



Poudre School District Board of Education

2407 Laporte Avenue, Fort Collins, CO 80521 • 970-490-3607

Meeting Minutes

Minutes from Board of Education Business Meeting
January 24, 2017

DINNER SESSION - 5:30 PM

PRESENT: President Cathy Kipp and Vice President David Trask; Directors Nate Donovan, Christophe Febvre, Susan Gutowsky, Carolyn Reed, and Rob Petterson; Superintendent Sandra Smyser; Assistant Superintendents Jinger Haberer, Todd Lambert and Scott Nielsen; Executive Directors Danielle Clark, Pete Hall, Dave Montoya, Dustin Reintsma and Victoria Thompson; Legal and Policy Counsel Tom Crabb

ABSENT: None

1.0 District Issues / Board Member Updates

There were no updates.

2.0 Negotiations Update

There were no updates.

3.0 Executive Session

Vice President Trask moved that the Board go into executive session to discuss matters concerning the acquisition of real property, to determine positions relative to matters that may be subject to negotiations and to instruct the negotiators, all as authorized under C.R.S. 24-6-402(4)(a) & (e). Individuals invited to join the Board and Superintendent in executive session are Legal and Policy Counsel Crabb, Assistant Superintendents Lambert and Nielsen, Executive Directors Hall and Montoya, Planning Manager Willits; and Assistant Board Secretary Davis.

Director Febvre seconded the motion.

The voting was as follows:

Those voting AYE: Directors Donovan, Febvre, Gutowsky, Kipp, Petterson, Reed, and Trask

Those voting NO: None

ABSENT: None

Motion passed 7-0.

Executive Session began at 5:33 p.m.

Executive Session ended at 6:27 p.m.

The dinner session ended at 6:28 p.m.

BUSINESS MEETING/WORK SESSION - (BOARDROOM) – 6:30 PM

PRESENT: President Cathy Kipp and Vice President David Trask; Directors Nate Donovan, Christophe Febvre, Susan Gutowsky, Carolyn Reed, and Rob Petterson; Superintendent Sandra Smyser; Assistant Superintendents Jinger Haberer, Todd Lambert and Scott Nielsen; Executive Directors Danielle Clark, Pete Hall, Dave Montoya, Dustin Reintsma and Victoria Thompson; Legal and Policy Counsel Tom Crabb

ABSENT: None

1.0 CALL TO ORDER

President Kipp called the work session meeting to order at 6:30 p.m.

2.0 APPROVAL OF AGENDA

There were no changes to the agenda.

3.0 COMMUNITY COMMENT

Mike Pruznick: Thanked the Board and administration for continuing to note on the website when a dinner session will include an executive session. In wake of the recent favorable court ruling, questioned what is holding up the bonds at this point. Asked if the district can put out a statement explaining the current situation. Also had questions about the teachers' union negotiations.

Mary Rapisardo: PSD parent who questions why 60 districts statewide participate in the School Health Services program if costs exceed revenue? Other districts have figured out a way to use the program successfully; PSD should learn from those districts and follow their lead. PSD school counselors need more resources and those resources could come from Medicaid. Please reconsider participation in the School Health Services program.

Candice Sindoris: PSD social worker for nine years who represents and stands in solidarity with all social workers in the district in opposition to Medicaid funding. Cited five areas of concern under this program - inclusion, inflexibility, community collaboration, advocacy and professional collaboration. Detailed each point; how social workers in the district spend time in these critical areas and would be limited under the School Health Services program because the hours on these items are not billable.

Public schools are not medical facilities and should not operate as such. Medicaid billing will not prove to be a valuable thing for the district.

Lisa Owsley: Teacher in ILS program (students with significant support needs) and is a unified sports coach at Poudre High School. Invited Superintendent Smyser and anyone from the Board and Cabinet to spend a day with her in her classroom. The most important thing is to spend time with students; does not want to spend time on Medicaid paperwork. At the end of the day, the School Health Services program paperwork will take time away from students.

Stacy Denham: ILS teacher at Lincoln Middle School. ILS and special education teachers are always in need, every minute of the day. They do not have time to do additional paperwork; asking for more documentation is asking too much. The Student Health Services program will take valuable time away from planning and preparing curriculum and teaching students.

Mary Beth Swanson: Parent at Rocky Mountain High School, represents a non-profit that helps youth and is a member of a community organization that has targeted adolescent suicide as an issue in our community. She appreciates all the work teachers do in the district. The non-profit she represents does extensive administrative work to receive funds. The district should do the same; regardless of the required paperwork, in order to invest more in programs that help and connect our students.

Patrick Reeves: Licensed speech language pathologist and employee of PSD. Medical codes do not closely align with educational codes for billing purposes. He is concerned about the cost of training providers to do the required paperwork. He is concerned that money the district gets from Medicaid will go to other needs in the district and not get back to the students who were coded to get Medicaid. The program does not align with the district's mission statement. He strongly urges the district to reject the Medicaid program.

Rachel Collier: Physical therapist for PSD, represents both physical therapists in the district who do not support Medicaid in the district. Management of time is already a struggle. They will have to take time away from students to bill Medicaid. They are already working beyond their contracted hours to get work done. There is nothing that can be limited to sacrifice the time needed to bill Medicaid.

Lisa Hernandez: PSD employee for 19 years and is also the district autism coach. This district has a very successful autism program. Curriculum and materials are created by teachers. Thirty to forty percent of students in our district with autism go back to their neighborhood school at middle school and require less resources and support. This happens because of the dedication of the teachers and the extensive amount of time and support they receive in elementary years. Medicaid in school districts is not proven to be an equitable or successful model and will reduce effectiveness of our current program.

Rachel Olsen: Parent in PSD, part of the Imagine Zero coalition, PSD Insight graduate and passionate about youth health and wellness. There is a serious youth suicide issue in our community. We do not want to burden district staff and need to support them. If there are already more than 50 districts participating in the Student Health Services program successfully, how are they doing it? We need to use, maximize and prioritize Medicaid funds.

Deirdre Sullivan: Parent in the district and community health advocate who has worked with the district in the past. Acknowledges the School Health Services program study has pitted school administrators against the community and parents. To keep everyone best informed, there should have been an accurate presentation on Medicaid five years ago. How have other districts implemented this program successfully? We need to understand the program and maximize these available dollars.

Jeanne Abkarian: 32 year employee in PSD, mostly in special education. She is very familiar with the district's Enrich program, has been a part of the current Medicaid discussion/research and was involved when Medicaid was used years ago. It was not shown to work successfully for the district. Teachers and special service providers already have heavy administrative paperwork burdens. Do not pursue Medicaid billing a second time.

4.0 CONSENT AGENDA

- 4.1 Personnel Action**
- 4.2 CDE Connect for Success Grant Approval for Putnam Elementary**
- 4.3 Colorado Department of Education (CDE) Early Literacy Assessment Tool Project**
- 4.4 New Policy IKF-4 Graduation, Diploma and Certificate Requirements (Second Reading)**
- 4.5 O'Dea Elementary Roof Replacement Project**
- 4.6 Polaris Roof Replacement Project**
- 4.7 Rocky Mountain High School Roof Replacement Project Phase III**
- 4.8 Quarterly Financials 12/31/2016**

Director Donovan made a motion to adopt and approve the recommended action for items on the consent agenda.

Director Gutowsky seconded the motion.

The voting was as follows:

Those voting AYE: Directors Donovan, Febvre, Gutowsky, Kipp, Petterson, Reed, and Trask

Those voting NO: None

ABSENT: None

Motion passed 7-0.

5.0 ACTION ITEMS

5.1 Revised Budget for the 2016-17 Fiscal Year

Executive Director Montoya presented the new revised budget and explained why there was a need to revise it. There are not a lot of adjustments, but they are noteworthy.

Revenue is still growing, but has slowed significantly. The October count was 330 pupils short of the projected amount. Additionally, the state has reconfigured the amount of money they give per student; the district will receive about \$10 less per student. These differences are significant and mean the budget needs to be adjusted down by about \$2.8 million dollars.

Adjusting down by this much also means depleting a large amount of the district's unassigned reserves. It will put the reserves at an unacceptable level. Montoya reviewed the different reserve accounts and discussed ways in which the district can restore these accounts. Some of the options discussed included: carryover balance sweep, use of new revenue from 2016 mill levy, and consideration of a reduction in the Board Contingency Reserve Fund from 2% to 1%. He described the financial impact of each option.

Montoya strongly recommends to the Board that restoring the unassigned reserves funds become a budget priority in the coming year.

Things to watch for in 2017-2018 (local, state and federal): TABOR changes, inflation, potential effect on district funding due to Gallagher Amendment 1988 (reset of ratio between residential property tax and business property tax – state will likely reduce property tax this year), potential changes to marijuana tax, joint budget committee's consideration of a statewide mill levy and more.

Montoya reviewed the budget process timeline and asked for questions. One small change was noted to the slide regarding unassigned reserves (instead of June 2017, should read June 2018).

Director Donovan moved to adopt the 2016-2017 fiscal year revised budget resolution in the form it was presented to the Board.

Vice President Trask and Directors Febvre and Gutowsky seconded the motion.

The voting was as follows:

Those voting AYE: Directors Donovan, Febvre, Gutowsky, Kipp, Petterson, Reed, and Trask

Those voting NO: None

ABSENT: None

Motion passed 7-0.

6.0 WORK SESSION TOPICS

6.1 October Count Update

Superintendent Smyser presented information on the October count numbers. The official enrollment number is 29,682. This represents an increase of 155 students over the 2015 October count. PSD grew, but not as much as expected. This was a statewide trend; growth slowed across the state.

Planning Manager Willits noted possible reasons for the lower count including increasing housing costs, existing homeowners are staying in their homes longer, birth rate cycle (2016 kindergarten and 12th grade classes are low troughs, whereas 5th grade is the peak with 300 more at that grade than at kindergarten or 12th grade) and school of choice has been limited in PSD.

Superintendent Smyser noted that middle school and high school enrollment growth remains strong. There will be a presentation of the revised long-range plan at the February 14th meeting. PSD will continue to monitor enrollments and as needed, adjust plans. Any proposed changes will include community involvement and feedback.

6.2 Medicaid Discussion

Shannon Huska from Colorado's Department of Health Care Policy and Financing explained what the School Health Services (SHS) program is and what a district must have in order to participate in the program.

Huska described the four areas of reimbursement claims available to Colorado school districts (Direct Service, Targeted Case Management, Specialized Transportation and Medicaid Administrative). A district must participate in Direct Service in order to participate in any other aspect of the program. If a district participates in Direct Service, they will also participate in Medicaid Administrative Claiming. Participation in Targeted Case Management and Specialized Transportation Claiming is not required.

She presented a mock cost report for the district for fiscal year 2017-2018 and explained the assumptions that were taken into consideration in the preparation of the report. Based on the assumptions, the estimated (nine-month) monthly payment to the district is \$24,085 (with nurses) or \$21,710 (without nurses).

The Board asked for clarification on the program's relationship with the Colorado Department of Education (CDE) and the Department of Health Care Policy and Financing (Medicaid). It is a federal requirement that the two agencies work together. Medicaid helps draw down the federal matching funds to the district and the CDE is tasked with how those funds are spent on local services.

There was question and discussion on specifics in the mock cost report. There are a lot of nuances in the program that determine the amount of money each district gets. A lot of districts also participate in the transportation portion of the program, an area not included in PSD's figures.

A large portion of the Board's questions and discussion items surrounded potential administrative costs. Items addressed in this discussion:

- Should the district choose to participate in the program, Ms. Huska advises adding at least two administrative positions - a full-time coordinator and a billing agent.
- According to the CDE, based on the 2014-2015 school year, districts spent about 20 percent of their money on the administrative piece.
- In the opinion of the guest panel, if the district had three administrators working on the program, generally speaking, all of those administrative costs would be covered by the program itself.
- Is there grant money available for administrative costs? In the last two years at least one of the state's three approved billing agent companies (Consortium, Kinney Associates and Frontier/Ascent) offered a grant. The panel could not speak to those grant programs.
- What do these billing agent companies charge for their services? This is a question that can only be answered by each of the billing agents. They are private companies. Huska confirmed that fee structures have changed since PSD's previous participation.
- How do other districts handle the additional paperwork? It depends on their billing agent. They all do it differently.
- What in the program has changed since 2010 when PSD lost money while in the program and the administrative work took significant time away from teaching kids? The billing processes have changed. Electronic documentation has eased some of the burden. There will always be a billing requirement, but we have changed funding mechanisms and how we track everything. Payments are now closely monitored throughout the year so that districts stay on track to meet anticipated funding amounts.
- Random Moment in Time - staff need to have 85 percent compliance. This is why you would want to consider having a coordinator in place to run the program. There is a different system in place for this particular part of the program versus 2010. If the district stayed under 85 percent, they would be asked to not participate in the program in the future.

The Board had additional questions on the program.

Huska confirmed that if a student receives Medicaid services at school it does not affect any Medicaid funds they receive outside of school. Medicaid in schools does not mean students will be separated from their school. Money spent on special education students will stay with them when they are coded as services billed to special education students. Parents can opt their children out of the program.

According to Huska, in theory, special education teachers and special service providers should not need to do additional work – what they need to document (scope, duration and frequency) is probably what they are already outlining in IEPs. This point was later disputed by PSD teachers and staff members in attendance (who were asked by the Board to give feedback). While some of the information they document is the same, it is being documented much differently (and per the district's current documentation policies). There would be additional administrative work and the potential need to change district policy and training.

Training requirements for the program include a statewide all-day training in August and a half day training in January. In addition, the district coordinator will need to train with the billing agent to ensure understanding of proper billable codes. The district coordinator in turn will have to train district staff on those coding processes (may require the use of in-service days).

Superintendent Smyser presented information on the district's exploratory process of the program. The district has, and will continue to, look at the pros and the cons of the program (e.g. negative state budget, PSD is committed to provide more mental health providers, the costs of hiring extra staff to run the program, training and IEP software expenses, billing agent's cut of funds, etc.). This is a program we would be committed to trying for at least three years to see full results.

The Board then invited PSD staff in the audience to share their thoughts including how they log student data, current Enrich data processes and digital data limitations. Right now, district policy and process for logging student data is not in line with Medicaid's log requirements.

This discussion will continue at the February 14th meeting. Huska offered to give the Board other districts' coordinator names so they can contact them with questions about running a successful program.

It is the consensus of the Board that this is ultimately the Superintendent's decision.

Board recessed at 9:46 p.m.

Board reconvened at 9:56 p.m.

6.3 District Budget Priorities

Executive Director Montoya noted the limited resources for next year. The current financial situation means the district needs to be very thoughtful in setting budget priorities; nothing new can come into play without losing something.

He discussed growth rates in the different brackets of the budget.

The employee self-insurance fund looks good this year; high dollar claims are down from last year. However, an increase in dental and health premiums may be necessary.

The ongoing discussion about Medicaid funding affects the budget. It is too soon to comment much on its budgetary impact (or perception). Funds received from that program would not be the responsibility of the district, they would be handed to a community advisory group who would make decisions on fund disbursement.

Montoya recommends that the Board consider the following budget priorities this year:

- Staff step increases were not made last year. The district may need to seriously consider funding it this year. It would cost the district about \$4 million to provide step increases.
- Restore unassigned reserves funds.
- Suggested looking at schools' unassigned reserves funds; directing those funds back to the district. If there is a place with excesses of 10%, the school would return those excess funds to the district.

6.4 Graduation Rates

Assistant Superintendent Jinger Haberer presented the graduation rate increase in our school district. Ascent students who also completed graduation requirements are not included in this figure which would push our graduation rate even higher. Ascent program participation has more than doubled. PSD's five-year graduation rate is above the state average.

There are many factors that help to raise the graduation rate in our district including Dashboard, multi-tiered systems of support, dedicated teachers, students and more.

There are still challenges. The district will continue to work on those opportunities.

The Board asked for clarification on the state's policy to exclude Ascent student numbers from final graduation rates. It is a statewide issue. PSD students are not the only ones left out of that final graduation count.

6.5 Legislative Discussion

Discussion included graduation rate reporting and review of each of the district's legislative agenda items and the Board's rationale behind them (President Kipp will send her notes on this topic from the legislative sub-committee meeting to the Board).

The Board could seek changes to the TABOR Amendment and could also consider advocating legislators to drop the three percent state TABOR reserve.

The Gallagher Amendment could affect our funding in a big way. Both major parties within the state are unhappy with the Gallagher Amendment. Would it be possible to get the legislature to refer an item to the voters to eliminate it?

At a federal level, the Senate committee will vote on the Secretary of Education position on January 31st.

7.0 AGENDA PLANNING

This is a new item added to each meeting's agenda. Each Board member will have an opportunity to bring up topics they are interested in discussing at future meetings.

Future agenda items:

- Late start proposal (will cover in a retreat in June)
- Continuing discussion on executive session from today (continue on 2-14-17)
- Continue discussion of Medicaid at February 14th meeting

8.0 ADJOURNMENT

Board meeting ended at 10:44 p.m.

Respectfully submitted,

Kyla Davis
Assistant Secretary to the Board of Education