



**ESD 112 Board of Directors' Retreat  
March 27, 2023**

**ROLL CALL**

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Board Members Present: Mark Hottowe, President; LeAnne Bremer; Susan Barker; Kevin Davis; Nancy Miller; Heidi Rosenberg; and Darlene Stickel. Cabinet Members Present: Marnie Allen, Monique Dugaw, Gavin Hottman, Mike Nerland, Jeffrey Niess, Jodi Wall, and Kathy Whitlock. Guests Present: John Anzalone and Mary Beth Tack.

**WELCOME**

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Mark Hottowe, *President*, opened the meeting at 9:00 am on March 27, 2023, and welcomed all participants. A quorum of seven members was present.

**PURPOSE OF THE DAY**

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Tim Merlino, *Superintendent*, reviewed the meeting agenda, as well as the mission of ESD 112. A brief update on the state budget was provided.

**STATE OF THE ESD**

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Tim Merlino, *Superintendent*, provided an update on the State of ESD 112 and the region.

- Districts are currently facing enrollment decreases that will likely continue for the next several years, causing financial issues for many districts. There are also staff shortages in many positions such as paraeducators, special education staff, and bus drivers. Student behavior issues are increasing at a time when staffing is lower.
- The ESD currently serves over 17,000 students directly annually. Of the nine ESDs in Washington State, ESD 112 provides the highest revenue generated per student at \$990 per student. ESD 112 leadership has been in place for nine years, which has provided stability.
- Post-pandemic challenges for the ESD have included a higher staff turnover, adapting to the new hybrid and remote workforce, and keeping salaries competitive with local school districts.
- ESD 112 capacity is at an all-time high but it is difficult to take on more without additional support. The infrastructure needed to continue growing programs that are responsive to the needs of school districts in the region is being considered.

**DEPARTMENT UPDATES AND FORECAST FOR 2023/2024**

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ESD 112 Leadership shared department updates and a look forward to the 2023/2024 School Year.

**FINANCIAL FORECAST FOR 2024**

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Gavin Hottman, *Chief Business Officer*, provided a briefing on the financial forecast for 2024.

**LUNCH WITH ESD 112 SUPERINTENDENTS**

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Two superintendents from the region participated in a panel discussion regarding ESD 112 services. Panelists included John Anzalone, Superintendent, Camas School District; and Mary Beth Tack, Superintendent, Kelso School District.

## **ESD 112 SCHOOL DISTRICT FINANCIAL SITUATION**

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Tim Merlino, *Superintendent*, and Gavin Hottman, *Chief Business Officer*, provided an overview of the financial situation many districts in the region are currently facing. Challenges include declining enrollment, staff costs that exceed funding allocations, loss of short-term funding and levy equalization decline, as well as inflation and increased service needs.

## **ESD PROGRAM SUSTAINABILITY: MENTAL HEALTH**

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Tim Merlino, *Superintendent*, and Gavin Hottman, *Chief Business Officer*, shared an update on upcoming opportunities to increase mental health supports in districts. Jeffrey Niess, *Executive Director of Specialized Student Services*, shared additional information on requests from districts for a behavioral health day treatment program.

## **SUPERINTENDENT GOALS / WORKING AS A TEAM**

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Tim Merlino, *Superintendent*, shared an update on his goals for 2022/2023 and an overview of the annual superintendent evaluation process.

## **ADJOURNMENT**

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The meeting adjourned at 3:30 pm.



For questions, please contact Sara Moore, Executive Assistant to the Superintendent, at (360) 952-3318 or email: [sara.moore@esd112.org](mailto:sara.moore@esd112.org). Approved minutes of the Board of Directors' meetings are kept in the ESD 112 Administration Offices and are public record.