

**DRAFT UNTIL APPROVED****Study Session (Tuesday, March 31, 2020)**

Generated by Shelley R Shelton on Tuesday, March 31, 2020

**Members present**

Jim Pettersson, Melanie Hall

(via Zoom) Julie Rash, McKay Jensen, Rebecca Nielsen, Jennifer Partridge, Nate Bryson

**Staff members present**

Keith C. Rittel, Superintendent; Stefanie Bryant, Business Administrator; Jason Cox, Deputy Superintendent HR; Mark Wheeler, Facilities Director; Chad Duncan, Technology Director, Cade Brickley, Tech Support

(via Zoom) Anne-Marie Harrison, Asst. Supt Teaching &amp; Learning; Todd McKee, Asst. Supt. Secondary Education; Alex Judd, Asst. Supt. Elementary Education; Doug Finch, Asst. Supt. Student Services; Caleb Price, Communications Director; Shelley Shelton, Exec. Assistant

**Meeting called to order at 7:35 AM****A. 7:30 a.m. Study Session****Procedural: 1. Welcome: Pres. Jim Pettersson**

Called to order 7:35 a.m.

Mr. Pettersson read a prepared statement regarding Governor Gary Herbert's March 18 Executive Order regarding, among other items, the ability of the Board of Education to conduct public meetings electronically. Public comments are not normally taken by the Board during study sessions, and will not be taken today. Should the Executive Order continue until the April 21 Board Business Meeting, during which public comment is taken, the Board will provide for that opportunity at that time. This meeting is being streamed via YouTube for public attendance to meet the requirements set forth by the Executive Order from the Governor.

As a professor at Utah Valley University, Pres. Pettersson stated he didn't realize the amount of work that goes into online instruction. With universities having migrated all course work to an online format, he can now understand and empathize with what teachers are going through. He expressed appreciation to everyone in Provo City School District for the support being given to teachers, parents, and students to ensure students are given the best possible education given the unique circumstances we find ourselves in today.

**Procedural: 2. Roll Call****Discussion, Information: 3. Preliminary Budgets, Capital Projects, TNT Plan: Stefanie Bryant, Business Administrator**

- Each fiscal year budget priorities need to be determined so effective long-term strategies and fiscal year budgets can be developed.
- District executive staff begins reviewing budget priorities in December and January. The priorities presented represent the executive staff recommendations for the next fiscal year. These priorities, as well as ongoing funding for existing programs, is dependent upon funding and is only preliminary at this point in the budget process.
- Board discussion will include direction on next year's budget priorities as presented and will be refined and finalized in the following months.

**Overview:**

- The budget priorities process begins each year with a review of the board goals and the alignment of department budgets with the goals:
  1. Continuous Academic Improvement
  2. Support for Teachers; Teaching Aligned with Research
  3. Certainty and Stability in the Direction of the District
  4. Financial Prioritization/Long-Term Planning
  5. Teamwork, Professional Conduct & Civility
- Board Direction is Needed
  1. Salaries & Medical Insurance
  2. Student Safety & Security needs
  3. Continuing curriculum, Technology Learning Initiative, IT needs, support and data platforms
  4. Capital/Facilities/Transportation needs

**Current FY Approved Budget (bond expenditures excluded)**

- \$165 million in total revenues
  1. Revenues from federal sources: 8%
    - Ten-Year Assumptions
      - Annual 2% reduction
      - Actual revenue has decreased.
        - Expenditures in those programs have also decreased. In some situations, we're having to backfill with some general fund revenues in order to provide the same level of services.

- Current Year Federal Revenues: \$13.2 million
  - Title IA: \$3,144,473
  - IDEA: \$2,722,500
  - Medicaid: \$750,000
  - CCLC: \$545,703
  - School Lunch: \$3,518,177

1. Revenues from state sources: 53%

- Ten Year Assumptions
  - Generally the state will mate at least CPI on WPU
  - State funds growth first
  - Governor's office has an aggressive ten-year plan (began I 2018)
    - Utah education to be in top 10 in nation
    - Typically requests a 4% WPU increase and Growth funding
  - Legislature and economy will always impact
    - Last year WPU increase was 4.0%
- Current year state revenues \$81.5 million
- Amount from WPU \$60 million
- Flexible allocation one-time (TSSA) \$1.5 million
- State leeway programs \$6.2 million

1. Revenues from local sources: 39%

- Ten-Year Assumptions:
  - District will increase local fees at taxes at Consumer Price Index (CPI)
  - Annual average CPI estimate 2% increase
  - 2019 CPI in Utah 2.9-3.2% (1.4-1.8% nationally)
  - Last tax increase was for 2018 tax year/FY19 fiscal year
- Current Year revenues \$64.8 million
- Property tax portion \$54.5 million (includes GO debt)
- Indirect costs charged \$1.6 million
- Local fees/interest income \$3.2 million
- Assumed annual increase \$600,000-800,000
- Basic rate freeze \$300,000-500,000

1. Other sources & changes: 0%

- *\$168 million in total expenditures*
- 1. Salaries: 45%
- 2. Benefits: 21%
- 3. Purchased services: 13%
- 4. Supplies & materials: 11%
- 5. Property: 2%
- 6. Other objects: 8%

*Note: The district is not operating in the red; this is a planned spend-down of some carry-over fund balances from the prior year, as well as fund balances in some restricted areas we have.*

*Expense Assumptions*

- Three-Year Assumptions
  - Utah State Retirement: no increase expected for FY21
  - The district will save \$500,000 annually in unassigned funds
  - Minimum of 2% salary increase (includes steps) plus related benefits
  - Annual medical held at 2.5% (two more years)
  - Curriculum annual request of \$750,000 (\$350,000 from 2016 TNT)
  - Tech annual request of \$900,000 (\$400,000 from 2016 TNT)
  - Funds for Safety and Security will be needed (\$950,000 one-time)
  - Minor utility increases
- Five-Year Assumptions
  - Curriculum needs continue; on steady replacement cycle
  - IT continues to have \$900K annually for replacement cycle and infrastructure
  - Transportation needs to purchase 7 replacement buses in the next 4 years (caught up to a 2-bus-per-year cycle; 3 if grant money)
  - Safety and Security needs will continue
  - Utility increases
- Ten-Year Assumptions
  - Annual medical inflation 4-10%
  - Expected annual energy increase 5%
  - Replacement needs of tech, transportation, and curriculum will continue

*Current Year Requests (Adds)*

- On-going requests (in order of priority)
  - Teacher salary and related benefits (TNT) \$5 million
  - Remaining employee salary/benefits (classified employees) \$1.5 million
  - Employer annual medicare inflation (1.25%) \$140 million

- o Utility increase \$50K
- o Increased SRO coverage \$55K
- o Net FTE requests \$240K
- o Increase Color Guard program \$12K
- o FY21 budget priorities - ongoing \$6,987,000
  
- o ONE TIME FUNDS: \$500K/yr. for 2 years: E-school transition, \$950K for safety/security: \$1,500,000

#### *FTE Requests*

- Safety and Security/Student Data Privacy position adjustments 60-70K
- Shift of .5 FTE each, two district admin salaries from restricted to General \$170K
- Risk Manager (carry-over from prior year, in budget already)

#### *How Will FY21 Requests be Funded?*

- WPU funding increase (est 6.0%/flat enrollment) \$2,900,000
- Less WPU held for E-school (enrollment \*windfall) \$1,000,000
- Local funding increase (assessments \*basic freeze) \$800K
- Property tax increase, TNT \$5,000,000

Legislature is providing 6% for WPU and growth funding. Will call an emergency session. Will likely cut funding for new initiatives.

Property taxes could possibly go down due to the recession.

Revenues: TNT - looking at August to cover an increase in teacher salaries in increments and raising entry-level salary for total \$5M depending on what happens in June. \$7.7M combined.

Medical inflation is pretty low. Budgeted for small utilities increase. Small increase in SRO salary. \$55,000. FTE requests primarily Gary Wilson leaving, Jason Garrison coming over, Steve O added. Move 1/2 of two district admin from unrestricted to restricted.

Set aside a small surplus from FY19 for safety & security. Small windfall in WPU for losing out of district e-school students.

Q: Long-term planning is a little up in the air. Generally \$4-5M in capital needs Mark has. Have more time to work through it for TNT. Mark doesn't have as much time. Will bring back to board in May with more detail; final budget in August.

Jim: Is McKay hearing anything about the special session. M: looking to call back \$840M from the state budget; education always a large part. A small buffer since the ask for the education budget isn't yet completed. The pressure will be to maintain 6% WPU funding. Growth might lose a little. The depth of the recession and the speed of the recovery is yet unknown. We'll know more by August. Reason to be concerned, but not to panic. The state may utilize their rainy day funds. The state has been putting vast amounts; they're well prepared. The approach Stef outlined is very wise. If we want to be like our neighbors we have to act like our neighbors and stay up with inflation.

#### **Discussion, Information: 4. Bond Survey Result Discussions and Capital Planning**

Mark: Needs direction from the board regarding building settlement at THS. Risk has approved two approaches. 1: Stabilize foundations without portables. 2: create portable for future without stabilization. Wait for future bond. Risk consulted with governor's council: need us to act on THS. Don't want to risk

Bonding timeline: 2021: step back; don't address Wasatch and Dixon.

Stabilize foundations for south, west academic wings, etc. \$13-18M already in place. \$16-18M option: move industrial arts wing to a different location. \$18,000 mo. lease at Allen's location. Would rebuild south and north gyms \$6M; \$16-18M.

Rebecca: moving and replacing gyms, but what about classroom wing? Mark: classroom wing would stay and get stabilized. Creating a way to minimize risk temporarily until we can address in 5 years.

Running bond 2020 - \$80M for THS. Academic, media center, both aux. gyms, ground and soils mitigation. Changes the master plan; would require a portable village on north side of campus \$5.5M. Four classroom pods and portable restrooms. Student parking would be utilized. Would require demolishing academic wing immediately. Risk would require moving students. If a bond doesn't pass, students would be in a portable village for at least two years.

Nate: would we be able to get a waiver for having to stabilize the whole building. 8 science classrooms, labs, 48 regular classrooms. Do we have enough time to build a portable city before school starts in Aug.

Mark: first pod could be delivered first week in July. Would take until fall break to get all pods in place. Start with south academic wing. If board decides to go for bond in near future, need to get started on portables.

Rebecca: How far out could we wait for a bond? M: Risk isn't giving us a bond timeline. It's up to us on the bond timeline.

Melanie: If we bond in Nov and it passes, how long would the new construction take? M: about two years. Could move students back into portion that's finished first.

Stef: If we move kids into portables and the bond doesn't pass...there would be some higher end expenses to replace boilers, etc.

Keith: Get started as soon as we can. Have THS remain in online format for remainder of this school year. We could do that with the 180-990 waiver from the state.

Wasatch: If included on 2020 bond: \$30M onsite. Doesn't include boundary line adjustments between city and BYU. \$12 per year average household tax impact. Future bond - would need to spend \$1.5M yearly for maintenance. Re-roof, modify walls for roof connections to minimize seismic risk. W & D were close in seismic needs. Based on seismic needs, start on Wasatch: all walls need seismic upgrades. If we wait for a future year to bond for Wasatch, we need to be very careful in the money we spend to avoid wasting a significant amount of money.

Jennifer: To do THS and Wasatch would be about

Mark: some lenders are hesitating. If we get community support for a bond...

Dixon: If becomes part of future bond: re-roof all od Dixon to Improve wall to roof connections. \$2.5M per year for 4-5 years to eliminate highest risk.

\$55 per household per year on bond. 20-year bond at 3.5-4%.

Mark:  
THS: least disruptive to students and teachers is \$13-18M option to stabilize foundations. Can start as soon as plans and pricing are completed to continue with empty campus. Would give us more time. Wasatch/Dixon: both buildings will have great impact on additional capital improvements.

McKay: Keith, Stef and Mark need to determine the best options as the professionals and make a recommendation.

Stef: The best option would be to go for \$89M bond. Would be a hard thing to ask between recession and TNT.

Rebecca: the \$13-18M would be the least disruptive but involves the greater risk. Which option has the least risk? M: \$89M bond. R: if can't pass a bond, is it more risky to do stabilize or have portables?

K: If portion is done to meet Risk requirements and they sign off on it, we should be good to go for 4-5 years. The answer depends on the angle at which you look at it. Risk/political/financial. There are benefits to allow the stabilization to happen and run a bond in 5-7 years. Board had "promised" to not run another bond for 10 years. It's dangerous to invest money in a building just to rip it out later. Politically, if stabilization meets needs with Risk and we have another 4 years to prepare the public for another bond.

R: If we wait, what does that do to W/D? M: would plan for immediate re-roof for Wasatch and Dixon. Stef's response: We would have to come up with more money.

Jennifer: If we do stabilization now, we could still run a bond for Wasatch and Dixon. Most people talked to have been very supportive or addressing urgent needs now. Worry about trying to buy more time.

Julie: Agrees with political concerns. Community survey indicated go with least expensive option on everything. Don't think we can minimize the community's concerns.

McKay: THS isn't the place to buy time. As community leaders we need to ask. Want to put something on the ballot this year. If THS is the priority, add THS. 5-7 years at THS is not going to be the timeline. We told THS is an emergency; is it really an emergency? We need to ask for something. The community's first priority was teacher pay according to the survey. The ongoing capital needs are going to be headwind to teacher pay.

Melanie: If we redo THS this close to the building of PHS...

Mark: Focus group indicated the community would rather see smaller, more frequent bonds. Would that mean the community would accept \$80M now....

Nate: If we just do for \$18M...it pushes Wasatch and Dixon back further.

Rebecca: We have to take care of teacher pay this summer. IF we follow what the survey indicated (cheapest option), put students in portables. If \$80M bond doesn't pass, we still have students in a safe environment, address W/D. If we follow the direction from survey, take care of teachers; bring in portables.

K: Stabilization has to happen to meet Risk requirements.

M: if we move students into portables, close south gym, and academic wings.

T: 48 portables=1500 kids. Would change the management of the school from inside of school to outside basically on the street. 5-7 years would impact the school in ways we can't totally comprehend. While portables are unavoidable, we have to consider long-term impact.

Je: Survey emphasized people went with the information they had. The public recognizes things need to be done. Feels people would support phased bonding.

Ji: taking care of teachers has to be our first priority. Where does money for portables come from if we put \$13-18M into THS?

S: it would have to come out of capital. You could pay for it in part from Mark's remaining fund balance. May have to prioritize other projects. Concerned about running a bond; not convinced we could pass another bond. If it gets defeated, makes it harder to try a third time.

S: \$115 annual tax impact on the average home through TNT. If we bond in Nov would end up asking for more.

M: County reduced their tax increase from \$80 to \$65 per home.

Ju: Need to add the numbers 115+15+county tax increase. Delaying is what got us in the situation we're in. As community leaders, we have the responsibility. With a bond, we're talking \$200M again. Two big pushbacks on the last bond were raising taxes; A large group of people is angry about THS. They're still there. More concerned about the needs of the district. We need to go in with our eyes wide open.

Mc: We should ask for the needs of the school district. It takes 3.5 tries on average for districts to pass a bond. 50/50 chance people would support \$80M. Our city is going to have to pay the bills at some point. The longer we wait, the greater the ask is

going to be for a third of the building.

Ji: Need to take care of teachers and the most immediate needs of THS. Not sure where the public support would fall for \$80M. \$13-18M would be freed up for W/D.

Me: Could get behind \$80M; don't want kids in portables for a long time. Need to ask.

Nate: Could sell Fox field, could reduce costs somewhat. M: if we address THS, we'd need to keep Fox Field for THS softball.

Re: Could the \$13-18M be used for...

Ji: A bit of a consensus to move forward on \$80M for THS in Nov. ordering portables. Draft plans for the next steps if the bond passes or doesn't pass.

Re: If we want to be more cautious, could we wait an additional year?

M: Tell portables vendor to proceed with first delivery in July; tell architects to stop plans for stabilization, draft phased master plan.

Ju: Survey indicated people were willing to pay less than \$100 per year for teacher salaries and bond.

Nate: We may be put off year depending on the economy in June.

Stef: TNT posting timelines...can't wait too long to change minds on TNT.

Keith: Will this address Risk Management's concerns? M: As long as they know we're moving forward and they see it.

Je: Need to make a plan/timeline to help community be supportive.

Ju: Watermarks everywhere that this is not a promise - mark DRAFT and subject to change.

St: Brian Nelson would be willing to issue a statement in writing re the July deadline.

M: the recent earthquake has been a concern for structural engineers. Need to address seismic issues now at W/D. Would remove all projects at all other campuses.

Ju: We're going to start hearing from people from our community. We have to be committed to the decision we make today and defend the decision to community members. Mark should not be the one to carry the brunt.

Stef: We need to start finding the public support to make this happen. Stef will work out the timeline. Suggest the board make a public announcement in the April business meeting. Y2K would help with the bond.

Keith: The board has not made a decision in the study session according to open meeting laws. This has been a discussion regarding the direction for Mark only.

#### **Discussion, Information: 5. COVID: Camp Big Springs: Chad Duncan, Technology Director**

Chad sought direction re: Camp Big Springs/COPVID19. A lot of work still has to be done by the city before the site is ready to go. Make a decision by April 21 board meeting. We've already hired teachers to help with CBS. Working closely with the health department. Both Alpine and Nebo are in a holding pattern.

Challenges:

order food & supplies, new staff; order porta-potties.

Some parents have pulled kids out already.

Qs:

M: can we postpone until the end of July? Chad listed challenges with postponing. Could push back a couple of weeks and condense sessions down to 2.

K: Is there an enrollment quota to make the program viable? Chad will give updated enrollment numbers for Apr. 21 board meeting.

Je: What is life going to look like by June/July as far as social distancing restrictions.

K: Updated the board on questions that have come up regarding canceling spring break and graduation. PEA has strongly requested that we not cancel spring break.

J: One of the conversations with PEA, expressed the same sentiments Jim expressed regarding transitioning to an online format.

Mc: Are there online resources parents can use for their students if they want to proceed through spring break? It's up to families.

T: T & L has put resources together for teachers. A: We can put a list together for parents. It wouldn't be as intensive as what teachers provide. Will communicate with principals to relay to teachers.

Ji: Having just transitioned to online instruction, really appreciates the time spring break will allow teachers to have a bit of a break and decompress.

#### **Discussion, Information: 6. COVID: Grading and Graduation: Dr. Todd McKee, Asst. Supt. Secondary Education**

Todd:

Informational: important to look at requests of cancel spring break. If we're back in school May 1, we'll proceed with graduations on May 17. Where the senior class is re total credits.

1/3 of students have met 27-credit requirement for a diploma. 20% of kids are credit deficient. We have a lot of kids who are struggling to get caught up and meet graduation requirements. We're very concerned about senior class and helping them get

through. If we're not back in school in May, having conversations with BYU about later dates in June. Determined to provide as much of a sense of normalcy for them.

Keith: Conversation with Syd Dickson: we have a number of students who are going to need summer remediation to graduate. The fall graduation may be much larger this year. Once we get the final answer of what's going to happen for the rest of the year, we'll adjust.

Todd: while graduation requirement is 27 credits, we've given diplomas for 24 credits.

Grading:

It's been a difficult transition. Online pedagogy is different from that in a brick and mortar setting. We've seen discrepancies in access and engagement numbers. There's high engagement in one part of the city, low engagement in another part of the city.

How do we support at-risk students? Secondary principals requested default to P/F and students could request a letter grade. NCAA won't accept P/F grade. BYU Admissions: Committee is evaluating how to deal with P/F. How does it impact scholarships? If we want to venture into it, teachers would provide a letter grade; parents may request a p/f as long as they understand the implications of p/f grading. P/F not calculated in GPA. How would that work with our Latin honor system? T: Based on cumulative GPA, not course GPA.

Jim: In higher ed, hearing the same thing. Can request letter grade.

Julie: Where's the cutoff? T: Above 60 would be P; below 60 would be F.

Keith: We haven't talked through middle school implications.

Feedback:

Rebecca: Stick with our system, parents can request P/F.

Jennifer: Teachers be lenient and flexible.

Todd: AM sent a statement to parents re expectations of number of hours of instruction per day.

Jennifer: expressed appreciation to teachers, district staff.

Melanie: How are we support special needs students?

Keith: trying to provide the same services that we can provide remotely. Suraj receiving guidance from the state on regular basis.

Jason: Silver lining: we've seen so many people on every level stepping up to support community, parents, and students. child Nutrition. Technology, Custodial.

Jim: Thanked Keith for everything the district is doing and how we're taking care of students. Thanked the board for the discussion re a possible new bond. Appreciated the respect shown to each other.

## **B. Adjourn**

### **Action: 1. Motion to Adjourn**

I move we adjourn the study session.

Motion by McKay Jensen, second by Melanie Hall.

Final Resolution: Motion Carries

Aye: Julie Rash, McKay Jensen, Jim Pettersson, Rebecca Nielsen, Melanie Hall, Jennifer Partridge, Nate Bryson

Adjourned 10:32 a.m.