

**COMMITTEE OF THE BOARD
MEETING MINUTES
FEBRUARY 6, 2007**

PRESENT: BOARD OF EDUCATION: Anne Carroll, John Brodrick, Elona Street-Stewart, Kazoua Kong-Thao, Tom Conlon (departed meeting at 6:35 p.m., returned 8:45 p.m.), Al Oertwig (arrived 4:45); Tom Goldstein (arrived 4:46)

STAFF: Superintendent Carstarphen, Deb Henton, Jeff Lalla, Jeremiah Ellis, Lois Rockney, Teresa Rogers, Valeria Silva, Hitesh Haria, Kate Wilcox-Harris, Christine Wroblewski, Tom Watkins, Marilyn Polsfuss

OTHERS: Stephen Frank, ERS, Keri Munkwitz, ERS, Joe Reid, Doug Beldon, Pioneer Press, Kevin Riach, Matt Flory, CBFAC, Keith Hardy, CBFAC

I. CALL TO ORDER

Chair Kong-Thao called the meeting to order at 4:38 p.m.

II. AGENDA

The Chair indicated the following items would be addressed during the meeting:

- Second Budget Revision for the 2006-07 Budget
- 2007-08 Budget Priorities and Guidelines
- Action on the Appointment to the Citizen's Budget and Finance Advisory Committee and the Capital Expenditures Advisory Committee
- Discussion on the Structure of Public Comment at Board Meetings
- Further Discussion of Assignment of Board Representation on Outside Committees/Boards

The Chair then called on the Superintendent to introduce the discussion on the budget items. The Superintendent called on Lois Rockney, Chief Business Officer to discuss the quarterly financial report, a second revision to the 06-07 budget and the budget guidelines for 07-08. Additionally, the Educational Resource Study (ERS) Group will make a preliminary presentation on their study entitled, "Improving Student Performance thru a Strategic Use of Resources."

1. Educational Resource Study (ERS)

The Chief Business Officer introduced the two consultants from ERS (Stephen Frank and Keri Munkwitz). She stated administration felt it was important at this point, about mid-way through the ERS work, to give the Board an idea of what the study is about and to begin a dialogue with the Board on some of the data being worked on and some of the findings to date. She stressed that data is still being collected and analyzed and that findings and recommendations would be provided at a later time.

Mr. Frank indicated ERS works in five areas: strategies for professional development and school support, school performance management, rethinking school funding, redesigning school resources and school system design. He stated for the SPPS study they had been looking at Special Education, elementary, middle and secondary schools and professional development.

The timeline for the SPPS study includes conducting the study and gathering information and data from November through March with reviews with District leadership and an interim

presentation to the Board during that time. March and April will bring final recommendations to the District administration with continued support being provided on request.

Key questions which are being addressed in the study include:

- What are the core strengths which can be built upon
- What are the key problems facing the District
- Are there resource allocations which can be utilized to help address these problems
- What resources can be deployed to meet the priority challenges
- How much is invested into students and into schools.

At the end of the process the question will become how to redeploy existing resources to meet the challenges.

In a brief overview of findings two themes emerge: (1) moving from a cycle of isolation and specialization into a cycle of inclusion and individualization and (2) moving away from training to a more comprehensive professional development model. He went on to describe preliminary findings for elementary and secondary schools, then moved on to give a brief outline of a strategy of matching resources to needs.

Mr. Frank stated in high achieving elementary schools studied across the nation, they have found the following items to be strong contributors to the success of the schools: they invest in teacher quality; focus time on core academics and organize it in individual ways to create much more individual attention and they focus all resources on flexibility in a coherent school instructional vision. These are some areas which will be looked at in the SPPS study. Similar items will be looked at for secondary schools.

Mr. Frank noted that in the area of teacher quality high performing schools are quite different in the way they think about the subject:

- Staff are hired and assigned to meet school needs in terms of experience, knowledge and philosophy
- Sufficient collaborative planning time for teachers is incorporated into everyday school life
- Significant resources for professional development are strategically integrated to support school-wide instructional improvement and individual growth
- Jobs are structured to help teachers experience leadership opportunities as they progress along a meaningful career path (distributed leadership)

Next steps in the study include finalizing data gathering, discussions on the data, refining the analysis and reaching a directional consensus. A set of recommendations will be drafted based on the findings, the strategic plan and input received. The recommendations will then be refined based on additional input received.

The question was raised if, in the SPPS budgeting process, effort will be made to incorporate some of the changes recommended by this study. The Superintendent indicated that the study had been going on in the District for a number of months and people are aware of it. It has become apparent, in the strategic planning process, that there is inconsistency in how schools offer some programs, if at all. In the budgeting process efforts are being made to provide some strong guidance to schools to enable them to make more targeted choices about where their dollars go.

The Superintendent stated the study was made possible through a grant from a local St. Paul business who extended the resources for the work with ERS thus enabling the very early start on the project and allowing the study to stay on a tight timeline for turn around. Additionally, ERS works in partnership with the Gates Foundation who is also offering support for this work in urban districts throughout the country. She extended her appreciation for the funding and her appreciation to the Chief Business Officer for her work in keeping the study on schedule and to other staff for their efforts in the project.

2. Quarterly Financial Report

This report reflects the budget as revised by the Board in the fall. The revenue is projected to be very close to what was anticipated in the adopted budget. Projections for expenditures suggest they will be below adopted budget by \$15.2 million in the General Fund. If this pattern continues, the unreserved undesignated fund balance at year end will be 5.9% which is .9% or \$5 million higher than what is dictated by Board policy.

The fully financed budgets were also reviewed briefly and it was noted these would be down slightly. The major change is in the Construction Fund where it is projected the budget will be down by \$5,750,000 (expenses related to the ALC construction project on University Avenue).

This summary was provided as information only, no action was required.

In response to a question, the Chief Business Officer indicated that even with the passage of the referendum and looking at what the Governor is proposing for additional revenues, a deficit is still projected for the upcoming year so a very careful look will need to be made at what portion of the \$5 million from the unreserved undesignated fund balance might be applied toward this deficit.

The Chief Business Officer stated there are a couple things impacting the District with regard to projection of the deficit for next year. The District has declining enrollment; \$2.8 million of the deficit is a structural deficit due to this. The other piece related to the structural deficit is that the District is losing more secondary students who bring in more money so the impact of the 455 students lost is actually equivalent to losing 575 students thus the revenue impact is higher. This trend will continue over the next couple of years. The other piece is the District's poverty level has gone down a bit from this year to next year which accounts for another \$2 million. The Board was asked to keep in mind that other factors (the need for fewer teachers due to declines, etc.) have not been factored in yet and will have an impact. It was noted that declining enrollment is not unique to St. Paul, it is a statewide trend and all districts are being impacted. The Superintendent outlined other factors impacting attracting students include the fact St. Paul has an aging population, families aren't growing, there is also the factor that families tend to start in the system and then move to other communities where the cost of living is not as high and, finally, the drop out rate during the last year of school.

A question was raised on the District's bond rating, the Chief Business Officer responded it is double A (with both Moody's and Standard & Poor's) and there will not be another evaluation until 2008. Explanation was provided on factors impacting the rating. A request was made that the goals established by Moody's and Standard & Poor's which the District is evaluated against be shared with the Board.

3. Winter Revision to the FY 2006-07 Budget

The only revision requested is to the Fully Financed Budgets in the General Fund and the Community Service Fund which increases both revenue and expenditures in these funds by \$11,620,986. The revision represents new grants received since the budget was adopted in June, 2006, as well as revisions to existing grants.

MOTION: Ms. Street-Stewart moved, seconded by Mr. Oertwig, that the Committee of the Board recommends that the Board of Education approve the winter budget revisions to the 2006-07 budget as detailed in Exhibit B (attached).

Motion passed.

4. Budget Guidelines for the 2007-08 Budget

This document lays out the planning guidelines that were used by administration and by principals as they work through their budgets. It lays out some of the parameters and the budget philosophy as it relates to the Board's ends statements as follows:

- High Achievement

- To improve student achievement
- To reflect accurately the anticipated costs of meeting the identified needs of students
- To propose budgets and expend funds in accordance with responsibility for results
- To provide schools with a common base allocation for elementary, junior high/middle and senior high schools
- Meaningful Connections
 - To involve all staff, students and community in the budget process
 - To develop school budgets in accordance with the District Strategic Action Plan and the School Continuous Development Plan (SCIP)
 - To develop budgets in accordance with generally accepted accounting practices, District policies and State law.
- Respectful Environment
 - To maintain accountability of resources by planning, controlling and evaluating the results of their use
 - To allocate funds to schools on a per pupil basis
 - To more directly allocate categorical funds to sites including compensatory education aid

The General Guidelines will include the following information:

- The base budget (the 2006-07 adopted budget is the base budget for 07-08)
- Budget structure will include the following categories:
 - Revenue (local, state and federal)
 - Expenditures (salaries & wages; employer benefits; purchased services; supplies & materials; capital expenditures, other)
- Presentation format
- Expansions and reductions
- Enrollments
- Inflation
- Average salary & benefit calculation data
- Student weighted formula
- Fund balance
- Budget calendar
- Fully financed programs
- Intra-school budgets

Specifics for each area were discussed with the Board along with examples of the report layout when the final budget is presented to the Board.

With regard to the Referendum, administration will be very carefully laying out for schools and programs how they will need to account for referendum monies. These will be tracked carefully through the use of specific budget codes. The monies will only be able to be budgeted within these codes and spent within these codes. All programs/schools will be accountable for referendum funds they receive and spend.

A question was raised on the training of site councils. The Chief Business Officer stated training is offered for Principals and Site Councils. There are help sessions available in the computer lab for training and she stated administration will ask the Office of Family and Community Involvement to be sure that information is gotten out to schools and site councils.

MOTION: Mr. Conlon moved, seconded by Ms. Carroll, that the Committee of the Board recommends the Board of Education approve the Budget Guidelines for the preparation of the 2007-08 Preliminary Budget and the 2007-08 Adopted Budget including the Budget Planning Timeline.

A Board member suggested that buildings be encouraged to think about the district-wide ERS study in preparation of their budgets. Ms. Carroll crafted a friendly amendment to the above motion which Mr. Conlon accepted.

AMENDED MOTION: Mr. Conlon moved, seconded by Ms. Carroll, that the Committee of the Board recommends the Board of Education approve the Budget Guidelines for the preparation of the 2007-08 Preliminary Budget, the 2007-08 Adopted Budget and the Budget Planning Timeline with the understanding that they may be adjusted with information provided by ERS early in the budget cycle.

Motion passed.

5. Action on Appointments to Citizen's Budget and Finance Advisory Committee (CBFAC) and the Capital Expenditures Advisory Committee (CEAC)

The Superintendent reviewed the Chief Business Officer's memo regarding CBFAC noting the proposed action mentioned by the Board at the last COB meeting of January 23. The charge for CBFAC for this year is a thorough review of the ERS findings.

The Acting Director of Operations has contacted the 15 former members of CEAC to ask them to reapply. A memo was sent to all these individuals asking them to reapply and it was asked that they indicate their interest by February 15. CEAC will be prepared to make recommendations for its participating members by March 20.

Discussion on appointments to CBFAC resulted in a number of questions which were addressed. Clarification was made as to staff members on the CBFAC and CEAC for this year and following extensive discussion, it was decided this would be permitted. Mr. Brodrick called the question.

Motion: Ms. Street-Stewart moved, seconded by Mr. Oertwig, that the Committee of the Board recommends the Board of Education approve the five (5) re-appointments to CBFAC as listed: Keith Hardy, Matt Flory, Metric Giles, Alvaro Patino and Pam Ellison.

Motion passed.

Motion: Mr. Goldstein moved, seconded by Mr. Brodrick, that the Committee of the Board recommends the Board of Education approve the additional five (5) appointments (Joe Reid, Kathy Kelly, Amy Nelson, Tonicia Abdi-Salaam and a student yet to be identified and appointed) to CBFAC pending receipt of their paperwork by the end of the month (February).

Motion passed.

6. Discussion on Structure of Public Comment at Board Meetings

Director Street-Stewart reviewed the information which had been provided to the Board on this subject. She stated the discussion this evening should center on how public comment is handled and the timing of it within the agenda. Additionally there has been interest expressed in having a "public forum" type interaction with the community with a set topic, she wanted to be certain the issues were recognized as separate and addressed as such.

- **Public Comment**

Discussion in this area should center around: start time, the introductory statement, the sign-up process, the timer and the timing card.

Extensive discussion occurred on the various areas of public comment. The following points were made:

- Referral to staff members is an important addition which has occurred recently
- Sign-up should be modified to gather more information on subject being addressed, if the subject has already been brought to staff attention and whose, does the individual desire follow-up and if so, to what end

- Public comment should be grouped by subject rather than on a first-come, first-serve basis
- Public comment is the only way the public can address the Board, as a whole, on a subject they feel strongly about
- Attempts should be made to keep to the timing allowed and avoid, wherever possible, abuse of the intention for public comment
- If there is a particularly divisive issue, that issue should be referred to a COB meeting where it can be addressed in more depth
- Lack of outside engagement is probably a contributing factor to the number of people making public comment
- General Counsel was asked for input. He stated: public comment is provided for in a number of places in Board policy; law does not require public comment; public comment is a limited public forum which can be limited by time or topic but not by content or opinion.
- People should be encouraged to sign up ahead of time whenever feasible so the issue can be resolved in other ways if possible
- Individuals should be asked to provide their comments in writing whenever possible
- Abuse of the use of public comment is best handled via personal relationships
- Concern was expressed about staff follow-up on the spot, as the right staff person may not be available – the Board indicated resolution was not expected, just gathering information for future follow-up
- Be sure the buzzer is held close to the microphone so it can be heard
- Add comment that staff is available to gather information on the issue to the Public Comment Instructions so that the public knows the issue will be followed up on

MOTION: Mr. Goldstein moved that the Committee of the Board recommend that the Board of Education change the start time for public comment forward to 6:30 p.m. from its current time of 7:00 p.m. effective as of the March Board of Education Meeting. Mr. Brodrick seconded the motion.

Following discussion on how the time change would affect certain meetings which involve large groups for recognition, etc. Mr. Goldstein modified his motion, Mr. Brodrick concurred with the change.

AMENDED MOTION: Mr. Goldstein moved that the Committee of the Board recommend that the Board of Education move the time certain start time for public comment forward to 6:30 p.m. from its current time of 7:00 p.m. effective as of the March, 2007 Board of Education meeting. This time can be changed, at the Board's discretion, for certain Board meetings in order to accommodate special agenda items. Mr. Brodrick seconded the motion.

Motion passed with a vote of 6 in favor, 1 against. Mr. Brodrick voted No.

The Chair stated the Executive Team will process the mechanics of the changes including making the staff follow-up piece visible and audible, redraft the introductory instructions, revise the sign-in process and forms and speakers will be aligned by topic when possible. An announcement will be made at the February meeting announcing the changes to Public Comment.

- **Public Engagement**

This is a discussion on how to provide an opportunity for Board members to meet with and engage their public, this has not been done by the District as a matter of ordinary, routine business though it is acknowledged that COB meetings can be more interactive and provide for more engagement between the Board and the community. There are a number of opportunities available to the Board during the course of business (i.e., Truth in Taxation, the budget process, etc.) to interact with the community or representatives of it. The opportunity is open to the Board to begin this process of public engagement, to build it into the calendar (whether by specific topic or utilizing other opportunities) in order to engage the public, especially when the opportunity provides time for them to remain in the room and talk, provide input, and offer alternatives. Points raised included:

- If the Board is going to do this is must be on a subject the Board sincerely wants input from the public on in order to provide authenticity
- Topical conversations work very well.
- There is better participation with some kind of target
- It could be an outreach mechanism to obtain input from a specific group
- The Board must be very clear on desires and outcomes before it proceeds on this
- It was suggested three opportunities for public engagement forums be set aside on the calendar as a placeholder, then move to flesh out the format, topics and desired outcome
- The question was raised whether the Board would sit as “the Board,” as the “Committee of the Board” -- response was a topic should be picked, referred by the Board and then, as a way to gather input, the Board sits as an “ad hoc committee”
- The question was raised as to whether there was an expectation that administration/staff be at the meetings. The response was it is a formal meeting but staff would be defined by topic
- A caution was offered that before logistics are discussed, a discussion should be held about general aspects of public engagement
- Engagement is a lot of little things – openness is strength often overlooked; make it clear as a member of the community that kids come first; engagement can be improved by consistently asking how can we help, how can a problem be addressed, consistently hear concerns, be sure solution is focused.
- It was suggested the Board go to the community for some meetings, hold Board meetings out in the community, adjourn the Board meeting and move into a COB meeting or ad hoc committee for the engagement part

The consensus was that the Executive Team look at structuring the public engagement piece and bring a recommendation back to the next COB meeting for discussion.

7. Further Discussion of Board Representation on Outside Committees

The Chair asked Ms. Street-Stewart, Board Chair, to review the proposed assignments. She noted the process had previously started in the fall in order to have assignments made at the annual meeting and that this should be resumed in practice. Historically the Chair appointed the representatives; this has changed to a negotiation process in recent history. To date the following individuals have been assigned to represent SPPS with the following organizations:

ORGANIZATION	REPRESENTATIVE/ALTERNATE
Association of Metropolitan School Districts (AMSD)	Rep: Kazoua Kong-Thao (currently on Executive Committee Fall 06-Fall 09) Rep: Superintendent
St. Paul Children’s Collaborative (SPCC)	Rep: Elona Street-Stewart (currently Chair) Rep: Superintendent
Council of Great City Schools (CGCS)	Rep: To Be Named by 2/20/07 Rep: Superintendent
Council of Urban Boards of Education (CUBE)	Rep: Elona Street-Stewart
Inter-District Joint Powers Board (EMID)	Rep: Al Oertwig
Joint Property Tax Advisory Committee (JPTAC)	Rep: John Brodrick, Tom Goldstein, Al Oertwig Rep: Superintendent Alt: Kazoua Kong-Thao
Joint Property Tax Advisory Committee (3 County Project)	Rep: John Brodrick, Al Oertwig
Metro Educational Cooperative Service Unit (MetroECSU)	Rep: Tom Conlon (currently chair)
Metropolitan Learning Alliance (MLA)	Rep: Al Oertwig Alt: Tom Goldstein
Minnesota Minority Education Partnership (MMEP)	Rep: Elona Street-Stewart (currently Chair) Alt: Kazoua Kong-Thao
Minnesota School Board Association (MSBA)	Rep: Al Oertwig

Ramsey County League of Local Governments (RCLLG)	Rep: John Brodrick Alt: Anne Carroll
State High School League	Rep: Tom Conlon
St. Paul Teachers Retirement Assn. Board of Trustees (SPTRA Board)	Rep: Al Oertwig
West St. Paul Community Health Services	Rep: Superintendent or designee
National School Board Association (NSBA)	Member District Elona Street-Stewart (President for upcoming year for NAIEA, de-factor rep)

Ms. Street-Stewart noted a future discussion still needs to be held as to whether these organizations/relationships are still the most appropriate ones, are there any to be eliminated, others to be added, etc. Additionally, representation on local District Councils, Chambers, etc. needs to be discussed.

Discussion occurred about the representative to the CGCS. Individuals interested in representing the District on the Council outlined the reasons they would like to do so. The result of the discussion was consensus that the Board Chair would appoint the representative and alternate to CGCS in time for approval of all appointments at the February 20 Board meeting.

III. ADJOURNMENT

The Superintendent introduced the newly appointed Chief Operations Office, Hitesh Haria and her new Special Assistant to the Superintendent, Jeremiah Ellis. The Board offered their congratulations and welcome.

MOTION:	Ms. Street-Stewart moved the meeting adjourn, seconded by Ms. Carroll.
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Motion Passed.

The meeting adjourned at 9:55 p.m.

Respectfully submitted
Marilyn Polsfuss
Secretary to the Board of Education