Racine Unified School District
3109 Mt. Pleasant Street, Racine, Wisconsin, 53404

Board of Education

RACINE UNIFIED SCHOOL DISTRICT

WORK SESSION

Dennis Wiser, President	Pamala Handrow, Clerk
Racine, Wisconsin	November 4, 2013

A Special Board meeting of the Board of Education of the Racine Unified School District of Racine County, Wisconsin began at 5 p.m. on Monday, November 4, 2013, with the following members present: Michael Frontier, Pamala Handrow, Melvin Hargrove, Julie L. McKenna, Don J. Nielsen, Kim Plache, and Dennis Wiser. Absent: Christopher J. Eperjesy and Wally Rendón.

Also present: Lolli Haws, Superintendent; and Darlene Gallup, Executive Assistant.

The purpose of the meeting was a work session. No action was taken by the Board.

1. **Structural Deficit Discussion**
   Marc Duff, Director, Finance-Budget, and Dave Hazen, Chief Operating Officer, presented the agenda item on the Structural Deficit. This discussion is related to the Board's Policy Governance section, Operational Expectations-5 (Financial Planning). The PowerPoint presentation, "Board of Education Work Session FY2014-15 Structural Deficit," was shared as a handout. Major points of the presentation included:
   - What is a structural deficit?
   - Preliminary Structural Deficit Estimates (Budget challenge for 2014-15 is about $2 million less than anticipated due to base changes, e.g., health care and other uncontrollable items)
   - Preliminary Structural Deficit Estimates FY15 – FY19 (Information on what will happen over time if nothing is done for FY13 – FY19 and if FY15 action is taken)
   - Addressing Structural Deficit – Revenues, Expenditures and Timing

2. **Progress on Long-Range Facilities Plan**
   Dr. Haws talked about the past plans being a reaction rather than a plan and efforts to change that.

   Bryan Arnold, Director of Facilities Management, and Dave Hazen, Chief Operating Officer, presented the work being done on the plan. A PowerPoint, "Racine Unified School District Facilities Renewal Long-Range Capital Planning," was shown and discussed. Major points of the presentation included:
   - Capital Planning Matters
   - Need for Capital Planning
   - Reasons to do it and Steps
   - Concept of Life Cycle Modeling (Alignment with Coherent Governance Policy, Operational Expectations 12.2 (Facilities)
   - Development of the TARA Model (Technology Assisted Renewal Analysis)
   - Advantages of Using Life Cycle Modeling Process versus Facility Condition Assessment, In-House List, TARA Modeling)
   - Life Safety components can be included as well
   - Use of Cost Estimates (Need to synthesize recommendations to the Board)

- Deferred Needs/Backlog by System - $82,684,000 (14 categories are kept track of)
- Deferred Needs/Backlog by Location
- Backlog/Deferred Needs by Period Deferred (Renewal Needs by 5-Year Period)
- Renewal Forecast 2013-2028 (15-year Forecast of Needs - $156,591,000 Total)
- Future Needs – 15 Years by System - $73,907,000
- Facility Condition Indices and Renewal Forecast 2013 - 2028
- Sample Improvement Scenarios
- Long Range Plan Next Steps

Discussion followed on how the Board would like to proceed. Suggestions and recommendations discussed included:

- Use the tools talked about tonight to begin providing deficit information for the public
- There needs to be a determination of what items belong as a responsibility of the Board and which fall under the superintendent
- Need to determine what the district parameters and values are then look at cost estimates
- Start budgeting much larger amounts of money for maintenance in the future
- Consider a temporary committee to address many of the overall issues in a broader sense

3. **Follow-Up on Referendum Expenditures and Projects**
   Mr. Arnold and Mr. Hazen provided information on a referendum expenditures and projects update.

4. **Performance Contracts Next Steps**
   Mr. Arnold and Mr. Hazen provided information on the Performance Contracts Next Steps. Mr. Arnold said it is estimated that $20 million will be requested for 2015.

5. **Monitoring Section of the School Board's Coherent Governance Policy Operational Expectations-12 (Facilities)**
   Dr. Haws said work is continuing to make this a report that meets the Board's values and expectations. The format will be returned to the previous one used. Numerous adjustments will be made to the report.
   Comments:
   - Individual sections of the report are to be listed as Compliant or Not Compliant, never as "Compliant with Exceptions." The term "Compliant with Exceptions" can only apply to the report as a whole
   - The report will again be sent to the Board this Friday for consideration later this month
   - Section 12.1: This is still a work in progress. A list cannot be produced until the Board's parameters are complete. Some are already indicated in policy but some are not.
   - Political and financial issues play a large part in the planning

The session ended at 6:52 p.m.