

REGULAR MEETING OF  
THE KENOSHA UNIFIED SCHOOL BOARD  
HELD OCTOBER 23, 2018

A regular meeting of the Kenosha Unified School Board was held on Tuesday, October 23, 2018, at 7:00 P.M. in the Board Room of the Educational Support Center. Mr. Wade, President, presided.

The meeting was called to order at 7:03 P.M. with the following Board members present: Ms. Stevens, Mr. Garcia, Mr. Battle, Mr. Duncan, Mrs. Modder, and Mr. Wade. Dr. Savaglio-Jarvis was also present. Mr. Kunich was excused.

Mr. Wade, President, opened the meeting by announcing that this was a regular meeting of the School Board of Kenosha Unified School District. Notice of this regular meeting was given to the public by forwarding the complete agenda to all requesting radio stations and newspapers. Copies of the complete agenda are available for inspection at all public schools and at the Superintendent's office. Anyone desiring information as to forthcoming meetings should contact the Superintendent's office.

Mrs. Tanya Ruder, Chief Communications Officer, presented the State Scholastic 3D Archery Championship (Brompton) Awards and the National Blue Ribbon School (Roosevelt) Award.

Dr. Savaglio-Jarvis presented an Administrative Appointment.

Mr. Battle moved to approve the appointment of Mr. Steve Germain as the Interim Principal at Edward Bain School of Language and Arts (EBSOLA) – Creative Arts. Mr. Garcia seconded the motion. Unanimously approved.

Mr. Battle introduced the student ambassador, Joel Hilstrom from Indian Trail High School and Academy, and he made his comments.

Mrs. Modder gave the legislative report.

Views and/or comments were made by the public.

There were no responses/comments by Board members.

There were no remarks by the Board President.

Dr. Savaglio-Jarvis gave the Superintendent's Report.

Board members considered the following Consent-Approve items:

Consent-Approve item XI-A – Recommendations Concerning Appointments, Leaves of Absence, Retirements, Resignations and Separations.

Consent-Approve item XI-B – Minutes of the 9/25/18 Special Meeting and Executive Session, 9/25/18 Regular Meeting, and 10/10/18 Special Meeting.

Consent-Approve item XI-C – Summary of Receipts, Wire Transfers, and Check Registers submitted by Mrs. Lisa Salo, Accounting Manager; Mr. Tarik Hamdan, Chief Financial Officer; and Dr. Sue Savaglio-Jarvis, excerpts follow:

“It is recommended that the September 2018 cash receipt deposits totaling \$200,709.97, and cash receipt wire transfers-in totaling \$25,169,414.10, be approved.

Check numbers 569572 through 570561 totaling \$7,931,624.58, and general operating wire transfers-out totaling \$456,833.67, are recommended for approval as the payments made are within budgeted allocations for the respective programs and projects.

It is recommended that the September 2018 net payroll and benefit EFT batches totaling \$11,311,495.70, and net payroll check batches totaling \$17,222.75, be approved.”

Ms. Stevens moved to approve the consent agenda. Mrs. Modder seconded the motion. Unanimously approved.

Dr. Savaglio-Jarvis presented the Second Round School Safety Grant Application submitted by Mr. Patrick Finnemore, Director of Facilities; Mr. Hamdan; Ms. Susan Valeri, Chief of School Leadership; and Dr. Savaglio-Jarvis, excerpts follow:

“On March 26, 2018, Governor Walker signed the Wisconsin School Safety Bill which created a new Office of School Safety in the Department of Justice (DOJ), and provided \$100M in funding for school safety initiatives in Wisconsin schools amongst other things. An initial round of grant applications and funding was done in May/June, and KUSD was awarded \$888,788 on June 1, 2018. All of our projects associated with the first round of grant funding are underway, and some have already been completed. A sizable portion (approximately \$45M) of the State-allocated funds remained available after the initial round of grants were awarded; therefore, the DOJ opened a second round of grant applications in August.

We proposed the following projects or training as part of our second round safety grant application to the DOJ: 12-Hour adolescent mental health training, secure entrances, main office intruder pushbutton, classroom door locks, shatter resistant film, two-way radios, and cameras.

Administration recommends Board approval to accept the Second Round State of Wisconsin Department of Justice School Safety Grant in order to expend the funds as described in this report.”

Ms. Stevens moved to approve the Second Round State of Wisconsin Department of Justice School Safety Grant in order to expend the funds as described in the report. Mr. Duncan seconded the motion. Unanimously approved.

Dr. Savaglio-Jarvis presented Policy 7400 – Name or Renaming District-Owned Property submitted by Mr. Scott Plank, Coordinator of Fine Arts; Mrs. Julie Housaman, Chief Academic Officer; and Dr. Savaglio-Jarvis, excerpts follow:

“At the July 24, 2018, regular school board meeting, the board unanimously approved the following recommendations from administration:

1. The Board of Education approves the use of Policy 7400-Naming or Renaming District-Owned Property (Appendix A)-in appointing a committee as prescribed in Policy 8860-Citizen Advisory Committees (Appendix B).

2. The Board of Education approves the Citizen Advisory Committee to follow the guidelines outlined in Policy 7400 for dedicating other spaces.

3. The school board will consider all names submitted by the committee; and the board reserves the right to choose a name other than the first choice submitted by the committee for the space currently known as Reuther Central High School Auditorium.

On July 30, 2018, a press release was disseminated from the Kenosha Unified School District's Office of Communications to the Kenosha News, Facebook, and Twitter inviting the community to volunteer to participate on this committee. Thirteen individuals volunteered to participate on the committee (Appendix C), and five variations honoring Ralph Houghton were offered for consideration.

Two committee meetings were held. The dates were August 22, 2018 (Appendices D and E), and August 29, 2018 (Appendix F). Appendix C illustrates that the majority of committee members were present at both meetings. The process used to determine the committee name included the following:

1. Board Policy 7400 (Appendix A) was reviewed.
2. Factors were identified based on the board policy to guide the decision making including:
  - A. Historical significance,
  - B. Exemplary service in the community or for humanity,
  - C. Outstanding leadership, and/or
  - D. Exemplary moral character.
3. Committee members researched the suggested name, and this information was compiled under the aforementioned factors for the suggested name.
4. The committee unanimously recommends to the school board for consideration that the auditorium located in Reuther Central High School be named the Ralph J. Houghton Performance Center.

Administration recommends that the school board consider the Naming Committee's recommendation that the auditorium located in Reuther Central High School be named the Ralph J. Houghton Performance Center.”

Ms. Stevens moved to approve the naming of the auditorium located in Reuther Central High School the Ralph J. Houghton Performance Center. Mrs. Modder seconded the motion. Unanimously approved.

Mr. Duncan presented Resolution No. 351 – American Education Week 2018, which read as follows:

“WHEREAS, American Education Week is designated to celebrate and honor the individuals who are dedicated to ensuring every child receives a quality education; and

WHEREAS, public schools are the backbone of our democracy, providing young people with the tools they need to maintain our nation's precious values of freedom, civility and equality; and

WHEREAS, by equipping Kenosha’s youth with both practical skills and broader intellectual abilities, we give them hope for, and access to, a productive future; and

WHEREAS, all Kenosha Unified staff work tirelessly to serve our children and community with care and professionalism; and

WHEREAS, schools encourage the bringing together of children, families, educators, volunteers, business leaders and elected officials in a common enterprise that offers exceptional opportunities in academics, athletics, fine arts and extracurricular activities to provide students with the skills needed to grow and succeed in a global society.

NOW, THEREFORE, be it resolved that Kenosha Unified School District does hereby proclaim November 12-16, 2018, as the annual observance of American Education Week.

BE IT FURTHER RESOLVED, that a true copy of this resolution be spread upon the official minutes of the Board of Education.”

Mr. Duncan moved to approve Resolution No. 351 – American Education Week 2018. Mr. Garcia seconded the motion. Unanimously approved.

Mr. Hamdan presented Policy 3420 – Purchasing submitted by Mrs. Salo; Mr. Robert Hofer, Purchasing Agent; Mr. Hamdan; and Dr. Savaglio-Jarvis, excerpts follow:

“The Kenosha Unified School District receives approximately \$24 million dollars in Federal grant reimbursements annually. As the recipient of significant Federal funds, we are required to follow the current Federal Uniform Grant Guidance (OMB CFR Section 200) which became effective during the 2016 fiscal year. The guidance includes changes to procurement (purchasing) requirements.

In a memorandum from the Deputy Controller of the Office of Federal Financial Management dated June 20, 2018, it states that recent statutory changes set forth in the National Defense Authorization Acts (NDAA) for Fiscal Years 2017 and 2018 raised the

threshold for micro-purchases under Federal financial assistance awards to \$10,000 and raised the threshold for simplified acquisitions to \$250,000 for all recipients.

Non-Federal entities, such as the Kenosha Unified School District, may implement these changes in our internal controls, which include School Board Policies. Thresholds in our policies are required to be at least the minimum Federal thresholds, but they may be more stringent.

The recommended purchase thresholds contained in the revised draft reflect the needs of the district while maintaining Federal compliance.

The required Federal standards will be effective for the District's 2018-19 fiscal year and will require revisions to School Board Policy and Rule 3420 – Purchasing in order to reflect the new requirements and to ensure compliance.

With the proposed changes to purchasing thresholds, the Administration is also recommending a change to the purchasing and signing authority threshold from \$25,000 to \$50,000. This would include the contract amount that requires pre-approval by the Board of Education.

Administration recommends that the School Board approve the revised Policy and Rule 3420 "Purchasing" as presented this evening as a first reading on October 23, 2018 with a second reading on November 27, 2018."

Mr. Duncan moved to approve the revised Policy and Rule 3420 "Purchasing" as presented this evening as a first reading. Mr. Battle seconded the motion. Unanimously approved.

Mr. Hamdan presented the Change in the Fiscal Year 2017-18 Adopted Budget submitted by Mr. Hamdan and Dr. Savaglio-Jarvis, excerpts follow:

"The Board of Education adopted the 2017-2018 budget on October 24, 2017, as prescribed by Wisconsin State Statute 65.90. From time to time there is a need to modify or amend the adopted budget for a variety of reasons. State Statutes require that official modifications to the adopted budget be approved by two-thirds majority of the Board of Education and that there be a publication of a Class 1 notice within 10 days of approval. This document identifies budget modifications to the 2017-2018 budget delineated by fund and project.

The majority of these changes are the result of carryover notifications determined to be available for various grants after the budget was formally adopted. Other grant awards (e.g. Education Foundation, mini-grants) were also received after the adoption of the budget. These grant awards conform to existing board policy and have been previously shared with the Board of Education through the approval of the grant.

Since State Statutes authorize the budget to be adopted by function; administration also requests approval of additional budget modifications that did not add or subtract dollars to the overall budget, but may have changed the function or purpose of the funding.

These budget modifications include:

- Transferred budgets and expenditures from one salary account to another salary account resulting from a review of position control. Reclassifying the salary and benefit dollars from one account to another does not change the overall amount of the budget.
- Transferred operational line item budget dollars from one budget account to another as a result of ongoing review and monitoring of budgets. Reclassifying budget dollars from one account to another account does not change the overall amount of the budget.
- Transferred grant budgets to the appropriate function or object based on formal DPI grant modifications. Since the budget was formally adopted, some grant managers have requested that expenditure budget dollars be reassigned to the function or object where the dollars were expended. The grant budgets have been revised and the resulting modifications may have changed the function or object of the expenditures, but they did not change the total amount of the grant.

Attachment A is a copy of the Notice of Change in Adopted Budget in the proper State approved format that will need to be published in the Kenosha News after the Board has approved these budget modifications.

Administration requests that the School Board approve this report and that the attached Class 1 notice be published within 10 days of the official Board adoption.”

Mr. Battle moved to approve the Change in the Fiscal Year 2017-18 Adopted Budget and the publication of the Class 1 notice within 10 days of the official Board adoption. Mrs. Modder seconded the motion. Unanimously approved.

Mr. Hamdan presented the 2017-2018 Budget Carryovers to the 2018-2019 Budget submitted by Mr. Hamdan and Dr. Savaglio-Jarvis, excerpts follow:

“Historically, Kenosha Unified School District (KUSD) has prohibited the automatic carryover of unutilized budget authority from one fiscal year to the next. At the August 9, 2000, meeting of the School Board, it was unanimously approved to discontinue the practice of automatic site carryovers. Carryover authority is now only approved on an exception basis.

Purchases that were authorized, but not fully executed, by the close of the respective fiscal year may lead to a request to carry budget dollars over to the next year to cover those expenses.

In addition, there are several exceptional items that are potentially carried over from year to year. The administration is requesting to carryover the following amounts identified in Attachment A to the 2018-2019 fiscal year budget:

Site Requested Carryover	\$ 86,809
Donation and Mini-Grant Carryover	<u>\$188,540</u>
	\$275,349

Lance Middle School has requested to carryover \$46,031 of unspent budget authority from 2017-18 in order to help fund a new sound and video system for their auditorium. The principal has shared that the current system lacks video support and the audio components are outdated, piecemealed together, and unreliable. Due to other projects occurring at Lance that involved renovations in the auditorium and scaffolding, the timing of this project was delayed so that they could take place concurrently. The total cost of the new sound and video system is approximately \$53,000 and Lance will use additional funds from their 2018-19 budget to make up the difference.

Mahone Middle School has also requested to carryover \$7,233 of unspent budget authority from 2017-18 in order to fund updates to their sound system. The school had planned for the updates to occur within the 2017-18 school year; however, their project was delayed when the vendor informed them that they would not be able to perform the installation until they completed projects at Lance and Bullen Middle School.

The site carryover of \$7,562 from the Human Resources Department represents residual funds associated with the 25-year club and recognition dinner programs. These programs involve donations and ticket sales; therefore, carryover authority on residual balances is recommended.

The recommendation for carryover of \$25,982 from the Information Services Department is due to balances associated with the previously approved wireless upgrade project (\$21,009) and balances in the technology buyback program (\$4,973). Both of these balances include revenue sources from outside of the District; therefore, carryover authority is recommended.

During the 2017-2018 school year, several schools/departments received cash donations or mini-grants from outside organizations, most notably from the Education Foundation of Kenosha (EFK). Some of the 2017-2018 donated funds were not completely spent by the end of the school year; therefore, the schools have requested that these funds be carried over to the next year so that they can be used to complete the programs intended by the donors.

The Department of Community & Parent Relations also manages the Mary Frost Ashley grant. These funds are received upfront at the beginning of each school year. From the 2017-2018 fiscal year, the department is requesting to carryover the unspent balance of \$5,603 which is primarily made up of unspent Mary Frost Ashley grant funds.

These funds are recommended for carryover so that they can be used for their intended purpose.

The charter schools are allowed carryover of any unspent general fund dollars, as stipulated in their individual contracts with the district. This is necessitated due to the unique funding of the schools, the responsibility they have for their entire budget, and their responsibility for future major maintenance issues or technology replacement not funded by the district. Starting the fiscal year 2012-2013, charter school carryovers were accounted for as assigned portions of the general fund balance rather than be added as additional amounts in expense budgets as in the past.

This method provides for a more accurate year to year budgeting while preserving the charter school's access to their surplus funds. The schedule in Attachment B shows the total balance in the charter school fund balance reserve accounts as \$2,600,105 as of June 30, 2018.

Administration requests that the School Board approve this report so that these carryover funds can be incorporated into the adopted 2018-2019 budget.”

Mr. Duncan moved to approve the 2017-2018 Budget Carryovers to the 2018-2019 Budget so that the carryover funds can be incorporated into the adopted 2018-2019 budget. Mr. Battle seconded the motion. Unanimously approved.

Mr. Hamdan presented Formal Adoption of the 2018-2019 Budget submitted by Mr. Hamdan and Dr. Savaglio-Jarvis, excerpts follow:

“The public hearing on the 2018-2019 budget and the annual meeting of district electors were held on September 13, 2018, in the auditorium of Indian Trail High School and Academy. At the annual meeting of district electors, our stakeholders voted to approve the tax levy at the maximum amount allowed by law. At the time of the annual meeting, it is important to note that key variables in the budgeting process were not finalized, therefore conservative estimates were included.

Since the public hearing and the annual meeting, the administration has updated the budget to reflect components such as staffing costs, student membership, equalized property valuations, certified state aid, and tax levies. In the official October general aid certification, our general state aid decreased by \$669,578 as compared to last year. However, our total state aid that impacts tax levy increased due to the addition of a new state aid for personal property that added \$1,650,042 of tax levy relief to our stakeholders. The 2017-2019 state budget (2017 Act 59) exempted certain machinery, tools, and patterns from property tax assessments and also created this new aid program designed to reimburse municipalities for the lost tax revenue. KUSD currently qualifies for high poverty aid since our free/reduced lunch population exceeds 50%. Our population is currently at approximately 52% and declining, so we could potentially lose this additional aid in the very near future. The loss of high poverty aid could be recovered by increasing tax levy.

The 2018-2019 general fund (10) is being presented as a balanced budget in which expenditures are projected to equal revenues. We are in a positive position where we can absorb the carryover spending authority request of \$275,349 within this balanced budget. Also incorporated into this budget are several new budget assumptions recommended by administration totaling \$274,430. These assumptions include:

- Wireless Access Point Replacements (one-time cost of \$100,000);
- International Thespian Festival Support (recurring cost of \$30,000);
- Theater Arts Funding for Indian Trail High School and Academy (recurring cost of \$15,000);
- Theater Arts Funding for Tremper High School (recurring cost of \$15,000);
- and
- Equipment for Industry 4.0 Courses (one-time cost of 114,430).

Final projections show approximately \$410K of available funds yet to be allocated. These funds are available for the Board of Education to allocate in the 2018-19 budget as they see fit.

Unassigned general fund balance reserves are currently greater than 10% of budgeted expenditures; therefore, the portion of school board policy 3323 that requires a one million dollar budgeted surplus (if the fund balance is below the 10% threshold) will not be applicable for 2018-19.

The total general fund (10) ending fund balance is projected to be \$55.32 MM at the end of 2018-2019 which represents 21.38% of the current year expenditures. Included in that number are components of the fund balance designated for specific purposes such as charter school reserves (\$2.6 MM), inventory and prepaid items (\$1.2 MM), and contractual obligations (\$192K). After adjusting for the designated balances, the fund is left with an unassigned projected balance of \$51.30 MM which represents 19.83% of the budgeted expenditures.

The 2018-19 budget will include the proposed tax levy of \$88,384,590.

The proposed tax levy for the general fund (10) is the maximum amount allowable within state law without going to referendum. The overall 2.6% decrease in total tax levy equates to \$2,357,258 less local property tax dollars needed for the Kenosha Unified School District as compared to the previous year. Most of this decrease can be directly attributed to the addition of the new state aid for personal property starting in 2018-2019. Since this new state aid amount falls with the revenue limit formula, it does not provide additional budget authority, but it does directly reduce the amount of tax levy needed.

The total mill rate per \$1,000 of equalized property valuation is \$9.40, an 8.13% decrease as compared to the prior year. This decrease is the result of changes in both tax levy and equalized property values in our district. Our equalized property value increased by 6.02% from last year which means the reduced tax levy is spread over a larger tax base which results in a significantly favorable change in the mill rate. Attachment A delineates this tax levy scenario in a historical view of the District's equalized property values, tax levies, and mill rates.

It is requested that the Board of Education accept the following recommendations:

1. Formally adopt the District's 2018-2019 budget using the accompanying budget adoption motion (Attachment B).
2. Direct the administration to prepare a class one legal notice to be published publicly within ten days of the adoption (Attachment C).
3. Approve the property tax levy to be collected from the municipalities within the school district in the amount of \$72,697,706 for the general fund, \$14,186,884 for the debt service fund, and \$1,500,000 for the community service fund. The Board must approve levy amounts on or before November 1st each year, per Wis. Stats. 120.12 (3)(a).

4. Direct the district clerk to certify and deliver the Board approved tax levy to the clerk of each municipality on or before November 10, 2018.”

Mr. Battle moved to formally adopt the District’s 2018-2019 budget using the accompanying budget adoption motion, direct the administration to prepare a class one legal notice to be published publicly within ten days of the adoption, approve the property tax levy to be collected from the municipalities within the school district in the amount of \$72,697,706 for the general fund, \$14,186,884 for the debt service fund, and \$1,500,000 for the community service fund, and direct the district clerk to certify and deliver the Board approved tax levy to the clerk of each municipality on or before November 10, 2018. Ms. Stevens seconded the motion. Unanimously approved.

Mr. Keckler presented the Official Third Friday Enrollment Report submitted by Ms. Laura Sawyer, Data Analyst; Mrs. Erin Roethe, Data Analyst; Mrs. Lorien Thomas, Research Coordinator; Mr. Keckler; and Dr. Savaglio-Jarvis, excerpts follow:

“Annually, Administration provides the Kenosha Unified School Board with the District’s Official Third Friday Enrollment Report. The data contained in this report are also reported to the Wisconsin Department of Public Instruction (DPI) in its designated format. The School Board should note that this report contains only *enrollment* data and does not contain student membership data that are used to develop revenue projections and budgetary planning documents.

District-wide, enrollment decreased 283 students, from 21,655 students in 2017-18 to 21,372 students in 2018-19. Beginning in 2009-10, Kenosha started to experience a decline in community birth rates, with the related effect of declines in enrollments five years later. Since 2010, KUSD boundary areas have averaged approximately 250 less births compared to previous years. This trend has now impacted grades pre-kindergarten through grade 3.

The 2018-19 Official Third Friday Enrollment Report is an informational item.”

Mr. Keckler gave a PowerPoint presentation entitled Official Student Enrollment Trend Report which covered the following topics: overall enrollment trends, number of births and KUSD kindergarten enrollment (5 years later), Wisconsin births, national trend, KUSD exits to area private schools, KUSD open enrollment (transfer in/out), student race/ethnicity, 8 year trend (grades K-5), 8 year trend (grades 6-8), 8 year trend (grades 9-12), cohort average, change in enrollments and teacher (filled) FTE, % change in enrollments and teacher (filled) FTE, and class size average.

Mr. Keckler answered questions from Board members. There was no action taken on this item as it was presented for informational purposes only.

Mrs. Modder presented the Donations to the District.

Mrs. Modder moved to approve the Donations to the District. Mr. Garcia seconded the motion. Unanimously approved.

Mr. Duncan moved to adjourn the meeting. Mr. Garcia seconded the motion. Unanimously approved.

Meeting adjourned at 8:11 P.M.

Stacy Schroeder Busby  
School Board Secretary