

MINUTES OF THE ANCHORAGE SCHOOL BOARD

SPECIAL MEETING OF JANUARY 18, 2000

The Anchorage School Board met in Special Session on Tuesday, January 18, 2000, at 4:30 p.m. in the Board Room, at the Anchorage School District Administration Building. President Peggy Robinson presided.

A. CALL TO ORDER, ROLL CALL, FLAG SALUTE

Board Members Present: Peggy Robinson, Dave Werdal, Rita Holthouse, Bettye Davis, Harriet Drummond, Kathi Gillespie, and Debbie Ossiander.

Others Present: Bob Christal, Carol Comeau, Janet Stokesbary, Carolyn Buckley, Marie Laule, Patricia McRae, Gail Opalinski, Pat McDowell, Robyn Rehmann, Fred Stofflet, Norm Holthouse, Larry Wiget, Ed Conyers, Bob Price, Steve Kalmes, Teresa Johnson, Ellen Montague, John Alexander, Bill Mikawa, Stan Syta, Lee Wilson, Brent Rock, Neal Black, Darlene Irons, Ray Amsden, Mary Lou Boughton, Ed Blahous, Tom Bibeau, Betsy Nickels, Earl Tucker, Jim Taylor, Michelle Egan, Russ Ament, Hans Bernard, Mary Tanghe, the press and other interested people.

The School Board opened the meeting with the Pledge of Allegiance to the Flag.

B. CONSENT AGENDA

ASD Memorandum #175 - FY 2000-2001 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 2000-2001 Proposed Financial Plan as set forth in the projected revenue and expenditure schedule in this memorandum. The total recommended is \$418,293,141. This includes individual fund budgets currently projected as follows:

	<u>Proposed FY 2000-2001 Financial Plan</u>	<u>Percentage Increase Over FY 1999-2000 Revised Budget</u>
General Fund	\$341,990,341	4.27%
Food Service Fund	10,650,000	6.50%
Debt Service Fund	39,652,800	1.63%
Local/State/Federal Projects Fund	<u>26,000,000</u>	23.81%

Total – All Funds	<u>\$418,293,141</u>	5.10%
-------------------	----------------------	-------

The total of local tax contribution to be requested is \$125,516,049.

It is further recommended that the School Board authorize the Superintendent to adjust the budget expenditure ceiling above in accordance with any education related ballot propositions that may be approved in the April 4, 2000, Municipal Election.

ACTION:

Moved by Debbie Ossiander to approve Memorandum #175.
seconded by Kathi Gillespie

Bob Christal gave a brief overview of the FY 2000-2001 proposed financial plan. Mr. Christal explained that the budget has been developed based on the goals adopted by the School Board. Mr. Christal further explained that the District will be using a significant amount of its undesignated fund balance as a funding source for this budget. There will be no increase on user fees and the family cap on activities will continue. Program adoption/expansion related to District goals will come from existing resources. Funding for the music improvement program budgeted last year will continue as well as funding for the middle school and high school reading programs. Projected increases will be in the areas of employee compensation, the addition of 10 full-day kindergartens, summer school expansion and an increase in substitute teacher pay. The District will also be looking at a middle school alternative program for high-risk students. Mr. Christal noted that there are some increases at a smaller level such as an elementary *Battle of the Books* competition and a type of self-supporting summer school enrichment program. The major increase in this budget is directed at employee compensation.

Reverend William Greene spoke on behalf of the Black Education Task Force noting that the budget looks very good but would like to see if \$57,000 could be added to the Multicultural Program. Reverend Greene explained that funds for the Multicultural Program have declined very drastically over the years and urged the Board to reinstate the Multicultural Specialist that was taken away several years ago.

Bettye Davis thanked Reverend Greene for addressing the Board on this issue. Ms. Davis noted that she does not want to increase the budget but would like to find \$57,000 in this budget to support the reinstatement of the Multicultural Specialist. Ms. Davis further noted that the workload in the Multicultural Department certainly substantiates the need for this position.

Lynn Hammond, Chairman of the School Budget Advisory Commission, commented that he has misgivings about this budget and is very concerned that the District plans to use its savings fund to balance the budget. The undesignated fund is a savings account for unforeseen events (not for ongoing expenditures such as salaries). Mr. Hammond outlined a projected budget scenario for the next couple of years if the District should deplete its undesignated savings. The scenario could get worse because the State foundation money does not increase with inflation (draining the District's savings only postpones a real solution for a very short time). Mr. Hammond noted that the deficit needs to be addressed and suggested that only \$3 million be taken out of the undesignated fund balance and to delete all new items and some of the low priority items in the area of Contracted Services - Instructional. The next step would be a hiring freeze on unfilled positions. Mr. Hammond further suggested that if there are any job cuts that they are spread evenly across the job force and to make the cuts in small cuts over a period of years instead of one full swoop.

Bob Christal stated that it would be very difficult to bargain with four employee groups with taking only \$3 million from the undesignated fund balance. In the last five years, no one has talked about cutting programs or increasing class size. There is not a great deal of internal belief that we can't pay more for compensation. The District has many, many teachers who deserve a reasonable compensation. The District cannot expect to have successful contract negotiations and then hand out lay-off slips. Mr. Christal noted that that the District won't successfully achieve what is needed with its employee groups if it is not willing to go to the undesignated fund.

Rita Holthouse made the following statement: "Before action on the budget is taken, I wish to disclose a potential conflict of interest. My husband, Norman Holthouse, is employed by the Anchorage School District as the Executive Director for Management Information Systems and Technology. Because his salary is included in the budget, I have an expectation of receiving a financial benefit in any vote taken on his salary. I therefore am asking the Board to rule on my participation in the budget process in light of this disclosure."

MOTION:

Moved by Debbie Ossiander
seconded by Kathi Gillespie

that Rita Holthouse has a
conflict of interest due to a
substantial financial interest.

VOTE:

Ayes: Drummond, Ossiander, Werdal,
Robinson, Gillespie, Davis

Nays: None

Abstention: Holthouse
MOTION PASSED.

ACTION:

Moved by Debbie Ossiander
seconded by Bettye Davis

to approve Norman
Holthouse's salary and benefits
in the amount of \$110,293.

VOTE:

Ayes: Drummond, Ossiander, Werdal,
Robinson, Gillespie, Davis

Nays: None

Abstention: Holthouse
MOTION PASSED.

Peggy Robinson explained that the School Board has line item authority over this budget. Because of this it is her belief and that of the Board, that even if there is a conflict of interest that exists in one section of the budget, that doesn't necessarily translate over to the rest of the budget. The Board has determined that Rita Holthouse has a conflict in one particular area of the budget. However, this does not preclude her from fully participating in discussion and approval of the rest of the budget and as such, the chair rules that Rita Holthouse can fully participate in all other items in this budget.

AMENDMENT:

Moved by Rita Holthouse
seconded by Harriet Drummond
three

to extend the full-day
Kindergarten program to

additional schools for an
additional expense of \$167,750,
for an additional expenditure
reduction of \$6,792, and
revenue
of \$214,229, for a total net
expenditure reduction of
\$53,272.

(These three schools will be
selected based on the criteria
established by the Board a year
ago.)

Rita Holthouse explained that because the Board has a practice of not specifying schools in a motion of this nature, she took the next top three schools on the District's *Free and Reduced Lunch* list. Dr. Holthouse further explained that this is a unique opportunity to extend services to students and to save money at the same time. Dr.

Holthouse urged the Board to add these three additional schools to the full-day Kindergarten program.

Bob Christal asked the Budget Director if the numbers stated in the motion are accurate.

Marie Laule stated that the numbers are correct.

Debbie Ossiander asked for assurance that the criteria guidelines established by the Board a year ago be used in selecting the three additional schools and that this program is not put in an already overcrowded school.

Rita Holthouse reiterated that the same selection criteria used a year ago should be used for the selection of these three additional schools.

Bob Christal assured the School Board that the same selection criteria used last year will be used again in the selection process of adding these schools to the full-day Kindergarten program.

Kathi Gillespie noted that adding to the full-day Kindergarten program will increase the State's cost of this program by over \$1 million. The District needs to do its part in trying to keep State costs down. Ms. Gillespie explained that full-day Kindergarten is a very good program and a real convenience for many people. Ms. Gillespie further commented that to provide funding for this service would be fiscally irresponsible. The District does not need to be adding to the State's burden.

Bettye Davis stated that she sees this as a needs program for students who can benefit from full-day Kindergarten. There is a pool of money that went back to the State's general fund that was not used that can support this program. Ms. Davis reminded the Board that not only does the State pay for full-day Kindergarten but also for preschool programs in some districts throughout the State of Alaska.

Dave Werdal commented that the Administration is already recommending ten additional schools to the full-day Kindergarten program which is a tremendous increase in the expansion of a program. Mr. Werdal noted that there is a great demand for full-day Kindergarten and the ten additional schools that are budgeted are sufficient at this time.

VOTE:

Ayes: Drummond, Ossiander, Robinson,
Holthouse, Davis

Nays: Werdal, Gillespie

AMENDMENT PASSED.

AMENDMENT:

Moved by Harriet Drummond
seconded by Debbie Ossiander

to add \$51,655 to the budget to provide bus passes for the Child In Transition/Homeless Project in the amount of \$16,000 and to extend the elementary special education shuttle bus system to the 15 schools identified by the Administration in the amount

of

\$35,655.

Harriet Drummond explained that this is an opportunity to do something to benefit the District's homeless children to at least keep them in the same school for one entire school year.

Bob Christal explained that the Administration did not bring this forward from the list of unfunded requests because there were no additional funds identified to offset the additional costs. Mr. Christal further explained that he would like to talk to the Municipality regarding this issue. Funds are available for this program this year but are in danger for the next school year.

Debbie Ossiander urged support of this amendment explaining that the population of homeless children in Anchorage is at great risk. The actual figure is much higher than 400. Ms. Ossiander stated that the District should continue to lobby the Municipality for help in this area, but in case that doesn't happen, this critical service to kids needs to continue.

Bettye Davis stated that she supports this amendment and also stated that Congress needs to be lobbied as well. There are things that will come forward in their next budget that is a concern of Senator Stevens and to other people and this is definitely a very needed service.

Harriet Drummond suggested that the District could also lobby the State Department of Education to get bus service reimbursement.

Peggy Robinson inquired as to how the shuttle service will handle the situation of having kids arrive late and leave early.

Steve Kalmes explained that the Transportation Department looks at the most cost effective way to provide service to get the kids to school; i.e., if a bus is already going to Abbott Loop Elementary, it would go on

to Spring Hill Elementary. Those at Spring Hill would arrive a little late and the reverse would happen in the afternoon.

Patricia McRae stated that the issue is what is best for kids and arriving a little late and leaving a little early in order to remain at one school for the entire year is in the best interest of kids. It is very disruptive for kids to have to attend several schools during the school year.

VOTE:

Ayes: Drummond, Ossiander, Werdal,
Robinson, Gillespie, Holthouse, Davis

Nays: None

AMENDMENT PASSED.

AMENDMENT:

Moved by Bettye Davis
seconded by Rita Holthouse

that \$57,000 be added to the budget expenses for a Multicultural Specialist and that the Superintendent and his staff identify a \$57,000 reduction in expenses.

Bettye Davis urged support to have this position reinstated to the Multicultural Program. This position is very much needed as more and more people are calling on the School District to do more things in this area and one more person in this department would help tremendously. Ms. Davis stated that the \$57,000 could be deducted from some other area within the budget.

Rita Holthouse stated that as a principal of a school that had an extremely diverse population, it was a constant effort to work with the various groups within the District. It was very fortunate that during that time there was a multicultural specialist to help with the various multicultural requests/programs. Dr. Holthouse urged the Board to put this position back into the budget.

Kathi Gillespie commented that textbook companies now make sure there is diversity in the current curriculum (what is standard and their focus towards a diverse population). Ms. Gillespie suggested that multiculturalism be integrated in the entire way the District does business.

Debbie Ossiander stated that there is a need for this position as the entire city population is becoming increasingly diverse. However, Ms. Ossiander noted that she is very hesitant to add any additional positions to the budget with the financial picture that is facing the

District. To say to make this happen without giving clear direction on how to make it happen isn't the wisest thing to do.

Dave Werdal noted that it is very easy to increase the budget without identifying where the money would come from noting that a cut has ramifications in other areas. Mr. Werdal further noted that an unidentified cut could come from something that he would absolutely not want to cut and the decision would be taken completely out of his hands.

Peggy Robinson asked if the funds could be identified as to where this position would come from in the budget.

Bettye Davis explained that out of a budget as large as this one, \$57,000 is not a whole lot of money to be identified.

Bob Christal stated that he could not identify for the Board this evening where the reduction would come from and would like a little time to be able to do that. Mr. Christal further stated that there would have to be a trade off of a variety of smaller issues.

Maxine Hill explained that the responsibilities for the eliminated position have diminished considerably over the last five years. Six years ago there were three positions in the Multicultural Department (coordinator, specialist and secretary). The coordinator and the specialist positions were combined five years ago and the specialist position was eliminated. Many things have not been done because of this position elimination. Currently, the department is unable to provide any direct assistance to the schools because there is simply not enough time. The specialist position provided a lot of contact with schools where the department was able to move away from crisis reaction to proactive situations like the development of *Dignity With Diversity* course. There hasn't been any assistance to make sure that is an on-going course. The curriculum coordinators' responsibilities are to make sure that a multicultural curriculum is integrated and infused across the system; the expertise needs to be there to make sure that it happens.

VOTE:

Ayes: Holthouse, Davis

Nays: Drummond, Ossiander, Werdal,
Robinson, Gillespie

MOTION FAILED.

ACTION:

Moved by Harriet Drummond
seconded by Kathi Gillespie
\$8,000

that the School Board identify
a line item in the budget of

for snow plowing and removal
on Rockridge Road from
O'Malley Road to O'Malley
Elementary School. The funds
are already within the
Maintenance budget, either in
3010 (page 142), MOA False Fire
Alarm Charges, or 3070 (page
143), School Snow Removal –
Emergency Services.

Harriet Drummond stated that the funds for this item are already in the Maintenance budget in either the false fire alarm charges or the school snow removal budget. Ms. Drummond further stated that the District has been spending this money for years because the snow is removed anyway. Now there is a need to identify exactly where the funds will be coming from in the budget. The District also needs to let the Municipality know what is taking place and perhaps meet them halfway in order to be able to get the \$250,000 road upgrade from the State.

Bob Christal stated that if the Board desires the Administration to go ahead with this, the necessary adjustments will be made. The estimate for snow removal is \$8,000 and if it is the will of the Board, adjustments can be made without creating a specific line item for this in the budget.

Bettye Davis stated that she would like the Administration to address this issue again and come back with a recommendation. This issue does need to be addressed but perhaps it doesn't need to be addressed this evening.

Bob Christal explained that the Administration has committed to find out the length of the road and the cost for annual snow removal. Mr. Christal suggested that the District wait to proceed on this issue until staff has the entire picture of the situation. The District has been removing snow from this road on an emergency basis. Mr. Christal further explained that he didn't think a budget line item was necessary because the District removes the snow from Rockridge Road on an emergency basis through contracted services. Mr. Christal noted that if the cost actually does come in at \$8,000 then it's doable with the funds provided within this budget. The Administration should have all the necessary information for the Board by the 2nd Reading of the budget.

MOTION:

Moved by Kathi Gillespie
seconded by Debbie Ossiander

to table the Rockridge Road
amendment to the 2nd Reading
of the budget scheduled for
Monday, January 24, 2000.

VOTE:

Ayes: Drummond, Ossiander, Werdal,
Robinson, Gillespie, Holthouse, Davis

Nays: None

MOTION PASSED.

Dave Werdal inquired about the \$290,000 budgeted for additional warehouse space.

Bob Christal explained that the Administration believes that \$290,000 is needed and justified to acquire additional warehouse space. If the District could remodel the existing warehouse for this amount of money, that would be the way to go. However, very firm numbers are needed before the District can proceed in that direction. The other alternative is to look at renting more storage space (additional funds are needed either way).

Ed Blahous explained in detail his response for information on warehouse space stating that the cost for approximately 30,000 square feet of rented warehouse space would be about \$290,000 annually which would include utilities. Mr. Blahous further explained the various alternatives for storage space along with the possibility of remodeling the existing District warehouse to accommodate the District's warehousing needs. There is a very pressing need for an extra 30,000 square feet of storage area. Currently, the District uses storage space from various sources for storing materials on a temporary basis. Those materials need to be brought back into District facilities.

Rita Holthouse commented that the Board just decided to not appropriate \$57,000 to provide direct services to students and now it is thinking of allocating \$290,000 for storage of supplies. Dr. Holthouse explained that if the Board could allocate even \$250,000 for storage space then \$57,000 could certainly be allocated for a \$57,000 item for direct services to schools.

Kathi Gillespie stated that the District's infrastructure has been neglected for too long. Addressing the building up of the District's infrastructure would allow additional support to the classroom. Ms. Gillespie reminded the Board that the science kits that have a direct

relationship to the quality of the classroom are put together and housed at the Warehouse. The District would not in actuality be adding warehouse space; it would be giving back to the warehouse space allocation what was taken because of the space needed for the science center. Ms. Gillespie further stated that it is imperative that the District has the needed space to adequately and safely house the District's records that are mandated to maintain.

AMENDMENT:

Moved by Dave Werdal
seconded by Rita Holthouse

to add two Administrative Trainees (principals) at the amount of \$60,000 each (teacher salary and per diem), and to delete \$120,000 from additional rented space for warehouse storage.

Dave Werdal stated that training for principals is very much needed in this District noting that the job of being a principal or an assistant principal can be very difficult. It is essential that those wanting to move into principal positions be given some type of training.

Rita Holthouse stated that she enthusiastically supports this amendment noting that years ago, up-coming principals were able to go through one-to-two years of fulltime training in the schools under a mentor. Currently, the District provides no internship program for those moving into the principal ranks which is a disservice to students, parents and schools. Dr. Holthouse further stated that this would still leave money available for additional storage space. Also, interns go away after a year (the positions can be eliminated without eliminating the people who fill the positions).

Dave Werdal stated that it is his expectation that the Administration would determine where these positions would be placed.

Debbie Ossiander commented that she shares the skepticism of the cost for additional warehouse space but is also hearing that storage of supplies is at a critical state. In order to support quality educational services to kids, school supplies need to get to the schools in a decent fashion. It is important that the infrastructure behind the schools is supported in a manner that makes the schools run well. Ms. Ossiander further commented that this budget is really a budget about attempting to settle labor contracts. When additional positions are added to the budget, the District decreases its flexibility to deal with those issues. There is a need for these positions as the District does have a real dearth of able, capable principals but this is perhaps not the time or the way to solve this particular issue.

Rita Holthouse commented that if the amount requested for warehouse space is \$290,000 and if this amendment were approved, there would still be \$170,000 that could be allocated for warehouse space.

Dave Werdal stated that people are the District's most important resource and the Board's mission is to teach kids; not warehousing issues. These positions are not permanent – they will go away one way or another (either by replacing a retiring administrator or by going back to the classroom).

Bettye Davis commented that these two positions will not bring out the quality intern program the District enjoyed in the 80's and it's not realistic to think it can. The Administration needs to do more work in the area of staff development for principals.

Kathi Gillespie noted that she also agrees that these two positions will not bring back the program as it was before. It is very important to pay attention to the fact that the Warehouse folks are ASD employees as well and they deserve a good working area also. At the present, the District has people going all over the place to get things from point A to point B. The District's support people need the support other departments enjoy and addressing warehouse space and bringing it forward is something that is very much needed. The request for additional warehouse space would not have been brought forward if it had not gone through a very thorough review process.

MOTION:

Moved by Bettye Davis
and unanimously approved

to call the question on the
amendment.

VOTE:

Ayes: Werdal, Holthouse
Nays: Drummond, Ossiander,
Robinson, Gillespie, Davis
AMENDMENT FAILED.

Peggy Robinson inquired about the Mandarin Charter School

Carol Comeau explained that the Mandarin Charter School folks have decided not to go forward with their proposed charter school but will come back for a concept approval for a school-within-a-school proposal.

MOTION:

Moved by Bettye Davis
and unanimously approve

to call the question on the
on the main motion.

VOTE:

Ayes: Drummond, Ossiander, Werdal,
Robinson, Holthouse, Davis

Nays: Gillespie

MAIN MOTION PASSED AS AMENDED.

C. SCHOOL BOARD COMMENTS

Debbie Ossiander urged people to pay attention to the property tax forms that are being distributed.

D. EXECUTIVE SESSION - (PERSONNEL/FINANCE/NEGOTIATIONS/LITIGATION)

E. ADJOURNMENT

The Special Meeting of January 18, 2000 was adjourned by unanimous consent at 7:40 p.m.

Peggy Robinson, President

Rita Holthouse, Clerk

Date Minutes Approved