

MINUTES OF THE ANCHORAGE SCHOOL BOARD
SPECIAL MEETING OF JANUARY 29, 2009

The Anchorage School Board met in Regular Session on Thursday, January 29, 2009, at 5:00 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: Jeff Friedman, Crystal Kennedy, Pat Higgins, Macon Roberts, Tim Steele and John Steiner.

Others Present: Carol Comeau, Rhonda Gardner, Ed Graff, Leslie Vandergaw, Mike Henry, Enid Silverstein, Jerry Sjolander, Jane Berglund, Eric Tollefsen, Heather Sawyer, Janet Stokesbary, George Vakalis, Ray Amsden, Marie Laule, Chad Stiteler, Pam Chenier, Robb Boyer, Mike Price, Laurel Vorachek, Neal Black, Alden Thern, Todd Hess, Brent Rock, Leslie Preston, Stan Syta, David Shurtleff, Russ Ament, Larry Petersen, Christine Garbe, Johanna Lee, the press, and other interested people.

B. SCHOOL BOARD COMMENTS

C. PERSONS TO BE HEARD NON-AGENDA ITEMS

D. CONSENT AGENDA

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

ASD Memorandum #190 - Award of Contract: e-Rate Communication Services

It is the Administration's recommendation that the Anchorage School Board authorize the award of a contract for voice and data communications, toll services, internet services, and cellular services, for the period July 1, 2009 through June 30, 2012, with options to renew for two additional one-year periods, to Alaska Communications Systems of

Anchorage, Inc. The recommendation is made based on the evaluation of proposals submitted in response to a competitive solicitation initiated by the District's posting of FCC Form 470, Schools and Libraries Universal Service, Description of Services Requested and Certification Form, Application No. 397870000699949, and the related Request for Proposal 2008-615 "Communications Services." The resulting contract is based upon the unit prices submitted and will not exceed the Anchorage School District's budgeted amount for 2009-2010 and each succeeding fiscal year thereafter for the services.

The solicitation requested proposals for four groups of telecommunications and internet services. Award to Alaska Communications Systems of Anchorage, Inc. (ACS) is recommended in the following estimated annual amounts: Group 1 - Voice & Data, \$2,452,202; Group 2 - Toll Services (Long Distance), \$19,000; Group 3 - Internet Services, \$330,000; and Group 4 - Cellular Services, \$144,192.

ACTION:

Moved by: Tim Steele
Seconded by: John Steiner

To authorize the award of a contract for voice and data communications, toll services, internet services, and cellular services, for the period July 1, 2009 through June 30, 2012, with options to renew for two additional one-year periods, to Alaska Communications Systems of Anchorage, Inc. The resulting contract is based upon the unit prices submitted and will not exceed the Anchorage School District's budgeted amount for 2009-2010 and each succeeding fiscal year thereafter for the services. The estimated annual amounts are: Voice & Data, \$2,452,202; Toll Services (Long Distance), \$19,000; Internet Services, \$330,000; and Cellular Services, \$144,192.

Mr. Steiner asked for some explanation as to the necessity of acting on this recommendation at this time as he had not had the opportunity to thoroughly review the document.

Ms. Chenier explained that they need to have this award completed and a contract signed by February 12, 2009 to meet the 471 filing of the eRate.

She did note that the board could postpone action until the Special Meeting scheduled for February 5, 2009 without adversely impacting the ability to act.

Ms. Chenier explained that the solicitation was sent out to 75 different vendors. There were three responses. They were ranked in accordance with our RFP which is the typically procedure. The solicitation was for communication services in the district including voice and data, toll services, internet and cellular. Those are all currently covered under our eRate communications.

Mr. Steele pointed out that the selected vendor had offered incentives and enhancements for securing the contract for all four service groups, which they did. The memorandum indicated that an evaluation was being done to determine whether those incentives and enhancements complied with eRate regulations. Ms. Chenier noted that the evaluation is currently in process. She noted that it is only the incentives and enhancements that are in question. The amount of the contract probably will not change as it is a unit cost contract and, regardless of the amount of the contract, it will be paid based on actual usage.

Mr. Steele asked what percentage the district typically receives on eRate reimbursement. Ms. Chenier noted that the program offers between 20 and 90 percent. Ms. Berglund reported that the district is currently at 57 percent reimbursement based on enrollment.

Ms. Kennedy clarified that this recommendation is the district's communication services contract that will basically make eRate reimbursement a possibility. The district is not trying to specifically take advantage of any particular eRate. The contract is simply a communications service contract with eRate reimbursement capability.

Mr. Steiner noted that one proposer proposed Voice over Internet Protocol system and was determined to be non-responsive because there was not request specifically for VoIP. He asked whether the solicitation specifically indicated that it not be VoIP. Ms. Chenier explained how the solicitation was framed and the reason why the proposer was determined to be non-responsive. Mr. Steiner found it problematic to determine the proposer to be non-responsive if the solicitation did not say that what they are providing is not allowed. Ms. Chenier noted that the proposer has agreed that the district has made a correct call as can be evidenced by the fact that they chose not to appeal the award. Mr. Steiner felt that it would have been better to evaluate them taking into consideration the added

expense to the district for the technology needed to make their proposal work rather than to have declared them non-responsive.

Ms. Comeau noted that the district's attorney has reviewed this carefully. There was adequate time for the proposer to protest if they had wanted to. The superintendent believes that the administration is on solid ground making this recommendation at this time.

MOTION:

Moved by: Macon Roberts	To postpone action on this
Seconded by: John Steiner	recommendation until the Special Board Meeting scheduled for February 5, 2009.

Mr. Roberts indicated that he would like an opportunity for board members to review this recommendation more closely. Postponing action until February 5 will still allow time to act before the February 12 deadline.

Mr. Higgins did not see the need to postpone as there would not be any time to accomplish any additional activities during that period of time. He did not mind adding it to another agenda but was not sure that doing so would serve a good purpose.

Mr. Steele suggested that if the issue is to allow board members time to better review the recommendation and time to get questions answered the action could simply be delayed until the end of this meeting. That would allow for a break during which additional time could be allotted for more extensive review of the document.

AMENDMENT to the MOTION:

Moved by: John Steiner	To amend the motion to postpone
Seconded by: Tim Steele	action on this recommendation until the end of this meeting rather than postponing to the Special Board Meeting scheduled for February 5, 2009.

VOTE on the AMENDMENT to the MOTION to POSTPONE:

Ayes: Kennedy, Higgins,
Roberts, Steele, Steiner

Nays: Friedman

MOTION PASSED

VOTE on the AMENDED MOTION to POSTPONE:

Ayes: Kennedy, Higgins,
Roberts, Steele, Steiner

Nays: Friedman

MOTION PASSED

With that, further discussion and action on ASD Memorandum #190, Award of Contract: E-Rate Communications Services, was postponed until the end of the meeting.

ASD Memorandum #198 - FY 2009-2010 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 2009-2010 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 \$762,833,890. This includes individual fund budgets currently projected as follows: General Fund, \$598,467,232; Food Service Fund, \$16,259,000; Debt Service Fund, \$85,907,658; and Local/State/ Federal Grants Fund, \$62,200,000 for a Total of All Funds \$762,833,890.

The total of local tax contribution to be requested is \$232,947,582.

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 2009 ballot propositions.

ACTION:

Moved by: John Steiner
Seconded by: Tim Steele

To approve and authorize the Superintendent to prepare the Anchorage School District's FY 2009-2010 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 \$762,833,890. This includes individual fund budgets currently projected as follows: General Fund, \$598,467,232; Food Service Fund, \$16,259,000; Debt Service Fund, \$85,907,658; and Local/State/Federal Grants Fund, \$62,200,000 for a Total of All Funds

The total of local tax contribution to be requested is \$232,947,582.

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 2009 ballot propositions.

Ms. Laura Rose, an elementary school librarian, explained that she has been serving on the committee to select a new library catalogue for the district. She thanked board members for their support of libraries in the past. She explained that the current library catalogue will no longer be supported by the vendor. While a particular system has not been identified, a new system would really assist the librarian's mission to create independent library users. Ms. Rose reviewed that process that the selection committee has been going through to work toward a determination and recommendation for the new system.

Ms. Comeau explained that this item is not in the budget at this time. It was noted that the item is included on the IT enhancement budget. The cost of this new system is roughly estimated at \$425,000. Before a recommendation is brought forward the review will have to be completed, a vendor identified and that all of the pieces are in place. The bulk of the recommendation would be a one-time expenditure with a relatively small ongoing expense which is estimated to be about equal to the ongoing expense of the current system.

Mr. Steiner asked for some sense as to the return on investment for this item compared to all of the other things out there. He acknowledged that the administration has indicated that they would like to wait until the

spring adjustments to determine how this type of item fits into the whole budget picture. Ms. Comeau indicated that the administration is absolutely interested in a new system. There are simply several steps left to go through before bringing a recommendation forward.

Ms. Comeau presented a brief overview of the FY 2009-2020 Proposed Financial Plan. She noted that she had had an audio conference call with twenty other urban school superintendents as well as Secretary of Education Duncan and Mr. Mike Casserly, executive director of the Council of Great City Schools, to discuss the stimulus package. There are a lot of unknowns including the possibility of significant potential funding in Title 1 and IDEA. There are many issues regarding this funding that still need to be resolved at the federal level. That is just one reason among several that Ms. Comeau encouraged board members to wait until the district really knows what the funding will be before making changes to this proposed budget. She reviewed a number of funding issues from the municipal, state and federal levels that have yet to be resolved.

Ms. Comeau also noted that the district is continuing to grow in student population. The district has received 115 new English Language Learner students since January 5, 2009. Of course the district is not receiving funding for any new students because the count period has passed. There are some very interesting things going on right with enrollment. It is the first time in years that the district has seen this type of continued increase in enrollment as the school year progresses. The administration will continue to review projected enrollment to determine if adjustments are needed before presenting the budget to the Assembly.

Ms. Kennedy commented that she can not recall a time when there were so many unknowns at this point in the budget development process. She noted that she would pursue the answers to several questions that she has between now and the time adjustments to the budget will be presented later in the process.

Mr. Steiner asked whether there had been much public comment on this proposed budget. Ms. Comeau noted that any public testimony coming in would be copied to the board. She believed that more testimony is general seen in the spring when the budget is known. There have not been major programmatic cuts, no jobs that have been eliminated, and no red flags have been raised on hot-button issues that would have resulted in any type of public outcry. In addition, the administration has been diligent in providing good communication to the public regarding what is going on in the budget process.

Mr. Friedman noted that it has worked well over the last several years to make adjustments in the spring. He particularly noted his appreciation that the administration listens to comments from board members as the budget process moves forward and that the recommendation that comes to the board in the spring generally reflect things that the board has said during the preceding three to four months.

Mr. Steiner asked for an overview of what was being done in this proposed budget in term of the fund balance. Ms. Stokesbary explained that the proposed budget includes the use of \$3.9 million of the undesignated fund balance. It is estimated that this will result in an Undesignated Fund Balance of over three percent, even after covering bond rating requirement with the municipality.

Ms. Kennedy verified that the budget reflects a 2 percent reduction. Ms. Comeau confirmed that number and explained that the 2 percent reduction is an overall reduction with some departments seeing a greater reduction and some seeing less.

Mr. Steele asked why extra funds were being recommended for the computer refresh. Ms. Stokesbary explained that the additional funds are funds that had been used for lease payments for computers. The lease is up in the current year so those funds are being applied to the computer refresh rather than issuing additional lease purchase computers.

Mr. Steele asked whether the additional 115 ELL students will necessitate making adjustments to the Newcomers Center or other support programs. Ms. Comeau explained that the Newcomers Center is completely full. A program has been added at East High School this year to support these students and the administration is watching the numbers. She noted that the district is doing everything they can to provide the necessary support for these young people. Mr. Steele asked whether there has been any indication regarding a second count date in light of the increase in student enrollment. Ms. Comeau noted that the state is well aware of the issue but that the statutes do not currently allow for a second count date or any other source of funding for additional enrollment. This is definitely a topic that could and should be discussed with the legislature.

Mr. Steiner asked about the approximately \$1.5 million allocated to the re-opening of Clark Middle School. Ms. Comeau explained that the \$1.5 million was the ongoing Maintenance & Operations costs that the voters approved.

Mr. Steiner noted that an effort is being put forth in the community to make an adjustment to the tax cap through an initiative process. It is suggested that it will reduce the tax cap, although Mr. Steiner indicated that he was not sure that was true. He wondered if there is any estimate as to how that reduction would impact the budget if indeed there were a reduction. Ms. Comeau explained that it is estimated that the tax cap initiative would result in a decrease of \$16 million phased in over the next three years. The past practice has been about a 50-50 split between the district and the municipality that would result in an annual loss phased in over three years to \$8 million per year.

VOTE:

Ayes: Friedman, Kennedy,
Higgins, Roberts,
Steele, Steiner

Nays: None

MOTION PASSED

The board went into recess at 5:55 p.m. and was called back to order at 6:15 p.m.

Following the recess the topic of discussion returned to ASD Memorandum #190, Award of Contract: E-Rate Communications Services.

The motion on the table was to authorize the award of a contract for voice and data communications, toll services, internet services, and cellular services, for the period July 1, 2009 through June 30, 2012, with options to renew for two additional one-year periods, to Alaska Communications Systems of Anchorage, Inc. The resulting contract is based upon the unit prices submitted and will not exceed the Anchorage School District's budgeted amount for 2009-2010 and each succeeding fiscal year thereafter for the services. The estimated annual amounts are: Voice & Data, \$2,452,202; Toll Services (Long Distance), \$19,000; Internet Services, \$330,000; and Cellular Services, \$144,192.

Mr. Steiner noted that he had some concerns about the process but given the timing and circumstance it did not appear that it would be beneficial to do anything other than approving the recommendation as presented. Although one of the proposers wound up not having their proposal considered it was to some extent their own fault. The business that was

proposed for award was in a competitive environment when they did the proposal and the business that arguably was disadvantaged by what may have been a flaw has not protested. So, although he is a little troubled by some of the process, Mr. Steiner indicated that it did not sound like it was either non-competitive or unfair to the point that the district should risk the deadline for the e-Rate process. He indicated that he was prepared to support the recommendation.

Mr. Higgins felt that this raised the general issue of the language needed in the RFP. Mr. Friedman explained that from the district's point of view the non-responsive proposer did not read the rules correctly and that they had conceded that they had not read the rules correctly when their bid was turned down. Mr. Steiner has a different legal view than the district's lawyers and contracting department. Mr. Friedman felt that the board should either go with the administration's recommendation or vote down the recommendation but that there is no need to change the rules.

Mr. Steiner clarified that while this is a field that he deals with in his legal profession he was not rendering any kind of legal opinions on this matter. Having not actually read all of the documents he did not come to any conclusions one way or the other. On the balance he is comfortable that it is not inappropriate to go forward and approve this recommendation.

VOTE:

Ayes: Friedman, Kennedy,
Higgins, Roberts,
Steele, Steiner

Nays: None

MOTION PASSED

E. COMMUNICATION & SCHOOL BOARD COMMENTS

Mr. Friedman shared some interview guidelines for informational purposes in preparation for the February 14, 2009 meeting during which board candidates will be interviewed and an appointment made for the new board member to fill Seat B. Mr. Friedman requested that board members submit one or two questions. From that group he will be able to synthesis it down to three or four to ask all of the applicants.

There was a brief discuss on the scheduling of the Work Session on graduation support and dropout reduction. It was determined that the Work Session will be held from 3:00 p.m. - 5:00 p.m. on Thursday, March

5, 2009. Mr. Friedman indicated that this meeting would hopefully be the first in a series of meetings to allow for a thorough discussion of this topic.

Ms. Comeau distributed the list of ongoing initiatives that board members had requested to receive on a periodic basis. She indicated that board members should contact her or her staff if they have any questions about any of the projects on the report.

Mr. Steiner thanked staff members who had put together the responses to the requests for information on the proposed budget. He referenced the listing of the district's fleet and vehicles and noted that he would appreciate knowing the knowing the number of hours on the various pieces of heavy equipment in the fleet.

Ms. Comeau reported that the administration is monitoring the status of Mt. Redoubt. Information has been distributed to the staff. Mr. Vakalis reviewed the procedures that will be followed should the volcano erupt during the school day. Much would depend on the time of day and the time available to take action.

F. ADJOURNMENT

The Special Meeting of January 29, 2009 was adjourned by unanimous consent at 6:40 p.m.

Jeff Friedman, President

Crystal Kennedy, Clerk

Johanna Lee, Recording Secretary

Date Minutes Approve