

**MINUTES OF THE ANCHORAGE SCHOOL BOARD
SPECIAL MEETING OF JANUARY 23, 2002**

The Anchorage School Board met in a Special Meeting on Wednesday, January 23, 2002 at 5:05 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, Tim Steele, Rita Holthouse, Harriet Drummond, Debbie Ossiander, Jake Metcalfe, and Dave Werdal by teleconference.

School Budget Advisory Commission Members Present: Kay Linton, Roger Hull, Kevin Waring, and Andrew Kwon.

Others Present: Kay Linton, Roger Hull, Kevin Waring, and Andrew Kwon from School Budget Advisory Commission, Carol Comeau, Janet Stokesbary, Pat McDowell, Mike Henry, Gail Opalinski, Patricia McRae, Jerry Sjolander, Jeff Wood, Dale Cope, Marie Laule, Debbie Bogart, Lee Wilson, George Vakalis, Bob Henry, Michelle Egan, Ed Conyers, Stan Syta, Ray Amsden, Mike Franks, Russ Ament, Corey Rennell, Mary Marks, Robin Siegfried, the press, and other interested people.

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

B. ANNOUNCEMENTS

Carol Comeau informed the Board that today is National School Nurses' Day and she thanked the school nurses for all that they continue to do for the students. Kim Dye, the nurse from Kincaid Elementary has been named 2002 School Nurse of the Year for the State of Alaska. She was awarded this honor by the Alaska School Nurses Association. Ms. Comeau also congratulated Corey Rennell for becoming an Eagle Scout.

C. CONSENT AGENDA

ASD MEMORANDUM #184 - FY 2002-2003 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 2002-2003 Proposed Financial Plan as set forth in the

projected revenues and expenditure schedule in this memorandum (Attachment C). The total budget recommendation is \$454,862,275. This includes individual fund budgets currently projected as follows:

	Proposed FY 2002-2003 <u>Financial Plan</u>
General Fund	\$354,846,135
Food Service Fund	11,800,000
Debt Service Fund	53,216,140
Local/State/Federal Projects Fund	<u>35,000,000</u>
Total – All Funds	<u>\$454,862,275</u>

The total of local tax contribution to be requested is \$136,923,796.

It is further recommended that the School Board authorize the Superintendent to adjust the budget expenditure ceiling above in accordance with any change to the upper limit of the local tax cap limitation and any education-related ballot proposition that may be approved in the April 2, 2002, Municipal Election.

ACTION:

Moved by Harriet Drummond to approve ASD Memorandum #184
seconded by Debbie Ossiander

Superintendent Carol Comeau stated that the Administration is very pleased to bring a balanced budget to the Board without any major cuts. The Administration has used the very best projections based on what is known today and feel it is very accurate at this time.

Speaker, Linda Anderson, asked the Board to consider implementing girls interscholastic basketball at middle level. She feels the need for the program is great and the coaches she has spoken to feel that the students coming into high school need to have the skills at the middle level.

Speaker, Marshall Reed, asked the Board to fund a rifle range at Service High School. It was noted that the other high schools have rifle ranges and Principal, Pat Podvin, stated to the Board that a rifle range would be included in the design for the proposed renovations to Service High School.

Tim Steele asked the Administration for the rationale for middle schools not having the interscholastic activities. Carol Comeau explained that a

number of years ago there were serious reductions in the budget and there was strong support from principals and staff that we go to a full intramural program. The Board reinstated some competitive interscholastic sports. Basketball was not put back in. Gail Opalinski stated that middle school has five sports at this time. Principals looked at activities where as many students as possible can participate. These are: cross country running, cross country skiing, volleyball (with a jamboree), wrestling, and track and field. The concern about basketball is the small number of students that can play. Every school runs intramural basketball teams. Another issue is transportation since the elementary schools get out right after middle school and the buses are needed to take the elementary students home.

Speaker, Nancy Flanigan, spoke to the Board regarding security in the school parking lots and feels there is a need for surveillance cameras in the parking lots as well as more lights. Assembly member, Melinda Taylor, was asked if the city could help ASD pay for the lights and Ms. Flanigan stated that Ms. Taylor told her that was probably something the city could be accountable for.

Speaker, Karl Croswhitte, requested funding for affiliate community schools.

Sheila Hall, Principal at Campbell Elementary School, spoke to the Board regarding the importance of community schools and the need for affiliate community schools funding.

Speaker, Rhonda Johnson, thanked the Board for their support of community schools and the 21st Century Learning Opportunity Grant. Ms. Johnson mentioned the importance of the Community Schools to the community and requested the Board to approve funds for the affiliate community schools.

Speaker, Mary Rasmussen, testified on behalf of community schools as a board member of the Anchorage Community Education Association. Ms. Rasmussen explained some of the programs that the community schools sponsor. The affiliates are doing a wonderful job but she feels they will not be able to continue if they do not receive funding.

Debbie Ossiander asked Mary Rasmussen if she could summarize the Anchorage Community Education Association's reaction to the discussion of non-profit status. Ms. Rasmussen stated that the Association is interested in joining the task force that the Superintendent spoke of at an earlier meeting. Ms. Comeau stated that we need to get through the budget process and then figure out what is the best way to put together

the task force. Within the next month, she would like to meet with their group and hear their concerns. Ms. Comeau also stated that the District is aware of the need to help the community schools.

Debbie Ossiander stated that this budget is a continuation of a situation that we've seen for the last several years, which is a shifting of funding from the State to local taxpayers. There was significant legislative action added last session that said that about half of the increase in assessed evaluation would not count as a deduct in the formula for state funding, and that one piece saved us in this current budget, about a \$1.8 million problem, and in the budget we have before us, a \$5.2 million problem. Additionally Ms. Ossiander commended the administration for the negotiations they had with the department that helped with the \$2.0 million problem. All of those things had a great impact on the document before us and should be of concern and brought to everyone's attention. Ms. Ossiander's highest priorities continue to be how we respond to the Quality School Initiative at the State level, how we move to a standards based system, and how to address the needs of our low achieving students. Ms. Ossiander stated her concern about inequity in the gifted staffing but was reassured when Ms. Comeau mentioned that the Administration was looking at the program. Programs for students with severe behavior problems are also a concern. The current program serves too few children but it is currently being reviewed. Ms. Ossiander is concerned about community schools and is pleased to hear there will be a push toward nonprofit status. The Superintendent has made several comments on how essential the added administrative positions are in order to make the instructional program work well. The budget shows reorganizations to create efficiencies and has a fund balance within the recommended parameters. Ms. Ossiander stated that she will not offer any amendments and is prepared to accept the budget. But, if there are changes that produce an unbalanced budget, she will not accept it. Ms. Ossiander stated that she would not support reoccurring expenses coming from one time funding. If amendments come forth that change the budget, she will make an amendment. Ms. Ossiander thanked the Administration for presenting a strong budget.

Rita Holthouse stated that she was delighted with the budget, recognizing that there are many worthwhile and needed services and programs that it doesn't fund, but it will always be a balancing act. We need to prioritize the best that we can. It addresses community concerns, such as the security patrols at the high schools. In regards to girls' sports Ms. Holthouse stated that she feels the Administration did some creative and good things that keeps the District in good standing with Title IX and the community as well. The budget also addresses the community's desire for an Alaska studies program. Ms. Holthouse is also pleased to see the

added staffing - especially in assessment and evaluation, counselors, and the additional principals at the middle school and elementary level. Ms. Holthouse was also very pleased with the budget restraint in the Special Education budget, and at the same time, she feels like the services are being offered, although in a different way, in some instances. Rita Holthouse stated that she is delighted in full day kindergarten, but is concerned at the lack of adequate aide assistants to the kindergarten teachers and would like to see a motion to increase technical support. However, Ms. Holthouse would be pleased to accept the budget as it is.

Tim Steele stated that this is his first time through the budget process and was impressed with how the Administrative team put a very tight budget together. Its growth of 1.38 percent is less than inflation. Mr. Steele feels the budget addresses a continuation of current funding and while addressing some real issues. Mr. Steele feels the comments made here tonight just highlight some of the things we ought to be funding. In terms of the additional positions - Mr. Steele stated that in years back, the Administration was cut and he believes that we need to put back some of those positions because of the significant requirements from the State and Federal government. Mr. Steele feels there is a definite need to address safety at the schools. Mr. Steele was also concerned that the consultants that have come to us have completed audits that show the management control is very high in this District. The fact that a principal supervises 169 people, including evaluations, curriculum items, community issues, custodians, etc. is a tremendous responsibility and he feels we need to add principals and counselors. Mr. Steele alerted the Board that he would be putting forth an amendment to lower class size. Mr. Steele feels it's very important and he hears constantly from kindergarten and primary teachers about the need for assistants. Mr. Steele would like to add aides to the kindergarten classes, but does feel this is a very good budget.

Harriet Drummond thanked the Administration for their work on the budget and declared that she is generally pleased at the budget presented tonight and it's a pleasure to not have to make cuts. Ms. Drummond expressed her concern that we are achieving efficiencies at the cost of losing many experienced teachers, even though she knows that some teachers can be hired back on a part time basis, due to new legislation. Ms. Drummond stated that there is a great need to continue to work with the legislators to fund education and to find ways to deal with teacher shortages.

Jake Metcalfe announced that he supports the budget. He would like to see increases but realizes the importance of keeping the budget balanced. Mr. Metcalfe supports the community schools' request and the increase in teacher aides. Mr. Metcalfe feels Mr. Steele's suggestion of more teacher

aides is important, especially in light of student achievement and he feels it's important to increase the educational opportunities of the students in the early grades. Mr. Metcalfe agrees that it is important to fund assistant principal positions; after the budget review teams' testimony and with the additional state and federal mandates that we now have, it is important to have those positions there to help with instruction.

Dave Werdal stated that he is happy with the budget although he is sympathetic to middle school sports as well as community schools. The addition of the assistant principals in the middle schools is a good idea.

Peggy Robinson stated that she is also very supportive of the budget. The lack of controversy in not having to do any significant reductions makes it a pleasure. Ms. Robinson shares the Board members' concern regarding the higher number of students in kindergarten classrooms, however she is concerned about adding them without specifying where the deductions take place. Ms. Robinson suggested that some of the money that is given from the federal government for class size reduction in grades K through 3, which is currently being used for first grade, could be used for kindergarten as well.

Mary Marks stated that she is grateful that the members of Campbell community school program came forth. The community education program is a great tool for the kids and it is helping to set them up for success. Ms. Marks is grateful for the funds for the AK Studies in the budget. Ms. Marks also suggested that it would be helpful to bring some of the high school students who might be interested in the teaching profession, to work with the elementary students. This would help with the teacher aide shortage.

Debbie Ossiander asked about the memo in the last packet the Board received regarding notifications in the banking service contract. Janet Stokesbary stated that the District has been notified that our banking services contract was going to have a large increase in the dollar amount that the bank holds in lieu of charging us actual service fees for each transaction that they process. There is some impact but the magnitude is not large. Carol Comeau added that we will be sending out in an RFP and a bid and will assess all of that. Then we will bring it to the Board we will tell you where we will find the money when we know what the cost is.

Dave Werdal asked if the administration could comment on the projections for the next few budget cycles and whether or not we are looking at a deficit in a few years. Janet Stokesbary stated that the Administration is still in the process of working on the next few years.

Carol Comeau stated that we are anticipating federal funding through the potential of ESEA, we also have a number of bargaining contracts up for negotiation, if assembly approves budget at the cap, that will help us but we're working on that. Adding another budget analyst will help us to analyze this and better inform the community.

Mr. Werdal stated that knowing that a number of things can impact the budget and that it can change it would still be helpful if the Board could have some idea of the next few years by Second Reading.

AMENDMENT:

Moved by Tim Steele
seconded by Jake Metcalfe

to increase the Elementary Education budget by \$440,625 to ensure every full-day kindergarten classroom has, at least, a 3.5 hour (1/2 time) teacher's aide. To fund these positions I request the administration identify a like amount of one time expenditures, currently base funded, to be funded instead through Budget Reserve funds so these positions can be base funded.

Tim Steele reiterated his concern with this area. We were able to reduce the overall classroom size to 20.5 but hear from teachers and parents at town meetings that class size and funding aides for kindergarten are an important issue. This classroom needs to have a small adult to child ratio. There is a need to deliver students to first grade that have adapted to school and have the social skills and discipline knowledge that they need. The funding being proposed is to find one time expenditures and Mr. Steele suggested looking at the summary for the General Fund on page V-18 in the Capital Outlay section. Carol Comeau stated that we would have to be cautious there and would be able to identify some funding if that is the Board's direction. The bulk of this fund is the schools' allocation. Marie Laule explained the fund. It's equipment and self-insurance but the bulk of that fund is the schools'. Mr. Steele added that the reason he worded the amendment the way he did was to give the Administration the flexibility needed to identify the funds. The area mentioned was just an example. Ms. Comeau commented that it would be possible to use the federal grant money that Peggy Robinson mentioned earlier for kindergarten and first grade. Ms. Comeau does not believe that para-professionals can be hired from that fund but the Administration will look at it carefully and understands that this is a very important issue for the Board.

Rita Holthouse stated that she supports both parts of the motion and the method of funding. Ms. Holthouse asked if schools identified equipment they want purchased for next year, can it be purchased with funds this spring. Carol Comeau stated that we will look and maybe we can fund them this year but will have to look at all of those accounts.

Debbie Ossiander agrees with the importance of small classes in kindergarten and the need for aides, but has concern with the amendment. This is not reoccurring funding and if there were a reoccurring revenue source, she would be supportive. Ms. Ossiander stated that she would not support the amendment.

Dave Werdal stated that if the funds are taken from the equipment account we will have to make some significant cuts and there may be some that we don't like. Peggy Robinson clarified that the equipment will still be purchased but would come from the fund balance. The Board and Administration continued discussion. Carol Comeau added that the Board and Administration agreed many years ago that it was not a good idea to cut the fund because the schools need the flexibility. Peggy Robinson mentioned that last year we were in a difficult spot and knew there would be an increase of funding from the state and federal government but didn't have an actual commitment. Every year we end up revising the budget after it has been worked out. We know there will be some increased funding from the federal government and state government. Since we will be doing some changes anyway in the spring, Ms. Robinson would rather it be brought up at that time. Ms. Robinson stated that she would hate to be limiting the schools in their supply and equipment account. Carol Comeau stated that we built in our budget around the assumption that we will be funded at the same level at the State, and around the assumption that we will be getting up to the cap locally and so, if those things change we will have an unbalanced budget. If we are successful in the assumptions, Ms. Comeau assured the Board that that would be something to be looked on very favorably by the Administration in a budget adjusted period and would be her recommendation based on all the assumptions in building this budget. Harriet Drummond stated that \$440,000 is a tiny part and thinks with all the flexibility we will have in a few months that we can wait. \$5,000 per school is a big hit to them. Ms. Drummond suggested voting down the amendment at this time and suggested the Administration come back next week with a list of things that could be cut.

Tim Steele stated that he does not want to cut the schools' budgets. Mr. Steel is suggesting a shift as to what goes to the budget reserve. It is currently 4.8 percent and anticipates that we will get some additional

funds from the State. Mr. Steele is suggesting that we go to the budget reserve for \$440,000 and make a commitment to fund halftime aides. Mr. Steele is not asking for any budget cuts to the supply budget, and stressed that it was an example only.

Debbie Ossiander responded to comments about anticipated revenue. The federal funds will be restrained for specific purposes and not for our general use. We have contract negotiations and significant health increases that need to be dealt with in the future. This is funding reoccurring expenses from a one-time account. Peggy Robinson stated that if it can be clearly shown that other than in the schools, there is \$440,000 in equipment or other one-time expenses to take out of the fund balance, then she would support it. Ms. Robinson would want to make sure that what we're pulling out of the fund balance was a one time expense. If the administration is able to come back at second reading with an itemized list, she would support it in the second reading. Carol Comeau stated that we could do that. Tim Steele stated that if that is what the Administration is willing to do than he would table his motion at this time and bring it up next week. Peggy Robinson stated that any motion could be brought up again so they it would be better to vote the motion up or down.

VOTE:

Ayes: Steele, Holthouse, Metcalfe,

Nays: Ossiander, Robinson, Drummond, Werdal

AMENDMENT FAILED

Peggy Robinson stated that the Board has a request for information on potential one time expenditures that could be funded by fund balance adding up to \$440,000.

Rita Holthouse made a motion to call the question on the main motion.

Ms. Robinson stated that there would need to be a vote on whether or not to call the question. If no one has any other motions, she would ask if there were any objection to voting on the main motion. The Board members had no objections.

Debbie Ossiander, as a personal preference, stated that if there was anything that anyone wanted to bring forward, notice of it needs to be made at the first reading and they should not bring it forward at the second reading. No Board member came forward.

VOTE:

Ayes: Steele, Holthouse, Metcalfe,
Ossiander, Robinson, Drummond, Werdal
Nays: None
MAIN MOTION PASSED

D. SCHOOL BOARD COMMENTS

E. EXECUTIVE SESSION –
(PERSONNEL/FINANCE/NEGOTIATIONS/LITIGATION)

F. ADJOURNMENT

The Special Meeting of January 23, 2002 was adjourned by unanimous consent at 6:50pm.

Peggy Robinson, President

Harriet Drummond, Clerk

Date Minutes Approved