

REPORT

CITIZEN ADVISORY COMMITTEE OF LOPEZ ISLAND SCHOOL DISTRICT

Presented to Lopez Island School District Board of Directors

June 8, 2021

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EXECUTIVE SUMMARY

The Lopez Island School is facing a financial crisis which threatens its very existence as we know it. This crisis is a result of the state-imposed cap on local levies. Despite sound financial management over the years, the LISD was forced to implement a budget cut of \$364,000 (SY2020-2021) through staff reductions, cuts to core programs and operations (many of which were one-time cuts) and to draw down its End Fund Balance. COVID relief funds have provided some short-term relief, but the budget deficit is not sustainable.

The Citizen Advisory Committee (CAC) was formed with the stated objective to *“present strategic options for the future of the LISD for consideration by the LISD Board. This report will provide the basis for a vision of the future of the LISD.”* The CAC was tasked with examining four strategic scenarios for the District: (1) Maintain the K-12 School on Lopez; (2) Convert to a K-8 School, yet remaining a separate school district; (3) Consolidate the LISD with another school district; and (4) Creation of a Charter School.

Four key strategic considerations guided the analyses and conclusions of this report: Financial Sustainability; Student Enrollment; Quality and Scope of Curriculum; and Governance.

A high-level summary of the CAC’s analysis of the four scenarios is provided below:

Scenario 1: Maintain the K-12 School: How the LISD might continue to function as a K-12 school considering budgetary restrictions and related challenges. The K-12 scenario is examined in terms of Governance, Programs with Financial Impacts, Capital Investments, Collaboration and Communications.

Main Conclusions:

1. **Governance:**

- i. Create a new strategic plan for the LISD.
- ii. Establish committees of the board to strengthen its operation.
- iii. Support the expansion and renewal of a schools foundation.
- iv. Participate in discussions to plan and develop a Park and Recreation Taxing District to take before the voters of Lopez Island.

2. **Programs with Financial Impact:**

Specific recommendations are proposed in the following areas and include both revenue growth opportunities and expense savings initiatives:

- i. Class Rigor and Choice
- ii. Parent Partner Program
- iii. Garden Program
- iv. Vocational CTE Programs
- v. Library Services
- vi. Split-Grade Classes
- vii. 4-Day School Week
- viii. Sports Programs

3. **Capital Investments:** Long-term operational costs can be reduced through capital upgrades to create a more efficient and environmentally friendly facility. Suggested initiatives include:

- i. Energy Audit

- ii. Add Solar where possible
 - iii. Continue lighting upgrades to LED
 - iv. Trash Compaction
 - v. Optimize existing energy systems, HVAC/Heating
 - vi. Investigate with other agencies, development of staff housing program
4. **Collaboration:** Opportunities to provide services which best suit students' needs through both online courses and collaboration with other educational service providers both local and world-wide.
- i. Explore collaboration/consolidation in the following areas with neighboring districts: Operations; Programs; Curriculum; and on-line and remote instruction.
 - ii. Work with Representative Alex Ramel to achieve increased collaboration.
5. **Communications:** A District Communication Plan is advised focusing on keeping the whole community informed about all the good things happening at LISD.

Scenario 2: K-8 School: Reducing the LISD to a K-8 school with high school students attending school off island (most likely Friday Harbor).

Main Conclusions:

1. Moving to a K-8 school would be detrimental to the long-term sustainability of the Lopez Island School District.
2. The loss of revenue would be greater than the cost savings by close to \$2000,000 per year.
3. The elementary and middle schools would suffer in their ability to provide academic options.
4. Losing the HS may also damage the economic well-being of Lopez community due to a potential loss of young families.

Scenario 3: Consolidation or cooperation with another school district:

Main conclusions:

1. Consolidation or cooperative agreements between LISD and another district is neither popular nor necessary
2. Bringing a K-12 school on Lopez Island under the control of a larger school district does not resolve the financial issues
3. Consolidation has the potential to create challenges/difficulties for administration, staff, students and families
4. No indication that neighboring school districts are interested in exploring consolidation with LISD

Scenario 4: Charter School: Restructuring Lopez Island School District (LISD) as a K-12 charter school.

Main Conclusions:

1. A charter school fails to meet either the needs of the LISD, or those of the community.
2. A charter school has a financial disadvantage as no local levies can be collected.
3. Support from a non-existent large corporate sponsor or non-profit would be needed.
4. Some potential charter school benefits, such as increased innovation and flexibility, can be achieved within the existing LISD structure.
5. The existing school cannot under Washington State law be converted to a charter school.

Conclusion: In line with the CAC's terms of reference we are not recommending one scenario over the other. However, we believe this report provides a solid basis for the Board to take the lead in ensuring

Lopez Island School continues to thrive and provide high quality, innovative, and progressive education for LISD students. Important work lies ahead for the future of our school and education of our students.

REPORT

CITIZEN ADVISORY COMMITTEE OF LOPEZ ISLAND SCHOOL DISTRICT

INTRODUCTION

As in most rural settings, the Lopez Island School is the heart of the community. It is a center of gravity for families with both young children and teenagers, athletic fans, lovers of art and music and a whole host of commonly shared interests of the greater community. It is also a source of pride when the school excels, or a cause of great concern when the school falters. Lopez values its school.

It is within this context the LISD finds itself facing a budgetary crisis which threatens its very existence as we know it. The crisis is primarily a result of the 2018 Washington State Legislature decision to implement a cap on local levies for supplementary funding of enrichment programs for schools as a result of the court ruling in the McCreary case. The decision by the legislature resulted in a \$364,000 reduction of the LISD 2020-2021 operating budget. As a small school district, the LISD relies on the local levy revenue to fund much of what is considered core educational programs and not so-called “extras”.

It is important to recognize that the District has been well managed financially in recent years and had a healthy end fund balance of 17% of budget (approximately \$750,000) at the end of SY 2017-2018. The Levy Lid and resultant impact on the budget has required the District to draw down on this reserve by some \$262,000 bringing the end fund balance to under 10%. This situation is not sustainable.

Combined with the financial crisis, the district, its staff, teachers, students and parents have endured some difficult and at times divisive issues including the lengthy sexual harassment case, internal administration and leadership issues, an often-unharmonious working environment that has led to stress and worry for all, and perhaps contributed to a loss of student enrollment.

The Lopez Island School District (LISD) Board of Directors has recognized the seriousness of the budget crisis and the critical need to find ways to ensure the continuing high-quality education of our children despite these challenges. As one step in this process at its November 18, 2020 meeting the LISD Board of Directors established this Citizen Advisory Committee (CAC) with a mandate to prepare *“a report that identifies and analyzes options to ensure the Lopez Island School District continues to thrive and provide high quality, innovative, and progressive education for LISD students”*.¹

In so doing the CAC was tasked with presenting strategic options for consideration by the Board which will provide the basis for a vision for the future of the LISD. Specifically, the CAC was asked to consider, research and provide to the Board analyses of the following four alternative options which the Board will then consider through its own processes:

Scenario 1: Maintain the K-12 school on Lopez

Scenario 2: Convert to a K-8 School, yet remaining a separate school district

¹ The LISD Board authorized the creation of the Citizen Advisory Committee at its November 18, 2020 meeting.

Scenario 3: Consolidation of the LISD with another school district
Scenario 4: Creation of a Charter School

The analysis of these four scenarios includes budgetary and legal implications, potential impacts on students, programs and staff, and implications for the community at large. The analysis does not discuss in detail educational aspects of the scenarios as these issues are outside the CAC mandate. The CAC process did not include outreach to stakeholders. The CAC understands the importance of this outreach, but was constrained by the tight time schedule and also believes such consultation is the responsibility of the School Board as it considers decisions. We have kept in mind the importance of maintaining the spirit, culture and values of Lopez Island School and the community at large (such as the creativity and dedication of teachers, outdoor and garden programs, our marine heritage, and environmental focus, etc.).

The Citizen Advisory Committee members are:

- Bill LeDrew (Committee Chair)
- Tom Cowan
- June Arnold
- Claudia Rempel
- Constance Euerle
- Stephen Adams

Chris Greacen was the liaison between the Committee and the School Board as well as an advisor.

The CAC drew on a number of local resource persons as advisors, including

- Carl Bruner – Interim /LISD Superintendent
- John Holding – former LISD board member
- Martha Martin – Secondary Principal
- Mary Fordham – Elementary Principal
- Other LISD staff and teachers

We carried out considerable research and outreach to other school districts, State organizations (OSPI and ESD) and other informed sources and reviewed research material. These contacts helped us to better understand how schools are financed, ways in which different innovative models have been implemented (such cooperative and consolidated school districts) and the results, and how other districts have addressed the kinds of challenges and obstacles we are facing here on Lopez Island.

The CAC is deeply indebted to the school board, administration, principals, teachers and staff who have provided answers to our many questions, explained the history of programs and activities at the school and shared ideas for the future. In particular Dr. Carl Bruner has been outstanding in his support and guidance as we navigated the mysteries of school funding and administration. He provided so much information and always promptly and graciously. Chris Greacen has been our Board liaison and was able to provide extensive background information on the financial crises, its causes and effects and efforts the Board is taking to address the challenges. John Holding as former Board chair gave us in depth perspectives on the financial crisis and efforts to find a way out of the unintended financial consequences of the McCreary decision on small school districts such as Lopez.

The report is organized around the four scenarios set out in our terms of reference. Each section provides an analysis of the option in terms of practicality, legality and the overall impact on the school and community. While the report contains numerous suggestions and recommendations, in accordance with

our terms of reference we do not make an overall recommendation for the way forward. It is our hope that the information and analyses will provide the basis for further study by the Board and administration, consultation with stakeholders, and in the end, decisions on the future direction of the LISD.

LOPEZ ISLAND SCHOOL DISTRICT

Overview of current situation

The Lopez Island School district (LISD) was created in the 1940s with the consolidation of four local island school districts. We are a K-12 school with an average student population over the past five years of 234 full-time equivalent (FTE) students. The current student FTE for SY 2020-2021 is 230. The School District currently employs 67 staff: 12 secondary and 8 elementary school teachers, 2 special education teachers, 1 school counselor, 1 speech and language pathologist, 11 para professionals, 2 school office coordinators, 7 administrative and district support staff, and 23 operational support staff.

The campus is a modern functional facility (major upgrades were completed in 2019) and boasts up-to-date classrooms, a full gymnasium, cafeteria, library, music room and is located on a large plot of land that easily accommodates outdoor classrooms, sports fields, playground, a memorial garden and a large productive school garden.

As a small rural school district, the LISD has a relatively high cost per student FTE compared to Washington State average as a result of dis-economies of scale (\$23,267 vs \$14,214). This reflects our small size plus our island location and the extensive curriculum offered to students. However, our school district compares very well with its peer group of other small school districts (less than 500 students) in terms of expenditures per student as outlined in the table below.

K-12 Districts of comparable size – estimated cost per FTE (2018-19 SY)			
School District	Student FTEs	County	Cost per FTE
Selkirk	263	Pend Oreille	\$17,515
Touchet	206	Walla Walla	\$18,421
Waitsburg	264	Walla Walla	\$18,421
Odessa	247	Lincoln	\$18,564
Cusick	241	Pend Oreille	\$18,630
Lyle	234	Stevens	\$19,756
Curlew	173	Ferry	\$22,952
Northport	220	Stevens	\$20,492
Oakville	227	Grays Harbor	\$20,220
Rosella	178	Spokane	\$20,670
Lopez Island	228	San Juan	\$23,267
Lake Quinault	176	Grays Harbor	\$23,465
Tahola	172	Grays Harbor	\$26,337
Inchelium	200	Ferry	\$29,736

Source: this table is based on data from the OSPI: <https://washingtonstatereportcard.ospi.k12.wa.us>

Range: \$17,515 - \$29,763, Median: \$20,356

Average: \$21,318, Lopez: \$23,276

The Lopez School has always prided itself on the innovative and community-based programs and services offered its students. The district has received a number of state and national awards recognizing the school's excellence including; the Federal Department of the Environment (DOE) nationally-awarded 2019 Green Ribbon School for Environmental and Sustainability Accomplishments and Curriculum – one of only 53 such schools in the country; www.islandsweekly.com/life/lopez-school-named-a-green-ribbon-school-awardee; US News and World Report, 2013, National Silver Award winner and was the highest rated small high school (less than 500 students) in the State of Washington; State of Washington Lighthouse School for STEM Education, 2017 <https://www.islandssounder.com/life/lopez-wins-recognition-for-stem-program/>. Just recently one of the School's elementary teachers received the 2020 Nancy Collins Award for excellence in education - one of six teachers selected in Washington state – in recognition of his outstanding efforts to support students during the pandemic. Such recognition awards reflect the many ways in which this school is extraordinary. It is the hope of this Committee that with thoughtful planning and innovative solutions the LISD will continue to excel and “hit above its weight”.

Student performance

The Office of Superintendent of Public Instruction (OSPI) data shows mixed results in the performance of Lopez School students in meeting grade standards in the three critical areas of English Language Arts (ELA), Math, and Science: 52% of Lopez students meet the ELA standard compared to 60% statewide; 40% of Lopez students meet the Math standard versus 49%; and 70% of Lopez students meet the Science standard as compared to 47% statewide. While these data are not encouraging, in comparison to 13 other small school districts (less than 500 students) Lopez performs well over the average in all three standards. Closer to home, when compared to the two other school districts in San Juan County (San Juan Island and Orcas schools) performance in ELA and Math is lower but much higher in Science. Further inquiry is needed into the reasons for these performance levels and strategies devised to improve outcomes.

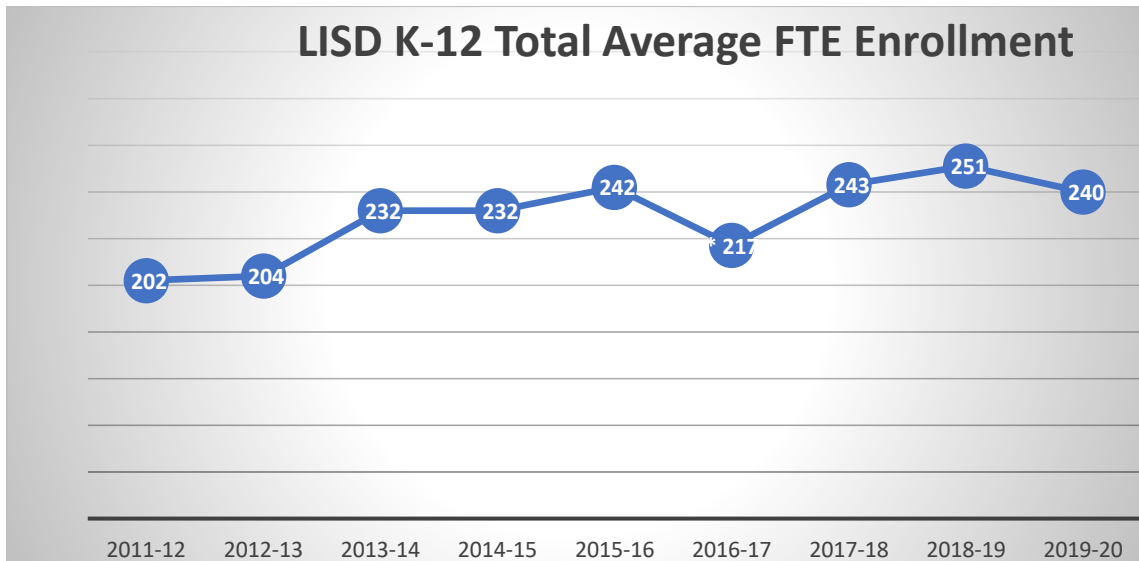
School District	State Average	Orcas	San Juan Island	Lopez
ELA	60%	57%	64%	52%
Math	49%	48%	58%	40%
Science	47%	54%	52%	70%

The Lopez high school graduation rate within four years of over 90% is well above the state average of 82.9%. In 2019 49% Lopez of graduates went on to 4 year universities and colleges within one year of graduation and 11% to 2-year community/technical colleges. Over the past seven years the average rate of post-secondary participation ranges from 37% to 50%, well above the state average of 35%. Of Lopez graduates who attend four-year college or university programs, an average of 35% to 39% graduate with a bachelor's degree within 8 years. Again, higher than the state average of 33%. From these data, it appears that Lopez School graduates are similar to the state averages, no doubt influenced in part by the relative isolation and rural nature of Lopez.

Enrollment

Enrollment levels have grown some 20% over the past seven years – see table below. As a small rural school, variations in individual class sizes can impact overall enrollment from year to year. For example, a large graduating class with a small intake of kindergarten students could result in a noticeable reduction in FTEs and a corresponding reduction in apportionment which is largely based on enrollment levels.

A number of Lopez families (around 40 students) have opted to send their children to other schools, primarily Spring Street International School and San Juan Island Public School on San Juan Island, and the Lopez Academy, a private school. In addition, other families have opted to home school their children. It is of course everyone’s right to choose the education option they feel is best for their children and the district recognizes this. However, it is important to understand why parents decide to opt out of the public system. If the reasons are related to perceived deficiencies or dissatisfaction with the quality of education in terms of rigor and choice the district needs to self-examine and determine what if any changes are needed. Nationally, some 10% of students attend private schools which comprise 25% of total K-12 schools².



*The dip in enrollment in 2016-17 was due to the discontinuation of a virtual learning program.

The Financial Crisis

In response to the McCleary court decision which found the State was not meeting its constitutional obligation to fund education, and following considerable efforts to meet the court’s order, the State passed legislation in 2018 that complied with the court ruling. The legislation significantly increased state funding of education (largely through property taxes) but in so doing, reduced the portion of taxes that could be raised through local levies (the levy lid). Much of the additional funding went to significant salary increases for teachers and other staff. (In the case of the LISD, in the order of 31% for teachers).

Prior to this new legislation the LISD relied on local levies to ensure the District provided high quality education and to make up for the dis-economies of scale of a small school district. The previous state funding formula set a limit on local levies of 28% of the school budget which meant every district had the opportunity to fund locally the same percentage of the cost to educate a student. For the LISD that amounted to \$945,000 in 2018. This formula provided equity by accounting for the higher cost of education in small and remote schools.

² National Center for Education Studies (NCES) <https://nces.ed.gov/fastfacts/display.asp?id=372> - PK12 enrollment

The levy lid capped local assessments at \$2,500 per student FTE resulting in the District losing 40% of local levy revenue.³ For the LISD this meant the 2018 levy approved by 74% of Lopez voters was reduced by \$364,000 (approximately 6% of the operating budget). Efforts to convince legislators of the inequity of the new formula and the disastrous impacts on the LISD (and some 32 other small districts) have thus far proven unsuccessful. However, the Board continues to pursue a resolution to this critical issue and is working closely with our local state legislators. The importance of restoring this \$364,000, which was overwhelmingly approved by Lopez voters cannot be overemphasized.

Without a doubt, imposition of the levy lid is the primary cause of the current financial crisis facing the LISD. While other factors may play into the situation, it is incorrect to link the budget crisis to the harassment complaint and related investigation and eventual settlement. Legal and other costs, including settlements were paid for by the District’s insurance (Risk Management) and did not come out of the operating budget. The only direct cost was that of a substitute teacher for part of SY 2019-20 which was covered by the existing budget.

Steps to resolve the budget crisis

To help find ways to implement the \$364,000 budget shortfall (i.e. ways to reduce expenditures and increase non-tax revenues) for the 2020-21 SY, an expanded budget advisory committee of some 18 members was created in early 2020. The major challenge facing the budget committee was that approximately 80% of the LISD operating budget is for staff/payroll costs (this is the case for all districts of equivalent size). Inevitably, reductions in staff were needed to meet the reduced revenue levels. The budget committee process was less than fully effective given the number of members, the varied views and on occasion vested interests and the sheer size of the challenge. However, the committee did come up with a number of suggested cuts and sources of increased revenue which were considered by the Board.

Following extensive deliberations, the Board finalized its SY 2020-21 budget in line with the reduced revenue level. Staff reductions were kept to a minimum (roughly 6% reduction in faculty) and a number of administrative and support costs were reduced as detailed below. The challenge is that the majority of the cuts were in fact one-year reductions leaving a need to identify longer term reductions or preferably, increased sources of revenue to address the budget deficit.

LISD Budget cuts 2020-21
<ul style="list-style-type: none"> • Faculty reduced by 6% (combined two elementary classes, reassigned secondary teachers to deliver social studies and history) • Reduced classified staff by 36 hours per day (20% cut) • Zero funded school library paraprofessional, professional development, and field trips • Reduced garden program, athletics, classroom supplies, food services, and maintenance
*note: some of these cuts are related to COVID

Source: LISD Board presentation to legislators January 12,2021

The infusion of COVID relief funds (and the school closure for most of SY2020-21) has forestalled the crisis for now, but the structural budgetary deficit remains and will need to be resolved if the school is to continue to provide the education our children need and deserve. Cutting programs and educational services risks negatively impacting enrollment levels as parents and students look to other institutions for

³ An excellent summary of the impacts of the levy lid on the LISD is contained in a presentation made to legislators on January 12, 2021 by the LISD School Board members and the administration.

their education. This can lead to a vicious cycle as reduced enrollment leads to less state funding levels further exacerbating the crisis.

One hopes the efforts by the LISD Board and other similarly-impacted small school districts to find an equitable solution to this problem will succeed. The CAC believes many of the ideas and proposals in this report will have positive impacts on the financial viability of the LISD and quality of education it will provide.

The Future

To succeed, thrive and maintain enrollment levels the school needs to:

- Have a solid financial base upon which to build its programs and services;
- Offer innovative and creative educational programs and services, which take advantage of emerging technology, and are responsive to student and community needs;
- Establish new funding sources which break from traditional funding models.

Throughout this document we refer repeatedly to the need for the LISD to take actions to retain existing students, attract new students and to return students who have left for other options. This is important not only to the school district, but to the economic and social health of Lopez community as a whole.

As stated at the very beginning of this report, the Lopez Island School is not only the largest employer on the Island, it is the heart of the community. It is a center of gravity for families with both young children and teenagers, athletic fans, lovers of art and music and a whole host of commonly shared interests of the greater community. It is also a source of pride when the school excels, or a cause of great concern when the school falters. Lopez values its school.

In the following pages, we outline a number of ideas we believe will help the LISD move forward to not only overcome the current crisis, but to thrive and grow as a first-class educational institution and continue to be recognized as such. We have endeavored to present balanced analyses and to avoid negative or critical comments regarding the district, its administration, teachers and supporters. We have however pointed out areas where we believe improvements can and should be made and address them with suggested ways forward.

Scenario 1 MAINTAINING A K-12 SCHOOL ON LOPEZ ISLAND

INTRODUCTION

This section examines how the LISD might continue to function as a K-12 school in light of budgetary restrictions and related challenges. The findings of the Budget Advisory Committee established last Spring for the 2020/21 school year have been considered, as have ongoing budget cuts facing the School District. A projection of enrollment levels is included, as well as a discussion of enrichment and core programs that could be offered under current budgetary forecasts. Areas of cooperation and collaboration with other districts as well as other educational institutions are also addressed.

This section also provides ideas for the board to consider as you move forward into SY21/22. Beyond the challenges presented by bringing students, staff and the community back into the school buildings in what is (hopefully) a waning pandemic, the other most obvious elephant in the room for the entire district is the financial challenges created by the reduction in funds of the Enrichment Levy.

DISCUSSION

Maintaining a K-12 school option is undoubtedly the most desirable position for nearly every resident of Lopez Island. Our recommendations support growth in programs, communication and in the end – families choosing to stay in, move or return to the LISD for their child’s education. About half the recommendations are directly focused on financial considerations and or savings. However, each section leads back to steps to be taken by the board, administration or staff to better organize for financial success. The key to every viable organization is growth and the Lopez School is no exception.

Discussion of the K-12 option is divided into the below list topics. This list is clearly not exhaustive, and each will require a more thorough examination of the possible returns on investment of time and financial resources:

1. Governance
2. Programs with Financial Impact
3. Capital Program & Projects
4. Collaboration
5. Communication

1. GOVERNANCE

Governance encompasses the organizational structure, decision making and management processes that reflect the values of the district and the community at large. In other words, how the district is managed and how it operates. Examining these issues is important in order to ensure the LISD has a clear sense of its values and vision, and its strategic goals and priorities which need to be set out in a Strategic Plan. This is where the long-term goals and the philosophy of leadership and management is presented to the organization and the community as a whole.

Every successful organization takes a realistic look at where they have been, where they are now, and where they want to be - one, three, five and ten years in the future. This plan will include many of the

topics outlined in this section of the report and will become the roadmap for both the board, administration and staff.

A common mistake of governing boards is to skip the strategic planning process and focus on the immediate action of defining the annual budget. Without a strategic plan and a set of guiding values and objectives, the annual budgeting cycle risks becoming a reaction to the current year pressures. Each budgeting cycle needs to reflect both short- term priorities and requirements as well as longer-term strategies and goals of the district as contained in a strategic plan. It is also much easier to explain to stakeholders, such as the community and local bargaining units, why specific budgetary decisions are made when a strategic plan is in place.

The LISD Board should engage immediately in development of a new Strategic Plan for the District. We expect this report will provide ideas for developing the strategy. The five topics listed above provide a solid framework for steps the board, administration, staff and the community need to take to ensure Lopez Island maintains not just a financially viable rural school district, but one which continues to be recognized for being progressive and innovative, and a place where the community cherishes its school.

The fundamental question the board needs to ask itself and the community is - what kind of district does the LISD want to be? One which focuses on providing basic education – ensuring students meet grade level standards and graduate on-time and can find gainful employment in society? An advanced placement district – preparing students to go on to 4-year colleges and universities? Or a district somewhere in between which endeavors to meet all students and families where they are and help them reach their greatest or yet to be imagined potential? The board may want to engage an external facilitator to assist in this discernment process. Ideally a local specialist in organizational development and change management would provide this assistance on a *pro bono* basis.

The school board should establish committees to help move cost saving and program improvement initiatives forward. This action will create a level of expertise within the board, which lends itself to natural advocacy when communicating with constituents. It also frees members of the board from having to understand every nuanced issue which comes before the board. There are so many complex issues school boards are asked to weigh in on, a committee structure allows the board to manage the at times, paralyzing volume of information. Finally, it provides a structure to focus input from the community in a way that helps input be productive versus divisive to a board. School boards who implement a committee structure tend to have longer serving school board members as they do not burn out as quickly, which in turn helps foster expertise in guiding the district to success.

Committee work would include researching programs and initiatives, reporting back to the greater board on findings, recruiting and guiding community member volunteers or contractors and assisting the Superintendent and administration to meet desired goals. Committees should have 2 board members to ensure thorough vetting of ideas and shared workload. Board members will have multiple committee assignments. As appropriate, community volunteers/representatives, particularly those with specialized skills and interests, may participate in committees. The following committees are suggested:

- a) **Capital Projects/Facilities/Technology** – to help the district plan for future capital programs through recruiting community members to serve on a Capital Facilities Committee, meeting with other districts of similar size and chairing Capital Levy campaigns. A typical Capital Projects committee will maintain a running list of capital improvement projects (for example paving parking lots, repair of track) needed

to ensure student and staff safety and drive cost savings, the committee would also help plan for technology upgrades in support of curriculum and goals set out in the district's strategic plan.

- b) **Curriculum Content & Rigor** – work with the administration to ensure major changes to the offered curriculum are consistent with the school's strategic plan and related goals. The committee would facilitate community involvement when required through public hearings, research best practices in curriculum content, use local and state testing to understand and address academic strengths and weaknesses for all students. Support would be provided to the superintendent to improve rigor for all students as well professional development for staff.
- c) **Finance/Legislative** – work closely with the administration, union and elected officials in Olympia to ensure they fully understand the impacts of program changes and legislation on the district's budget and viability. The committee would also develop financial strategies and plans including grant opportunities and other funding sources. It would facilitate community involvement through public hearings and drive outreach to legislators by the whole community.
- d) **Sports/Co-curricular programs** – identify and cultivate sponsors for the co-curricular programs within the community. Ensure these programs serve the broadest set of students and are grounded in the school's vision for all students. This will include finding financial support either direct or in-kind donations for both sports, clubs and travel programs offered as enrichment to students.
- e) **Community Outreach** – work with Schools Foundation, PTSA, and facilitate fundraising and general marketing of the school to the community. This committee should also include the Superintendent and will be heavily involved in outreach for both Capital and Enrichment levy campaigns. Board members should routinely reach out to local organizations and businesses within the community in an effort to keep the community informed as well as seek support.
- f) **Diversity** - The CAC encourages the LISD to prioritize and strengthen the vital work of diversity and inclusion in our school district. Addressing diversity in board policies, school policies and procedures, and classroom curriculum are the first steps in promoting the invaluable lessons of tolerance and acceptance. Furthermore, teaching students to understand diversity prepares them for the vital realities of a multicultural, pluralistic global landscape. Within our island community, the school is poised to model the rewarding work involved in creating a nurturing and welcoming place for people of diverse backgrounds.

Schools Foundation

The LISD board should support development of an independent school foundation with a goal of raising funds to support school programs and initiatives. School foundations are established to help the community support its local school outside of the state and local taxation process. Most school foundations have a mission statement which defines the programs or initiatives they will financially support within their local public school district. Successful school foundations help market the district to a broad spectrum of constituents and raise money for specific goals or programs. Often support comes in the form of classroom grants to teacher generated proposals or district initiatives. Support is often capital in nature and targeted, versus long-term funding of a faculty.

The existing Lopez Island Education Foundation (LIEF) provides some \$20,000 annual funding to support programs and student activities. It is not an entirely independent body as both the Superintendent and a

school board representative sit on the foundation board. School board members or the district superintendent should act in an advisory role to the foundation and not sit on a school foundation board. This will allow the foundation to raise funds independent of actions of the board and superintendent.

In order to increase community/private funding for Lopez students and programs, a single school foundation could result in better coordination and increased funding.

Future Park & Recreation District

The school and board should participate in discussions with the community to promote, plan and develop a Park and Recreation Taxing District to take before the voters of Lopez Island. The Taxing District could potentially fund and manage the following activities across the island:

- a) Summer Youth Programs – currently run by the LIFRC
- b) Adult Programs – most are organically and spontaneously developed (indoor badminton, adult soccer, art/music programs)
- c) Lopez Island Pool – when built and operational
- d) School Athletics – support funding of school sports and other co-curricular programs such as music, drama and art which have been lost due to local levy reductions in funds
- e) Community Parks on Lopez Island – non-county, state or federal parks
- f) Senior Center program and activities

The school would play an important role in a Park & Recreation District as they would need to make their facilities available for recreation and community activities. Monies raised through the tax district would fund expenses incurred by the school to offset expenses and maintenance of facilities.

2. PROGRAMS – with FINANCIAL IMPACT

The programs with financial impact outlined below include a series of recommendations researched by the CAC for the board and superintendent to further explore. Several of the recommendations contain revenue growth opportunities, while others present expense savings initiatives – both of which will help the district bring their budget back into line with current apportionment and levy allocations.

Not all suggestions were financially quantifiable by the CAC. Several fall into the category of programming which would improve the rigor and choice, overall school climate, attendance and student, family and staff satisfaction. In schools of every size, strong and consistent enrollment drives financial stability. Each of these programs, if implemented with fidelity, will help the district stabilize and grow future enrollment.

- a) Class Options & Rigor
- b) Parent Partner Program
- c) Garden Program
- d) Vocational CTE Programs
- e) Library Services
- f) Split-Grade Classes
- g) 4-Day School Week
- h) Sports Programs

These eight programs/initiatives fall into the category of being the most feasible and actionable by the board, superintendent and administrators within a time-frame which could impact the budget in a positive manner. Clearly, there are other actions the board and superintendent may choose to pursue to address budget issues and grow enrollment.

The school's potential FTE enrollment funding is reduced hundreds of thousands of dollars each year as a result of parents or students choosing off-island public schools, private schools (on or off-island), or home schooling. Reasons for these choices need to be understood and steps taken by the LISD to address them. This section outlines a number of suggestions aimed at realizing full FTE enrolment at the Lopez School. The ideas are based on consultations with the LISD administration and research of programs in effect at other districts. We focus our discussion on increasing the options available to students and strengthening the rigor of course offerings in order to enhance the value and attractiveness of the LISD curriculum.

The CAC has not undertaken an in-depth examination of the various programs discussed below as this was considered to be outside our terms of reference. However, we have identified issues impacting these programs, in particular with respect to potential impacts on enrollment and student performance and suggest ways forward to address them. We outline below innovative ways which we believe will enable the LISD to maintain enrollment and strengthen curriculum and programs offered, while addressing the financial constraints facing the district.

a) Class Options & Rigor

To increase options, rigor and choices the school should consider offering more on-line certified and proven successful Advance Placement (AP) classes, such as English, Calculus, Chemistry, Physics or Biology. Many of these are offered by high quality universities including Johns Hopkins and Harvard. Some courses offer individual one-on-one help to enrolled students. These have proven success rates with students passing their AP exams with marks which can earn them college credit and cost from \$0 to \$900 per course.

For example, San Juan Island School District invested in licenses of *OdysseyWare* approximately 6 years ago. LISD could purchase several seats or inquire how to share this resource. Regardless of the route taken, the district needs to develop options (such as proven on-line classes) to provide quality in school solutions for students, reducing the need for the Parent Partner Program and keeping students in the schools by offering option, rigor and choice.

Consideration should be given to adding non-academic electives to the basic high school graduation curriculum. The Basic High School Graduation Certificate is intended to prepare students' citizenship, employment and to provide life skills. The minimum state requirements leave significant room for additional classes to help students prepare for life's opportunities and challenges. Adding non-academic electives in Art, Music and/or CTE will help round graduates and assuredly provide them with additional skills and passions to pursue. Students should be encouraged to select electives during their junior and senior years, focusing on their interests and aspirations. This can be positive for both the students and the school.

b) Parent Partner Program

The Parent Partner Program (PPP) can support different educational models, but it appears in some cases to have become a default position for a perceived lack of rigor and/or choice when a student's schedule is not full. Regardless of the reasons families choose PPP the result is a loss of apportionment funding which further hurts students, families and the community. Apportionment funding brings in \$15,072 annually for every student FTE. For each PPP FTE, the apportionment is reduced to \$8,200 annually, a loss of \$6,872 per FTE. Lopez School's current PPP participation is 34.0 FTE's, resulting in a revenue loss of \$233,648 per year (SY 2020-2021 data). Ultimately, this lost revenue means a reduction in offerings for in-school students.

Although not all PPP students/families would choose attending regular classes as an option, a careful reexamination of the program, the reasons for its existence and unusually high participation needs to be understood. The goals of student participation in a PPP should be to enhance their educational experience as well as support the overall educational outcome, not to be a replacement for a lack of choice, rigor or disengagement from the educational process.

The CAC believes a careful reexamination of the program is needed to ensure it is meeting the needs of students and the school district and take the following actions: (Note: We recommended this work be completed prior to SY21/22.)

- 1) Undertake a review of the courses PPP students are currently taking – specifically, to identify which credits are substituted in lieu of current school curriculum
- 2) Verify the magnitude of revenue being lost as a function of participation in the PPP
- 3) Determine if LISD's PPP is being utilized in the same way as other districts of similar size or rural demographics. Other districts may have already addressed this issue and can share best practices, policies and guidelines
- 4) Survey: (1) families who have chosen PPP in the past to determine why they are opting out of the current school curriculum. (2) the broader school community for input on curriculum choice, rigor and enrichment. This should include businesses and mentors who have participated in the PPP for their experiences and recommendations
- 5) Establish a set of governing policies and strong guidelines for students/families who wish to enroll in PPP to ensure academic standards are met and the course work undertaken by students align with in-school standards. Provide parents, businesses and mentors with a clear set of these policies and guidelines. Develop a grading system beyond pass/fail
- 6) Determine if the PPP can be redeveloped to be part of a for credit internship which includes independent study and does not result in the loss of FTE funding
- 7) Limit enrollment in PPP when either current in-school or on-line curriculum can be used to meet credit requirements. Participation in online curriculum should be an in-school activity and proctored by certificated staff
- 8) Strengthen rigor, choice and online offerings to keep students in the classroom versus seeking credit away from the school environment

c) Garden Program

The Lopez Island Farm Education (L.I.F.E)/Garden Program has helped students develop an appreciation for nature, nutrition, community, land stewardship and the environment as well as winning national recognition and awards. This program has provided K-12 students with local grown organic produce for the school lunch program. The Garden Program was originally fully

funded by a sponsor donor, but over time it became partially supported through Enrichment Levy funds. The LISD should determine if it wishes to continue to include the Lopez Island Farm Education (L.I.F.E)/Garden Program as part of the district’s strategic vision. As a result of the loss of levy dollars the district is now faced with deciding if this program should continue in its current state, be modified, or potentially dropped in favor of other necessary academic programs. If the garden program is discontinued, the food program expenses would increase because produce would have to be purchased.

Garden Program Financials for 2018-19

Garden Program (SY 18/19)	Expenses – funded via Enrichment Levy	External Revenue – individual, organizations & event donations
Garden Staff	\$63,149	\$47,937
Supplies & Services	\$22,240	
Total Program Expense	\$130,140	
Net Expense to LISD	\$82,203	

* This data does not account for the dollar value of food produced by the Garden Program. Food services are designed to be revenue neutral in the OSPI funding model.

The CAC recommends the LISD take the following actions:

- 1) Explore steps to make this program revenue neutral;
- 2) Continue and expand individual and community organization financial support;
- 3) Explore and apply for financial food grants;
- 4) Develop a Garden Program sponsorship led by community organizations. Possible leads for this include established Lopez farms (for example S & S Homestead Farm, Stonecrest Farm, Midnight’s Farm), Master Gardeners and Lopez Garden Club;
- 5) Determine if the Garden Program should be modified or discontinued in support of other academic programs.

d) Vocational Career and Technical Education (CTE) Programs

The CAC encourages maintaining a wide variety of CTE classes and expanding CTE requirements for the basic graduation degree at Lopez. While Lopez High School places a significantly higher than average number of its graduates in college programs, most students will ultimately be in careers that do not require a college degree, which is typical nationwide. Therefore, it is important for students to be exposed to a variety of career choices and post-secondary vocational programs. The CTE program offers opportunities for students to take exploratory technical courses.

Lopez HS has expanded its CTE program in recent years and currently offers courses in Marine Biology, Woodshop, Sustainable Agriculture, Culinary, Healthcare and Career Choice (for seniors). Not all CTE classes are offered every year, depending on demand. The school district has 4 certified CTE teachers. CTE programs bring in an average of \$11,300 extra per year at Lopez.

We recommend the following actions to continue to enhance the CTE program:

- 1) Where feasible provide Cooperative CTE opportunities with local businesses;
- 2) Establish long term discussion with other districts about possible collaboration in CTE;
- 3) Encourage students to explore non CTE programs which provide vocational experiences, such as Economic Development Council's vocational classes, on-line computer training (such as Microsoft ACLS) or summer intern programs;

- 4) Add an additional CTE credit to the Lopez requirement for the Basic Diploma which will expand the students' knowledge and will add minimal challenges to the students' academic load.

e) Library Services

The CAC recommends the current administration and board resume work with the Library District on the proposal to establish a Branch Library of the Lopez Island Library District (LILD) at the school building. The goal should be to have an MOU ready to execute for the 2022-2023 school year.

During the 2016/2017 school year the LISD spent \$51,544 on library services; as the staff person managing the library had teaching credentials with library certification, LISD received some reimbursement for the position.

Beginning in the 2017/18 school year, the school library has been managed by a paraprofessional, not eligible for state reimbursement. State funded support for the library decreased to \$21,282 that year, with the reduction in support the hours of library service also decreased. Since then, all the funding specific to the school library came from the local tax Enhancement Levy. The support for the library, funded from the local levy, in 2019/2020 was \$29,607.

This LILD branch library would be staffed by employees of the Library District, provide library collection development, purchase all library materials - therefore, covering all the library costs. Among the benefits are increased library hours, utilization of professional expertise of Library Districts librarians – MLS and certified school librarians. The Branch Library would also provide Youth and Family programs. Finally, the Branch Library would collaborate with the school and other Lopez Island organizations to provide enhanced literacy programs.

f) Split Grade Classes

Split or blended grade classes have numerous academic and social advantages for students.⁴ Lopez School has a long successful history of using combination grade level classes K-12.

- 1) Research shows no difference in academic achievement between children in split classes versus straight grades.
- 2) Split-grade students are less competitive with one another and more cooperative than students in same-grade classes.
- 3) Blended classes offer a wider range of curricula that can meet the needs of different student's learning rates.
- 4) Younger students gain self-confidence and maturity working with older students.
- 5) Greater peer to peer learning takes place in blended classes.
- 6) Students develop friendships across grade levels in split-grade classes.

The following actions are recommended:

- I. Research documented cases of successful implementation of "split" grade level classes and train teachers for this model;

⁴ *Today's Parent Aug 29, 2019, Psychology today.com May,18, 2015.*

- II. Move forward on combining classes into “split grades” where appropriated (criteria for determining when combined classes are appropriate will be needed);
- III. Special teacher training may be necessary for teaching split or blended classes;
- IV. Community education will be key to the success of split-classes.

g) 4-Day School Week

Evaluate if moving to this different educational model will offer a higher quality of education to students, as well as flexibility to their families and school staff. This change could potentially better facilitate retention of staff and administration, as well as provide for off-island appointment days, personal trips and sports travel which all result in the loss of classroom learning time for all families.

Moving to 4-day School Week requires an OSPI waiver and is only available for districts with under 500 students. Instruction is cut from 180 days to 150 days and the school day is lengthened to maintain the minimum 1027 hour of school time. As in all schedule changes, there are benefits and liabilities. In the past most districts have initially pursued a 4-day school week to save operational costs, but in the end, find savings to be limited.⁵ The actual benefit has been in improved attendance for students and staff, resulting in improved educational outcomes as well as marked gains in the quality of life for students, families and staff.

The CAC recommends the board and administration seriously consider this proposal and potentially hold public hearings for community input. The opportunity for a full-scale reset of the district’s educational model could solve the current issue of attendance and bolster recruitment and retention of administration and staff⁶. It also has the potential of pulling families back to LISD from other schools due to the more flexible nature of a 4-day week and increased learning outcomes⁷.

Benefits

The following potential benefits of the 4-day school week have been identified through our research:

- 1) **Student Performance:** There is some research that indicates the added daily time for each subject allows for the adoption of different teaching and content delivery styles. Under the 4-day format, teachers are using more small-group discussions and focused practical practice of skills which improve student retention. There is also anecdotal evidence that students use their free 5th day to catch up on work at supervised study halls, help sessions and participation in community organized enrichment programs.
- 2) **Student Attendance:** Most districts in the studies reviewed showed an increase in student attendance, as parents used the 5th day for scheduling doctor, dentist and other

⁵ Center on Reinventing Public Education <https://www.crpe.org/publications/users-guide-four-day-school-week-October-2017>

⁶ See <https://www.chronline.com/stories/pe-ell-school-principal-says-four-day-week-has-been-positive-change,5638>

⁷ The Rural Opportunities Consortium of Idaho (ROCI) THE FOUR-DAY SCHOOL WEEK IN RURAL IDAHO SCHOOLS (Paul T. Hill and Georgia Heyward)

family appointments. In addition, there was a marked reduction in loss of academic time for high school students, as sports travel can be booked into the 5th day whenever possible.

- 3) **Teacher Performance:** Teachers, whose working hours and pay are not reduced, gain 1 day each week to collaborate, plan, and participate in professional development courses. Attendance improves, as medical visits and other personal time can be planned for the 5th day. This also reduces the use and cost of substitute teachers which is not insignificant. It is well known that finding qualified subs in San Juan County is difficult and costly, and even more importantly, results in less classroom learning for students.
- 4) **Teacher Recruitment/Retention:** Several districts have pointed to the 4-day school week as a positive recruitment and retention tool. Given the reasons people choose to move to the San Juan Islands, this may be an even more attractive tool for LISD.
- 5) **Cost savings:** In theory districts should be able to trim up to 20% of their custodial, clerical/administrative, utility, food and transportation costs from their budgets. Although typically, food and transportation are reimbursed at cost, making these savings a net neutral. LISD may be able to save between \$30,000 to \$50,000 per year in combined custodial, clerical and utility savings although these savings may be off-set by use of school facilities for other enrichment programs on non-school days.

Liabilities

Length of School Day: For younger students, the length of school day may be a difficult adjustment. The longer school day also leaves less time for afterschool sports. Given LISD does not have a lighted field, outdoor practices may be challenged due to daylight constraints.

- 1) **Child Care:** A 4-day a week school schedule could potentially leave parents of young children with challenged childcare one day a week. Adequate childcare is already a significant issue for many island families. Programs would need to be put into place to support families who need support. The use of school facilities to deliver childcare would most certainly erode some utility and custodial cost savings.

Childcare has the potential of being addressed as early as 2022 through the American Families Plan. This federal legislation will provide significant tax credits for childcare, as well as funding to increase childcare facilities and jobs. Since an adoption of a 4-day school week would take planning and some time to implement, there is potential for legislation to supplement or solve existing gaps in Lopez Island's childcare infrastructure.

h) Sports Programs

Sports programs build health, self-esteem and leadership and are a valuable part of students' education. The school sports budget is \$105,000 (2020), including \$46,000 in transportation costs. This budget is subsidized by athletes' fees (\$8,700, 2019), gate receipts (which were not collected in 2019) and the Booster Club. The school should look for more ways to decrease expenditures and develop supplemental funding options for sports programs.

The following budgetary ideas, which have potential savings of some \$41,000, are proposed for consideration:

- 1) Create fee based, “self-funded” after school sports programs for Middle School grades 5–8 in place of the current sports teams. This would reach more students and provide a greater variety of activities (model after Friday Harbor Athletic Association.) Allow the after-school sports program to use school facilities including gyms and sports fields. Also, continue to allow 8th graders to participate in high school sports based on pre-defined criteria (this has been done with HS Soccer). This could reduce the overall sports budget by \$15,000.
- 2) Increase student athletic participation fees by 50%: Athletes’ fees have not been increased for several years and are below other school fees. Look to Booster Club or community donations/business sponsorship to scholarship students whose families cannot afford athletes fees. This would add \$4,350 per year to the school sports budget.
- 3) The Booster Club is energized. Collection of gate fees and fundraising will increase sports income - potential to add \$5,000 per year.
- 4) Bus transportation takes up more than 40% of the athletic budget. Limit the size of travel teams allowing greater use of vans, with coaches/parents as the drivers. It is not uncommon for schools to limit the size of travel teams. Potential saving of \$15,000 per year.
- 5) There have often been unnecessary expenditures in the athletic budgets. To eliminate this problem, the LISD should set a fixed budget per sport and have the Principal oversee all expenditures. Save \$2,000 per year.

3. CAPITAL PROGRAMS & PROJECTS

a) Capital Facilities Upgrades

The CAC believes long-term operational costs can be reduced through capital upgrades which will create a more efficient, economical and environmentally friendly facility. While a tremendous number of upgrades have been implemented to improve efficiency, additional initiatives should be explored. Funding of these capital projects could come through Tech Levy or state/federal grants. Suggested projects could include but are not limited to:

- 1) Energy Audit – The Opportunity Council in Bellingham can perform this and make recommendations for improvements
- 2) Solar panels to reduce monthly OPALCO bills. Offsetting 50% of energy consumption with solar could save approximately \$60,000 annually
- 3) Further LED Lighting Upgrades – OPALCO Program to minimize power consumption
- 4) Trash or Garbage compacting/recycling – Explore option to reduce this expense with Lopez Island Solid Waste Disposal District or San Juan Sanitation
- 5) Optimization of existing energy systems, including HVAC and heating

The proposed Capital Projects/Facilities/Technology committee should head up this initiative.

b) Teacher and Staff Housing

As many communities experience skyrocketing housing costs, a growing number of school districts, local leaders and lawmakers are taking steps to make housing more affordable for teachers and staff. They include staff retention in their strategic plans and seek funds from the community through capital levies and other public and private grants to build such housing.

Like many rural districts, LISD is land rich. The district has available property along its southern and south-eastern corner which could easily fit a small cluster of homes. Rent, albeit reduced, would be used to payback any bonds and/or maintenance upkeep for the homes. Alternatively, the District could create a long-term land lease with one of the housing organizations to build homes on this piece of land, and in return stipulate a portion of the housing be set aside for district staff.⁸ LISD applied for a permit to construct housing on its property in the past. However, the initiative was not pursued further for lack of specific funding.

The LISD may be able to facilitate partnerships with local organizations (such as the Lopez Island Community Land Trust and Housing Lopez) to develop a staff housing program including building staff housing on property owned by the district. Such a program would assist the district in attracting and retaining high quality teaching and administrative staff.

4. COLLABORATION WITH OTHER DISTRICTS

The past year of trying to educate students during a pandemic has radically broadened the way public schools deliver educational services. Despite the shortcomings of the virtual learning model, this experience has demonstrated the potential for a wider application of internet-based learning and openness for new ideas. Within this context, possibilities for providing better education through collaboration with other institutions are no longer limited to schools located in one geographical region. There is the opportunity to provide services which best suit students' needs through both online courses and through collaboration with other educational service providers both local and world-wide.

The committee recommends the Superintendent and administrators develop a list of programs and operations which could be combined, consolidated, or developed to share costs and enhance curriculum. There have been conversations in the past with the San Juan Island School District and Orcas Island School District Superintendents on ways to trim costs and share educational services (including coursework) across the county. Given the current constraints for local levy dollars, all three districts have a renewed interest to work together to develop programs, look for opportunities to combine cost savings and most importantly, convince state legislators to address the unintended consequences of McCleary for small districts.

To this end, there has been an initial conversation with Rep. Alex Ramel (February 2021) on the need for the county's public-school districts to find ways to collaborate on both cost savings and enhanced educational services. Rep. Ramel understands none of the three districts within the county have the

⁸ Neighboring districts have also wrestled with the lack of available housing for staff. For instance, around 2006 the San Juan Island School District purchased a small house that abutted the school athletic field/track. This home, still owned by the district, has housed staff, been used as a classroom and for job training/occupational therapy as well as for short term rental income

resources to coordinate shared services, but if supplemental dollars were allotted by the state for either a pilot project or ongoing coordination, real gains could be made for the whole of San Juan County students and their families. Rep. Ramel was extremely open to help find funding for a county-wide collaboration project to reduce costs and improve education.

The following is a list of items which have been discussed by district superintendents in the past and/or would be viable ideas for collaboration going forward:

a) **Operations**

- 1) Shared administrative duties – business managers, special services coordinators, other administrative or compliance functions
- 2) Shared contracts for services – copiers, supply purchasing, external maintenance contracts
- 3) Counseling services, college counselor, career development counselor
- 4) Technology and facilities maintenance coordination

b) **Programs**

- 1) Shared Curriculum development/purchases/licenses
- 2) English Language Learners Services
- 3) Special Education Services

c) **Curriculum**

- 1) STEM intensives offered via blocking classes into ½ or full day sessions to optimize travel between islands for students or staff
- 2) CTE/Vocational or trades – hub instruction at one school f. ex: carpentry-SJI, plumbing-Orcas, electricians-Lopez. Each district becomes a magnet school for a specific set of trades
- 3) Establish a satellite hub with Northwest Career & Tech Academy program(s) offered in the island
- 4) Foreign Languages – hub instruction at one school for example: Spanish - SJI, Chinese-Orcas, French-Lopez. Each district becomes the magnet school for a specific foreign language
- 5) Art classes offered via distance learning or shared resources

d) **Collaboration Through Online and Remote Instruction**

On-line classes are offered by a variety of educational institutions, other public schools, community colleges and universities. The district can increase its student FTE by offering both rigor and choice via online curriculum.

- 1) On-line advanced math classes for all age groups
- 2) Foreign languages
- 3) On-line Certified AP classes
- 4) Other areas of curriculum opportunities

The following is just a small list of programs available to LISD:

- 1) **Technology through the University of Washington Information Technology K-20 Network**⁹
This program provides a variety of resources, some of which LISD is already utilizing. An effort needs to be undertaken to understand what other opportunities for enhanced curriculum are available.
- 2) **Open Educational Resources (OER)** are teaching and learning materials in the public domain or released under an open license which permits their free use, adaptation, and redistribution. They include full courses, supplemental units and lessons, videos, and other resource used to support access to knowledge.¹⁰
- 3) **OSPI's Bridge to College Curriculum Math & English**
Bridge to College Mathematics and English are 4th year (senior-level) courses designed to develop college readiness in students. Students who earn a "B" or better in Bridge Courses are eligible to enter college level coursework in any of the State of Washington community or technical colleges.
- 4) **College in High School**
These classes are taught by certified high school teachers, granting both high school and college credit. Colleges in High School (CHS) programs provide college-level academic courses in high schools for qualified students. To provide CHS classes, a high school contracts with a college or university. Together they define the criteria for student eligibility.

5. COMMUNICATIONS

Development of a District Communication Plan: The Administration has taken positive steps to strengthen communications with the LISD community, primarily focusing on students and their families. There is a need to continue to develop and strengthen communication tactics and strategies for the board, administration and staff to keep both families and the community at large informed and engaged.

While the Board does not play an active role in the day-to-day administration of the District, it does have a role in communicating with the wider community. There is a need for consistent and constant communication by the board to the community through such means as monthly Op-Eds to local paper by board chair or committee chairs or news section on LISD Website. Efforts are needed to solicit input, explain decisions, admit mistakes, celebrate successes of the school, staff and students.

Although school families are the district's primary target audience, the community at large plays a significant role in supporting the school with donations and levy support. LISD needs to flood the community with positive and constructive communication for all constituents.

⁹ <https://www.washington.edu/uwit/partnerships-2019/k20-uw-networks/>

¹⁰ <https://www.k12.wa.us/student-success/learning-standards-instructional-materials/open-educational-resources/suggested-oer-sites>

Scenario 2 K-8 School

INTRODUCTION

In this scenario, we examine the option of reducing the LISD to a K-8 school with high school students attending school off island. This would require an arrangement with another high school to absorb the high school students (most likely Friday Harbor). In this scenario, the Citizen Advisory Committee looks at the effects on Lopez School, the K-8 programs (both core and enhanced), on students and the Lopez community at large. The potential impacts on high school students having to travel off island is also assessed. Impacts on existing facilities and any conditions under which this scenario would be implemented (legal, agreement with other districts, etc.) will also be examined.

Conversion of the Lopez School to a K-8 school is based on the following assumptions and conditions:

- 1) There would be no high school program at the Lopez Island School, only K-8 would be available.
- 2) Most high school students would be required to leave Lopez Island for their education. Options would include public or private high schools within San Juan County or neighboring counties (Skagit). Other options would include home-schooling or on-line programs.
- 3) For the purpose of calculating the impacts of a K-8 school scenario, averages of revenues and expenses were used. For example, salaries are averaged per person over the district since in any given year these will change.
- 4) Total revenue per student includes state apportionment, percentage of local levy and grants, as provided by Education Service District (ESD) and State Office of the Superintendent of Public Education (OSPI) website dashboard.
- 5) The high school student population is on average 31% of the total school population (72.5 out of a total of 234).
- 6) High school staffing is based on typical requirements, not the 2020/21 COVID year.

ANALYSIS OF K-8 SCENARIO

Revenue Impact

We estimate the school district would lose revenue of \$1,552,370 per year through elimination of the high school (grades 9 – 12). This estimate is based on an analysis of a five-year average of student population broken down between K-8 and high school students and on average revenue figures.

The figures for lost revenue from eliminating the high school have been derived based on the average revenue per FTE, assuming that there is not a significant revenue difference between K-8 and high school students.

- 1) The actual annual school revenue for 2019-20 was \$5,085,223
- 2) The average number of K-12 students from 2017 to 2021 is 234 full-time equivalents (FTE's)
- 3) The average number of high school students is 72.5 FTE's (31% of the total student population)
- 4) The average total revenue per student (K-12) in 2019-2020 was \$21,412
- 5) Total lost revenue for high school students based on number of FTE's in 2019/20 is $\$21,412 \times 72.5 = \$1,552,370$

Expense Impact

Savings from elimination of the high school would be less than the revenue loss. To arrive at estimates of cost savings through this scenario we examined the breakdown of teaching staff, certified staff and administration between high school and K-8 grades. We also looked at the impact on other non-personnel expenses. These estimates reflect the impact of this scenario on operating expenses of the school. Eliminating 31% of the student FTE population does not provide an equivalent 31% reduction in overall school expenses.¹¹

Following are annual estimates of the potential cost savings through elimination of the high school:

1) Teaching staff: reduction of 6.6 FTE (@ \$106,641 annual salary and benefits)	\$ 703,830
2) Administration staff: reduce to 1 FTE K8 principal + .5 Superintendent save	\$183,722
3) Paraprofessional: reduction of 21 hours/day	\$150,835
4) Secretary: reduction of one position	\$69,030
5) Special Education (SPED) Coordinator: reduced by 1 hour/day	\$8,145
6) School Counselor: .5 FTE	\$53,321
7) Elimination of high school sports program: approximate savings	\$90,000
8) Estimated savings on instructional materials, supplies and operating costs	\$110,000
Total estimated savings approximately per year	\$1,368,883

Note: These are rough “order of magnitude” estimates of cost savings through elimination of the high school programs. A detailed examination of the services and programs to be eliminated would need to be carried out and the associated costs savings identified. We expect some expense areas may not produce significant savings or may prove infeasible, for instance; administration, secretarial services, transportation (busing), food service, custodial, grounds keeper and energy.

Impacts on Students, Families and the Lopez Community

A significant reduction in flexibility in the deployment of teaching staff and class offerings for elementary and high school students would occur:

- 1) Twelve of the thirteen secondary teachers teach in both the middle and high school
- 2) Four high school teachers (0.8 FTE) teach enrichment classes in the elementary school
- 3) Dropping the high school program would eliminate the option for advanced middle school students to take high school classes (such as Algebra or foreign languages) without hiring additional part time teachers
- 4) Part-time teachers are difficult to hire and retain and have a higher cost per FTE (due to benefits)

¹¹ Sources of data: Summary of Fund Budgets Lopez 28144, provided by District and ESD.

SPI web site: <https://www.k12.wa.us/data-reporting>

Risk of Loss of Young Families on Lopez

This will result in a decline of the K-8 student population. Parents currently have the option to send their high school children to off-island schools today. However, the vast majority choose to send them to Lopez High School. The lack of a high school on the island may lead families to consider moving away from Lopez Island further reducing the student population.

A loss of young families will most certainly affect the economy of Lopez Island. Younger people tend to hold good paying construction and property management jobs. These same adults staff our healthcare and medical facilities, provide goods and service and make up a significant portion of the island's work force, as well as our neighbors and greater community.

Loss of the Lopez Scholarship Programs for Lopez Graduating Students

- 1) The Lopez community has a long history of providing private scholarships to graduating students providing some 25 scholarships per year.
- 2) From 2009 to 2020 the community provided \$308,000 in scholarships. (\$40,000 in 2020).
- 3) Without a high school in the community, current scholarship fundraisers believe that raising funds for graduates would be difficult.

Risk of Loss of InSTEP Student International Travel Program

- 1) This program is supported by Lopez community donations.
- 2) InSTEP raises private community funds to support international travel for our students.
- 3) During the last 10 years, Lopez students have participated in 18 international group trips (International countries visited include - France, Quebec (Canada), Japan, Nicaragua, Peru, China and Greece).
- 4) InSTEP has served 313 students, usually more than 50% of graduating students participate.

Elimination of Lopez High School Athletic Program

- 1) Lopez provides Soccer, Volleyball, Basketball, Track and Golf for high school students.
- 2) Unique to small schools, Lopez HS has about 85% percent of students participating in sports.
- 3) Due to the requirement of daily practices and ferry schedules, participating in off-island sports teams is extremely difficult and has not been successful in the past.

Elimination of the Lopez Firefighter/EMT Program

- 1) The Lopez Fire/EMS Department depends on young strong volunteers and in-turn provides purpose for the student participants.
- 2) Many students from this program have gone on to become career firefighters including two Fire Chiefs and several Firefighter Paramedics.
- 3) This program requires attendance to evening drills and availability for emergency calls and according to the Fire Chief has not worked for Lopez students attending off island schools.

Elimination of the High School Student Foreign Exchange Program

- 1) Lopez has recently had student exchanges from Argentina, Austria, Brazil, England, France, Germany, Holland, Honduras, Italy, Japan, Mexico, Denmark, Spain and Norway.
- 2) The program would cease.

Elimination of Lopez High School Clubs

- 1) Lopez HS has Drama, Impact, Orchestra, ASB Clubs and services which are beneficial to our students.
- 2) Like athletics, clubs would be difficult to participate in if students had to travel off Lopez.

DO K-8 DISTRICTS WORK EFFECTIVELY?

- 1) A nearby K-8 school district (Conway) operates on \$14,690 cost per student for 471 students with an average class size of 23 students.
- 2) McCleary is similarly operating with 313 students and 19 students per class at \$14,514/student.
- 3) K-8 districts have agreements with a neighboring K-12 district to accept their high school students, which would include cost sharing and likely extend beyond the state apportionment.
- 4) Due to the variations in average class size, EL, low income and Special Ed students - it is difficult to compare a potential K-8 Lopez school to other schools. Schools with larger student populations will have larger average class sizes and be able to reduce the cost per student. K-8 schools work well when transportation between districts is an easy bus ride. This will not be the case for Lopez.

A K-8 school on Lopez with 160 students would operate at a significantly higher cost per student than K-8 schools with 300 or 400 students.

CONCLUSION

Moving from a K-12 school to a K-8 school would be detrimental to the long-term sustainability of the Lopez Island School District. The loss of revenue would be greater than the cost savings by close to \$200,000 per year. Not only would there be a potential loss of funds per student in a K-8 scenario, the elementary school and middle school would suffer in their ability to provide academic options. Lopez K-12 school is an important focal point for both the island and its students, losing the HS may also damage the economic well-being of Lopez community due to a potential loss of young families.

Scenario 3

CONSOLIDATING WITH ANOTHER SCHOOL DISTRICT

INTRODUCTION

One possible option for resolving Lopez Island School District financial challenges is to effectively forfeit its governance to another school district through consolidation. Consolidation is the merger of two or more school districts into a single district run by a single superintendent and school board. It assumes an economy of scale and in turn could potentially provide a better educational product to the families of Lopez Island. As per the Committee's terms of reference, under this scenario the LISD would disappear as a separate school district. It would merge into a consolidated district either county-wide or through a merger with one other district. This option would represent a major change in the governance and operational model of the school. The school board would set policy for this new merged school district. Lopez would not be the prime decider for issues concerning Lopez School - we would not be able to solve our own problems.

One possible result of consolidation is Lopez could be forced to close its high school and become a K8 school (refer to the K8 scenario). It should be noted, there is no indication neighboring school districts are interested in consolidation with LISD.

BACKGROUND

During the period 1910 to 1994 consolidation of school districts in Washington was the norm, with the number of school districts declining from 2,710 to 296. In fact, the current Lopez Island School district was formed in the 1940s through consolidation of four (4) separate island districts.

When school districts are reorganized and consolidated under the provisions of Chapter 28.57 RCW, the consolidated district becomes a new and distinct legal entity for all purposes. The formerly separate districts would thus be stripped of their individuality. It can be considered as an incorporation of one or more political subdivisions into the jurisdiction of an existing political subdivision. The effect of the consolidation would be to broaden the new "parent" district's taxing and levying jurisdictions. In short – the broader parent district would set the priorities for capital and operating expense levies, as well as set the priorities for programs funded by the tax and levy dollars collected for the entire consolidated district.

CONSOLIDATION

Consolidation of school districts throughout the US was a favored organizational strategy in the mid-20th century; however, more recent research does not support its use. According to a special report on rural schools published by the National School Boards Association's Center for Public Education, consolidation produces minimal or negative cost savings, and may as well come with significant considerations for student academic achievement and social well-being.¹²

The report states consolidation may also pose an issue of equity for rural students. For rural districts, most notably those with a high population of poor or minority students, small size has been associated with

¹² Out of the LOOP – (a study of rural schools): Megan Lavalley, research analyst, Center for Public Education © Center for Public Education, 2018 www.centerforpubliceducation.org

improved academic outcomes when compared with larger, consolidated districts (Howley & Howley 2001). In contrast, larger school and district size has been correlated with increasing achievement gaps for poor and minority students (Howley, Johnson, & Petrie 2011). Although this problem may not manifest itself with the not so large neighboring district, there still remains the social stigmas sometimes attached to students who come from outlying communities. There is a perceived watering down of offerings which need to be shared with the original community in terms of academic opportunities, scholarships, playing time on sports teams or roles in the school play to name a few.

Rural students, especially those who attend a consolidated school, experience a much longer school day due to lengthy bus rides, or in this case a ferry ride. This may negatively impact students both inside and outside of the classroom. This time is added on to the regular school day, creating an extended schedule which may have a negative impact on sleep, extracurricular activities, and family and community life. The long commute created by a consolidation changes the school experience for both student and family.

The three principal drivers behind consolidation of school districts are lack of financial viability, inability to attract and retain certificated teachers/administrators, and improved options and rigor. Each of these is discussed below.

1) **Lack of financial viability**

For a district to be considered financially viable they must maintain a minimum reserve or End Fund Balance (EFB) to ensure adequate finances throughout the year, as well as capacity to pay for unexpected expenses such as repairs to the district's facilities. If a district fails to maintain an acceptable EFB they may be considered financially unviable and subject to being temporarily taken over by the state and forced to make drastic cuts.

2) **Difficulties in attracting and retaining a workforce of high quality professional certificated staff**

If, due to budget limitations, compensation and working conditions are not competitive a district will face challenges in attracting and retaining highly qualified professionals. Retaining certificated staff becomes the chicken and egg question to declining enrollment and shrinking budgets. Through consolidation, a larger district may be able to provide the financial capacity and professional opportunities needed to ensure a stable and professional staff.

While compensation of LISD certificated staff is reportedly some 10-15% lower than those of neighboring islands it seems not to have had a noticeable impact on teacher recruitment and retention. As shown below the level of education and experience of the LISD teaching staff is comparable to both San Juan Island and Orcas staff.

Teaching Staff

District	LISD	San Juan Island	Orcas Island
Percent of teachers with Master's degrees	60.7%	59%	63%
Average years' experience	13.5	13.2	13.0

3) **Improvement of educational options and rigor**

A loss of levy enrichment funds may lead to a reduction in programs which serve high achievers (AP classes) or other choices in learning options for all students. A reduction in programs which meet students’ needs may lead to a reduction in student population.

This is arguably one area where consolidation might benefit the LISD. Lopez Island School falls somewhat below the other two districts in terms of performance in English Language Arts and Math, but exceeds them in Science performance. The overall average performance of Lopez falls between the other two schools. While there may be potential for greater teacher concentration on specific subjects, Lopez Island students would most likely have to travel to another off-island school to benefit from increased choice and rigor, with all the disadvantages this entails.

Comparative Student Performance

District	LISD	San Juan Island	Orcas Island
English Language Arts	52%	64%	57%
Math	40%	58%	48%
Science	70%	52%	54%
Average:	54%	58%	53%

Below is a summary of the potential benefits and liabilities of school district consolidation as presented at the 2014 Washington WSSDA Conference. Most but not all of these considerations apply to the Lopez Island situation.

Benefits and Liabilities of Consolidation

Benefits	Liabilities
<ul style="list-style-type: none"> • More efficient use of funds through economies of scale 	<ul style="list-style-type: none"> • Higher transportation costs
<ul style="list-style-type: none"> • Lower per-pupil costs 	<ul style="list-style-type: none"> • Time lost to busing (ferries)
<ul style="list-style-type: none"> • Expanded curriculum 	<ul style="list-style-type: none"> • Less parent-teacher interaction due to separation
<ul style="list-style-type: none"> • Expanded co-curricular/extra-curricular activities 	<ul style="list-style-type: none"> • Less community support for schools and education
<ul style="list-style-type: none"> • Higher salaries and benefits for teachers and staff 	<ul style="list-style-type: none"> • Levy and bond support due to disengagement with the community
<ul style="list-style-type: none"> • More specialized teachers and staff 	<ul style="list-style-type: none"> • Declines in enrollment over time due to disengagement with community
<ul style="list-style-type: none"> • Better instructional materials and equipment 	<ul style="list-style-type: none"> • Failure to achieve significant long-term savings from economies of scale
<ul style="list-style-type: none"> • More resources for advanced/special needs students 	<ul style="list-style-type: none"> • High one-time costs for signage, uniforms websites
<ul style="list-style-type: none"> • Increased cultural diversity 	
<ul style="list-style-type: none"> • Lower teacher turnover 	
<ul style="list-style-type: none"> • Increased student achievement/engagement via choice 	

Source: 2014 WSSDA Conference Presentation “Update on School Consolidation”

COOPERATIVES

Forming a cooperative with another school district

Cooperatives in Washington operate under special charters from OSPI. Each school district retains their separate identity and school board. Funding is outlined in the specific agreement for sharing costs. The home district remains responsible for all the expenses of their own schools and often contribute money or personnel to the other school district. Typically administration, superintendent and business functions, are combined (St. John-Endicott Cooperative Agreement).

In interviews with the superintendents for two Cooperative School Districts (Wilbur-Creston and St. John-Endicott) both stressed that while cooperatives have saved some money in administrative areas, their primary goal has been providing better education for students, including course selection and class size.

The St. John-Endicott cooperative was formed in 1986, the Wilbur-Creston cooperative was formed 5 years ago. Both districts have their own elementary schools, students from both districts go to the middle school provided by one district, all students go to the high school provided by the other. These two cooperatives work because the districts are about 20 miles apart. In the case of Lopez, the ferry system makes this arrangement unviable.

Cooperative High School program with another San Juan County School District

The benefits and liabilities of cooperatives are similar to those listed in the chart on page 31 of this report. As with consolidation, the most significant drawback is geography and the limitations of the ferries.

Experience in small rural school districts noted above would suggest K-8 on Lopez and high school at another district. It would likely mean all Lopez high school students traveling to another island for school, and the loss of the local high school. (This concept is discussed in the *Scenario 2 - K-8 School* section of this report).

CONCLUSION

Consolidation of the LISD with another district is neither popular nor necessary. The Lopez School is a central core of the community and to many, reflects the uniqueness and values of the Island. A community would rarely embrace the loss of a school, not the least Lopez Island. At a minimum, in the short term the identity of the community would be fractured, and economically the community becomes less viable for families with school age children.

Bringing a K-12 school on Lopez Island under the control of a school district based out of San Juan Island, Orcas Island or Anacortes does not resolve the financial issues facing the LISD and would create numerous challenges and difficulties for students, teachers, administrators and families. Solutions to these challenges can best be found within the LISD. Only very minor savings may be realized through combining business administration functions, e.g., elimination of LISD Superintendent and business manager. In fact, there becomes an increased responsibility and workload for the administrative staff

having to travel between islands by the ferry system which may result in no real savings or the potential of less supervision and support to the remotely located school.

Nor do any of the issues of staff attraction/retention or option/rigor go away by bringing a K-12 school on Lopez Island under the control of a school district based out of San Juan Island, Orcas Island or Anacortes.

There are no indication neighboring school districts are interested in exploring consolidation with LISD. A possible result of consolidation is Lopez may be forced to lose its high school and become a K8 school. The problems of this situation are examined in the K8-Schoolscenario.

Given experience in other jurisdictions the idea of a cooperative arrangement may be worthwhile exploring. However, this is a long-term discussion, which may be mandated in the future by OSPI but does not appear to be a practical option until the islands are linked with bridges.

Scenario 4 CHARTER SCHOOL OPTION

INTRODUCTION

This section considers the option of restructuring Lopez Island School District (LISD) as a K-12 charter school. Creation of a charter school would represent a major change to the Lopez Island School and its administration. The CAC reviewed relevant literature and experiences with charter schools in other similar locations, with consideration of the legal, budgetary, and governance implications, as well as impacts on students, staff, and the community at large.

Background of Charter School in Washington State

In Washington State charter schools are publicly funded, independent public schools. Their purpose is to provide an alternative to traditional education. They must be established and operated by a public benefit or non-profit organization (with tax exempt status under section 501(c)(3) of the IRS Code). Charter schools must be authorized by the Washington State Charter School Commission or an approved school district authorizer. Charter schools operate independently according to the terms of a performance contract or “charter.”¹³

As part of their contract with the Charter School Commission, charter schools commit to meeting specific academic goals set by the Commission but are free to make their own decisions about how to achieve those goals. Charter Schools are free to develop their own academic programs and often choose to organize around a specific focus, goal, or concept. For example, they may choose to focus on math or science, or develop their own curriculum. They are also free to establish their own standards for student behavior. Charter Schools are open to all students, free of tuition. There are currently 16 charter schools open in WA State, with no school operating under a K-12 school model.

Why Consider a Charter School on Lopez Island?

The first reason for establishing a charter school on Lopez would be to introduce an alternative approach to education. A charter school could offer opportunities to address the challenges of an island community. The ability to choose an alternate curriculum would also appeal to families who are not content with traditional education generally found in the public school system.

The second reason to consider a charter school would be potential cost savings. Charter schools are free to establish their own practices and are exempt from certain regulations which may result in a reduction of costs. They have the flexibility to decide on how to organize their staffing and budget whereas traditional schools must follow stricter budget and staffing rules. For example, although charter schools must have a plan to provide transportation for students, there is no specification as to who must provide transportation for the school. The charter school would have the flexibility to establish transportation through a more cost-effective solution. Reportedly, Charter schools certified staff salaries are 10-15% lower than common public schools.

¹³ “Our Schools,” Commissioned Authorized Schools, Washington State Charter School Commission, <https://charterschool.wa.gov/starting/resources/faq/>, (date accessed 5/3/2021).

The third reason would be to explore whether partnerships with other organizations could be strengthened with a charter school model. This would allow the development of partnerships with foundations and corporations who are interested in supporting rural education. This option relies heavily on the supposition there are organizations who are interested in partnering with and financially supporting a charter school on Lopez.

Does Establishing a Charter School on Lopez Provide Any Advantages in Lieu of a Traditional Model?

Answers to the potential advantages outlined in the first section:

a) An Innovative Approach to Educational Instruction

While less restrictions are possible with a charter school option, this advantage is not only possible with this model. Innovative and flexible learning are some of the greatest strengths of a small, rural school such as Lopez School. Teaching and instruction in the classroom could be improved within the parameters of our current system. Special funding and grants to mentor, train, and strengthen teachers are potential sources of academic improvement. There are other programs and approaches currently being offered in other public schools around Washington State. These models are discussed at length in the K-12 analysis in this document.

b) Cost Savings

Charter schools are eligible to receive the same state and federal funding as traditional public schools. They are prohibited by law (E2SSB 6194),¹⁴ from levying local taxes or issuing tax-supported bonds. They are typically funded by large corporations. In the case of the Lopez School, operating expenses would still be underfunded by almost \$380,000 from the loss of local tax levies. Although some flexibility could be gained by the lack of restrictions on budgeting, the majority of schools' budgets go toward staffing costs. Charter Schools staff are not required to have union representation, and this flexibility could result in different parameters for a staffing budget. Yet, charter school instructors are still subject to the same licensing and training requirements as public-school instructors. Lopez would still have to pay competitive salaries to attract and retain highly qualified teaching and administrative staff. Lower compensation would create challenges in recruiting teaching staff to our remote island.

c) Partnerships with Other Organizations, Foundations and Corporations

Charter schools are only allowed to form if there is an existing school district choice for parents. This requires the district to run part of its program as a regular school or require consolidation with another school district. At this time, there is no indication another local school district is interested in consolidating with LISD. The further hurdle of creating a non-profit for the specific purpose of public benefit would also impact the ability to form a charter school. Most charter schools are operated by large corporations or with the support of large grants and private foundations. Furthermore, the 2016 Washington State law (E2SSB 6194)¹⁵ eliminates conversion schools (traditional public schools that convert to charter schools). Accordingly, the Lopez Island School could not convert to a charter school. A new school would have to be created.

¹⁴ "Our Schools," Commissioned Authorized Schools, Washington State Charter School Commission, <https://charterschool.wa.gov/starting/resources/faq/>, (date accessed 5/3/2021).

¹⁵ "Charter Schools," The Washington State Board of Education, <https://sbe.wa.gov/faqs/charter>, (date accessed 5/3/2021).

CONCLUSION

While at first glance the concept of a charter school might sound attractive, in reality, this option fails to meet either the needs of the LISD, or those of the community. A charter school has a financial disadvantage, cannot replace the school district and would need the support from a non-existent large corporate sponsor and non-profit. Furthermore, some of the potential charter school opportunities which may benefit the community, such as increased innovation and flexibility, can be achieved within the existing LISD structure.

APPENDIX 1 REFERENCES

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 - <http://washingtonstatereportcard.ospi.k12.wa.us>
- 2020-2021 Lopez School District No. 144 Summary of General Fund Budget 10/7/2020, provided by District.
- Lopez High School Profile 2019 – 2020, provided by Jeanna Carter
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- National Center for Education Studies (NCES) https://nces.ed.gov/fastfacts/display.asp?id=372 - PK12_enrollment
- *Today's Parent Aug 29, 2019, Psychology today.com May,18, 2015.*
- The Chronicle, Centralia WA: <https://www.chronline.com/stories/pe-ell-school-principal-says-four-day-week-has-been-positive-change,5638>
- The Rural Opportunities Consortium of Idaho (ROCI) THE FOUR-DAY SCHOOL WEEK IN RURAL IDAHO SCHOOLS (Paul T. Hill and Georgia Heyward)
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- www.communityschools.org/resources/lehigh_valley_pennsylvania.aspx?print=y
- WSSDA Conference Consolidation of School Districts in WA State (2009)
- Final Report of Collaboration Pilot Project Western Washington – Mt Vernon Washington Elementary School
- Center on Reinventing Public Education [https://www.crpe.org/publications/users-guide-four-day-school-week October 2017](https://www.crpe.org/publications/users-guide-four-day-school-week-October-2017)
- Coalition for Community Schools (Institution for Educational Leadership)
http://www.communityschools.org/resources/south_king_county_washington.aspx?print=y

APPENDIX 2 PERSONS CONSULTED

- Dr. Carl Bruner, Interim Superintendent, LISD
- Martha Martin, Secondary Principal Lopez Island HS
- Mary Fordham, Elementary School Principal
- Jeanna Carter, Lopez Island HS counselor
- Jesse Hammond, LISD Technology Director, Liaison to the JCS, MPPACT Music Advisor
- Jane Ward and committee for InSTEP information.
- Chuck Wyborney, Superintendent Wilbur-Creston Cooperative School District
cwyborney@wcsd.wednet.edu
- Suzanne Schmick, Superintendent St. John- Endicott School District sschmick@sjeschools.org
- Michael Dunn, Superintendent, Northeast Washington ESD 101
- Adam Bigby Fire Chief and Jim Ghiglione retired Fire Chief for Lopez Island Fire/EMS Department
- John Holding – former LISD board Chair

APPENDIX 3 TERMS OF REFERENCE – CONCEPT NOTE

A Vision for the Sustainability of the Lopez Island School District

Proposal

To establish a citizen advisory committee of Lopez Island residents charged with the task of preparing a report that identifies and analyzes options to ensure the Lopez Island School District continues to thrive and provide high quality, innovative, and progressive education for LISD students.¹⁶

Objective

To present strategic options for the future of the LISD for consideration by the LISD Board. This report will provide the basis for a vision of the future of the LISD.

Background

The LISD is facing a current and future budgetary crisis primarily as a result of the Washington State Legislature decision to implement a cap on local levies for supplementary funding of enrichment programs for schools. This levy lid meant the 2018 School Levy approved by some 74% of Lopez voters could not be fully implemented. Extensive efforts by the school board and others have not succeeded in convincing the legislators of the need for relief from the levy lid for Lopez Island despite our rather unique circumstances as a small school district in a community with high property values but relatively low income levels and a small tax base¹⁷. While efforts continue to seek levy lid relief, we must as well look at options for the school district should these efforts not succeed.

Efforts to Resolve the Budgetary Crisis

The LISD has worked extremely hard, in consultation with all stakeholders (including advice from a community-based Budgetary Advisory Committee) to address the estimated budget deficit of \$364,000 for the 2020-21 School Year. Difficult decisions had to be made by the Board, and every effort was made to minimize impacts on staff, students and programs. As a result of these budgetary reductions, the LISD is in a position to operate for the 2020-21 school year with limited impacts on staff, programs and students. However, many of these reductions were for one school year only, concerns remain as to the long-term financial viability of the Lopez School. The key question being:

“how can the Lopez Island School continue to provide high quality, innovative learning opportunities for students, maintain enrollment levels, offer competitive staff salaries, and meet operational expenses within forecast budgetary ceilings?”

The analysis of options will include budgetary and legal implications, potential impacts on students, programs and staff, and implications for the community at large. The analysis will not discuss in detail educational aspects of the scenarios as these issues are outside the mandate of the committee. The

¹⁶ The LISD Board authorized the creation of the Citizen Advisory Committee at its November 18, 2020 meeting.

¹⁷ The Lopez School is a Title 1 school. The Lopez School District includes the small elementary school on Decatur Island.

committee report will lay out a set of detailed scenarios, with issues and considerations identified for each one, but it will not make recommendations to the School Board.

More Than Financial Issues

While the focus of the committee's work is on financial and budgetary matters, as well as legal considerations, we will always keep in mind the importance of maintaining the spirit, culture and values of Lopez Island School and the community at large (such as the creativity and dedication of teachers, outdoor and garden programs, our marine heritage, and environmental focus, etc.).

Moving Forward

The following four broad options have been identified. They will be subject to further research and discernment by the advisory committee and may change:

Scenario 1: Continue operation as a K-12 school

This scenario will examine how the LISD might continue to function as a K-12 school in light of budgetary restrictions. It will identify alternative budgetary scenarios (existing levy lid continues; levy lid relief attained; alternate funding formulae, etc.) and take them into account by looking at potential impacts on school operations. The committee will consider the findings of the Budget Advisory Committee established last Spring for the 2020/21 school year, and ongoing budget cuts facing the School District. A projection of enrollment levels will be included, as well as a discussion of enrichment and core programs that could be offered under current budgetary forecasts.

Scenario 2: Convert to a K-8 School, yet remaining a separate school district

This scenario envisions the reduction of the LISD to a K-8 school with high school students attending school off island. This would require an arrangement with another high school to absorb the high school students (most likely Friday Harbor). A projection of K-8 enrollment will be developed and staffing and budgetary requirements including operating costs identified. The analysis will include Impacts on K-8 programs (both core and enhanced), and on students. The potential impacts on high school students having to travel off island will be assessed. We will also consider impacts on existing facilities – what would be the needs of the reduced school? The conditions under which this scenario would be implemented (legal, agreement with other districts, etc.) will also be examined.

Scenario 3: Consolidation of the LISD with another school district

This scenario would see the creation of a consolidated school district either county-wide or through a merger with one other district. It would entail students traveling from one island to another for school. Impacts on student enrollment, staffing levels and operating budgets will be examined. This option represents a major change in the governance and operational model of the school, and there may be a number of options for this arrangement that would need to be considered.

Scenario 4: Creation of a Charter School

This option entails consideration of a charter school for Lopez Island. It would represent a major change to the Lopez Island School and its administration. A review will be undertaken of relevant literature and experiences with charter schools in other similar locations, with consideration of the legal, budgetary, and governance implications, as well as impacts on students, staff, and the community at large. This option could possibly be combined with other scenarios (scenarios 2 and 3 in particular).

Proposed Approach and Timeframe

Approach

Phase 1: Background research (One month)

- Literature Review / Research
- Consultations with experts/ interested parties
- Interviews with other school districts, current and former charter school leadership etc.

Phase 2: Analysis of Scenarios/options (one - two months)

- Identification and examination of scenarios
- Drafting of analysis of options
- Vetting of analyses

Phase 3: Report preparation and presentation: (two weeks)

- Final analysis of options
- Review and consultations
- Focus Group discussions (possible)
- Final report Presentation to LISD Board
- Follow up adjustments as needed

Timeframe

Start – December 2020

Final report to LISD Board – End March 2021

Committee Membership

The committee will consist of approximately 6-8 members drawn from the community. It will be chaired by Bill LeDrew, a parent and community member. Chris Greacen will be the LISD board point of contact for the committee.

Other members will include parents, local business leaders and interested citizens.

The committee will draw on a number of local resource persons as advisors, including

- John Holding – former LISD board member
- Martha Martin – Secondary Principal
- Carl Bruner – Interim Superintendent
- Others on a case-by-case basis

Other Stakeholders

In its deliberations the committee may consult with a number of stakeholders to gather information and perspectives, including (but not limited to):

- OSPI
- Parents
- Union representatives (LEA, PSE)
- Hispanic Community
- Orcas, San Juan Island and Anacortes School Districts
- WASDA
- Students
- LIPTSA
- Elected reps (County, State)