

**DCSD School Board Meeting
1-5-10**

Present: Ryan Stuart, John Carson, Douglas Benevento, Dan Gerken, Clifton Stahl, Justin Williams, and Meghann Silverthorn (not present at roll call but present for closed session)

5:08 p.m.: Call to Order, Pledge

* Assurances were made by Board President John Carson that the meeting will be ending at 9:30 p.m. He will be cutting people off if their presentations or delivery of information go too long in order to honor an adjournment of 9:30. Apologized in advance for the possibility of cutting people short.

1. Roll Call: Carson, Benevento, Gerken, Stahl, Stuart, and Williams.
2. Pledge of Allegiance
3. Voice vote taken to approve a move into a closed Executive Session: issues to be dealt with in the closed session include real estate (acquisition of personal property), legal issues, Board member conflict of interest, public meetings, public records
4. 6:17 p.m. conclusion of closed session

6:17 – 7:20 p.m.: Presentation on Learning, Achieving and Competing by Annette Fante (Assistant Superintendent of Learning Services)

1. Stahl: how are our end statements aligned with what you see as being “achievable” by our district? Fante: sometimes the language of the Board or District Administration is not the same as what you hear in the classroom. We want to give the classrooms/schools a lot of autonomy on how to achieve our end statements. Some schools may differ on how they interpret policy and how they implement, “or get there.” There is a lot of thinking and decision making in our schools....for example with the achievement gap. We need to define gap as not how people typically think about it, not just under achievement, but also as how a gifted child shows growth. There are a lot of things we want out of a public school system in the area of a “Liberal Arts” education, there are a lot of wants but at each area/level there are financial conversations that have to take place. We are very proud of our achievements, while that doesn’t mean that all students are achieving where we want them to, but what we are able to do versus what we want to do has to be mitigated. Benevento: when you talk about an achievement gap....I have been looking at CSAP scores in Math. In 3rd grade, 81% of students are proficient but by 10th grade, ½ that amount are proficient...what is going on there? Fante: that is a good question, but your read on that information is not necessarily correct. What a student has to know to be proficient in the 3rd grade is not what they need to know in 10th grade. In math, on CSAP, there has been an ongoing struggle. We would be happy to have staff come back and give more information on math. Benevento: I would be interested in hearing why 43% is good? Fante: I didn’t say it was good. Benevento: you did indicate that my reading was not correct. Something appears to be lost over time. Fante: the cohort groups are pretty close to the same over the years. However, under CSAP, it is expected that by 10th grade students have taken courses they have not taken yet and there is an issue of curriculum alignment, which leads to those types of

results. Benevento: My question is how does that information weigh in to what the district is doing? Fante: one of the things that has been done to target improvement in math is we have taken resource money to help the middle grades “catch up” by high school. Benevento: I would be interested in hearing more. Fante: I would like to involve others that are working on middle level intervention in math share information.

2. Presentation broken down into three sections: Schools and Students; Programs, Choices and Options; Accreditation and achievement
 - Schools and Students: Fante broke down kinds of schools and enrollment type. Open enrollment requests at the elementary level exceed the secondary level. Benevento: (visited Stone Mountain Elementary), the principal shared the logistical problems with open enrollment and how funding is dealt with staffing, etc. Fante: when the central office looks at trends for the next school year an initial projection is given to the school. Revisions are made before a final budget is given to the site, based on anticipated growth, etc. Benevento: it struck me as a burden mainly on the elementary principals. Steve Herzog: I can speak to this as a former principal. Knowing that your staffing is going to be fixed, some “empty” seats are saved and a denial of some open enrollment requests occurs, even though it appears that you have open seats. With a tight budget staffing is so tight it is not possible to move staff around to deal with actual numbers after the October count. Fante: our “economy of scale” has changed and it is not possible to move staff around at that point. You are not going to pull staff from those schools at that point. The overall impact is felt on the receiving school. Herzog: we used to be able to rely on a “level two pool of staff,” but as we have become tighter on budget we have gone to site-based budgeting and if ones or twos are coming from one school to another you are not able to move staff. Additionally, we have not done that historically because of disruption to classrooms. Fante: the goal of open enrollment is for families to be able to have students attend the school they want them to attend. There is not as much wiggle room in an elementary as in the secondary level with multiple sections of classes.
 - Programs, Choices and Options: there are 13 different disability categories. Child Find is a diagnostic team that works with families as early as birth. Qualifying three year olds are allowed into preschool whenever they turn three, even if it is in the middle of the year. 80 languages are spoken in the district. There are Gifted and Talented programs in the k-8 and magnet schools. Fante: asked for questions on this. Stahl: it is amazing that this board discusses choice with 6% of students but 8% of our students are in poverty (one of the power point slides indicated 8% poverty in Douglas County) and we have no discussion on poverty. Fante: our most reliable resource is Child Find to deal with this. Over the last two years Learning Services has provided presentations to the Board around poverty and levels of need and the fact that we qualify for CPP (Colorado Preschool Program). Stahl: it seems to be a growing trend in this district. Fante: it is. If we don’t get on top of it now before it gets worse our level of achievement will be impacted. We do a good job on teacher development with the AFT (American

Federation of Teachers) in mathematics, etc. around increasing student achievement. Stahl: I am curious to see how we “watch the ball.” Fante: one of the areas we asked to “hold harmless” from budget cuts, is in the areas around what we do for struggling kids and in the gifted areas. It is millions of dollars, but we want to continue holding it in the maintenance mode.

Silverthorn: I had a question in the area of providing help starting at birth. How do you make those services known to the general public? Fante: it is a very inter-governmental approach with social services, etc. Child Find is the diagnostic team that a family can engage with early on if they see delays. It can come from a parent calling us directly or through community services. Preschool deals with transition of children from private preschools. We have the ability to assess very young children at the Renaissance facility. Carson: we are not voting tonight, but I want to say to the Board to think about where you would like to see information from...budget, goals for 2010 and be thinking in these categories of what you would like to address, graduation, choice, open enrollment, etc. I want to make sure all of the members are engaged. I have a question on how we fund charter schools so it might be better suited for the finance portion. Stahl: do we have a waitlist for full-day kindergarten? Fante: we are providing full-day kindergarten; it is function of how we build our building prototype that doesn't allow for more. Herzog: one of the requirements is a restroom in the room, which limits the space. Fante: there is licensure to be considered also. If we had more “room’ for full-day we would fill it. When we talk about the pressure points of elementary...the desire to put more into elementary education comes with a conversation of what to take out. There is not a lot of wiggle room in the elementary day. By contract, the language of the teachers load is up to 28 kids without “additional support,” intermediate up to 32 without “additional support.” If you want primary at 23 then other classes have to be bumped higher. If you want a science class at the elementary level you may need to bump up the size of other classes in order to do that, which is within the purview of the building. We have examples of school-wide innovation such as CRE School of science and inquiry. Elementary choice schools charter and magnet. Middle Schools: 6th grade in middle school in the RCHS, LHS, and PHS Feeders. Quick run through of middle school programs and courses. High School Education...(link given to the Board to the PHS Academic Course Guide). All of the school's academic guides are in revision and some are not ready and up on their websites. I would like the board to take a look at the four-year planning guide we ask students and parents to complete based on certain pathways, etc. which shows the possible course of study. Choice programs IB, AP, Honors, DC Support Center, etc. particular focus on post-secondary readiness. Dual enrollment on our high school campuses instead of having to leave their campus as they used to. We have to follow higher ed guidelines. Stahl: do class sizes change relative to content...for example 200 in our college course? Fante: they vary in all fields of study. Stahl: they are pretty core in nature: Fante: core and elective. There are guaranteed transfer courses that has credits that transfer to a higher ed institution. We were

credited with distinction in post secondary education and attribute that to work in dual enrollment and career and tech ed, not just at LHS but also across all of our high schools. We are trying to coordinate our schedules so students can move around to take part in another dual enrollment course somewhere else in the district. The opening of campus allowed greater flexibility in taking part in programming. We need to look not only at what we offer but how we perform.

- Accreditation and Achievement: Fante: this area is what are we pleased with. CDE School View.org. Colorado growth model: website not able to be loaded to show the Board and audience.

7:38 p.m. School Finance: Steve Herzog (Interim Superintendent) and David Hart (DCSD CFO)

- Severe Fiscal Crisis, unprecedented revenue shortfalls
 - Able to keep bond rating because of ability to correct for changing forecasts and plan accordingly, tax payer support of mission
 - Employee relations
 - Status of contracts: over 80% ratification of employee contracts even in the face of a salary freeze and changing workforce. Negotiations with the teachers start next week look. Budget cuts are estimated to be between 30 and 40 million and some of the changes will be discussed in contract negotiations.
 - Performance pay discussions,
 - ESA (Early Separation Agreement), return to pay off in 2011, took out line of credit to pay upfront
 - HAS (Health Savings Account), consumer driven plan. Early trends showing it is a success
 - All of this is indicative of our positive relationships with the DCF (Douglas County Federation) and ATU (Amalgamated Transit Union)
1. External Stakeholders
 - Establish a Fiscal Oversight Committee
 - Enhance local affairs and relationships with government entities
 - Develop broader community relationships
 - Charter schools, fiscal challenges all of us will be facing. We have worked with the League of Charter Schools on the future of bond initiatives
 2. Student Achievement
 - Learning goals
 - Herzog: questions? None.
 3. Growth: almost doubling since 1997
 4. Factors contributing to budget challenges:
 - Enrollment changes
 - Inflation lower than budgetary estimates, use state CPI (Consumer Price Index) and what the state said would happen didn't always happen
 - State equalization revisions: after January 20th will be a permanent revision
 - Compensation philosophy: have been in the habit of paying out more than was taken in to stay competitive with neighboring districts....would spend down fund balance with understanding of a successful override election (same

as what other districts do). Over the last few years we have not done this and have not spent more than state brought in.

- Medical self-insurance funding: ongoing over spending from budget by millions. Kudos to our employees after meetings voted over 80% to move to this plan
 - Current and future PERA (Public Employees' Retirement Association) increases: if taken from compensation or fund balance either way it has an impact.
 - Failure of Fixed-Mill Levy Override and Bond Election in 2008. Attempted to fix the mills and would not have had to go back to the voters so many times. If it had passed it would have helped with current budget crisis. Bond would have allowed us to provide additional space to our students.
 - The history of the district is one of spending down a fund balance, which is what most districts do.
 - Reductions made beginning in '07. In addition to this we will need to contribute to the state's budget problems.
 - 290 total positions eliminated over last two years. Also aggressive savings on utilities and Administrators and Pro-Tec Pay For Performance.
 - Going forward our compensation philosophy has changed:
 - Change in Fund Balance Policy (5%) held by the Board.
 - Site-Based Budgeting instituted last year to allow sites and feeders to decide what to eliminate or reduce
 - Open campus in high schools: surprise was the lack of unhappiness from community
 - Lowered Graduation Requirements from 25.5 to 24 credits
 - Service Level Appraisal: Eliminate, Reduce or Redesign (to be addressed in next presentation)
 - Herzog: questions? Carson: I was not aware that the savings were so large from the move to open campus because I was not in support of that. Herzog: the savings are a combination of open campus and decreased graduation requirements. Carson: did we do actual studies on that savings? I know of a few districts that have done the opposite (gone from open to closed). Herzog: I only know of Aurora doing that and it was largely around truancy. We have not done a formal study around community perception, but principals have not had a lot of negative feedback. The only negative feedback early on was around fast food and grocery stores that are located close to schools. We have not seen what Aurora has seen with kids not coming back from lunch. I will defer to Annett or David if they have heard negatives. Fante: anecdotally there was great "hoopla" from the students early in the year to leave for lunch. When they learned how expensive it was to eat off campus the novelty has worn off and the numbers are dropping. Carson: well seniors have always had open campus before this anyway. Stahl: is there any information around increased truancy or attendance problems. Fante: I am not aware of any data indicating this yet.
5. Hart: Continued population growth has moderated debt levels in the past. However, now we will need voter authorization to change our situation. Carson: I had coffee

with Terry Casey of RBC (Royal Bank of Canada), when you factor in the retirement of debt we can go forward and ask voters to approval of an annual override that fits within the existing mil rate without raising the tax rate. You are still raising taxes but not the rate. Hart: it is fair to say we are not far removed from 2006 but light years away when you consider assessed evaluations. We have seen a decline of over 7% in commercial evaluations. It is not inconceivable that we could have to increase the mills just to maintain in the near future. The state's Dec. 18th report was of 5% this year (2010). It is a true, regarding the methodology that you spoke of, but the underling issues make it a different scenario. Our "tax bill" has remained flat or has fallen for single-family homes. On a county basis we are leading the state in "median family income" and are at two times the state median. In regard to property taxes as a % of home value we have dropped and flattened out. Flattening out of home value is a function of constant debt. Carson: can we live with flat home value? Hart: at this point it is of no consequence to us but disastrous to the state. A flat home value and no inflation means the..... Carson: it is all over the news wires that Ritter is not running for reelection. Gerken: is there any light at the end of the tunnel? To retire outstanding debt helps. Hart: it is two separate things. Gerken: you have lower payments if a bond is retired. You could re-raise some more capitol. Hart: for all of your capitol expenditures you are shifted into a pay as you go basis. Gerken: maybe you keep the override % without raising money and instead of applying to bonds you apply to operating expenses of the district. Hart: we had an expectation of pupil growth and money from Amendment 23 and local support of voters. Growth has stalled. Growth has not improved and we anticipate that our forecast of 1,000 new students will be "ratcheted" down even further. We remain the 3rd largest school district, and remain very entrenched as the lowest funded district in the metro area. At this point we have fallen \$500/pupil below Jeffco. Carson: do those numbers include HOPE? Hart: no. Williams: DPS received stimulus money? Hart: yes. Gerken: do we have any hope for "Race to the Top" money? Herzog: we will have a better idea by Saturday. Hart: I will just tell you, no. The state is losing the political fight for the money. Williams: we have a state lobbyist; do we have a federal one? Does DPS? Hart: these situations are unprecedented. The Denver Post said that we have not seen a decade like this since 1930. They do not expect a quick recovery. Fante: a conservative estimate of "race to the top" money that might come into our state might run 150 million dollars. However, the concern of the state is a bill that passed in 2008 that provides for early childhood and K-12 education. If the state were to "win" any "race to the top" money it would most likely go towards following becoming compliant with that law. Hart: state forecasts for 2011/2012 are at 5.2 billion dollars. K-12 education represents 43% (8% of that is DCSD's share). January 27th the state will release forecast for 9/10. February 15th release 10/11. DCSD set aside 1.93% in anticipation of a revision and around 5 million additional in a contingency. All CFO's in Front Range districts are anticipating 260 million for next year, but this number is growing. This year's amount is 400 million. There is a belief that additional money will be lost. Amendment 23 has various requirements about the state's funding.....Carson: we need to move on. Hart: let me take you to one more slide (slide showed four-year cycle of 30 million in reductions).

8:42 Charter School information: Herzog and Hart

- At the time of the 2003 override election an agreement was crafted between the Board and charter schools to share the override with “no strings attached.” Goal of this was to deal with the costs bourn by a charter school in return for their ability to alleviate overcrowding in the district. 2006 override agreement was that all students (charter and not) received \$60.00/pupil funding. All get \$96.49 and next year \$93.73. 2008 mil levy question would have done a flat pro rata. Carson: here is my quick summary. The total override we get /pupil is just under \$700.00. We get 7,000 from the state and 700 from overrides. The best scenario for a charter school is they get 350 of that per pupil and worst is zero. North Star and newer ones get nothing. Hart: the charters of this year receive \$200 less. Carson: I won’t belabor the point, it is an issue that needs to be addressed. If we are going to continue to authorize charter schools we cannot expect them to operate with 0% override money. The Board needs to digest the data and have a philosophical discussion. Hart: the 2008 override would have fixed the mils.

8:53 p.m. Transportation Overview: Steve Herzog, Bill Moffitt (Director of Facilities Management), Paul Balon (Director of Transportation)

- Herzog: middle and high bussed together saved \$1.052 million
- 38 routes eliminated saved 2.24 million (58,900 per 3 tier route—three total routes: elementary, middle, high) started with 44 routes eliminated and went down to 38 routes after community feedback about stop changes.
- Cost per mile is lowest of comparative front range school districts
- Special Education busing costs \$8,685/student versus \$756/ regular education students
- Quick run through of concept of corridor and magnet stops (if you would like more detail on this contact the note taker, contact information is at the bottom of the notes).
- Privatized parts department in transportation. Working extensively with county in identifying safe walking corridors.
- Questions: Carson: I want to thank Bill, Steve and Paul for all of the work you did. We need to look at this area as a Board and where we want to go in the long run on Saturday. I think we should have a comprehensive system but build in fees. With our budget we need to look at making tough decisions. As you mentioned the privatization of parts, we need to look long term at privatization going forward and involve community in that. Herzog: a fee of \$100 seemed to be the “threshold” amount that parents would be willing to pay per child to ride the bus. That equates to roughly 30 cents/day. When we research other districts there is a possibility of a reduction in ridership, this may be alleviated with the wealth of our community, however you need to factor in the possible loss of ridership. When we made these changes last summer many times parents said just charge me a fee.... anecdotally it was mostly in the rural areas like Cherry Valley. One dad felt he would be willing to pay \$200/child when he figured out the cost of transporting his children into the school.

9:10 p.m. Contract Services: Steve Herzog, Bill Moffitt (Director of Facilities Management), Paul Balon (Director of Transportation)

- In area of transportation, the three or four bus companies that provide transportation to school districts are all owned by Laidlaw Bus Line. Therefore, we are concerned they have eliminated competition.
- Custodial, 10 companies are providing contracted custodial services. 71% of facility cleaning is contracted with a 25-30 % savings over “in-house” services. When looking at pure costs, the number is closer to 40% savings because of supervision. Last year aggressively contracted out grounds: 4 different companies used for grounds. Some of the savings comes from maintenance and assumption of risk insurance by contract company. Stewart: if we are saving 40% why are we only contracting out 71% of custodial? Herzog: because there is so much usage and activities in secondary buildings. Our district employees act as pseudo security to prevent theft and issues when buildings are in use. However, we are looking through attrition to expand this. ITS uses a lot of contracting. We don’t own our own data center. Copying machines and some software has been contracted out. Concerned about going any further in grounds. Other areas to look at: nutrition, there is a lot of competition between companies, preventative maintenance, hardware repair (Dell and Mac) we get paid back for servicing our own, print services. When looking at transportation there is a concern because of lack of competition and a concern with the disposal of the capitol asset (the busses themselves). We could never replace and own our own again. We want to study this over the next year, but are committed to looking at the feasibility.
- Benefits and challenges: (Herzog) lose some control, public worried about who is on our campuses; however, contracting may be more of a need with the increase in PERA costs. We can’t be market competitive on wages and continue to increase pay into PERA. Need to get some support from professionals in these areas and create a RFP (Request for Proposal). Intent to start looking in some of these areas. Questions: (Gerken) does PERA go from 20% to 28%? (this will start 2013, which is part of proposed PERA legislation) Hart: if you factor in the employee contribution of 8%. May index COLA (cost of living adjustment) to market returns. The plans 2+2+2 (2% employer, 2% employee) the third 2 would be indexed with market returns. Gerken: are a lot of those changes brought about by market losses? Hart: based on actuarial increases. Silverthorn: the grounds seemed to be where you are reluctant to go further. Is that true? Herzog: we have a small team. Silverthorn: I am aware. Moffitt: as we lessen the staff we have, work “bleeds” into other areas and those employees are asked to do more.

9:25 p.m. Community Engagement: Susan Meek, DCSD Communications

- Vision Statement has not changed from its original version
- The office is looking at communicating more directly to stakeholders. Questions? Carson: there are two main areas we want to communicate out, superintendent search and budget. Your presence in those two hours (at the special Board Meeting on Saturday 1-9-10) will be valuable. Herzog: I would ask that the Board look at the budget information before Saturday. We want to look at where and how we will move forward.
- There are goals and key messages that need to align with the decisions that are made as the district moves forward.

- Community engagement and movement of the Board meetings around the district. Some outstanding issues with the RCHS date. Do we want to start at 5:00 or 6:00? Carson: I have asked Brenda Smith to come up with teachers from RCHS Feeder on the issues of importance to them and the other ½ hour would be community impute. I would suggest our regular meeting run from 5-7 and community engagement from 7-8. Stahl: is a ½ hour enough? Carson: the teacher presentation will be pretty well organized, with 3 about teachers presenting their issues. Meek: do you envision a back and forth dialogue or the regular public forum format? Carson: a dialogue. We should plan on community engagement and teacher presentations. Meek: if you have a large group how would you like to focus the engagement? Would you envision break out discussions? Carson: I think the Superintendent discussion would look that way not a Board meeting. Stewart: I was looking at the PA bid and it seemed excessive. Are the high schools not equipped with a PA system? Meek: Nona Eichelberger has done most of the research on this...we discovered no two schools are the same in what equipment they have because of site-based budgets. We would need some portable equipment to hook into their system. We looked into someone helping us set it up. A portable system could be as high as \$20,000. Bids on rentals run \$800-\$1,000 per meeting. Nona: we need to be able to record the meeting because of legal parameters. Carson: o.k., do we would need to rent for the first meeting? Gerken: we did the candidate forums and we had one wireless mike for two people, how is that not sufficient? If we needed to we could borrow a system from a building with a good system. Herzog: RCHS should work for the next meeting. Carson: we are not proposing for the first meeting to go with the high cost. Is everyone o.k. with Nona working with what we have. Gerken: the cost of a portable would be \$800.00? Eichelberger: yes, that is one of the options. Benevento: if you have 600 people showing up microphones are necessary. If we get 100 coming in and out we can talk without a microphone. We need to try this out. Gerken: I agree with Doug. Meek: will meet with local papers for advertisement.

***No public comment was asked for at this meeting.**

Adjournment: 9:46 p.m.

- Carson: discussed the plans for Saturday's meeting to be held at Wilcox.

*Notes taken by Courtney Smith, DCF Office: Courtney.smith@dcsdk12.org. If you have any questions on the content of the notes feel free to contact her.