

3-5-12 Minutes

**DAVENPORT COMMUNITY SCHOOL DISTRICT**  
DAVENPORT SCHOOLS ADMINISTRATION SERVICE CENTER  
1606 BRADY STREET  
DAVENPORT, IOWA 52803

**COMMITTEE OF THE WHOLE**  
**March 5, 2012**

The Board of the Davenport Community School District in the Counties of Scott and Muscatine, State of Iowa, met for the Committee of the Whole Meeting on Monday, March 5, 2012 pursuant to law. The meeting was held in the Jim Hester Board Room, Achievement Service Center, 1606 Brady Street Davenport, Iowa, in said District. President Johanson called the meeting to order at 5:30PM.

On roll call the following board members were present: Directors: Ralph Johanson, Ken Krumwiede, Rich Clewell, Bill Sherwood, Nikki De Fauw. Patt Zamora and Larry Roberson arrived late and Nikki De Fauw had to leave at 7:00 PM. Superintendent Art Tate and other administrators were present.

**Kimberly Center** – Dr. Tate explained that Townsend Engineering had provided a structural evaluation of the Kimberly Center and made some recommendations one of which was to study the possibility of constructing a safe room using the existing gym. There is the possibility of 75% FEMA matching funds plus 10% state funding. The District will participate in an annual emergency tornado exercise on April 4<sup>th</sup>. Director Sherwood said that after working at the Kimberly Center for 25 years he is aware of what it is like in that building during a warning and said we have been playing Russian roulette with that building and something needs to be done short term. He proposed the school have early outs when there is a tornado warning. The board had further discussion about the recommendations and Director Krumwiede inquired about using the facility next door to the Kimberly Center and also asked why this issue had not come up before during renovations. Mr. Martin said it is not a requirement according to building code. Director De Fauw asked Dr. Tate for his recommendations. Dr. Tate explained we have to look at every option such as the early out and severe weather watches but he worries about letting students out early because he has seen buses turn over in this type of weather.

Director De Fauw said she can speak from personal experience about a severe weather warning which led to dismissal of students and the only option at that point was to go out in that weather and collect children, so she agrees there are pros and cons to early dismissal. She asked if we have done studies to the rest of our buildings and maybe this is a larger issue requiring assessment of all our buildings. Director Sherwood said these are two different conversations. One is the Kimberly center and the other is the district and stated that he doesn't think there is another building like the Kimberly Center as far the kids involved. As far as the early out option his opinion is that they would be safer in their home then in the school because you run buses during watches not warnings. Director Krumwiede stated that he has seen kids hanging out after school around that area and asked if the students will actually go home if they are dismissed early.

President Johanson referenced the 2007 FEMA Tornado Recovery Advisory and how we are required to use building codes and mentioned if the district is going to go beyond what is required in building codes we need to decide where we want to be as a district. We have short and long term issues with respect to the Kimberly Center and the district. He stated this is going to take evaluation of someone in the district and then they would need to come back and make recommendations to the board. With respect to this specific issue we would at least want to know what the plan is. Director Clewell commented that student safety is important and the board needs to have a bigger discussion about this issue and will eventually have to decide at what level have we done the job we need to do and that we need to consider this issue for all our schools. Dr. Tate said he will come back with a short term plan for the Kimberly Center for next meeting.

**Budget Process Update** – President Johanson stated that two board members had not arrived yet, so Dr. Tate suggested starting with enrollment projections report. Mr. Rob Scott, Principal and Mr. Brian Gravel, Assistant Principal of Davenport Central presented a report on enrollment projections. Mr. Gravel provided an outline of how the report compiled. It is based on kindergartners attending our schools based on birth rate from Scott County. The report provides data for the k-12 grades. They discussed how their numbers are more accurate than the projections used by the state since the state always rounds up. For example, the state's projection for enrollment for 11-12 was 15,956 and their projection was 15,725 and the actual count was 15,689.

There was some discussion about why the numbers in their report are so different than the state's numbers. Mr. Scott responded that the state projects a rosier picture and their projections are based on 9 year ratio and the state's projection is based on 5 year ratio. Director Zamora and Director Roberson arrived to the meeting. Mr. Scott stated we are losing students but not as many as it appears to be.

Dr. Tate referred to packet of answers to board questions and said all questions that had been submitted by the board have been answered and provided both in the Friday packet and at the board table tonight. Ms. Tangen reviewed the current financial situation referring to the "Unspent Balance" document and another document providing simplified scenarios regarding the budget cuts on an on-going basis rather than one time shot. If there are no budget reductions and everything stays the same the unspent balance goes down quickly. She reviewed the several scenarios and the effect on the unspent balance.

Director Zamora asked about the possibility of getting an increase in spending authority. Ms. Tangen said there is a possibility of getting an increase but she did not want to build increases in the numbers because this would muddy the waters as far as the impact of reductions. Director Zamora said if the spending authority goes up more than our expenses go up and we make drastic cuts we may not need to if spending authority is increased. Ms. Tangen said if our allowable growth goes up 4% the only way we will see an increase in spending authority is if our expenditures go up something less than 4%. If the expenditures are kept at the same level as allowable growth you will not see any increase in unspent balance so we have to keep the expenditure level lower than what our growth would be. Director Zamora commented that we can count on some increased allowable growth if we keep expenditures below this and we will have spending authority. Ms. Tangen stated that the only way to keep expenditures below that is to put some type of reductions in place. President Johanson asked a question concerning allowable growth vs. expenses and asked for clarification on the factors driving up expenses. Ms. Tangen stated the biggest factor are the

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negotiations which is 80% of our budget. Dr. Tate stated that a 1% increase in the teacher contract costs us \$900,000. Ms. Tangen said that transportation and utilities are big expenses. Director Sherwood asked for clarification on the cuts in relation to the savings from the holiday premium and the early retirement incentive. Ms. Tangen explained this is a one-time shot and wouldn't help us a year down the road.

There was some discussion about whether the holiday premium can be offered more than once and Ms. Tangen stated that all depends on how many times you want to go to the well, but it could be done. Director Roberson asked if we took the current savings realized with early retirements and the holiday premium wouldn't this put us in a pretty good position and give us more time for long range planning and sustainable cuts.

Dr. Tate stated if we count on the legislature for the 4% and we only get 2% we have a compounded problem next year. It is better to spread it out or take 5% next year. He stated that we have made recommendation to divide it up but it is the board's decision. He cautioned if we take the road of not making a lot of cuts this time we need to be ready for what may be coming the following years. Ms. Tangen stated again her recommendation for reductions was 3.5 million this year and next year. Director Roberson commented this means we do not have to cut 5 million next year if we take savings from retirement and the holiday premium. Ms. Tangen said 2 million of this is going away and only 1.5 million is staying in place so this has to be made up the following year. If we only do 1.5 million in permanent reductions this year we will have to do at least 5 million next year.

Director Roberson commented that we are making decisions based on possibilities of things going up or down and he thinks we can do better. Ms. Tangen said they brought this to the board now because of all the uncertainty and to spread it out it over several years rather than taking a larger hit in one year, but unfortunately a lot of this is built on assumptions. The legislature has not set the allowable growth for the following year and we don't know what our enrollment is going to be.

Director Clewell asked about the impact of the self-insurance holiday. Ms. Tangen said for one month we would not be putting money into the self-insurance fund but the fund would continue to pay claims, so the fund balance would be reduced by about 2 million dollars. She also commented we don't have an increase in insurance premiums so it is a good time to do this.

Director De Fauw said if the early retirement is a 1.5 million dollar permanent reduction and if our goal is 3.5 for this year we only have to cut 2 million to get to the target. Taking advantage of the premium holiday would give us flexibility to complete some long term planning and have some conversations about building utilization and larger big dollar items that could be implemented the following year. This would allow us to preserve some things for this year. Director De Fauw also stated she is not completely opposed to using a half million in the unspent fund balance to provide some cushion and allow time to consider sustainable cuts.

Director Krumwiede said he would not be opposed to the ideas discussed so far, but said we need to bite the bullet and look at some of the ideas generated by the committee and the community so we aren't in same situation next year. As far as big ticket items, he agrees with Director Roberson, he doesn't feel comfortable cutting big ticket items, but there are things on the list that need to be considered that could help.

Director Zamora asked if the 1.5 million savings does not include administrative or clerical savings. Ms. Tangen said this is correct. She asked what these would amount to. Ms. Tangen said she hasn't calculated that yet but Director Zamora asked if this would be an additional permanent savings. Ms. Tangen said it would and clarified it consists of 10 administrators and approximately 28 classified staff. Director Zamora said it would be pure savings and we need to know what those numbers are.

President Johanson asked about early retirement and is there a way to calculate the effect this has for following years. Director Roberson asked about the savings resulting from the cuts to administration and savings from the total number of people that will not be replaced. He would like to see these numbers. Director De Fauw cautioned that we do not want to double count someone who is taking early retirement. Dr. Tate said this would be a separate line item.

Director Roberson asked if we have projections for the comparison of the new teacher's salary and a retired teacher's salary and how long we incur a savings. Ms. Tangen said that the retirees are at such a high level that it would take a new teacher starting at step 1 about 20 years to catch up to the retired teachers' pay.

President Johanson referred to the sheet on scenarios and asked what the recommendation is for unspent balance in relation to this document. Ms. Tangen stated she recommended 8 million dollars in an unspent balance. President Johanson commented that none of the scenarios have us getting to the recommended 8 million and asked if more reductions are needed to achieve this. Ms. Tangen responded yes and they would have to permanent reductions.

Director Zamora asked what happens to the 13 or 14 million that we have right now. Ms. Tangen said that every year we are overspending our maximum authorized budget by 5 or 6 million a year. Ms. Tangen said we received an influx of 21 million dollars from the state when they gave districts spending authority for the accrual conversation, so we have been riding on the 21 million dollars and every year it has been going down. Director Zamora stated that the insurance fund was also in red when she first started on the board and now we have over 22 million dollars and asked about this fund. Ms. Tangen said we built the balance up because of insurance increases that we were not expecting and large potential claims. Ms. Tangen pointed out that at one time the district was on the list of not having enough in the self-insurance fund so we wanted to build this up in case we had a bad year with insurance.

Director Zamora asked if 22 million is a large number to have in reserve. Ms. Tangen said we do not have a target as to where we want the self-insurance fund to be. Ms. Tangen provided the example of one year where two cases of premature twins being born and this really took a hit on the fund. Director Sherwood asked if there is any possibility that the situation at Lincoln would change or improve a year down the road. Dr. Tate said it would require bold and heroic efforts such as redefining the school, or to make a theme school of some sort and do some major marketing and advertising.

Dr. Tate reviewed the list of answers to the questions that were submitted by the board last week. Regarding question # 3 and Lincoln School, Dr. Tate said he has had 7 or 8 suggestions regarding ideas for repurposing Lincoln from outside the school district.

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Director Krumwiede asked if there were any suggestions from within the school district and he doesn't want it to turn out like the charter school where the staff was expected to do the same curriculum as everyone else in district even though it was supposed to an arts curriculum.

Director Zamora asked what is difference between what we would actually save and what we would have to pay to include the children going to Lincoln to go somewhere else. Dr. Tate said we would not have to pay any more because it would be done without having to move a single teacher. Director Roberson asked if the same teachers at Lincoln would be moving with the kids and Dr. Tate said not necessarily but it would be a wise thing to do if possible.

Director Krumwiede referred to capacity utilization handout and asked why we are talking about closing Lincoln which is at 38% utilization and JB Young is lower at 32%. Dr. Tate explained the options that have been explored for JB Young and if you have to collapse one it should be the younger grades and there has been discussion about about a k-8, plus its proximity to Central and also the effort to keep this corridor viable.

Director Clewell asked about the impact of curriculum cuts to meeting the requirements of the common core. Dr. Tate said this would be a reduction of \$60,000. Ms. Staszewski stated this would be a reduction in personnel so they will have to reallocate some responsibilities. They are required to implement the common core and said the team will make it work. Director Sherwood stated he is opposed to this cut because he saw what happened in the past when curriculum coordinators were eliminated. Director Krumwiede is also very concerned with the reductions in the curriculum area. He stated when looking at the number of curriculum coordinators we used to have compared to what we have now he doesn't see how the core curriculum can be delivered. This is a huge job and he is very concerned that we will not be able to get it done. He suggested bringing retirees back part-time and we can still save money.

Director De Fauw would caution regarding cuts to the fine arts budget and that parents already support those programs in a very significant manner. There are costuming fees, band fees, and other fees and expenses that are already attached to these programs and parents will have to eventually absorb these costs.

Dr. Tate said referred to the "Big Idea List" concerning the potential savings by altering the high school block schedule. Director De Fauw would like to have a conversation around what is in the educational best interest of students in terms of our scheduling. She asked what data is available on providing the best method of instruction to achieve the greatest student achievement. She doesn't want to base this decision on the dollars saved. Director Zamora said the students should be polled to find out what they would like because she had heard they prefer the block schedule. President Johanson asked for clarification if this should be addressed by October 2012 and Dr. Tate said that is correct and this is when he looking to have some type of decision on the matter.

Dr. Tate said we have a 3 month notification with the Jefferson Edison contract. Director Zamora stated that it was her understanding that this school wasn't supposed to cost any more to run than any other school with the same amount of students and asked about how we would save money by changing that curriculum. Ms. Tangen responded that through staff changes and efficiencies we would realize savings. Director Sherwood cautioned that one

size does not fit all and Jefferson may require more support than other schools.

There was a discussion about why the district doesn't copy their model since it seems to work and Dr. Tate said it is the cost factor that prevents this. Director Sherwood asked if they are putting money into the building other than what we give them. Dr. Tate said they use our money but they have things we do not have in some of our schools and explained that they do things differently than we do. Director Sherwood stated we may be able to operate this as efficiently as they do and save money. Director Krumwiede stated he was never in favor of an outside company coming in and running one of our schools. He said he had researched student achievement there over the past year and their gains in student achievement does not appear to be that much better compared to other schools with similar populations. He thinks this is an area where we can save money because we have staff that could do just as good a job and this could save us approximately \$205,000 a year. President Johanson asked if it would be next year before this could be done. Dr. Tate advised looking at the matter as soon as possible if that is direction the board wants to go. Director Zamora has no problem with ending the Edison contract but said we need to make sure we don't go back to where that school is so challenged.

Dr. Tate stated that the other options for reductions considered by the Resource Allocation Committee and the Local School Improvement Advisory Council were on the board table for the board's review. He also stated that the cost for utilities if we started school later would be about the same.

Responding to question #11, Dr. Tate stated no change to the attendance policy is needed to increase classroom size. Dr. O'Melia stated that this is due to the fact that policy only speaks to a recommended size and so adjustments can be made. Director Krumwiede asked about impacts to the policy we have about keeping families together in schools and Dr. O'Melia stated this a practice not a policy.

Dr. Tate stated that the recommended \$50,000 budget reduction of the entire athletic personnel and activities budget represents 2.4% and the \$50,000 recommended cut to the fine arts budget represents .73%. Ms. Tangen said this was looking at all of our coaches and AP's but we don't have as many staff with athletic responsibilities as we do with the fine arts responsibilities. The recommended \$60,000 budget cut to the curriculum budget represents 6.12%.

Regarding the suggestion to cut positions as the ASC, Dr. Tate was asked to list 3 administration positions in the ASC for reduction above the supervisor level and he listed two. These would include the Athletic Director and would not fill the Associate Director for the LIS. He did not list a third one because it is not realistic. He said we cannot cut anymore and if you look at our administrator to student ratios we are 1/3 of what other districts are. Regarding the question of the possible impact on reducing the non-categorical substitute budget he stated this is a tough one and provided some examples of why this is not something he would recommend.

Dr. Tate responded to the question of savings regarding paying retired substitute teachers the same rate as non-retired teachers. Ms. Tangen said this was done several years ago when the district was in dire need of teachers and the experience retired teachers bring. The savings would be approximately \$227,000 for this budget reduction.

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The next question was how we can save money by revising the Whittenmeyer model. Ms. Reynolds explained that the state has changed how we are required to bill and explained the change to the board. In the past for special education students, the district has been able to pass on the charges that Whittenmeyer has billed us for to all the districts from where the students come from. The new billing tool does not allow Whittenmeyer to charge enough overhead to continue this practice which means we are using our money to support students from other districts. She stated the district and Whittenmeyer staff have been meeting with legislators about this issue and there is currently a bill that is being considered that would change this.

With the general education students we have a daily rate which is considerably more than what it would cost us to educate that same student. The contract with Whittenmeyer is up at the end of June. Ms. Tracy pointed out the difference being made up that was discussed earlier comes from the general fund not the special education fund. Director Clewell asked if the cost for these students is over the \$5,883 per pupil amount. Ms. Reynolds stated it costs \$23,000 a year for one general education student. Director Sherwood said that family resources is an important part of our community and he wants to make sure that we don't contribute to something that might end up damaging them. President Johanson asked how cost impacts our budget. Ms. Tracy stated that from a general education perspective all the students who are placed there residentially become our students. President Johanson clarified that if a student from Bettendorf is placed at Whittenmeyer, then we get the \$5883, but have to pay \$23,000 which comes out of our general fund, and Ms. Tracy said that is correct. Ms. Tangen said the total amount this represents is in excess of \$600,000. Ms. Reynolds stated that we are not required by the state to have a contract with Whittenmeyer, but we are required to educate the student who is placed there residentially, but it is our decision to contract with Whittenmeyer.

Director Zamora asked why we are required to have residential facility. Ms. Tracy said we are not required to have the residential facility but when a student is placed there residentially we are required to educate them. Director Zamora asked why we don't put them in our classrooms. Ms. Reynolds said this used to be done many years ago and explained some of the reasons for the change. Dr. Tate commented that these students are assigned to residential placement for reason and can we provide the services they require for less. Director Zamora commented she is very familiar with these students and believes some of them aren't as difficult as those currently in the school. Director Clewell asked if the students could be mainstreamed into the classrooms. Ms. Reynolds said some of the kids are able and noted that Ms. Downs is reevaluating every student and making some decisions. They have also started an autistic classroom that is costing \$300,000 a year for Whittenmeyer to run but they are bringing that program back next year. Director Sherwood mentioned we already have an image problem in the district with discipline and this may not be in the best interest to try to manage these students. President Johanson asked for clarification on some of the numbers presented and Ms. Tangen responded that the \$250,000 is part of the \$600,000 mentioned earlier.

Mr. Martin addressed the question of what will people think about the option to eliminate paid conditional busing. He stated they will not like it, but mentioned that we have been over accommodating with the service. There are some people who should be providing their own transportation and stated we need to become more strict on walk zones. Director Clewell asked if there are alternatives to the all or nothing approach. Ms. Reynolds said we could look at providing the service only within home boundaries. Director Sherwood asked

about making exceptions and Mr. Martin said he really hesitates to give exceptions because this can really muddy the waters. Director Sherwood said this is social justice issue and it was mentioned that some of this has already been addressed by providing the CitiBus service for the students. Director Roberson asked about ridership and if these could be the same people using Citibus and maybe the impact is not as great as we think. There was some discussion about how this might affect attendance or the drop-out rate and who most of the riders are. Mr. Martin said it may be the older kids but couldn't say specifically. There was some discussion about walking zones and that the state code for k-8 is 2 miles and for high school is 3 miles and how this issue requires a bigger conversation. Mr. Martin mentioned the Safe School Program which has been very successful in other parts of the country and mentioned the walking school bus concept. The savings for this reduction would be 132,000. Director Sherwood said this should be put on hold on until get some other things in place.

Next was the question of using incentives to encourage teachers to not use sick days and Dr. Tate said it doesn't think this would save any money. Director Zamora thinks this is a dangerous precedent to set and we have been careful not to do this over the years and we cannot afford this. Director Sherwood said there are different variations that are not covered here and he would want a more in depth look at the options. Director Roberson said this comes up in negotiations and it should be a give and take. Dr. O'Meila said she doesn't think that the HR department thinks this is a problem and discussed the small amount taken by retirees and an incentive wouldn't be an incentive to someone who abuses sick leave.

A regional model was provided to the board regarding the savings that could be realized by restructuring nursing services. Dr. Tate said there are many variations to this. Director Krumwiede asked the board to remember the presentation by Carol Harris on all the medical issues faced in the schools when considering this option. President Johanson said this is an enhanced service and as the board considers these things he mentioned the possibility of categorizing core vs. enhanced services before the next meeting. Dr. Tate said this could be done.

Dr. Tate referred to the hand out explaining what is and is not included in the Lincoln projected savings of \$1,361,000 if the decision is made to repurpose the school. He then referred to additional handouts that address the different scenarios of moving Kimberly or the ASC to Lincoln as well as other options.

Dr. Tate stated the board had been provided with information to address the question of what are the implications for student achievement if class sizes are increased in the intermediate and elementary schools. Director Sherwood commented how the intermediate schools have taken a bigger hit and asked if others had received similar feedback. Ms. Reynolds says she is going with the research that says if you are going to add it really doesn't make much difference adding to class size until you get to about 30 in the class. The lower class sizes do make a difference in the lower elementary, k-2, and it also makes a difference for high minority populations and for at-risk students. Director Sherwood said this research doesn't take into account planning time and the intermediate model. Ms. Reynolds stated the kindergarten classes are also stressed. Director Sherwood asked her about her opinion about the order of reductions provided on the handouts and they had a discussion about this. Ms. Reynolds said that in order to realize the \$300,000 reduction things would have to fall exactly in place. Director Krumwiede cautioned that even when we increase class size by one this can mean more.

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Dr. Tate responded to the question on using volunteers to replace some positions paid out of the general fund. He stated the only possibility that works in his opinion is the position of teacher aides being replaced by trained volunteers. Director Roberson said he has only heard what we can't do to use volunteers and not what we can do and we have many qualified volunteers that are available to us. Dr. Tate said he is open to ideas and we need volunteers but for many reasons such as certification laws and security, volunteers can't replace paid staff. Director Sherwood mentioned some possibilities that could be projects rather than positions.

In reference to the question of are the AEA. Dr. Tate stated that they did find 2.5 positions representing a savings of \$125,000 for next year and are currently reviewing more options to save money. He stated he had provided the board with a 7% and 10% material and supply impact statement for all non-site reductions. Director Clewell asked for clarification on the AEA and Dr. Tate explained how they arrived at the savings.

Director Roberson said he would like to see a list of services that could be contracted out and savings this would represent. Dr. Tate said this is on his long term list.

Director Zamora asked about the savings made when we opened the DMV and we were not paying the Children's Village rent at the Valley Fair Place and where is this impact shown which is approximately \$360,000 a year. Ms. Tracy explained that this helped the special education and Title I budget.

Director Krumwiede stated we haven't discussed how sharing costs with other districts could save us money. One example he mentioned was sharing the cost of snow removal with the city. We need to look at this option long term.

Director Clewell asked where money goes from real estate that we might sell. Ms. Tangen said it goes into the PPEL management account. He also mentioned the legislation regarding on-line services and the possibilities for our district and what we may have to offer.

President Johanson mentioned the whole idea of wellness and how this could save us money. There may also be potential savings reviewing the purchasing policies. He would also like to explore investment policies.

Director Zamora asked if it would be a reasonable idea to ask each board member to make a list where the cuts should go and bring this list to the next board meeting. President Johanson said yes either a list or a prioritization list. We want to put some stakes in the ground that Dr. Tate has asked for and he hopes that by next week we can start to get some consensus on the budget.

Dr. Tate said a key issue is how much does the board want to reduce and how important it is to make that decision first and then make priority lists. Director Zamora requested the accurate number for the savings for the early retirement included in the other two groups.

The meeting was adjourned by President Johanson at 8:30 p.m.

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Mary Correthers, Recording Secretary

