

MINUTES OF THE ANCHORAGE SCHOOL BOARD
REGULAR MEETING OF FEBRUARY 27, 2006

The Anchorage School Board met in Regular Session on Monday, February 27, 2006, at 6:30 p.m. in the Board Room, at the Anchorage School District Administration Building. President, Jeff Friedman, presided.

A. CALL TO ORDER, ROLL CALL, FLAG SALUTE, Jeff Friedman Presiding

Board Members Present: Tim Steele, Mary Marks, Jake Metcalfe, Jeff Friedman, and Macon Roberts.

Board Members Excused: Crystal Kennedy and John Steiner.

Others Present: Jan Christensen, Leslie Vandergaw, Mike Henry, Patricia McRae, Enid Silverstein, Jerry Sjolander, Jeff Wood, Eric Tollefsen, Janet Stokesbary, George Vakalis, Ray Amsden, Pam Chenier, Stan Syta, Michelle Egan, Larry Wiget, Ralph Feriani, LTC David Jones, William Johnson, Johanna Lee, the press, and other interested people.

B. APPROVAL OF AGENDA

The agenda was approved by unanimous consent.

C. ANNOUNCEMENTS

Ms. Comeau announced that she had recently attended the United Way Luncheon where the Anchorage School District was recognized for their contributions. The District set a new record for giving last year with contributions in the amount of \$319,359. She commended the entire staff for their efforts.

Mr. Steele announced that the District is continuing the process of holding public hearings on boundary changes. There is a meeting on elementary school boundaries scheduled for this evening at Williwaw Elementary School and another scheduled on Wednesday at Russian Jack Elementary School. There are also public hearings on middle school boundaries scheduled for this Tuesday at Mears Middle School and Thursday at Wendler Middle School.

D. AWARDS/RECOGNITIONS/PRESENTATIONS

Read Across America, a celebration of Dr. Seuss's birthday - Williwaw Elementary students and Karen Iris, Williwaw Literacy Coach

Ms. Comeau introduced Ms. Karen Iris, Williwaw Literacy Coach, and a group of her students from Williwaw Elementary School. Ms. Comeau explained that they were there to perform in honor of Dr. Seuss's Birthday. This performance has become an annual event and the Board was pleased to have the opportunity to listen to the students.

Ms. Iris noted that they were privileged to once again come before the Board to speak about the "Read Across America" program sponsored by NEA. This special day commemorates the birthday of Dr. Seuss and will once again be observed on March 2nd. "Read Across America" is a week-long event filled with numerous hours of reading and reading related activities. Ms. Iris introduced the children to the Board and explained that they would be performing a special reader's theater presentation that was adapted from the book "I'm Not Going to Get Up Today". The adaptation was prepared by two ASD teachers. The students gave each Board member and each member of the audience a Dr. Seuss hat to help celebrate the occasion.

Ms. Marks introduced her children, one of whom was a member of the group of performers. She noted that these children represent our investment in the future.

Presentation on Gas Pipeline Negotiations - Mary Ann Pease & Chuck Logsdon, Governor's Gas Pipeline Advisors

Ms. Comeau introduced Ms. Mary Ann Pease and Mr. Chuck Logsdon, the Governor's Gas Pipeline Advisors, who gave a presentation on the gas pipeline negotiations. Ms. Comeau noted that they would be giving the same presentation to District principals, supervisors and other administrators later in the week.

Ms. Pease provided a brief history and overview of the pipeline negotiations. She reviewed six principles which have been at the center of the negotiations. The proposed route was reviewed along with the locations of possible spur lines. She explained the concept of fiscal certainty and the practical implications it has on the negotiations. Ms.

Pease concluded by reviewing the timeline and process for completion of the pipeline.

Mr. Chuck Logsdon presented an explanation of the Petroleum Production Tax (PPT). The current production tax is based on gross value adjusted for the economic limit factor and represents about 24% of all of the oil money coming in. The basic feature of the newly proposed Petroleum Production Tax is that the tax base will be a measure of net profit rather than gross value. The tax rate is 20% on the net profit. Two other features of the new PPT were reviewed. These proposed changes are being made in order to provide incentives for companies to make capital investments. The first change is a 20% investment tax credit for every dollar of capital spending. Secondly, there will be an annual standard deduction of \$73 million.

Mr. Roberts requested additional information regarding the plans for apprenticeships mentioned by Ms. Pease. Ms. Pease explained that approximately \$35 million has come into the state as a combination of state and federal revenues for vocational training for apprenticeship programs. These programs are basically geared to prepare members of the workforce for gas pipeline jobs. This is a significant source of funding to make sure that the workforce is prepared to keep pipeline jobs in state. Ms. Pease noted that there is no guarantee in the contract that an Alaskan will get a job, but there is a guarantee that if they are well trained, available and willing to work that they will get a gas pipeline job. Additional information on this topic can be found on the Governor's website under the Department of Labor.

Mr. Metcalfe asked whether there is a promise for a project labor agreement to build the gas pipeline. Ms. Pease indicated that she was unable to get into the specifics regarding the contract details for a project labor agreement. She could share that there are significant components of the contract that address jobs for Alaskans and making sure that they are well trained and ready to do the work. She further explained that the Stranded Gas Act requires that the gas pipeline contract be negotiated in confidentiality until it is released for everyone's review at the point of the fiscal interest finding.

Mr. Metcalfe questioned whether there is an interest on the part of the Governor to have a project labor agreement, or a promise of that, as part of the final contract. Ms. Pease indicated that she believed the answer to this would be reflected in the contract that will be turned over to the public and that the interest level will be seen in the types and terms of

conditions contained in it. Mr. Metcalfe explained that a project labor agreement would be a way to promise jobs for Alaskans because it would require Alaskans from apprenticeship programs to be hired for the positions. Ms. Pease noted that, even if all Alaskans who are currently participating in various vocational and apprenticeship programs were willing and able to work, the order and magnitude of this project is such that it would be almost impossible to use only Alaskan labor. Mr. Metcalfe indicated that he believed that a project labor agreement needs to be under consideration when the contract comes out.

Mr. Steele noted that the ownership issue causes him some concern. He identified two problems. The first is that with a 20% interest the State would only be a minority partner. The second is the fact that the State has regulatory responsibilities which, coupled with ownership, would represent a conflict of interest. Mr. Logsdon responded that the project has such magnitude that the 20% ownership makes sense for a couple of different reasons. First, to minimize the risk of having to absorb giant cost overruns, it makes sense to partner with companies who are both financially capable and who have experience building pipelines. Secondly, 20% is a significant interest and requires a significant contribution of capital. By having that degree of financial interest the State will be part of the operating company that will be set up to make the rules on how the pipeline will be operated.

Mr. Steele noted that, at some point in time, there is going to be a liability associated with the pipeline; it will have to be dismantled and cleaned up. He questioned whether the State would be left with that responsibility. Mr. Logsdon said that the question is one of risk management. He voiced his hope that the pipeline would be productive for the next century, that all of the parties involved would remain viable until that time, and would share in that responsibility.

Ms. Marks questioned whether the Native corporations would be part of the training component or whether it would be limited to the vocational technology programs associated with the schools. She also wondered how this opportunity is being communicated to all interested entities throughout the state. Ms. Marks noted past experiences where Native population and other minorities have gotten the training, but with no guarantee of positions, the feeling is that they had been set up to fail. Ms. Pease reiterated that if a person has gone through the training and is ready and willing to work that there is a job for them on the gas pipeline. She noted that the caveat is that it is not an entitlement, but if a person is prepared by having completed the training component and wants the job,

it is a guarantee. Ms. Pease further indicated that the intention is to do things better than they were done under TAPS and to make sure that all Alaskans are trained and ready.

Mr. Friedman noted that it is his hope that some of the funding mentioned will be made available to the K-12 system. There have been lots of requests made for public school districts to provide career and technical training and not a whole lot of funding to support programs in that area. Ms. Pease indicated that this was a point well taken.

Mr. Friedman noted that, regarding the PPT issue, he was struck by the fact that capital expenses are subtracted twice, so there is a double credit for every dollar spent. Mr. Logsdon clarified that there is only a 20% tax credit for every dollar spent in capital expenditures so the total is credit closer to 120%.

Mr. Metcalfe questioned why the Governor had originally requested a 25% tax rate which he reduced to 20% after meeting with the oil producers. Mr. Logsdon explained that according to Jim Clark, the Governor's Chief of Staff, the Governor made the decision to reduce the proposed tax rate prior to the meeting with the producers. The Governor's rationale in putting this tax forward was the importance of tilting the balance slightly more in favor of incentive.

Mr. Metcalfe voiced his concern that Alaska's resources belong to the citizens of the state, their children and grandchildren and that they need to be protected. He noted that if, as he has heard, the change from 25% to 20% tax rate reflects a decrease of \$1.5 billion a year in revenue it represents a significant loss of funding that could be used for public education, vocational training and job preparation for our children and for future generations of Alaskans. He indicated his belief that we should be sure we are being paid the right amount for our resources and that we are securing the most possible for our state before going forward.

Mr. Steele requested clarification regarding making sure that minority or small producers will have access to the pipeline and whether there are any proposed takeoff points in Canada. Ms. Pease noted that the route takes the pipeline through Canada to Alberta. There are no off-take points prior to Alberta with the exception of those in Alaska. Once in Alberta there is a convergence of about six large pipelines that feed into the lower forty-eight market. Ms. Pease noted that currently approximately 73% of gas in North America is from Canada. In response to the question regarding access to the pipeline for smaller producers, Ms. Pease indicated that this

issue is addressed not only in the contract but also in FERC regulations. She explained that there are significant rules in FERC regulations that govern the rates for new explorers. She noted that this issue has been part of the gas pipeline negotiations and is considered extremely important.

The Board thanked Ms. Pease and Mr. Logsdon for their time and information.

E. SPECIAL ADVISORY REPORTS

1. Student Advisory Board

Mr. Feriani reported that the Student Advisory Board met on February 6, 2006 and the next meeting will be held on March 13, 2006 at 8:15 a.m. at the King Career Center.

Mr. Feriani reported that he had attended the Legislative Fly-In with some of the Board Members earlier this month. He thanked the Board for that opportunity. He noted that he had learned a lot about other cultures around the state and how the government works. He announced that the Alaska Association of Student Governments conference will be held at South Anchorage High School on April 19-20, 2006.

Mr. Feriani reported that Chugiak High School won the Black History Bowl which took place last Friday. Ms. Comeau noted that Mr. Feriani was a member of the Dimond High School team which also did very well.

The SAB is discussing the creation of an appreciation week for soldiers abroad. The addition of a student representative from the Mayor's Youth Commission to sit on the SAB was approved at the last meeting. Ms. Comeau attended the last SAB meeting to speak on bond issues, the legislative session in Juneau, HUGGS/Coat Campaign, and the 1% for Art law.

Mr. Feriani requested that District principals encourage their SAB representatives to attend the meetings.

Ms. Marks asked Mr. Feriani whether he felt that he and other student representatives were able to share with the legislators what was really important within the school communities. Mr. Feriani

indicated that he felt that he and other student representatives were able to share their concerns with most of the legislators. In response to another question from Ms. Marks, Mr. Feriani noted that he had given a report on the Legislative Fly-In to the Student Advisory Board and will provide a detailed account of his responsibilities to his replacement at the end of his term.

2. Military Delegate

LTC Jones indicated that he had offered Mr. Feriani his assistance with the soldier appreciation week. He noted that he is beginning to receive a lot of inquiries regarding the Middle School Boundary issue. He indicated that he would be making an effort to attend some of the hearings in order to respond to those inquiries.

LTC Jones reported that he will be in Juneau March 15-17, 2006 for the State Board meeting and also to meet with legislators. He requested that Board members contact him if there are any items they would like him to carry forward there.

Ms. Comeau reported that the students at the Student Advisory Board were genuinely seeking opportunities to support the troops and their families at each school. She encouraged the collaboration between Mr. Feriani and LTC Jones in identifying the best way to show that support.

3. M.E.C.A.C.

Mr. Johnson reported that the MECAC held their last business meeting on February 16, 2006. The majority of the conversation was centered on information sharing. The membership would like to strongly encourage everyone to participate in the upcoming elections and in the public hearings on boundary changes.

Mr. Johnson noted that MECAC members have been engaged in many community activities this month including Saturday School at Tyson, community councils, Saturday's Bridge Builder event "Meet the World in Anchorage", planning meetings for the upcoming NIEA convention, two of the Mayor's committees on diversity, Mountain View Community planning group, and the Alaska Legislature.

The next meeting will be held on March 16, 2006 at 12:00 p.m. in Room 320 of the ASD Administration Building. As always, the public is welcome to attend.

F. PERSONS TO BE HEARD NON-AGENDA ITEMS

Ms. Christie Davis, the parent of an eighth grader at Hanshew Middle School, addressed the Board on the topic of student safety at school and at school supported functions. She explained that her concern stems from an unresolved incident where her daughter was left behind at Kincaid Park following a cross-country track meet in October. Her understanding of District policy is that a school official was supposed to remain with her child. Ms. Davis indicated that she has made contact with administrators, principals, and teachers on numerous occasions. She noted another incident involving the same child and voiced her frustration at not getting any sense of resolution regarding either of these issues. After many meetings with the appropriate District administrators she remains dissatisfied with all the options presented to her, believing that all of the options represent a punishment for her child. She strongly believes that the child should not suffer due to the actions of adults. Ms. Davis noted that there has been no offer of counseling or even an apology. She is seeking the opportunity to find resolution noting her desire to meet with Ms. Comeau and requesting the support of the MECAC. Ms. Comeau requested Ms. Davis' contact information in order to schedule a meeting with her and Ms. Vandergaw.

Dr. Theresa Obermeyer was present to voice her continued displeasure with the Alaska Bar Association. She also took exception to the presentation made by Ms. Pease and Mr. Logsdon regarding the Governor's gas pipeline negotiations.

G. CONSENT AGENDA

Consent Agenda is attached. **All attachments referred to in memoranda Recommendations are on file in the Superintendent's office.**

1. Approval of Minutes

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|--------------------|-------------------|-----------|
| a. Regular Meeting | November 14, 2005 | 6:30 p.m. |
| b. Special Meeting | November 28, 2005 | 4:30 p.m. |
| c. Regular Meeting | November 28, 2005 | 6:30 p.m. |

2. ASD Memorandum # 183 - Appointment of Controversial Issues Review Committee Members

It is the Administration's recommendation that the School Board appoint Tanya Carney, Citizen-at-Large, David Dunsmore, Citizen-at-Large, Deanna Smith, Citizen-at-Large, Davina Stallworth, Citizen-at-Large, Grace Sy, Citizen-at-Large, Jim Curran, Parent Teacher Student Association, and Damita Owen, Minority Education Concerns Advisory Committee to terms expiring June 30, 2007, and reappoint Mary Rita Ely, Secondary Teacher, Brooke Hull, Elementary Teacher, Glen Nielson, Elementary Principal, Gina Pastos, Secondary Principal, Mary Jo Iagulli, Middle School Librarian, and Linda Kumin, Elementary Librarian to finish terms expiring June 30, 2006, on the Controversial Issues Review Committee.

3. ASD Memorandum # 185 - Award of Contract: Rogers Park and Mt. Iliamna Elementary Schools Carpet Replacement

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to award a contract for Rogers Park and Mt. Iliamna Elementary Schools Carpet Replacement Project to the lowest responsive bidder, Rainbow Builders, Inc. for the Base Bid amount of \$192,794, and Alternate No. 1 for \$155,813, for a total award price of \$348,607.

4. ASD Memorandum # 202 - Award of Contract: Whaley School Boiler Replacement

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to award a contract for the Replacement of Boilers at Whaley School to the lowest responsive bidder, Consolidated Contracting and Engineering, for the base bid amount of \$383,333 and Assignment A for \$40,984 for a total of \$424,317.

5. ASD Memorandum # 196 - Award of Contract: Five School Intercom Upgrade

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to award a contract for the Five School Intercom Upgrade project to the lowest responsive bidder, Goertz Construction, Inc. for the Base Bid amount of \$269,400 and Alternates 1 and 2 in the amount of \$41,400 for a total award of \$310,800.

6. ASD Memorandum # 194 - Renewal of Contract: Independent Audit of School District's Financial Records

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to renew the contract with Mikunda, Cottrell, & Company for the independent audit of the School District's financial records for a one-year period in the amount of \$57,400. The audit service will be for fiscal year ending June 30, 2006.

7. ASD Memorandum # 197 - Personnel Report

It is the Administration's recommendation that the School Board approve the attached Personnel Report.

ACTION:

Moved by: Tim Steele
seconded by: Mary Marks

To approve the minutes of the Regular Meeting of November 14, 2005, the minutes of the Special Meeting November 28, 2005, the minutes of the Regular Meeting November 28, 2005 and ASD Memoranda #183, #185, #202, #196, #194, and #197.

VOTE:

Ayes: Roberts, Friedman,
Metcalf, Marks, Steele

Absent: Kennedy, Steiner

Nays: None

MOTION PASSED

H. SUPERINTENDENT'S REPORT

1. ASD Memorandum # 198 - Project Status Report

This is a report of activities and project status changes in Major Capital Projects during the period of January 17, 2006 through February 7, 2006.

2. ASD Memorandum # 193 - Second Quarter End-of-Month Membership Summary - January 31, 2006

The end-of-month membership report for January 31, 2006 is attached (Attachment A). The total active enrollment at the end of January was 49,296. This enrollment represents a decrease of 293 students when compared to the September 30, 2005 total of 49,589. h.

3. ASD Memorandum # 203 - Treasurer's Report/Financial Recap: January 31, 2006

The attached report consists of two parts: the Treasurer's Report and the Financial Recap. The Treasurer's Report and the Financial Recap are presented on a monthly basis. The Treasurer's Report and Financial Recap are year-to-date information as of January 31, 2006.

4. ASD Memorandum # 199 - Operating Budget Transfers - January Monthly Report FY 2005-2006

The attached report of budget transfers for the time period of January 2006 that were processed in the Integrated Financial Accounting System (IFAS) includes the following:

Attachment A: Report of Budget Transfers Over \$5,000

The schedule of monthly budget transfers processed for the month of January 2006 and related information are available in the Budget Department office for review by the School Board and members of the public.

I. PERSONS TO BE HEARD ON NON-AGENDA ITEMS

J. COMMUNICATIONS & SCHOOL BOARD COMMENTS

Ms. Comeau and Mr. Friedman recognized Mr. David Dunsmore, Ms. Deanna Smith and Ms. Davina Stallworth. They are among the newly appointed members of the Controversial Issues Review committee. The Board extended their appreciation to these individuals, as well as those appointees who were unable to attend this meeting, for their willingness to serve. Mr. Metcalfe extended his personal gratitude to the members of the Controversial Issues Review committee. He noted the importance of community participation in the District.

Mr. Roberts voiced his appreciation for the "Read Across America" presentation. He noted that he would be in Eagle River on March 2nd to read for some elementary students in celebration of the "Read Across America" program and Dr. Suess' birthday.

K. EXECUTIVE SESSION - PERSONNEL/FINANCE/NEGOTIATIONS
LITIGATION

L. ADJOURNMENT

The Regular Meeting of February 27, 2006, was adjourned by unanimous consent at 7:48 p.m.

Jeff Friedman, President

John Steiner, Clerk

Johanna Lee, Recording Secretary

Date Minutes Approved