

**DCSD School Board Meeting  
12-15-09**

Present: Ryan Stuart, John Carson, Douglas Benevento, Dan Gerken, Meghann Silverthorn, Clifton Stahl, and Justin Williams

**4:10-4:15 p.m.: Call to Order, Pledge**

1. Pledge of Allegiance
2. Acceptance of the agenda: accepted by voice vote
3. Motion moved and approved to accept the Mil Levy for the upcoming year, to be delivered to Elbert and Douglas Counties by close of business today (this is the reason this meeting was called to order at 4:00 instead of 5:00)

**4:15 PM: Board Decisions**

1. **Augenblick Report:** John Augenblick (Augenblick, Palaich, and Assoc.) and David Hart (DCSD CFO)
  - Augenblick, Palaich and Assoc. is a firm that was hired to examine the efficiency, revenue and expenditures of the district. Prepared a document to help the public understand the financial situation of the district. Used data collected by CDE and its national arm. Used 2003-04, 07-08, 08-09 data. Primary use of data is inter-district comparison and trends over time, precision is not the goal, more necessary to look at trends. Report looks at what “drives” a school district (three main components): (1) number of students (large districts spend less per student than small districts) (2) student needs: Special Education, “at-risk,” and ELL (3) inflation.
  - DCSD was compared in a 12-district group based on size and proximity, and 6-district group based on competition (competition for employees). Although DCSD has historically had a much higher increase in student growth, the district has not increased the number of its employees at the same rate as enrollment has grown. In other words, spending has slowed down in comparison to the rate at which the district is growing.
  - DCSD is found to be more efficient than other districts based on the fact that it employs fewer employees in several areas than other districts: librarians and media specialists, guidance counselors, school and district administrative support and instructional coordinators.
  - More in the following areas: teachers, instructional aides, and library and media support staff.
  - Salaries: slightly below the 6-district group average; benefits, in most cases, slightly higher than the 6-district average.
  - Per student spending for school admin and district admin, facilities and operations are lower than other districts.
  - Per student spending for transportation has been comparatively high.
  - Spending for instruction is slightly lower in per student terms and slightly higher in per weighted student terms (needs factors).

- Findings: fewer employees, pay less, benefits comparable, spending generally lower: from an efficiency perspective different and more efficient than other districts.
- Findings based on state revenue: Colorado is operated on a “Foundation” program. State determines what a district needs based on the conditions of the district. Need determined by: base cost per student (Amend. 23), adjustments made to base for small size, enrollment decline, inter-district cost-of-living, and at-risk students (free lunch + ELL). Additional (which is lacking) aid for Special Education and ELL.
- Local Support (county): very little control over this other than Mil Overrides, now allowable up to 25% (up from previous limit of 20%).
- Number of employees down relative to numbers of students. 07-08 numbers 124.1 people/1,000 students down to 105.7 people/1,000 students in 08-09
- 45.8 million in increase in revenue. Less than expenditures.
- Future: student needs in DCSD are changing. New accreditation system based on “growth” model. Harder standard to meet as a district. Already performing at a high level so it is hard to show improvement. Amendment 23 will be sun setting and the state will not be contributing the +1%. One year from now a negative cost of living with no 1% will greatly impact the district; property assessments have gone down, rescissions in 2010-2011 are forecasted to be even higher than this year. Spending based on: numbers of employees, benefits and transportation.
- **Questions from members of the Board:**

Stahl, would you say in comparison to the other districts we are outperforming. Answer: you look efficient in comparison to them. Mr. Benevento, no questions. Stuart, is there a lot more federal money going to other districts? Answer: yes, you are below other districts because of the money other districts get based on their student populations (at-risk, ELL, etc.). Carson, we receive less per student under the state formula, is that correct? Answer, yes. Carson, can you explain that? Answer: the state formula is designed to address needs, at-risk, ELL, etc. The opportunity to generate more local money has been opened up to 25% from 20% to enable the districts that receive less state money to be able to raise more money locally. If you were able to increase that through a Budget Election in a district with declining enrollment it would greatly benefit that district in the long run. Mr. Carson: are you (John Augenblick) going to work with us to use this model to help us address our needs? Answer: you spend less in some areas and that will allow you to benefit your district. My role is ending as of today, but you need to use this to find out how we can use this information to keep test scores up, etc. Gerken, no questions other than to comment on

such a bleak picture. Answer; there is not good news for your district as you go forward. Silverthorn, no questions. Williams, no questions. Stahl, can you address the concept of diminishing returns for the human element. How much can we ask of our employees until the “pencil breaks?” Answer: you are close to the limit of what you can ask of your employees without more resources. The performance curve and a change in the population make it very hard for DCSD to meet the “growth” model. It is set up for places that still have room to improve.

2. **Budget Oversight Committee:** Mr. Gerken deferred to David Hart to explain the make up of the committee. Hart: this type of committee would take the role of chartering a report such as the one we just heard. Community members can be involved. Mr. Gerken has been tapped to be involved in the budget condition of the district. At this point if the Board approves this we will get it up to speed with a plan. It is a Board committee so any membership will have to be approved by the Board. Mr. Carson asked David Hart for a proposal and Board language and who he wants to be on the committee to be brought to the next action meeting of the Board. Commissioner Repella would like to be on the committee. David Hart clarified that Mr. Stahl and Mr. Gerken will be the Board members on the committee.
3. **Transparency Initiative (Silverthorn):** Ms. Silverthorn explained that she sat down with Susan Meek (Communications Director) and Diane Doney (Executive Director of Business Services) to discuss the transparency initiative. Meek presented information from the “Public School Financial Transparency Act.” It involves free access to a website that allows districts to post information. Susan Meek showed the website (not “live” yet) that will be accessible through the DCSD Website. The plan is to roll it out after feedback from key communicators and others outside the district to see how user friendly it is. Mr. Carson asked what types of spending are shown, even down to a box of paperclips? Answer: Diane Doney answered that yes, all expenditures will be shown. Meek and Doney want to make sure this is easy, they don’t want to frustrate anyone with this. Big changes could still be made to accommodate ease of use. Mr. Stahl asked if there is any thought to include a FAQ section for such cases as people who want to know why so much money is spent on pizza? Answer: yes, there will be sections that offer explanations for expenditures.
4. **Performance Pay Initiative (Stuart):** Mr. Stuart gave credit to Brian Ewert (HR Director) and Brenda Smith (President, DCF) and Steve Herzog (Interim Superintendent) for working with him on this. The idea of the night is for Ewert and Smith to present where we are now with Performance Pay in preparation of moving forward with improving Performance Pay in the district. Ewert introduced himself and Smith to the new Board members. There will be three parts to Performance Pay Initiative: Part I “Historical Perspective and Current State, where have we been and what have we learned?” will be presented tonight. 1993-1994 Design Team in DCSD developed plan, 94-95 Differentiated Pay Plan implemented. Ewert and Smith

proceeded to give a very detailed description of all of the components of Performance Pay in DCSD (Outstanding Teacher, GIP, Skill Blocks, National Board, etc.). Mr. Carson suggested that the Board will need a lot more time to learn about this and asked to move it to a more extensive session. Ewert stated that they have about 16 more slides of information, but could skip through some of it in order to cover it all. **Questions:** Carson, Williams, no; Silverthorn, would like to learn more about GIP; Gerken, how many teachers participate or receive some sort of PFP pay?, slide shown again. Gerken, restated question for the average amount a teacher can make participating in PFP. Answer, 3-4 thousand. Gerken, met with superintendent of Harrison and asked if Ewert and Smith knew about their plan? Answer, yes aware of that plan. Stuart, “we have learned that there is a right way to change compensation and a wrong way...wrong way to go too fast without teacher input. We want to make sure we are deliberate, inclusive, and speak with the community at large. This won’t work without doing that.” Benevento, looking at the slide (slide included in presentation which shows how much an average teacher with a base pay of \$48,000 can increase their salary with PFP) of the average teacher and the difference is only 3,000 under the current plan. “Is that 3,000 enough Brenda?” Answer, when you look at the GIP and the results that are great (example: Sagewood) it is not adequate for the amount of work. Benevento, “are you comfortable with a merit pay system that sets a wide difference between the ranges for the teachers?” Answer, (Smith) for a system to be successful it can’t be an event (one test) but needs to be a range and ongoing process. CSAP’s creators even have said it is not intended to be used to determine pay. It is hard to base pay on a test that doesn’t come back for several months. Benevento, I would agree that it cannot be the sole factor. Answer, (Smith) the teachers in the audience have some great ideas on how to do this successfully with student growth data. Ewert, we are already evaluating teachers in five separate growth areas, we are poised to do the right things around teacher evaluation and pay. We need systems that can capture several factors; strong evaluations, PFP, and an ability to give on going tools for successful development of skills. Stahl, this is an opt in program, is there thought or discussion to make it not an opt in program. Ewert, I would suggest that there is the ability to have elements of both. Stahl, I am interested in what the term successful means, I will be focused on what does that mean and who does it mean it to. Ewert, whether or not a student is successful on CSAP is not how a distinguished teacher is defined, it is not all just about student achievement data. There is a much more grand picture around what happens in the classroom. We have teachers who are doing this well; we just need to capture it. Annette Fante (Assistant Superintendent of Learning Services) we have landed with a balanced score card, some things carry more or less weight. The idea of where we are “poised” is very appropriate for the expectations of the system and our community. We want to tee up with Augenblick’s assessment of the district. Ewert, we are on the gas, but tempering it with the brake to make sure this is a successful plan. Smith, we will be bringing in a lot of people to give their input. Gerken, when

you come back in January I want to see an analysis as to what extent seniority factors into one's pay.

5. **Government Relations Initiative (Benevento):** We will work with the district's lobbyist with respect to bills we will support or oppose. It will be about ½ a % of the bills out there. The lobbyist will discuss with us what he will be presenting and will seek our blessing on action bills; we need to decide if we do this with a resolution. A more important detail is when items are being worked out in the later days of the session in real time and how he is able to get blessing or direction on bills to represent the district's position. My initial reaction is that you need to trust your lobbyist and that they need the authority to make the decisions. If Board members are interested in testifying, we will work with the lobbyist to make this happen.
6. **Community Engagement with BOE (Stahl):** we as a community need to understand the limitations of our website. We would like to make it more interactive. Some of the discussions will take place with the Communications Department to change how interactions take place. With our desire to engage with the community, the logistics involved with moving the Board Meetings are not insurmountable but challenging. Carson, we are scheduled to meet at RCHS on the 19<sup>th</sup>. Is it still doable? Mr. Herzog mentioned the ability to maybe use town halls. Concerns can arise with needing 19 microphones that work. Mr. Stahl mentioned if our goal is community engagement is it to hold a meeting such as this or to break up into groups to meet with community. Carson, "I think we envision an hour of this meeting hearing from teachers and parents from that area."
7. **Superintendent Search Committee (Gerken):** I have met with Rick and Ellen and my recommendation is to continue to work with their firm, Hazard & Young. They are very knowledgeable. With a search firm you have the ability to find someone who may not be looking for the job, if you do it "in-house" you are limited to those looking at postings. I suggest we follow Rick's idea to attend public comment forums to hear what the community wants in a superintendent. Williams, agrees with these suggestions. Carson, if there is no plan B, we will proceed and keep with the decision to go with this firm for the search.
8. **STEM update:** Herzog, they continue to work through curriculum and enrollment and will update the Board through a written communication every two weeks.
9. **Governance of Board of Education Initiative (Stahl):** outside of policy governance there are a lot of different options, if I could get together with all of you (the Board) individually to figure out what you are looking for and what you don't like about policy governance. We have to decide if we just tweak what we have after the new members are up to speed.
10. Mr. Carson mentioned that Steve Herzog wanted him to address the group and make sure everyone is aware of what is being discussed by individual Board members with outside sources. Mr. Stahl agrees with the fact that everyone needs to be aware of what is being discussed. Mr. Carson feels there is no violation because nothing becomes policy until a report is given to the full

Board. Feels it is consistent with policy governance to allow Board members to work with groups and then report back to the Board as a whole. Mr. Stuart feels that they are acting as liaisons and not making decisions without the entire Board's understanding.

11. **Health Advisory Committee (Williams):** we are discovering that there is a lot of money that can be saved by making changes in the food we serve. Has been working with Andrew Sykes (Health at Work) on his ideas for saving money and improving things. Asked to have more time to work on this. Mr. Herzog mentioned that a committee is also working on the same types of things.
  - **Innovation Initiative:** Schools of Innovation Legislation (State Representative Carole Murray). Mr. Carson stated that the Board wants to have a strong relationship with the elected officials and will be hearing from them regularly. Mr. Carson also mentioned the Board's intent to bring in speakers or suppliers of this type on "innovation" on a regular basis. He mentioned that the Board will be hearing from PACE (Professional Organization of Colorado Educators) at the next meeting.
  - Murray, this model is a bottom up model that comes from the school that is then presented to the Board. Examples are the Boston Pilot Schools, in an intercity setting. These schools were 100% free lunch schools, but these ideas can be used everywhere. The defining characteristics of these pilot schools are their autonomy. Often times teachers are not ready for this type of innovation. They need to be accountable and need to achieve accountability measures. Schools of this type are personalized; an example of this is Castle View High School with their academies. These schools are "vision driven" and hire teachers who "buy into" the vision (60% need to agree to the innovative idea/system). The hiring piece is critical. One of the challenges of these schools is the ability of the principals to work with their own budgets, however DCSD is one of the only districts to institute site-based budgets, which lends itself to these schools. Low overall student/teacher loads are involved...it is not necessarily the number of students in each class but the amount they deal with each day. Longer instructional periods, CVHS is on a block schedule, which is different than the other schools in the district. Staff planning time to be controlled by the staff. A school in a "turn around" situation could benefit from this pilot idea. The time period that would need to be allowed would be at least 5-6 years. This idea has to come from the school itself. Questions: Stahl, you mentioned that innovation is good in any case.... we have some cool stuff happening at CVHS. There is a certain demographic that benefits from this, how do you feel this applies to a high performing district. Answer: an already high performing district can build on what they are doing well. Question: Stahl, you mentioned that 60% of the teachers have to buy in, what if 60% of parents don't want it? Answer: there is a community process involved, additionally open enrollment would deal with this too. Benevento, I will support your bill because it is a great idea. How is community involvement dictated in the bill? Answer: this is already a law, was passed in 2007. Mr. Carson, I didn't know it was a law either, there

has not been much discussion on it. Stuart, in the legislation you can waive a number of the state statutes but it also lists a number of reporting requirements. Is there any discussion of cutting down on the bureaucracy involved? Answer, from what I have heard there is a bill coming along that will work to eliminate some of these requirements. Stuart, I know that staff has done a tremendous amount of work on how it related to the Bond and Budget. Mr. Carson added that that is true. Mr. Herzog mentioned that they could re-present this to the new Board. Gerken, how does a student get into a pilot school? Answer, I do not know how they handle waiting lists. Gerken, governance? Who would sit on the governing body of the school? Answer, part of the formulation of the school is presented and approved by the board. Gerken, funding? Is it funded like the other schools? Answer, it is funded per pupil. Gerken, this decision to become a pilot school is completely staff driven? 60%? Answer, yes. Silverthorn, the bill states that the decision to become a pilot school is staff driven but if parts of the contract need to be adjusted to fit the idea? Answer, that is part of the plan that is presented. Waivers can be utilized. Williams, I wasn't aware this was a bill already but what are we thinking for this? Would we be building a new school? Answer: Mr. Gerken mentioned that if 60% of the staff has to make the decision it would need to be a school already in existence. Answer, we have great teachers in this district and I can see some of them taking advantage of this idea.

**8:00 p.m. Public Comment:** Mr. Carson mentioned the need for a closed executive session to be used if a member of the public would like to discuss a matter that might be sensitive in nature or deal with personal. No one came forward with a public comment.

**8:02 p.m.: Adoption of Consent Agenda, accepted by electronic vote**

**8:04 p.m.: Board Decisions II**

1. Elementary School #47 Boundary: presented by members of the Long Range Planning Sub-Committee. The Long Range Planning Committee allowed the sub committee to extend their discussion and research on the options for elementary 47. Several options were presented to the community and feedback from the community was gathered. The group explained the options and the Board voted to go with "Option D" electronically.
2. Interpretation of Executive Limitation 1.1.4; Proposed New Language for Superintendent Policy KHC: Susan Meek (Communications Director) and Darci Mohr (DCSD Staff Legal Counsel), the existing policy was put on the projector. The current policy prohibits any non-school related group from sending things home in Thursday/Take-Home Folders. Current policy deals with Back to School Night being left up to schools to decide who can be a part. Changed policy to include public entities and private not-for-profit groups. Question: Carson, what is the rationale of public entities? Answer, would be youth centered. Second piece deals with Back to School Nights and other school sponsored event activities and nights. This would open it up to

more groups, similar to the language that Jeffco has. Question: Stahl, based on this we could see political groups show up? Answer, yes. Stahl and Carson, why? Answer, to model it after Jeffco but there are limits that can be put in place that allows the principal some control. If the Board is not interested in opening it up to all groups it could be limited like the language is for the Thursday/Take Home Folders. Stahl, so it could be limited to school centered activities like the folders? Answer, yes. Stahl, I am all for that. Question: Silverthorn, what if a group is political in nature but is sponsored by students? Carson, if that is the case it is tied to students. Stahl, if it is a student group it is tied to the school. Benevento, if we going to open it up let's open it up and say we are comfortable with having political groups there. Stahl, if the "Church of Satan" wanted to set up a table? Benevento, if the "Church of Satan" shows up then we would say no and then they could sue us. Silverthorn, the language states "shall" not "may". Stahl, then we are going down the same road we have already been down. Stahl, Dick Bump (DCSD Board Legal Counsel) was asked if that is the case. Bump, if this language is allowed then it would open up to other groups. Benevento, if the "Church of Satan" showed up we could litigate it. Stahl, if we have it mirror the language for the folders it would limit to student centered. Williams, United Heath Care gave us money to put a sticker on the pedometers. If we limit this it may limit those types of things. Carson, we can divide this into parts and revise the second part dealing with groups coming into the schools. My intent was not to open this up to broad community groups. Benevento, we cannot make decisions based on hypothetical extremes. Stahl, I would rather it focus on youth centered. Carson, beyond limiting it to the youth focus I wouldn't limit it beyond that. Stuart, my suggestion is to make it the same as the folder policy. Stuart, we might need you to come back? Gerken, offered a motion to pass part one (folder language) and come back for part two. Stahl, the superintendent can come with a monitoring report on how they handled it. There is no need for action. Carson, we are being asked tonight to vote on what the superintendent has come up with. Stuart, do we vote on superintendent policy? Mohr, no. Herzog, we will come back to you with both parts at a later date. Williams, if we get rid of policy governance we will have seven separate CEO's and will have a hard time finding a superintend that would want to come to this district.

3. **Superintendent Search Consultant firm:** Ellen Bartlett and Rick O'Connell. Need a two-hour working session with the Board to set this in motion. Most searches take 4 months. 60-90 days of advertisement time. Need to recruit during that time period. Need an idea of who you want us to meet with (groups, individuals)...two week block. Posting and presentation to you as a Board. Need to get on this right away because time is of the essence. We will be available for most of the times you have open. We need to get started immediately. Two hour meeting set up for the firm to meet with the entire Board.
4. **North Star Academy Update:** Carson, the first time in the state of Colorado that this type of financing has been made available for a charter school.

- **Board Member Committee “Assignments”**
- District Advisory Committee: Silverthorn
- Long Ranch Planning Committee: Benevento
- Colorado Association of School Boards: Benevento; Williams, on the campaign trail you made comments about CASB so I am wondering what your thoughts are on CASB. Benevento, we are paid to the rest of the year.
- Rocky Mountain School of Expeditionary Learning: Stuart if time of meeting can be changed.
- Letter to the employees of the DCSD with all signatures via email to be sent out tomorrow (12-16-09).

**9:17 p.m. Work Session I, Steve Herzog (interim superintendent)**

1. budget cuts at the state of 25 million. Extra 5-15 million more because of proposed decision by the governor. DCSD looking at total reduction of 35 million on the low end. With possible incremental increases up to 40-45 million.
2. How did we get here? Student growth slowed significantly, Colorado budget shortfall, failure of 08 Bond and Budget, Amendment 23 not fully funded.
3. What we know: Ingredients to success. Teacher in the classroom is the biggest indicator of learning. Development of effective instructors and school leaders. Compensate competitively to attract and retain. 21<sup>st</sup> century tools, innovation.
4. Bond Fund money to go away. Roughly 30 employees are paid by bond money that will no longer be there. Some extra bond money will have to be applied elsewhere.
5. Heading into cuts: Asked all departments to look at 6%, 8%, 10% reductions.
6. **Proposed Cuts** (these are cuts that have been proposed by different departments within the district)
  - a. : Site Based Budget reductions of \$200 per pupil, ratio changes in SBB in AP, Heath assistance, counselors, vol. coordinators = 1.5 mill
  - b. Programming changes: ed Tech Info Literacy (ETIL) Supplement =650,000
  - c. Sped model redesign =1.5 mill
  - d. eDCSD model redesign = 200,000 (looking at cost neutral design)
  - e. Schedule “A” Reductions (\$20 fee increase, fewer coaching allocations) = 1 mill
  - f. Capital Reserve Reductions (defer maintenance on buildings) = 3 mill
  - g. 8 schools move off 4 track = 1 mill
  - h. Carryover 09-10 savings all year long (frozen spending) = 3 mill
  - i. Admin/pro/tech PFP suspension = 700,000
  - j. Eliminate secondary SRO Program = 500,000
  - k. Innovation and Development reduction = 500,000 (’06 override)
  - l. Utility setbacks (less schools in operation over summer) = 200,000
  - m. Reduction of travel and mileage reimbursement = 200,000
  - n. Telephone and blackberries (reduce or eliminate) = 250,000

**Negotiated Items: (these are proposed cuts that are negotiated items between DCSD and its unions)**

- salary freeze for all employees 2010-2011 = 6,300,000
- modify benefit contributions = 1.5 mill
- furlough days all employees (1 day = 1,300,000)
- reduction of required licensed positions (i.e. licensed librarians) = 800,000
- extended contract days (reduce) built into contract = 800,000
- Elementary Planning Time Grant (suspend) = 900,000
- secondary instructional minutes/student load (modify) = 3,250,000
- classified and ATU Performance Pay (suspend) = 800,000
- further reductions to SBB through contracted out services
- multiple furlough days
- further reductions to Innovation and Development Fund
- RTI, Career and Tech Ed, IB, Reading Recovery
- Fees: athletics participation fee increase = 500,000
- ITS Fee (25\$) = 1.3 mill
- Transportation fee \$100 per rider per year = 1.5 mill
- Increase rental fees = 100,000
- Sell capital assets (feasibility study)

7. Timeline: January 2010 feedback from principals

\*Notes taken by Courtney Smith, DCF Office: [Courtney.smith@dcsdk12.org](mailto:Courtney.smith@dcsdk12.org) if you have any questions on the content of the notes feel free to contact her.

10:45: adjournment