Attendees: Dr. Paul Gausman, Directors Perla Alarcon-Flory, David Gleiser, Paul Gorski, Mike Krysl, Dr. Mike McTaggart, John Meyers, and Jackie Warnstadt. Cabinet Members; Alison Benson, Kathy Bottaro, Brian Burnight, Dr. Kim Buryanek, Dr. John Chalstrom, Brian Fahrendholz, Jen Gomez, Kim Neal, Jim Vanderloo, Dr. Rita Vannatta, and Kari Webb, and Cyndi Lloyd

Guests / Visitors: Ray Rowe, Ralph Guenther, Jeff Brown, Ron Keleher, Mike Schmidt (Unity Point), Tammy DeRocher (Unity Point), an Unknown Nurse (Unity Point), Bruce Lear, Tammy DeRocher, Mary Mason, Nancy Treft, and an Unknown Gentleman,

Dr. Gausman stated the work session, at the request of the Board, is to discuss the District’s FY17 Budget.

I. Call to Order – President Krysl

President Krysl called the Board Work Session to order at 2:00 p.m. He stated this work session is for further development of the District’s FY17 Budget. He noted that this is a meeting held in public, not a public meeting. There will be 2 opportunities for public input on March 14th and March 29th. The administrative team will share information, allow some time for questions or comments, and asked the Board to provide the administration with how to proceed in order to certify the budget.

II. Review of Spending Authority Challenge – Dr. John Chalstrom, Dr. Paul Gausman

A. Size, History, and Scope of Challenge
B. Future Projections for Spending Authority in the SCCSD

Dr. Gausman reminded everyone that this meeting is being recorded, and asked that everyone speak up when talking so everyone can hear. He provided a brief overview of how today’s meeting will transpire.

Dr. Chalstrom presented data and information based off the District’s Strategic Plan. He projected a chart highlighting what impact it will have on the District if they do not make any reductions. By not making reductions, the District would be under a Plan of Correction by the SBRC, which could amount to mandated reductions in the amount of $15M in FY18.

III. General Fund Reductions – Dr. Paul Gausman and Superintendent’s Cabinet Team Members

A. Administrative Responses to Board Member Questions
   1. Clarification
   2. New Inquiries
A. How many years of experience do our current nurses have? Do some have more than an RN license?
   A. Unsure of individual years of service, combined they have > 100 years, and some have a Master’s degree.
Q. Medicaid dollars and are the funds out of the General Fund?
   A. Medicaid dollars received are allocated to a number of different areas, and yes, but in categorical areas.
Q. Will background checks be done on the outsourced nurses?
   A. Yes.

Director McTaggart believes this is a very poor decision for the Board to make. It will affect our community and affect the Board. He has not heard of any complaints regarding the nurses. If we do away with our current nurses and it does not work out, it will be hard to replace good quality nurses in the future.
President Krysl shared Dr. McTaggart's concerns, and the fact of reducing FTE's. He is interested in reviewing the updated list of reductions before making a decision.

Q. With a shortage of nurses in our hospitals, can we be assured there will be enough nurses in the future? We should keep the nurses.

Director Warnstadt stated that Dr. Gausman was asked to look at everything and he did just that.

Dr. Gausman / Dr. Chalstrom – 215 positions will be cut in the next 5 years across our District if we do not do anything now. We have to cut $2M this year in order to stay afloat. The District prefers to make reductions over a 5-year time period rather than wait and have to do substantial cuts in 5 years.

Dr. Gausman provided handouts that included the District's list of reductions and additions. He spoke to each reduction and addition listed.

Q. Regarding the reductions to O & M supplies, will these reductions hamstring the O & M team? Worried about the amount of reductions in that department but trusts Brian Fahrendholz’s judgement in these areas. Concerned about mowing.

A. We will be patching in areas until funding is available to do proper repairs.

Q. Can we see reductions that are sustainable savings once but not year after year? Take a look at lifecycle costs. Concerned with not keeping up the gym floors. Could the gym floors be done every other year?

A. Gyms are used a lot during the year. We will take a look at reworking our reductions that are sustainable.

Q. Should we look at this like we do our energy cost savings? Water lawns when they need watering vs on a schedule of watering.

A. Reductions include mowing & watering less and only when necessary. Last year the District did not water until July. 16 wells are used for irrigation. Some wells are treated and used throughout our buildings.

Q. Some parents volunteer to help with our baseball / softball fields.

A. Same goes for today.

**Board Member Feedback:**

We need to find sustainable savings year after year. Understanding that our gym floors get much use each year, Brian Fahrendholz was asked to keep the gym floors looking nice. Our grounds and facilities leave a lasting impression on our community.

Q. Do our gym floors have to be done each year? Brian Fahrendholz was challenged to revisit this area on a rotation basis.

A. Structurally no, they could be done every other year. Surface & presentation is key, floors would not look good if we skip a year.

Q. If we reduce FTE’s through Early Retirement, what will that do to class sizes at Perry Creek after the merger of 3 schools?

A. FTE’s will be shuffled around to where the needs are. It will increase class sizes by .5 District wide per grade. There are savings from early / regular retirement through attrition. New hire salaries come in at a lower cost.

The Board, by consensus, asked Dr. Gausman to remove the Nursing Program Contract from the list of reductions.

Dr. Gausman noted that the RFP regarding the Everett Alternative School program is due by 2 p.m. on March 23rd. The administration will need some direction on this matter, but not today.

The Board by consensus agreed to get out of Everett.

**The Board took a short break and reconvened at 3:43 p.m.**

Q. What is Dual Language?

A. Students take English in the morning and Spanish in the afternoon.
Q. What advantage do students have by taking the Dual Language courses? Why would we teach in both languages instead of students taking 4 years of Spanish?
A. Students are able to increase their fluency in Spanish.
Q. Are students enrolled in Dual Language getting preferential treatment in our school?
A. No, each year students take 2 classes in Spanish. They have to pass a number of assessments coming out of Irving Elementary before going onto middle school.

Director Gleiser shared his frustration on how the District can gain 283 students but not put more teachers back into the classrooms. If reductions cause the community frustration, encourage them to contact our state legislators or get involved.

Q. Should we adjust our Early Retirement Plan?
A. We believe this is our best option to buy down staff. We are not currently doing this. We are concerned with losing students of parents who work at CF Industries and leaving when that project is complete. We will have to reduce staff. The Early Retirement Policy can be reviewed annually and has been reviewed for this year.

Q. What is the process for administrative salaries, raises, etc.?
A. The Board met in closed session and covered every employment group including administrative raises. Dr. Gausman will prepare a proposal for each group and bring it back to the Board for discussion. This may include administrative reductions. A priority list will be presented.

IV. **Board Conversation and Consensus Direction Given to Dr. Gausman**
   A. Next General Fund Presentation – 3/29/16
   B. Dr. Gausman will Present new list of Reductions and Additions Based on Board Feedback
   C. Supplemental State Aid Update

Q. What will the increase be in property valuation?
A. Dr. Chalstrom will provide explanation and Dr. Gausman will share that data with the entire Board. Dr. Chalstrom will provide the Board with the total new property tax dollars and where they go?

Director Alarcon-Flory left the work session at 4:29 p.m.

Dr. Gausman shared the administrations next steps:
March 14 – The District will present all funds except the General Fund and ask permission to publish the budget. There is too short a window to publish between March 29 and April 7.
March 29 – The District will present their final list of reductions and additions in priority order.
April 7 – Approve adoption of the FY16-17 budget. An amended budget may be presented in June or July.

The Board work session adjourned at 4:32 p.m.