

MINUTES OF THE ANCHORAGE SCHOOL BOARD
SPECIAL MEETING OF FEBRUARY 5, 2009

The Anchorage School Board met in Regular Session on Thursday, February 5, 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, Todd Hess, Margo Bellamy, Russ Ament, Neil Black, Leslie Preston, Brent Rock, Steve Kalmes, Mike Price, Stan Syta, Larry Petersen, Mark Mew, Heidi Embley, Robb Boyer, Johanna Lee, the press, and other interested people.

B. APPROVAL OF AGENDA

The agenda was approved by unanimous consent.

C. SCHOOL BOARD COMMENTS

Mr. Steele reported that the Assembly had passed the school district bonds to be put on the ballot. He extended his thanks to the Assembly for their effort and for allowing the voters the opportunity to vote on the bonds.

Mr. Roberts announced that the Loussac Library will hold a fundraising event, Between the Stacks, beginning at 12:00 noon on Friday, February 13 at the Anchorage Hilton Hotel.

D. PERSONS TO BE HEARD NON-AGENDA ITEMS

E. CONSENT AGENDA

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

ASD Memorandum #198 - FY 2009-2010 Proposed Financial Plan (Second 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: Tim Steele
Seconded by: Macon Roberts

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 of \$762,833,890.

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.

Mr. Duane Moran, president of the Alaska Public Employees Association, voiced his appreciation for the board's support of the proposed financial plan. He believed that the lack of public comment on the financial plan to this point indicated that the administration must be doing a pretty good job as there are no controversial issues rising to the level of discontent. Of course there is always room for improvement, but Mr. Moran believed that the district is doing a good job of meeting student needs. Ms. Comeau thanked Mr. Moran for his testimony.

Ms. Comeau noted that she has been in communication with both Senator Murkowski's office and Senator Begich's office regarding the Economic Stimulus Bill that is working its way through the senate. Apparently there is an amendment on the floor trying to reduce the Title 1 and IDEA funding by 50 percent. It is, of course, not known if that amendment will pass or what other action will be taken when the senate version of the bill goes back to the conference committee. Ms. Comeau indicated that she had made the senators aware of the desire to have whatever federal funding is finally determined to come directly to school districts rather than to go through the state. The rules that will come along with the federal funding are also unknown at this time. There is no doubt, however, that the district could make good use of the increases to Title 1 and IDEA funding.

Ms. Comeau expressed her gratitude to the Assembly for putting the two school bond propositions on the ballot. One of the other big unknowns with regard to the proposed financial plan is what action the Assembly will take. The administration has made the assumption that the Assembly will allow the district to go to the local tax cap. It is hoped that the district can make the case that it is good for both the students and the community

to invest in our schools. The Assembly will not make a decision on the budget until March 24. Ms. Comeau noted that the administration is pretty optimistic about funding from the legislature because funding for the additional \$100 per student, the intensive needs increase and pupil transportation increase has been factored into the governor's budget. It is hoped that those increases will not be reduced but that is still an unknown. Ms. Comeau believed that it would be much better for the board to approve this proposed financial plan as it is presented and wait to make any adjustments in the spring.

Ms. Comeau believed that this proposed financial plan reflects a responsible budget that will allow the district to maintain an excellent program. She requested the board's approval of this recommendation on second reading.

Mr. Steele believed that Ms. Comeau's request was reasonable particularly in light of the number of unknowns that still remain as we move forward. He supported the request to not make major changes to the budget at this point in time.

Mr. Steiner noted that it was his understanding that the economic stimulus funds for education, as are being discussed, would require school districts to expend those in addition to anything that is already being done. It would therefore be impossible for the district to provide any kind of relief to taxpayers because the whole idea is to stimulate the economy by adding to the spending. Ms. Comeau agreed with his assessment of the stimulus funds. She noted that it would be targeted money. The Title 1 funds would all have to be directed to the parameters of Title 1. The IDEA legislation is targeted to Special Education. The stimulus legislation also includes funding for construction projects. Ms. Comeau also indicated that it looked like there may be funding coming for technology through Title 2D. It must be noted, however, that all of these funding levels could change as the bill makes its way through the legislative process. Regardless of the final level of funding the money will not be able to be used in any way to reduce taxes.

It was pointed out that, whatever the funding level turns out to be, it will only be one-time funding provided over a two-year period. The construction money is for this fiscal year. The district has a number of projects in the CIP that are shovel-ready. Mr. Steiner indicated that it would be more of a challenge to figure out the most fruitful way to use any monies that are one-time funds. Ms. Comeau noted that if the Special Education money comes through it will be such a tremendous increase for

Special Education. If the education community can show real value in the way that it is being used, she believed that there was a good chance of that funding being continued. She assured the board that this district can make good use of this funding and provide tremendous support to students.

Mr. Steiner indicated that, in economic terms, it is important for the last dollar spent on every line item to buy the equivalent value of the last dollar spent on every other line item. If that is not true then the money should be moved to another item. It is very important to get good value from every dollar spent. That is obviously extremely difficult to do in a budget of this size. The board relies heavily on the superintendent and her staff in deciding what the distribution should be to provide the most educational value to the community and to the students. Mr. Steiner asked the administration to continue to keep the concept of getting the best value for every dollar spent in each category in mind as the budget process moves forward. Ms. Comeau assured the board and the public that that is exactly how the budget is put together every year. They really are looking at the data, test results and board goals in an effort to make sure that resources are being directed toward the items that are paying the greatest dividends for our students.

Mr. Steele reminded everyone that the superintendent had asked the departments to come up with a two percent cut which forced each department to review all of their expenditures and assess the relative value for those items. He also pointed out that 87 percent of the General Fund budget is personnel salaries and benefits. Mr. Steele noted that a three percent growth in the General Fund budget is a cut when compared to the Department of Labor's CPI for Anchorage of 4.6 percent. From that point of view he believed that this is a budget that, while it has grown, is under the inflation factor. This is really a maintenance budget.

VOTE:

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

Nays: None

MOTION PASSED

F. COMMUNICATION & SCHOOL BOARD COMMENTS

G. ADJOURNMENT

The Special Meeting of February 5, 2009 was adjourned by unanimous consent at 5:25 p.m.

Jeff Friedman, President

Crystal Kennedy, Clerk

Johanna Lee, Recording Secretary

Date Minutes Approve