

Eau Claire School Board Agenda
Wednesday, April 18, 2018

Generated by Patti Iverson

Members present

Chris Hambuch-Boyle, Aaron Harder, Joe Luginbill, Eric D Torres, Lori Bica, Kathryn Duax (arrived at 8:10 p.m.)

Member absent

Charles Vue

1. REGULAR MEETING - CALL TO ORDER

Following the Pledge of Allegiance, President Hambuch-Boyle called the meeting to order at 7 p.m. Board Secretary Patti Iverson confirmed that the meeting had been properly noticed and was in compliance with the Open Meeting Law.

2. PUBLIC FORUM

Greg Niemuth said that when he retired last June, he was under the impression that he would receive post-employment benefits including an HRA. He was informed that he wasn't getting that benefit because his wife still works for the District. He had several meetings with administration about these benefits, but he did not receive them. He believes he is entitled to these benefits. He asked the Board for about HRA access. He asked the Board not to rubber stamp everything that comes from the executive staff.

Katy Steffes said she has received professional development about Conscious Discipline, which has changed her life. Katy felt this was the most culturally relevant PD she has received. according to CD kids need to feel safe first and loved and cared for. students come from different backgrounds. we may add extra stress or anxiety. as itinerant special ed teacher, id kids who have lived in trauma for first years of their life. coming to school from life of what they have ever known. learning nurturing safe ways to do that. in PR we are working towards full implementation of CD. we have 2 adults to every 10 children. sometimes more adults supporting kids. having additional adults is meant to keep children safe so they can be successful. i believe who district needs more training as it relates to social/emotion. decisions related to staff looked at closely. compassion, empathy -- teaching kids' self-regulation. benefits all. students going into their school having been calling out for help for long. learning and practicing this new way of thinking is most challenging. hope that others acknowledge that s/e needs to be taught intentionally. critical life skills to teach our children.

Mark Goings - as board you are charged with daunting task of overseeing educational system. each child and parent trusts you to do what is best for them. noble calling. aiding is staff--all staff. while contract don't mean much to child, being surrounded by quality, caring adults does matter to each of them. As you discuss OPEB hope you learn a lot and ask question. think about how this

discussion impacts not only your budget but your staff. how does it impact the 2030 year promise you have made? how has anxiety around it affect them. how does it affect your goal of retaining top quality staff? during listening sessions please listen to the questions, thoughts and stories shared by staff. they have dedicated their lives to quality of education in EC. these are the people you want to have walking with you on this journey. we will bring about the greatest future.

3. BOARD/ADMINISTRATIVE REPORTS

3.1 Superintendent's Report

Superintendent Hardebeck reviewed the Board's calendar of upcoming events.

Sam Rechek

Susan Houston

Elizabeth Duellman

Longfellow

3.2 Board President's Report

Suspend the rules we reorganize the first meeting in May. new board member, Laurie Klinkhammer. Kohl doubled his award. at some point i will suspend the rules. Kathryn will be back. las meeting tonight. we want to honor her.

4. STUDENT REPRESENTATIVE REPORT

Ryan Cramer has heard some concerns that class sizes will be increasing significantly nest year. i believe class size is important factor. small class size was sold to the referendum, while may not apply, it is something the community strongly supported. attend lab on

Lauren Priem, we have made comments about need about direct discussion. last week series of announcements were made by administration. steps to educate students in that regard. hopefully memorial will continue to be safe place for kids. new secure entrance which is under way. fire alarm which was well handled during ap registration informed that two weeks hold on construction during testing. congratulation to incumbent and new board and commitment to schools.

5. OTHER REPORTS

5.1 School Board Committee Reports

P & G - at next meeting we will discuss facility use agreement. pulled for tonight. need more input from P & G and other groups. want equity committee to play part of that. on upcoming agenda is discussion about renovation projects, play based

learning. work flow 54 polies to work through. also, discussion and policies and protocols on school entrances.

5.2 Legislative Update

Joe on Monday governor signed 90 bills into law. signature requirements for nomination of candidates; early college credit programs; regarding supplemental aid program which repeals DPI administrative rules and creates different rules. dpi has come out with information about new grants and additional grants with mental health programs in the schools. will be grant writing workshops and information webinars. will be wo new legislative study committees created by legislature. interim to look at specific topic and come together with recommendations. two looking at investment and use of school trust funds and study committee to review current screening, intervention, and treatment protocols for dyslexia.

6. CONSENT RESOLUTION AGENDA

Motion by Eric D Torres, second by Joe Luginbill, to approve the following Consent Resolution Agenda Items:

- Minutes of April 2, 2018
- Financial Report - March 2018
- Gifts in the amount of \$8,295.62 for the period of March 1, 2018 through March 31, 2018
- Payment of all bills in the amount of \$11,923,415.18 and net payroll in the amount of \$5,477,262.77 for the period of March 1, 2018 through March 31, 2018.
- Human Resources – Employment Report
- Preliminary Notice of Nonrenewal of Teachers with Limited Term Employment
- 2018-2019 CESA 10 Contract
- Five-Year Capital Project for Northstar Track
- Approval of Elementary Standards-Based Grading
- Approval to Hold Listening Sessions for Spanish Dual Immersion Program
- Adopt New Policy 343.44 - Part-Time Open Enrollment
- Adopt New Policy 343.45 - Technical College Course Program
- Adopt New Policy 343.46 - Early College Credit Program
- Rescind Policies 343.42 - Youth Options & 343.43 - Course Options

Motion carried

Yes: Chris Hambuch-Boyle, Aaron Harder, Joe Luginbill, Eric D Torres, Lori Bica

Dr. Hardebeck announced that Kim Koller has been named the new Executive Director of Administration. She shared her biography, which included her currently serving as the Principal at Putnam Heights. The Board and Dr. Hardebeck congratulated Kim on this new role.

7. INDIVIDUALLY CONSIDERED RESOLUTION(S)

7.1 Re-employment of Certified Staff for the 2018-19 School Year

Motion by Aaron Harder, second by Lori Bica, to authorize administration to issue contracts for the 2018-19 school year to certified staff members as presented.

Motion carried

Yes: Chris Hambuch-Boyle, Aaron Harder, Eric D Torres, Lori Bica

Abstain: Joe Luginbill

7.2 Revise Policy 453.4 - Administration of Medication to Students

Motion by Joe Luginbill, second by Eric D Torres, to revise Board Policy 453.4 - Administration of Medication to Students

Motion carried

Yes: Chris Hambuch-Boyle, Aaron Harder, Joe Luginbill, Eric D Torres, Lori Bica

7.3 Create Equity Review Committee on Athletic Programs and Facility Access

Motion by Joe Luginbill, second by Aaron Harder, to approve charge for an Equity Review Committee on Athletic Programs and Facility Access and solicit applicants.

Motion carried

Yes: Chris Hambuch-Boyle, Aaron Harder, Joe Luginbill, Eric D Torres, Lori Bica

8. ADJOURN TO COMMITTEE

9. COMMITTEE REPORTS/ITEMS FOR DISCUSSION

Kathryn Duax returned at 8:10 p.m. The Board agreed to suspend the rules to allow the continuation of the President's Report.

Dr. Hardebeck on behalf of the staff. meant to the staff. people have seen you as committed person where students came first but always been there for the staff. as staff we have felt you cared about us as people. when times were hard, you have been a comfort to us. we will miss that comfort and friendship. we will miss you. there will be a little hole for us.

9.1 OPEB Update

Dr. Hardebeck said the Board discussed Other Post-Employment Benefits (OPEB) in 2012. Mr. Dan Van De Water shared the report along with Linda Mont from XXX. At that time the Board asked a number of questions and asked for different options related to those presented. In December 2013 the Board received additional information and after discussion, Board members started talking about changes to the compensation structure and a number of items related to OPEB including the increment study and longevity study. These discussions were all put on hold while

that compensation work took place. The Budget Development Committee has been looking at options again and is ready share options for consideration by the Board.

Abby Johnson, Executive Director of Business Services, said that the projected cash payout for medical and dental benefits for District employees including future retirees, is currently expected to be over \$102 million over the next 30 years. The report that was shared with the Board is only for health and dental benefits and does not include anything for stipends. The ECASD is one of the few districts that still has retirees eligible for ten-year medical benefit based on health premiums. In 2008 teachers and non-affiliated staff went to new deferred contribution plan; custodians and food service went to that same plan in 2010 and support staff went to that plan in 2012.

The goal for post-employment benefits is to be sustainable, equitable and to value retention of staff.

Sustainable - what does it look like for 5, 40 years. all plans shown eliminate unpredictability of old OPEB.

Equitable - make sure everyone gets the same benefit. not dependent on health and dental plan or level of health plan participation.

Value retention - what do staff perceive value of old to new plan. collar value, flexibility. want to give option for retirement.

talked about grandfathering. looked at group of people that would stay with the same benefit so not pulling rug. options have 3 different options for this. saw 5 years, 3 years and 0 zero years.

trust of employees--have been expecting for a long time. recognize it is important benefit to them.

The current OPEB plan provides HRA reimbursements are not taxable. The total amount the District provides is a benefit to employees. It is flexible and can be used for premiums on the District plan or on a plan that better meets the needs of their health. Employees are able to use their HRA benefit for premium reimbursements until they are exhausted. This doesn't end at Medicare.

The downsides of the current plan is the amount is dependent on health and dental premiums and single/family participation in the health plan. It is unpredictable due to premium dependency; is unsustainable; and bond rating agencies have mentioned the value of the District's OPEB the last two times the District has gone to issue debt.

The options for three tiers for three different scenarios was shared.

Tier 1 - Scenario A

Employees who are currently eligible to retire by 6/20/23 are grandfathered with

the current plan. This is a fixed group of employees with an estimated \$30.7 million to be paid out between June 30, 2018 and June 30, 2035.

Tier 2 - Scenario A

This is for employees hired before the defined contribution date but who are not eligible to retire by June 30, 2023. The group has an estimated \$20 million to be paid out between June 30, 2023 and June 30, 2046. It was noted that actuaries do projections based on what they think will actuarially happen.

Tier 3 - Scenario A

This would have no impact to the budget in five years. It would be payable over a five-year period at retirement. The estimate is \$9.7 million to be paid out between June 30, 2023 and beyond. Employees must separate from service to receive the benefit.

Factor used in Scenario A

shared scenarios A,B, C

Factor used in each scenario

cash flow analysis B -yellow grandfather for 3 years; green = factor and Blue no difference in this situation current benefit is \$102 million and brings liability down to \$61

difference in between A and B

Aaron--grandfather different in yellow that rates are locked at 2018 rates (add that)

Scenario C

there is no different in tier 1 and 2 for scenario C

Tier 3 benefit is payable over 5 year period must retire to receive.

Scenario C--the grandfathering is a buffer. the larger the figure. green multiplication factor that can also be a buffer. Aaron--we are saving more as we go from A to B to C but increasing the burden on staff who are affected on this.

Chris--we have budget as standing committee Aaron is the chair of budget; cv and kd are on that as well.

Scenario C saves \$57 million over 30 years; increases our budget for 6/30/19. scenario matches what current employees receive. benefit is payable over a five-year period at retirement, some employees won't retire before 2046 so benefits do

not end in 2046. employees can continue to work beyond age 65 to receive Tier 3 benefit.

put all of them into one comparison of all 3 scenarios. cash flow totals for each plan. Scenario A is no impact to our budget (\$42.4 million) scenario b \$50.5 million; scenario C \$57.9 million)

minor changes can have major impact on cash flow of the scenarios. at last Budget Develop we looked at both ends of the scale in Scenario A and C. Used \$50m as target in the middle for these scenarios.

Aaron--focus on sustainability in five and 40-year time frame. these bottom lines are all in that long -scale time frame. can see what short term impact is. some original options were raising our costs in the five-year timeframe. we don't save anything in first five years of A. this is not a short-term fix for our problems.

Joe--did Linda discuss considerations for employees and their planning in comparison with other districts. for savings, investments, etc. Abby--Linda works with many districts. We talked about what is a common time for grandfather. Five was very common. has seen at zero. she felt 3 was reasonable. worked with her on sustainability. some early scenarios had significant budget impacts in first 5 years. she didn't have recommendation. it's what works well for district/ what can we afford. we explored some options of HRA vs 403B and encourage savings as option. downside because they are taxable to the employee. we had several meetings where we discussed these options HRA provides more flexibility and the taxability piece is big too.

Aaron--there is another piece. to contrast with current OPEB. current has unpredictability to it. in addition to the savings we are seeing projected out, we are also getting predictability. known fixed amount; easier to budget for it. taking burden and transferring from district to the staff. has benefits for district and negatives to staff. however, there is some flexibilities in how the funds can be used.

Abby--age was one thing we talked about. But HRA is the same. Aaron--no additional flexibilities but in terms of being able to receive contributions past 65. one factor we looked at was cash value. based on projections. that's a difficult calculation to make.

KD--our advisory said we are one of the few that has stayed with this old OPEB approach. we needed to update and get it worked out for employees and district.

differences between all scenarios:

Tier 2 based on factor--scenario A factor is .8 to 2.25; b factor is .7 to 2.; scenario C - no grandfathering.

comparison to defined contribution--under current OPEB retirement is 55; recommend leaving it at 55. changing to match defined contribution at 56 wasn't

worth making the change. years of service in district -- must have years of service under both plans--this depends on classification. Paid yearly for defined contribution. Paid at retirement (5 years) with new plan - can contribute if we are in good budget year.

AH--when talking defined contribution and staff hired after 2008 and old OPEB this is proposing to replace. defined contribution is \$2500 per year looks very much like this. Tier 2 is the earned service benefit (transition to recognize benefits earned from past service)

Chris--put analogy and dates on that. very good qualifier. clarify that new plan is mirroring the defined contribution in listening session.

Recommendations to consider:

Keep these things the same as current plan:

allow this group of employees the choice to stay on district insurance after retirement until Medicare eligible.

HRA will not expire at Medicare age but can't be used for district insurance after Medicare eligibility

may still retire at 55 which is current age for this group of employees

Pros for Employees

keeping current plan

addition to the new plan

explainable - benefit moving forward is the same for all employees of the same classifications. employees of same age have different benefit - those with many years of service receive greater earned benefit than those with lesser years; receive payments over 5 year period after retirement.

pros for district

sustainable equitable, receive same benefit not dependent on hire date; health and dental; single or family coverage
fixed cost, not dependent on health and dental

easier administration of earned benefit and ongoing benefit
benefits are not taxable to employer
future bond rating calls will be more favorable since costs are fixed.

Cons of new plan for employees:

change in plans
less than planned

cons for district

employees upset about change
may receive concerns from employees with lesser years of service

next steps:

communication plan and timing
thinking about listening session dates: April 24, 26 and may 2
Bring to board to give feedback on listening sessions
bring back to board on May 21 or June 4 for a vote
implement new plan on July 1 2018

leaning towards plan? share power point

Chris--do we have to be on this kind of accelerated plan to bring back that fast.
Abby--calculations are based on that date. Chris--I think it is more sustainable than what we have. go back to non-choices relative to budget and how schools funded. we have decision to make; there are huge decisions to make at state level to fund us more appropriately. not saying we shouldn't be frugal. this is 25 years of cutting. we could look at every year since 1993-94 and see where WI sits. if you look at those who run businesses, this is transparent. need people to start speaking about non-choices and public schools. want people to get involved. get engaged in. Blue Ribbon Commissions are being held across the state.

Joe--I need more time. to me ultimately what we are doing is a difficult thing. attempting to put monetary value on trust of employees. Appreciate the proposal for listening sessions. think it should be brought to every building at the staff meeting. need to do that homework. need to reach everyone it needs to. don't think 3 listening session would do the trick. i would like to see us try to make an effort to be at buildings. Abby--it is about half of employees that qualify for this.

MAH--to your point any of these changes will affect all employees. that education is important. it would be helpful for us to continue to study this so could go on with budget for 2018-19. slowing down discussion would be helpful. Joe--agree with MAH. at end of the day we know we must decide on this. want it to be best possible decision on behalf of all staff. make effort to be at every staff meeting. Eric-- suggest that if possible, to create examples of what would be employee X situation in a b and c. read charts and understand the impact for one individual at each level. need to make that effort in sessions and buildings. educate the audience in best way possible. that would help us also understand what is the best we can offer to staff.

have calculator like we did for referendum. Aaron--would like to see timeline extended to get staff feedback. we have done it rather weighted to concerns of the district and the budget and what is sustainable. we have exhausted the options as

far as I can tell. time to look at other aspects in terms of employee acceptance of this change. supt comment about affecting all staff is true. it is about the future of the district.

KD--the budget development spent months on this. you deserve to spend time looking at these plans. we need to remain flexible and help people understand them multiply \$2500/year.

Discussion: 10.2 Update on National Board Certified Teachers language change we need to make regarding compensation system plan document for certified staff. national board for teaching standards have changed length of the certification for which teachers are certified. ?? prior to end of 2017, the certification is for ten years. based on that, our model for certified says you will receive stipend for \$1500 and then receive \$1000 for remaining years of certification. Language should be changed to take out nine years. depending on when you get certification and recertification, your compensation will be different. rather than timeframe for what certification length is we eliminated 'nine years' to remaining years.

Chris--originally the entire stipend was given at one time. what is the benefit of putting over 22 pay periods. does it affect amount given? Abby--if you do flat \$1500 you are taxed more up front rather than paying each pay period.

Lori--is there option to give employees choice of lump sum or divide it? Abby--it is possible, but the tracking might be more challenging. not sure how many we have that are NBCT. we could take to payroll and hr to see how it changes things. This will come up for vote at next meeting.

11. REQUEST FOR FUTURE AGENDA ITEMS

Discussion: 11.1 Requests for Future Agenda Items

12. ADJOURN

Action: 12.1 Adjourn the Meeting