President Cohen also commented on how much she appreciated the recent meetings in schools with staff. She is looking forward to having more.

Superintendent Reyes reminded the Board of a couple calendar items:

- Wednesday, March 29 @ Shorewood – WSSDA Regional Dinner Meeting, 6:00-8:00 p.m.
- Monday, April 10 – Joint Meeting w/Shoreline City Council, 5:45 p.m. @ City Hall

Upcoming activities in the District include spring sports, concerts, and musicals.

Regular Minutes – March 21, 2023

**Executive Session (if needed)**

None

Adjournment: 7:54 p.m.

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Dr. Sarah Cohen, School Board President

Attest: May 9, 2023

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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.**