APPROVED

Griffin School District #324

Minutes

Griffin School Board Meeting

Date and Time
Wednesday June 24, 2026 at 6:00 PM

Location
Griffin Cafeteria

[Attend via Zoom]

[Board Meeting Zoom Link]

Directors Present
Blair Baker, Emma Rose, Julie Osterberg, Tesa Frevert, Trish Hefton

Directors Absent
None

Guests Present
Karen Lett, Kim Ferra, Kirsten Rue, Kyle Nixon, Kyler Mower, Rebekah Keiser

---

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

Julie Osterberg called a meeting of the board of directors of Griffin School District #324 to order on Wednesday Jun 24, 2026 at 6:01 PM.
Blair Baker made a motion to approve the agenda.
Emma Rose seconded the motion.
The board **VOTED** to approve the motion.

II. Public Comment

A. Comments from the Public

No comments from the public.

III. CONSENT AGENDA

A. Approval of Board Meeting Minutes - May 27, 2026

Blair Baker made a motion to approve the minutes from Griffin School Board Meeting on 05-27-26.
Emma Rose seconded the motion.
The board **VOTED** to approve the motion.

B. Approval of Study Session Minutes - June 10, 2026

Blair Baker made a motion to approve the minutes from Griffin School Board Study Session on 06-10-26.
Emma Rose seconded the motion.
The board **VOTED** to approve the motion.

C. Approval of Payroll & Warrants

D. Approval of the Enrollment Report

E. Approval of the Personnel Report

F. Review of Public Records Requests

G. Approval of All Consent Agenda Items

Blair Baker made a motion to approve all Consent Agenda items.
Emma Rose seconded the motion.
The board **VOTED** to approve the motion.

IV. NEW BUSINESS

A. Briefing: What Are Binding Conditions?

1. Overview of OSPI Binding Conditions & Financial Continuum

Superintendent Kirsten Rue presented an overview of the Office of Superintendent of Public Instruction (OSPI) "Binding Conditions" framework, noting that comprehensive information and visual flowcharts are publicly available on the OSPI website.

The presentation highlighted the financial health continuum for Washington State school districts:
- **Financial Stability & Autonomy:** Historically, Griffin School District has maintained a stable position on this end of the continuum, supported strongly by the local community through levies, bonds, the foundation, and the PTO.
- **Financial Stress & Cash Flow Shortfalls:** Due to gradual, systemic reductions in monthly cash flow over the last few years, the District has transitioned into this category.
- **Low Reserves & Financial Oversight:** Districts facing zero-balance fund balances or relying on inter-fund loans must notify the state and work alongside a Financial Oversight Committee, typically via their local Educational Service District (ESD).
- **Binding Conditions & Enhanced Financial Oversight:** Occurs when a district cannot balance its budget. If a district progresses to enhanced financial oversight, local control over fiscal matters is dissolved, and full financial oversight shifts to the state.

> **Clarification on District Status:** Superintendent Rue explicitly clarified that Griffin School District is **not** in binding conditions. However, the presentation serves to illustrate the District's current trajectory and emphasize the preventative measures required to halt further movement down the fiscal continuum.

2. Griffin School District Financial Reality & Metrics
The District's current fiscal stress is marked by unprecedented dips in its target reserves:
- **Target Ending Fund Balance:** The District’s policy purposefully targets an **8.33%** ending fund balance to secure payroll and operational costs in the event of state apportionment delays or fiscal shortfalls.
- **Current Performance:** For 3 of the past 9 months, the District dipped below this target —a trend unprecedented for Griffin in the 21st century. During two specific months, the fund balance fell to **5.7%**.
- **Action Plan:** The District must increase transparency, enhance strategic planning around its financial reality, and make stringent fiscal decisions to preserve remaining cash flow.

3. Systemic Factors & State Funding Shortfalls
Superintendent Rue noted that financial hardships are affecting historically secure districts across the state (e.g., Bellevue School District) due to a fundamentally flawed state funding model. Contributing systemic challenges include:
- **Structural Deficits:** The state funding model does not adequately pace with regular district operational costs.
- **Programmatic Cuts:** The District's Transitional Kindergarten enrollment funding allocations were reduced by 50% this year.

- Inflation Mismatch: Materials, Supplies, and Operating Costs (MSOC) funding continues to fall significantly short of inflation rates.
- Staffing Shortfalls: The state does not fully fund required district staff positions.
- Declining Enrollment: Statewide declining enrollment trends are accelerating the timeline of fiscal strain for many districts.

4. Precedents and the Risk of District Dissolution
The Board reviewed historical and recent case studies of districts entering state intervention:
- Marysville & Prescott: Cited as examples of districts entering binding conditions. Notably, Prescott School District (near Walla Walla) received notification from OSPI in January regarding potential district dissolution.
- Defining Dissolution: Dissolution occurs when a district has no remaining fiscal options and must be consolidated into neighboring school districts. In the past 25 years, Vader School District (approximately 15 years ago) is the only Washington district to fully complete this process.

5. Personnel & Next Steps
The District welcomed **Kyler Mowers** as the new Business Manager. Mowers joins Griffin from the Shelton School District, where he gained direct experience collaborating with financial oversight committees to successfully navigate and resolve fiscal distress.

The administration expressed optimism that Mowers' expertise, combined with proactive fiscal management and targeted state-level advocacy, will successfully stabilize the District's financial trajectory. Community members with further questions were encouraged to review the formal documentation hosted on the OSPI website.

Director Blair Baker inquired about the specific enrollment figures for the Prescott School District and how those metrics compare directly to Griffin School District’s student distribution.

Superintendent Rue noted that Prescott's student enrollment is approximately 220 to 230 students. Because Prescott’s projected budget would not yield a positive ending fund balance, they were forced to notify OSPI, triggering state intervention. Due to Prescott’s small size, the state's intent appears to be absorbing it into the neighboring Walla Walla School District.

Director Tesa Frevert inquired regarding how the implementation of a state Financial Oversight Committee would practically affect Griffin Education Association (GEA) contracts and current district programming.

Business Manager Kyler Mowers provided insight based on his professional experience navigating binding conditions with the Shelton School District:

- Contractual Adherence: A state-mandated oversight committee (typically comprised of representatives from ESD 113 and OSPI) will adhere to existing labor contracts as closely as possible.
- Memorandums of Understanding (MOUs): If severe fiscal adjustments are required, the committee and district may collaborate with labor groups to establish specific MOUs. In Shelton's context, only one such MOU was necessary, allowing the district to adjust terms, stabilize finances, and successfully exit binding conditions without resorting to the drastic measures seen in other districts.

Director Emma Rose expressed concern that without radical structural alterations to the state funding model, entering fiscal distress feels nearly inevitable for many districts over the next few years due to flat or declining enrollment. Director Rose highlighted that while school districts acutely understand this crisis, there appears to be a distinct lack of appetite or engagement from elected state legislators. She requested guidance on how the Board can more effectively engage and advocate at the state level.

Superintendent Rue provided the following strategic recommendations for collective advocacy:
- Small Rural District Consortiums: Associations like WASA and WSSDA are supporting the formation of a consortium for small rural districts. This group aims to educate legislators on the unique value of small districts, emphasizing that they are highly responsive to local voters and are frequently more fiscally accountable—doing more for students with fewer resources. Griffin should explore formal involvement with this group.
- Inter-District Collaboration: The Board must continue creating "collaborative noise" by staying connected with surrounding school boards and participating in local WSSDA regional meetings to amplify their shared legislative message.
- Upcoming Legislative Session: The administration has been advised to anticipate a significantly tougher state fiscal session in the upcoming long legislative session compared to the recent short session, necessitating highly conservative fiscal planning.
- Good Faith Bargaining: Despite external fiscal pressures, the District remains fully committed to bargaining in good faith and showing up supportively for its workforce, including both Griffin Education Association (GEA) and Teamster employees.

Superintendent Rue concluded by highlighting a critical variable that the public often misunderstands regarding Griffin's financial ecosystem:
- Grant Ineligibility: Unlike neighboring districts with higher concentrated poverty levels, Griffin does not qualify for many state and federal stabilization grants, removing a safety net that keeps other districts afloat.
- Resource Optimization: School finance requires a complex "art" of maximizing restricted funds (which are legally tied to specific programs) to safely free up as much flexible, unrestricted general fund revenue as possible.

The administration expressed complete confidence in Business Manager Mowers' ability to manage these fiscal complexities and provide strategic advice moving forward.

B. Superintendent's Report

Superintendent Rue provided an update on the facility maintenance and improvement projects scheduled for the summer session. The administration acknowledged the ongoing efforts of Facilities Director Alex and the maintenance team in addressing deferred maintenance and improving building conditions.

Capital Fund Clarification
Superintendent Rue explicitly emphasized a recurring fiscal distinction for the public:
- Separation of Funds: All facility updates and capital improvements are funded strictly through the **Capital Fund**, which is supported by the voter-approved Capital Levy.
- Zero Impact on General Fund: Capital fund allocations are legally restricted and entirely separate from the District's **General Fund**. Operational or structural deficits within the General Fund are neither caused by nor can be relieved by these capital improvement projects.

Summer 2026 Scope of Work
The following facility updates are scheduled or currently underway:
- Grades 4–5 Pod Restroom Remodel: Comprehensive renovations are being executed in the staff, boys', and girls' restrooms within the 4–5 pod to resolve failing structures and fixtures. The scope includes new plumbing fixtures, updated flooring, and replacement stalls.
- Library Furniture Replacement: Due to structural wear and the compounding deterioration of existing assets, tables and chairs in the library are being replaced. The space will be cleared next week to begin the assembly and installation of new furniture.
- LED Lighting Transition: A comprehensive lighting package will be installed across all remaining campus zones still utilizing fluorescent bulbs. This marks the completion of the District's transition to 100% LED lighting, which lowers the District's carbon footprint and fulfills state-mandated carbon reduction benchmarks ahead of the **2028** statutory deadline.
- Hallway and Art Room Flooring Installation: Beginning July 6th, contractors will replace old hard-surface flooring in the hallways, art room, and miscellaneous spaces with high-durability, snap-in commercial flooring.
-*Operational Efficiency:* This upgrade eliminates the labor-intensive requirement to wax and polish floors during every winter, spring, and summer break, freeing up full-time maintenance staff hours for other tasks.
- Grounds and Parking Lot Maintenance: The maintenance and grounds staff are currently executing heavy pruning of overgrown landscaping around the parking lot perimeter to significantly improve driver and pedestrian visibility.

Long-Term Capital Grant Application (2027–2029 Biennium)
The District administration is actively collaborating with OSPI and ESD 112 to prepare a **$6 million capital grant application** target-dated for the 2027–2029 biennium. If

awarded, these funds will be designated for large-scale infrastructural improvements, including:
- A comprehensive redesign and repaving of the main campus parking lot.
- A structural modernization and deep remodel of the 4–5 pod, which remains the oldest section of the current school facility.

Director Tesa Frevert inquired regarding the design specifications of the upcoming 4–5 pod restroom remodel. Specifically, she asked if the scope of work includes measures to enhance student privacy, such as installing extended-length stall doors or utilizing hardware designed to eliminate visible gaps when stall doors are closed.

Superintendent Rue noted she would follow up with Facilities Director Alex to verify the exact architectural and hardware specifications regarding student privacy enhancements for the new restroom stalls.

Director Frevert requested clarification regarding the material specifications of the new hallway and art room flooring, asking if the snap-in commercial flooring matches the material previously installed in Mr. Pipkin’s classroom.

Superintendent Rue clarified the material distinctions for the upcoming flooring installations:
- Hallway Flooring Specification: The product selected for the hallways is a high-durability, snap-in commercial planking designed with a faux-hardwood aesthetic. It differs from the textile material previously utilized in Mr. Pipkin's classroom.
- Future Carpet Replacement Strategy: The material in Mr. Pipkin’s classroom—described as a highly durable, easily cleaned synthetic commercial carpet—remains the District standard for future classroom carpet replacements due to its longevity and ease of maintenance.
- Current Scope Clarification: The Superintendent confirmed that no carpet replacement projects are scheduled or funded for the current summer session.

V. OLD BUSINESS

A. Food Service Price Increase 2026-2027

The Board reviewed a proposed price increase for the District’s food service program for the upcoming 2026–2027 school year.

Board Chair Trish Hefton provided the foundational context for the adjustment:
- Regulatory Requirement: The District is legally and contractually required by state/federal guidelines to implement a price correction when the food service program operates at a deficit. Because the program is currently not operating "in the green," a price adjustment is mandatory.
- Adjustment Rate: Finance Director Kim Ferra confirmed that the recommended adjustment is a minimal increase of **$0.10 (10 cents)** per meal.

Blair Baker made a motion to approve the Food Service Price Increase 2026-2027.
Emma Rose seconded the motion.
The board **VOTED** to approve the motion.

VI. POLICY - UPDATES

A. 3110 Qualification of Attendance & Placement

Emma Rose made a motion to approve Policy 3110 update.
Julie Osterberg seconded the motion.
The board **VOTED** to approve the motion.

B. 3421 Child Abuse & Neglect

Emma Rose made a motion to approve Policy 3421 update.
Blair Baker seconded the motion.
The board **VOTED** to approve the motion.

C. 6530 Insurance

First reading. Board will vote on updates July 22, 2026.

D. 6535 Student Insurance

First reading. Board will vote on updates July 22, 2026.

VII. POLICY - REVIEW

A. 6540 Responsibility for Privately Owned Property

First reading. Board will vote on review July 22, 2026.

VIII. DISTRICT REPORTS

A. Finance Director's Report

Finance Director Kim Ferra presented a synopsis of the budget statuses for all five District funds and provided an update on the ongoing development of the upcoming fiscal year budget.

The business office continues to stringently monitor cash flow across all accounts, with a specific focus on the General Fund's ending balance and miscellaneous operational expenditures. Additionally, Director Ferra noted that while capital projects are moving forward efficiently through the summer, some ongoing project timelines may naturally extend into the beginning of the upcoming school year..

The finance team is currently compiling the comprehensive District budget for the next fiscal year.

- Data Integration: The budget models have been updated to reflect recent staffing adjustments and projected declines in student enrollment.
- Review & Submission Timeline: The draft budget is scheduled for submission to the Educational Service District (ESD) at the beginning of next month for official regulatory review.
- Board Adoption: Following the ESD review process, the final budget will be presented to the Board for formal adoption at next month's meeting.

At the next scheduled meeting, Business Manager Kyler Mower will deliver a comprehensive presentation and distribute supporting materials to walk the Board through each stage of the upcoming budget, detailing projected revenue sources against categorized expenditures. This budget serves as a strategic projection of the District's financial trajectory, establishing a best-estimate baseline that—much like standard household budgeting—requires ongoing monitoring and operational pivots as real-time variables shift. Finally, Director Ferra noted that the financial reports currently under review reflect fully reconciled data through May 2026, with the June fiscal month closing in a few days, maintaining the standard one-month reporting lag required for complete account reconciliation.

IX. Closing Items

A. For the Good of the Order

Director Rose extended congratulations to Director Tesa Frevert on the successful completion and graduation of her master’s degree program the previous week. Director Rose commended the significant dedication and effort required to achieve this milestone, noting that insights shared by Director Frevert throughout her studies had constructively benefited the Board's ongoing work. On behalf of the Board, Director Rose expressed appreciation for Director Frevert’s continued commitment to advanced education.

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:50 PM.

Respectfully Submitted,
Trish Hefton

"Where students thrive, feel valued, and shape a better world."