

REGULAR MEETING OF
THE KENOSHA UNIFIED SCHOOL BOARD
HELD OCTOBER 22, 2019

A regular meeting of the Kenosha Unified School Board was held on Tuesday, October 22, 2019, 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 7:19 P.M. with the following Board members present: Ms. Adams, Ms. Stevens, Mrs. Modder, Mr. Duncan, Mr. Battle, Mr. Garcia, and Mr. Wade. Dr. Savaglio-Jarvis was also present.

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.

There were no awards or recognitions.

Dr. Savaglio-Jarvis presented an Administrative/Supervisory Appointment.

Ms. Stevens moved to approve Mr. Bret Olson as the Interim Assistant Principal at Kenosha School of Technology Enhanced Curriculum (KTEC) - East. Mr. Garcia seconded the motion. Unanimously approved.

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

Ms. Adams introduced the student ambassador, Taylor Wimberly from Indian Trail High School and Academy, and she made her comments.

Mrs. Modder presented the legislative report.

Views and/or comments were made by the public.

The Board President did not make any remarks.

Board members considered the following Consent-Approve items:

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

Consent-Approve item X-B – Minutes of the 9/24/19, 9/25/19 and 10/15/19 Special Meetings and Executive Sessions, 9/24/19 Regular Meeting and 9/25/19, 10/9/19 and 10/15/19 Special Meetings.

Consent-Approve item X-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 2019 cash receipt deposits totaling \$219,682.78, and cash receipt wire transfers-in totaling \$22,654,791.08, be approved.

Check numbers 583445 through 584505 totaling \$6,290,301.66, and general operating wire transfers-out totaling \$15,575,093.86, are recommended for approval as the payments made are within budgeted allocations for the respective programs and projects.

It is recommended that the September 2019 net payroll and benefit EFT batches totaling \$11,981,539.87, and net payroll check batches totaling \$20,354.52, be approved.”

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

Dr. Savaglio-Jarvis presented the Motion to Rescind Action Take at the September 24, 2019 Regular Meeting – Human Resource Information System Upgrade submitted by Mr. Hamdan; Mrs. Lindsey O’Connor, Chief Human Resources Officer; and Dr. Savaglio-Jarvis, excerpts follow:

“At the September 24, 2019 regular board meeting, the board of education was presented with information in regards to a Human Resources information system upgrade (attached). The recommendation presented was to approve ADP as the districts’ human resource information system (HRIS) vendor.

The motion and vote was as follows:

“Mr. Duncan moved to postpone the Human Resource Information System Upgrade for 60 days. Ms. Stevens seconded them motion. Unanimously approved.”

After a thorough debriefing following the September 24, 2019 meeting, administration has decided to postpone the HRIS upgrade at this time; therefore, there is no need for the HRIS item to return to the board within 60 days.

Per Board Policy 8810, number 5, it is recommended that the Board rescind the action taken at the September 24, 2019 meeting and make a motion to postpone the HRIS upgrade indefinitely.”

Mr. Duncan moved to rescind the action taken at the September 24, 2019 meeting in regards to the Human Resource Information System Upgrade. Ms. Stevens seconded the motion. Unanimously approved.

Mr. Duncan moved to postpone the Human Resource Information System Upgrade indefinitely. Ms. Stevens seconded the motion. Unanimously approved.

Mr. Kristopher Keckler, Chief Information Officer, presented the Official Third Friday Enrollment Report submitted by Mrs. 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 -453 students, from 21,372 students in 2018-19 to 20,919 students in 2019-20. This was the largest single year decrease KUSD has experienced. Beginning in 2009-10, Kenosha started to experience a decline in community birth rates, with the related effect of declines in elementary school enrollments five years later. Since 2014-15, KUSD has had an average annual decrease of 293 students. This trend has now impacted grades pre-kindergarten through grade 4.

The District reported decreases for both the elementary and high school boundary groups, with a minor increase at the boundary middle school level. Boundary elementary schools decreased overall by -329 students, boundary middle schools increased by 77 students, and boundary high schools decreased by -180 students. Overall, this is attributed to both the continual declining birth rate and a larger graduating cohort exiting at the high school level.

The total enrollment for the Special Schools, which included all charter schools, Chavez Learning Station, Kenosha 4-Year-Old Kindergarten, Hillcrest, and the Phoenix Project, reported a decrease of -21 students. The number of community-based child care centers at Kenosha 4-Year-Old Kindergarten increased from 7 in 2018-19 to 8 in 2019-20.

The following special schools reported increases in enrollment when compared to last year: Kenosha 4-Year-Old Kindergarten increased by +9 students, Brompton slightly increased by +2 students, Hillcrest and eSchool both had slight increases of +2 students each and the Phoenix Project increased by +3 students. Chavez decreased by -26 students, KTEC decreased by -1 student and Harborside decreased by -12 students.

The 2019-20 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, projected percentage change in public elementary and secondary school enrollment by state (fall 2016 to fall 2028), Wisconsin births, KUSD exits to area private schools, KUSD open enrollment (transfer in/out), student race/ethnicity, eight year trend (K-5), eight year trend (6-8), six year trend (9-12), cohort average, change in enrollments and teacher FTE, % change in enrollments and teacher FTE, student and teacher 5 year change, and KUSD average class size trends,

Mr. Hamdan presented the Change in the Fiscal Year 2018-19 Adopted Budget submitted by Mr. Hamdan and Dr. Savaglio-Jarvis, excerpts follow:

“The Board of Education adopted the 2018-2019 budget on October 23, 2018, 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.

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 as well as grant summary reports submitted to the Audit/Budget/Finance Committee.

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.

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 2018-19 Adopted Budget and that the attached Class 1 notice be published within 10 days of the official Board adoption. Mr. Duncan seconded the motion. Unanimously approved.

Mr. Hamdan presented the 2018-2019 Budget Carryovers to the 2019-2020 Budget submitted by Mrs. Salo, 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 2019-2020 fiscal year budget:

Site Requested Carryover	\$ 26,578
Donation and Mini-Grant Carryover	\$197,176
Athletic Fields Carryover	\$ 34,192
Theater (Co-Curricular) Carryover	<u>\$ 60,874</u>
Total Fund 10 Carryover	\$318,820

Administration requests that the School Board approve this report so that these carryover funds can be incorporated into the adopted 2019-2020 budget.”

Mr. Battle moved to approve 2018-2019 Budget Carryovers so that the carryover funds can be incorporated into the adopted 2019-2020 budget. Mr. Garcia seconded the motion. Unanimously approved.

Mr. Hamdan presented the Formal Adoption of the 2019-2020 Budget submitted by Mr. Hamdan and Dr. Savaglio-Jarvis, excerpts follow:

“The public hearing on the 2019-2020 budget and the annual meeting of district electors were held on September 17, 2019, 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 detailed staffing costs (salary and benefits), student membership, equalized property valuations, certified state aid, and tax levies.

Coinciding with the changes in health insurance carrier and plans, savings in addition to the reduction in premium costs have transpired. With the active election of benefits being required, the number of staff members electing family plans decreased, while the number of waivers increased. We also see savings within the staffing budget as staff with higher-end salaries have been replaced by staff coming in lower on the salary scale.

In the official October general aid certification, our general state aid decreased by \$331,251 or 0.22% as compared to last year. Our total state aid that impacts tax levy decreased by a total of \$1,540,047 or 1% due to significant reductions in high poverty aid and state aid for personal property as shown in the following table.

The 2017-2019 state budget (2017 Act 59) exempted certain machinery, tools, and patterns from property tax assessments and also created a new aid program designed to reimburse municipalities for the lost tax revenue. The method used by the Department of Revenue to allocate these aid payments to districts that contain Tax Incremental Districts (TIDs) was challenged and revised after the first year of implementation in 2018-19. Being that our municipalities contain large TIDs such as Amazon, we experienced a major change.

KUSD also qualifies for high poverty aid since our free/reduced lunch population exceeds 50%. However, our population is currently at approximately 51.5% 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 the tax levy.

The 2019-2020 general fund (10) is being presented as a balanced budget in which expenditures are projected to equal revenues, however, there is approximately \$7.7 MM pending allocation by the Board. The District is in a positive position where we can absorb the carryover spending authority request of \$318,820 within this balanced budget as part of the pending allocations. In addition, the administration will be bringing forward recommendations for Board consideration in the areas of security, diversity, engagement, equity, and facilities.

With the approval of the recommended carryover, we project approximately \$7.4 MM of available funds yet to be allocated. These funds are available for the Board of Education to allocate in the 2019-20 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 the 2019-20 budget.

The total general fund (10) ending fund balance is projected to be \$57 MM at the end of 2019-2020 which represents 22.17% of the current year expenditures. Included in that number are components of the fund balance designated for specific purposes such as charter school reserves (\$2.3 MM), inventory and prepaid items (\$3.9 MM), and contractual obligations (\$370K). After adjusting for the designated balances, the fund is left with an unassigned projected balance of \$50.4 MM which represents 19.61% of the budgeted expenditures.

The proposed tax levy for the general fund (10) is the maximum amount allowable within state law without going to referendum. The overall 1.36% decrease in total tax levy equates to \$1,205,971 less local property tax dollars needed for the Kenosha Unified School District as compared to the previous year.

The total mill rate (tax per \$1,000 of equalized property valuation) is \$8.59, an 8.62% 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 7.94% 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 2019-2020 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 \$71,682,744 for the general fund, \$13,995,875 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, 2019."

Mr. Battle moved to formally adopt the District's 2019-2020 budget for Kenosha Unified School District, as presented in Attachment B, for all funds to show expenditures, other revenues and tax levies in summary; direct the administration to prepare a class one legal notice to be published publicly within ten days of the adoption (Attachment C); approve the property tax levy to be collected from the municipalities within the school district in the amount of \$71,682,744 for the general fund, \$13,995,875 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, 2019. Ms. Stevens seconded the motion. Unanimously approved.

Mrs. Modder presented Resolution No. 358 - American Education Week, 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 18-22, 2019, 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.”

Ms. Adams moved to approve Resolution No. 358 - American Education Week. Mr. Duncan seconded the motion. Unanimously approved.

Ms. Stevens moved to adjourn the meeting. Mrs. Modder seconded the motion. Unanimously approved.

Meeting adjourned at 8:31 P.M.

Stacy Schroeder Busby
School Board Secretary