

MINUTES OF THE ANCHORAGE SCHOOL BOARD
SPECIAL MEETING OF JANUARY 31, 2008

The Anchorage School Board met in Special Session on Thursday, January 31, 2008, at 5:05 p.m. in the Board Room, at the Anchorage School District Administration Building. President, Tim Steele, presided.

A. CALL TO ORDER, ROLL CALL, FLAG SALUTE, Tim Steele Presiding

Board Members Present: Tim Steele, Crystal Kennedy, Jeff Friedman, Mary Marks, Macon Roberts and Chris Tuck. John Steiner arrived at 5:15 p.m.

Others Present: Carol Comeau, Rhonda Gardner, Leslie Vandergaw, Mike Henry, Enid Silverstein, Jerry Sjolander, Jeff Wood, Eric Tollefsen, Michele Egan, Janet Stokesbary, George Vakalis, Jose DelReal, Ray Amsden, Marie Laule, Chad Stiteler, Johanna Lee, the press, and other interested people.

B. SCHOOL BOARD COMMENTS

Ms. Marks reported that she had participated in the National Indian Education Association testimony during the recent Bilingual Conference. She noted that funding issues were the main topic of discussion at the conference. School districts across the state are facing the same funding issues as the Anchorage School District. Proposed amendments for the National Language Act were also discussed at the conference.

Ms. Marks reported that she had attended funeral services for Chief Marie Smith of Cordova. Chief Smith was the last tradition speaker of the Eyak language. Ms. Marks noted the importance of keeping languages alive and passing them from generation to generation.

C. AWARDS/RECOGNITIONS/PRESENTATIONS

West High School Restoration Committee Presentation

Ms. Comeau introduced Mr. Mike Boots and Ms. Tammy Smith. She reminded everyone that the formal rededication of the Anchorage High School Auditorium at West High will be held at 7:00 p.m. tomorrow evening.

Mr. Boots explained that they have been working for about three years to restore the auditorium at West High. During that time close to \$1.4 million has been raised and a pretty thorough renovation of the front of the house has been completed. The backstage area and the downstairs areas are still in need of repair.

Mr. Boots explained that one of the fund raising efforts involved an historic treasure of the Anchorage High School and West High School. When the auditorium was originally dedicated in 1955 a school board member arranged for Jean Lawrence, the widow of Sidney Lawrence, to donate a rather large painting called Artic King to the auditorium. It was a beautiful painting of Denali which hung in the auditorium for many years. Sometime during the late 1970s the painting was moved to the Anchorage Museum's permanent collection of Alaskan Artists where it remains today. Photographs were taken of the piece and the prints were sold to raise funds to support the auditorium renovation efforts. In addition to those prints a reproduction was created that will go back on the wall of the auditorium.

Mr. Boots recognized Ms. Tammy Smith for all of her hard work in support of this project. He noted that her energy, perseverance and dedication far exceed that of anyone that he has ever had the pleasure of working with.

Mr. Boots presented a framed reproduction of Artic King to the board and the district. Ms. Comeau thanked the committee for their hard work on this project and for their generous gift to the district.

D. PERSONS TO BE HEARD

E. CONSENT AGENDA

ASD Memorandum # 168 - FY 2008-2009 Proposed Financial Plan (First Reading)

It is the Administration's recommendation that the School Board approve and authorize the Superintendent to prepare the Anchorage School District's FY 2008-2009 Proposed Financial Plan as set forth in the projected revenue and expenditure schedules in the memorandum (Attachments A and B). The total budget recommendation is \$737,185,525.

This includes individual fund budgets currently projected as follows: General Fund \$581,188,491; Food Service Fund \$16,277,000; Debt Service Fund \$83,720,034; and Local/State/Federal Grants Fund \$56,000,000 for a total of \$ 737,185,525.

The total of local tax contribution to be requested is \$218,957,368.

It is further recommended that the School Board authorize the Superintendent to adjust the budget expenditure ceiling and the tax amount in accordance with any adjustment to changes in charter schools, enrollment adjustments, and voter approval of the April 2008 ballot propositions.

ACTION:

Moved by: John Steiner
Seconded by: Macon Roberts

to prepare the Anchorage School District's FY 2008-2009 Proposed Financial Plan as set forth in the projected revenue and expenditure schedules in the memorandum (Attachments A and B). The total budget recommendation is \$737,185,525. This includes individual fund budgets currently projected as follows: General Fund \$581,188,491; Food Service Fund \$16,277,000; Debt Service Fund \$83,720,034; and Local/State/Federal Grants Fund \$56,000,000 for a total of \$737,185,525. The total of local tax contribution to be requested is \$218,957,368.

It is further moved to authorize the Superintendent to adjust the budget expenditure ceiling and the tax amount in accordance with any adjustment to changes in charter schools, enrollment adjustments, and voter approval of the April 2008 ballot propositions.

Ms. Comeau noted that this is a continuation of our budgeting process. During last weeks' work sessions district staff had reviewed program

enhancements, some of which have been incorporated into this budget. Other enhancements are awaiting additional revenues from the legislature based on Governor Palen's recommendation of adding \$200 to the base student allocation. The staff did an excellent job trying to show that the district knows how the money could be used in a way that would enhance and increase our educational program in very meaningful ways. More work is needed to make sure the legislature understands the need and how those additional funds would be used.

Ms. Comeau explained that the frustration of doing the budget at this time of year each year is that new pieces of information are coming in just about every day that change our assumptions. She explained that the information in this proposal are the best assumptions that we have at this time knowing full well that adjustments will have to be made as the process continues before the budget is presented to the Assembly on March 25. Ms. Comeau encouraged the board not to make any major changes at this point until the district really knows what the budget will be. For the last several years the administration has been able to come back to the board with increased revenues in late May or June. This has allowed items that are highly valued by board members to be worked back into the budget.

Developing a budget when so many critical pieces of information are missing or changing during the process is extremely difficult. For that reason the administration believes that Governor Palen's idea of a three-year planning document, recognizing that the funds would have to be appropriated annually, would really allow the district to plan with much more certainty and confidence in our funding levels. Ms. Comeau briefly reviewed the two attachments that were referenced in the recommendation. She noted that Attachment B shows the major revenue reductions and increases that are being assumed at this point as well as the major budgeted expenditures increases and reductions.

Mr. Dick Mize spoke to the board regarding the issue of snowmaking capabilities in the community and the impact the intermittent lack of snow has had on the community. He compared the situation with the time in the past when hockey practices and many games were held outside and had been dependent on the weather. If the community had snowmaking capabilities on about 3.5 kilometers of trails at Kincaid Park we would be able to make enough snow to host any meet as well as have a place for all student skiers to practice. He briefly explained the highlights of the Kincaid Park project. The project is to include soccer fields as well as a biathlon course and snowmaking capability. The well would supply

irrigation for the soccer fields as well as the snowmaking. Mr. Mize reviewed several races over the past few years that have been canceled or moved due to lack of snow which have been a loss to our skiing community and have had a negative impact on the economy across the community. If the community had the ability to make snow it would extend the ski season by one or two months, specifically November and December. Mr. Mize reviewed the list of community entities supporting the Kincaid Park project. The total cost of the Kincaid Park project is approximately \$10 million of which \$1.2 - \$1.5 million is the snowmaking. Mr. Mize reviewed the snowmaking part of the project in terms of design and timeline. He noted that most national races require snowmaking as part of the bid for hosting the event. Mr. Mize indicated that he would like to see the district become a partner in the snowmaking project. He noted that the maintenance will be completely covered with the Kincaid Project group which will have a \$1 million endowment fund strictly for maintenance. This would be a one-time investment by the district.

Mr. Steiner asked how much of the lack of snow is due to the area not being cold enough at the right time. Mr. Mize explained that snow can be made at 28° or below. He indicated that he has reviewed historical temperature data and has determined that we have the temperature to make the snow.

In response to a question from Mr. Steele it was explained that the requested contribution from the district is \$500,000. The district is one of the prime users of the facilities and, as such, it was felt that the district should be a partner in the project. Ms. Comeau noted that this contribution is on the enhancement list. The funds have not been included in the budget at this point in time but it is certainly something that should be taking into consideration and is worthy of review.

Mr. Steiner asked Mr. Mize what options are open if the district is able to make a contribution of less than the requested amount. Mr. Mize indicated that the project will continue to fund raise until the project is complete.

Mr. Steele thanks Mr. Mize for his ongoing support of the Kincaid Park project.

Ms. Comeau indicated that the administration would like to respond to any questions that the board might have regarding the proposed budget.

Ms. Kennedy asked a question regarding the Chugiak/Eagle River pool in relation to the \$180,000 in the budget providing a two-hour block for high schools that having swimming pools. She noted her understanding that the budgeted amount does include the pool located at Chugiak High School. She announced that Mr. John Rada, director of Chugiak/Eagle River Parks and Recreation was in attendance and offered him the opportunity to clarify the functioning of the two different Parks and Recreation Boards. Mr. Rada explained that all six pools in the community will be treated the same. There is a little bit of difference between the operations of the Anchorage Parks and Recreation and the Chugiak/Eagle River Parks and Recreation because of a service area concept that is followed. However there is no distinction in the pool operations.

Mr. Steiner asked for confirmation that the \$180,000 noted in the budget does, in fact, include all six high schools in the community with pool facilities. Mr. Arndt confirmed that pool rental at all six high schools with pool facilities, including Chugiak High School, are included in the budget. He had also confirmed that Mr. Volk, principal at Chugiak High School, has voiced support for running a water safety program at that location.

Ms. Kennedy questioned whether there was a formula that was used to determine the unallocated funding amounts at the different instructional levels. She had noticed that the percentage varied between the divisions and wondered why that was. Ms. Comeau indicated that the directors distribute most of the unallocated funds directly to the schools over the course of the year. Where a pattern of budget transfers from the Unallocated Fund has been identified efforts have been made to allocate those funds directly into the appropriate accounts. Ms. Laule confirmed that to be the case. Historically the Unallocated Fund started out based on student population and then other things such as Quality School dollars were taken into account. Ms. Kennedy asked how the district really comes up with an unallocated number. Ms. Laule explained that a certain amount of money is distributed to each division based primarily on enrollment with other factors coming into play as well. The divisions have then distributed their funds amongst their schools and accounts in an effort to most accurately apply funds to where they have been consistently transferred during the recent past through budget transfers throughout the year. The remaining amount which is now shown in each division's Unallocated Fund account represents funds that will ultimately be allocated to areas that have not shown a pattern of need in the past few years but who will have need for the funds over the course of this year.

Ms. Comeau also explained that when the district has known that there was to be a textbook adoption those funds would be put into the Unallocated Fund at the appropriate instructional level. It would then be allocated out to individual schools according to their needs. That action has and will cause a variation in the percentage of monies in the Unallocated Fund accounts between the divisions.

Ms. Comeau reviewed a number of other issues that impact how Unallocated Fund amounts are determined. She noted that the Unallocated Fund accounts are in no way considered to be a slush fund. It is instructional money and is to go toward supporting instruction in the schools. The specific need for the money may not be known until later in the school year when the schools determine their goals and discover what their needs are based on testing data.

Ms. Comeau indicated that the administration would prepare a review of how the base amount put in the Unallocated Fund accounts have been determined historically.

Mr. Steiner requested a comment from the administration regarding the elementary planning time and physical education. Ms. Comeau explained that, with the recent AEA contract settlement, the district had agreed to an additional hour of planning time for elementary school teachers by the end of the next school year. During the current school year an average of 30 minutes planning time has been added each week through the addition of Health classes. A committee including district and AEA representatives has been put together to determine how to meet the additional 30 minute per week obligation. Ms. Comeau noted that the district has been trying for years to find the means to increase the opportunity for physical activity for our students. Recess is becoming more and more difficult to schedule. Partnering the planning time and physical education will give us expert teachers, will be in the schedule and will provide a consistent program for our students. Mr. Steiner noted that this action will provide students a formal physical education period which should also help them expend energy and allow for greater focus in the classroom.

Ms. Kennedy wondered whether any further thought had been given to moving the \$3.9 million for the Technology Refresh into a more appropriate account. Having the funds sit under the Assistant Superintendent of Instruction inflates the percentage of funding in that area. Ms. Kennedy was concerned that the public could misinterpret the funding to be a reflection of an increase in administrative costs. As the

money is truly for equipment Ms. Kennedy felt that there might be a more appropriate place to locate those funds that would more accurately reflect its purpose. Ms. Comeau noted that there has been much discussion regarding the placement of those funds. She indicated that her concern was simply to make sure that the board was aware that these funds would be directed to instruction for student computer replacement. Ms. Comeau had no strong feeling about where the money was located as long as everyone understood that it would be allocated through the office of the Assistant Superintendent of Instruction. If the decision is made to move the funds, Ms. Gardner suggested that they be moved to the Educational Technology budget.

Mr. Steiner questioned whether the computers being discussed as part of the technology refresh are educational computers as opposed to administrative computers. Ms. Comeau confirmed that to be true. Mr. Steiner asked how far into the backlog the \$3.9 million allocated in this budget is expected to reach. Mr. Wood explained that the money is expected to purchase approximately 4000 pieces of equipment. By replacing the oldest equipment first this money should replace all of the equipment that was purchased prior to 1997. This inventory includes a wide variety of types of computers.

Mr. Steiner referenced the response to a request for information on the Creating Successful Futures program, RFI #09-02. Based on the indication from that response that there is a potential for significantly positive benefit to cost ratios, Mr. Steiner wondered whether the district could anticipate enough savings in other budget categories to justify adding the cost of the program to the budget. He acknowledged that the returns may come at a later time so that they would not relate in a given budget year. Ms. McRae noted that the RFI response focused on the long-term implications for students who do not turn around their aggressive behavior. Based on that information there is an assumption that the students will be more successful and cost less money over time if they can function successfully in school. The program is prevention rather than remediation. Student behavior is the gauge to their success in school. If students do not learn to control their aggressive behavior then the likelihood of their success is significantly reduced. Ms. McRae noted that it would be impossible to figure out a dollar amount that is saved by the program. Ms. Comeau added that the students in the program are not the only ones benefiting from the program. All of the other students in the classrooms that the program students attend as well as the teachers in those classrooms benefit from improved behavior. It positively impacts the teacher's ability to teach if they do not have to spend so much time on

discipline. This could also have a positive impact on teacher retention. While she did not believe that the benefits are quantifiable, Ms. Comeau noted that, in the long run, she anticipated that the program will reduce Special Education referrals, vandalism, suspensions, expulsions, and other undesirable outcomes.

Mr. Steiner asked whether there are students who are referred to the CSF program but choose not to participate. Ms. McRae explained how the process of identifying students for the program works noting that parent sign all referrals to the program. Mr. Steiner explained that he had asked the question in light of the possibility of tracking students outcomes of those who are referred to the program and do not attend compared to those who do attend. The information Mr. Steiner would like to identify is whether it would be beneficial to find the money in the district's General Fund to continue the program after the grant money expires because it would cost the district more money over time to discontinue it. He acknowledged that it is very hard to ascertain that information over a one-year budget.

Mr. Steele shared several anecdotal examples of how successful this program has been and how it has impacted the lives of district students. He noted that this is a program that should be highlighted as the district makes a case for increased funding when board members meet with legislators next week.

Mr. Friedman noted that we have been getting the benefit from the CSF program for several years now. He believed that the point that Mr. Steiner was getting at was that, if the program is cut, the administration is going to have to find money in the existing budget to deal with the remediation, the discipline problems, and the retention problems that will result. If money has to be found for those purposes it would seem wiser to find the money to fund the program on the front end and help these students. Ms. Comeau asked Ms. McRae to explain why the program was on the enhancement list and not included in the proposed budget. Ms. McRae noted that she had submitted a maintenance level budget as directed. She explained that all of the programs in that budget are existing programs that have been successful and are worthy expenditures. She did not feel that those programs could be discontinued and replaced with a program that had not previously been in the budget in spite of that program's success.

Mr. Steiner indicated that one of the budget trade-offs that is looked at every year is the pupil/teacher ratio. He wondered whether keeping the

Creating Successful Future program would be worth raising the pupil/teacher ratio. He noted the possibility that it would be easier to teach and that each student would receive more education if there were 22 students in a classroom, none of which were potential CSF students, rather than having only 21 students in the classroom, one of whom needed the benefits of the CSF program. Ms. Comeau believed that this topic is worthy of discussion. She noted that the consensus of the board during the budget work session had been that the desire was to keep the existing class size as one of the base parameters. Ms. Comeau did not feel that the administration had the latitude to look at class size as they were developing this budget. Mr. Steiner requested more feedback as to whether the administration thinks that option would be valuable. He would also like some feedback from teachers as well. Ms. McRae noted that the situation with staffing is going to be difficult with the projected decrease in enrollment and the opening of a new charter school. Mr. Steele noted his reluctance to increase class size.

Mr. Steiner asked for some discussion on the Food Service Fund. Ms. Comeau explained that the administration is not budgeting an increase at this time. The Food Service Fund is being closely reviewed in order to present a plan to the administration. The Food Service Fund does not get any local or state funds and is, at this point, a self-sustaining fund. There could be a recommendation to raise meal costs as budget revisions are looked at in the spring. If the cost of meals is not increased there is a real possibility that the Food Service Fund balance could be depleted which would lead to problems with equipment. That would not be a responsible thing to do. Ms. Comeau noted that the administration really needs to wrestle with this issue and requested that the board allow them the time to do so.

Mr. Steele referenced the comparison of the per student supply budget over time. He noted that teachers are getting less and less in terms of classroom supplies for a variety of reasons. While he did not believe that this issue rises to the level that some other items do, it is something that should be looked at. Ms. Comeau noted that the administration does talk about this and will continue to do so.

Mr. Tuck had asked whether the program enhancement list could be compiled into a grand list and prioritized. Ms. Comeau noted that such a list will be developed before any adjustments to the budget are brought to the board in the spring.

Mr. Steiner commented that our annual measurable objective under the state standards and NCLB is increasing and that it will be a challenge to meet the new target. He noted that public discussion often includes the question of why the budget is increasing when the student population is decreasing. He explained that the total amount of education that the district needs to provide and be accountable to the community for is increasing every year. It is challenging to impart the same amount of education in a population that is as demographically diverse as this district. Mr. Steiner has studied the budget and felt that the way education money is being spent and the results of those expenditures are very sound.

Mr. Steele noted that most of the expenditures in this budget are directly supporting classroom teachers. The way the reading program and math program is being implemented is having tremendous success. The Creating Successful Futures program has had a direct impact on the amount of education that takes place in the classroom. The expenditures are directly related to student achievement.

Mr. Friedman explained that this budget is built on the Legislative Task Force report and is a budget that does some good stuff in this district. There is some push-back on that and there are people who do not support the report. Mr. Friedman encouraged the public to share their opinion about education funding with their legislators.

Mr. Tuck noted that, according to Governor Palen's on-line poll, education is by far the public's biggest concern.

Ms. Comeau explained her concern with some of the discussion on Intensive Needs funding. She highlighted the changing needs of our students and the importance of explaining the need to increase funding for our Intensive Needs students to legislators.

Mr. Roberts noted that because Anchorage is the biggest population center and has such a good system in place we are a magnet for Special Needs families. He appreciated that the district is able to provide such good service for Special Needs students.

Mr. Steele indicated that importance of making sure that legislators who were not involved in the Education Funding Task Force understand the importance of supporting those recommendations.

Mr. Steele thanked everyone for the work put in on this budget.

VOTE:

Ayes: Steiner, Kennedy,
Friedman, Tuck,
Steele, Marks, Roberts

Nays: None

MOTION PASSED

F. COMMUNICATIONS & SCHOOL BOARD COMMENTS

Ms. Kennedy mentioned that the AASB is actively pursuing advocacy for the Joint Legislative Education Funding Task Force recommendations. She also reported that AASB is looking at preparing an information paper on digital learning focusing on how to make the public more aware of the importance of technology in our schools. Ms. Kennedy had offered our district as a resource for them as they prepare that information.

Mr. Steele indicated that the AASB has resolutions from its membership in support of the Governor's recommendation. He noted that Carl Rose, AASB executive director, has been having some difficulty walking a line between the resolutions of his membership in support of the governor's proposal as opposed to the Joint Task Force's proposal. Ms. Kennedy noted that there was agreement between the AASB board members who participated in the last call-in meeting that it was not worth messing up the forward movement on education funding being supported by the legislature by taking a hard line view on the difference between the two proposals.

Mr. Friedman noted that the \$100 increase in base student allocation as proposed by the Joint Task Force is not enough and that is why the AASB membership voted to support the larger increase in the governor's proposal. That it also why the membership directed its executive director to support its resolutions and it was disturbing to Mr. Friedman that the AASB executive director has not done so. Ms. Comeau recalled that the Joint Task Force had put \$100 in the recommendation early in the process as a placeholder as they did not want to spend a lot of time talking about the number. They had acknowledged that an increase was necessary but felt that the discussion on a specific amount should take place with their colleagues during the legislative session. Mr. Steele indicated that he does not want to do anything to scuttle the very delicately balanced work of the Joint Task Force. On the other hand, it is also inappropriate to his way of thinking to build in what amounts to an annual cut as a \$100 increase in

the base student allocation does not even keep pace with inflation. The argument for the \$200 amount was the need to put a factor in place that will keep districts from having to ask for more money year after year. Ultimately the lesser amount is a built in reduction in purchasing power.

Mr. Steiner noted that the computer refresh is coming out of the Fund Balance which can not be expected again next year. It is important to continue the computer refresh as working into the backlog only to 1997 is not adequate.

Mr. Roberts announced that there will be a Policy Subcommittee meeting at 8:30 a.m. on Wednesday February 6 in Conference Room 150.

G. EXECUTIVE SESSION - PERSONNEL/FINANCE/NEGOTIATIONS
LITIGATION

H. ADJOURNMENT

The Special Meeting of January 31, 2008, was adjourned by unanimous consent at 7:00 p.m.

Tim Steele, President

Crystal Kennedy, Clerk

Johanna Lee, Recording Secretary

Date Minutes Approved