A Board Work Session of the School Board of said district was held in the Administrative Offices on the above date. The meeting was called to order by President Haidle at 4:02 p.m.

Members Present: Bajema, Drake, Haidle, Joseph and Rettig
Members Absent:

Kent ISD Staff Present: Superintendent Caniff, Assistant Superintendents Hagerty, Koehler, Smith and Sullivan, Recording Secretary Conners

Assistant Superintendent Hagerty stated that work on the 2019-20 budget started back in January and will be presented to local districts later this month. The purpose of the work session is to share information about the 2019-20 budgets and gather the board’s input and feedback. The session is intended to discuss and answer any questions regarding the alignment of resources to our organization’s initiatives.

Assistant Superintendent Hagerty reviewed the Kent ISD vision and outlined the purpose of the meeting:
- To look ahead to next year with an update on budget, staffing and programs;
- To ensure our resources are aligned to our goals; and,
- To provide an update on the progress of the initiatives in progress.

As we align the budget to Kent ISD and KISA priorities we have been able to add and expand programs because of increased funding received due to an increase in taxable value (TV). TV increased 4.81% last year, which was the highest increase in 10 years.

Assistant Superintendent Hagerty reviewed the county equalization report. He updated key assumptions as we look towards the 2019-20 budget. Kent County’s equalized value has increased 4.9% over 10 years. He compared Kent County’s taxable value to Oakland County’s taxable value, which decreased 11.5% from 2006-2013. The inflation rate multiplier was 2.1% in 2018 and is 2.4% for 2019. Assistant Superintendent Hagerty reviewed the 20-year history of the Consumer Price Index and how it affects taxable value. The budget is based on a 3% increase in taxable value. Assistant Superintendent Hagerty reviewed the impact a 1% change in taxable value has to the general fund, the special education fund, and the CTE fund. The enhancement millage totals approximately $20,187,000. Next year the center program funds will be included in Kent County funds. Kent ISD will keep these funds and administer the programs.

Assistant Superintendent Hagerty reviewed the three-year trend analysis of the General Fund. Key changes for 2018-19 include the addition of a Director of Diversity, Equity and Inclusion and the administration of the Gallup Poll survey. Changes in 2019-20 include adding an Early Childhood Director and adding a GSRP classroom at KTC as a lab classroom. The GSRP classroom will have no budget impact as funding comes from the GSRF grant. He reported that GSRP teacher retention rates have improved significantly.
Assistant Superintendent Hagerty noted that year-to-date investment income is $963,597. This increase is due to both increased market rates and increased fund balances. He complimented our business office staff for their work to closely manage investment opportunities. Investment income is budgeted at $1,000,000 next year.

Assistant Superintendent Hagerty reviewed potential impacts on the General Fund. The General Fund will transfer the final of three payments to the General Fund Capital Projects fund to help cover costs of the WAN fiber project. There has not been an increase in the GSRP allotment in six years and surplus funds in the General Fund have dwindled. $635,428 of revenue will move from the General Fund to the GSRP grant due to the GSRP 147c impact. Salary adjustments and additional summer days for the Bright Beginnings parent educators will also affect the General Fund balance. The projected 2019-20 fund balance is $1,842,523. He reviewed the Community Service(enhancement millage) revenue and is projecting a 2.98% increase.

Assistant Superintendent Hagerty reviewed the three-year trend analysis of the Special Education Fund. In 2018-19 the Act 18 payout increased by 1.77%. Key fund changes for 2019-20 include a comprehensive needs assessment that identified gaps in supports; adding ASD, specialized instruction and social emotional learning coaches, and the distribution of the 31N mental health grant. Kent ISD received $294,000 to be used for mental health services for general education students. The Act 18 payout will increase by 3%, the same as the taxable value increase.

Assistant Superintendent Hagerty reviewed the three-year trend analysis of the CTE Fund. In 2018-19 KTC added a school resource officer. Hagerty reviewed positions not currently budgeted for but that could be needed in the future. Key changes for 2019-20 include expansion of the welding program, the creation of a teacher cadet program, a KCTC food service worker for full day students and a coach support position for the new Launch U cohort.

Assistant Superintendent Hagerty reviewed the three-year trend analysis of the Cooperative Programs Fund. The projected enrollment for 2019-20 at KIH is 239 (current year is 226). This is lower than enrollment expectations for this program and the program is not self-sustaining. There are now successful pockets of project based learning available at local districts, so some of the program’s objectives have been met. The purpose and expectations of KIH need to be revisited with local superintendents. An early-middle college program may better fit county needs.

Budgeted transfers to KIH included $150,000 from the General Fund and $950,000 from the CTE fund. The annual payment history for Direct Hit (Curriculum Crafter) and Kickstand (Edify) was reviewed. We are projected to receive $45,000 from these sources in 2019-20. A total of $405,455 has been received to date.

Fund balances and projections for the Cooperative Programs Fund are noted below:

<table>
<thead>
<tr>
<th>Program</th>
<th>2018-19 Fund Balance</th>
<th>2019-20 Projected Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>MySchool@Kent</td>
<td>$176,947.29</td>
<td>($130,997.71)</td>
</tr>
<tr>
<td>KIH</td>
<td>$405,987.57</td>
<td>$437,017.57</td>
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<tr>
<td>Data Warehouse</td>
<td>$270,296.52</td>
<td>$405,296.52</td>
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<tr>
<td>School News Network</td>
<td>$60,054.62</td>
<td>$61,486.62</td>
</tr>
<tr>
<td>Business &amp; Tech. Services</td>
<td>$309,259.76</td>
<td>$334,691.76</td>
</tr>
</tbody>
</table>
Assistant Superintendent Hagerty reviewed the General Education, Special Education and CTE Capital Projects budgets. With the new programs and the ESC remodel there will be a cost of ~$350,000 for furniture this year. Phase I of the Lincoln Development Center renovation is completed and Phase 2 of Lincoln Schools will take place this summer. The total costs for both phases is $10,348,750. There may be a need to transfer funds from the Special Education fund to cover center program transition costs. The CTE Capital Projects fund collects $2.3 million annually and is split between three areas – set aside for future opportunities, infrastructure and program development.

Assistant Superintendent Hagerty reviewed the Center Program tuition analysis and the center program estimated budget as a separate item. Current estimated expenses exceed the projected revenue.

Assistant Superintendent Hagerty reviewed the total liabilities and fund balances and compared 2013-2014 to the June, 2018 balance sheet. Total fund balances have increased 80% over the past five years. He provided a comparison of the Kent ISD budget to the top 10 ISDs in the state. Kent ISD is ranked #1 in total Special Education revenue, #2 in Total CTE revenue, and #4 in total operating revenue.

The meeting was adjourned by President Haidle at 5:40 p.m.

Minutes Approved: May 20, 2019

Andrea Haidle, President

Claudia Bajema, Secretary

/cc