

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION
FAIRBANKS, ALASKA

Special Meeting

MINUTES

June 18, 2015

President Haas called the special meeting to order at 6:00 p.m. in the board room of the FNSBSD Administrative Center at 520 Fifth Avenue. The special meeting was called to work on and make adjustments to the district's FY 2015-16 Approved Budget.

President Haas read the district's mission statement: *"Our mission is to provide an excellent and equitable education in a safe, supportive environment so all students can become productive members of a diverse and changing society."*

Present:

Heidi Haas, President
Allyson Lambert, Treasurer
Lisa Gentry, Clerk
Sue Hull, Member
Sean Rice, Member

Absent:

Wendy Dominique, Vice President
Michael O'Brien, Member

Staff Present:

Dr. Karen Gaborik, Superintendent
Lisa Pearce, Chief Financial Officer
Shaun Kraska, Interim Assistant Superintendent of Secondary Education
Sandra Kowalski, Assistant Superintendent of Elementary Education
Traci Gatewood, Executive Director of Human Resources
Kathie Wassmann, Executive Director of Special Education
Janet Cobb, Executive Director of Technology
Peggy Carlson, Executive Director of Curriculum & Instruction
Dave Norum, Executive Director of Facilities Management
Elizabeth Schaffhauser, Director of Employment & Educational Opportunity
Jennifer Glorioso, Director of Nursing
Helen Clark, Director of Federal Programs
Melanie Hadaway, Acting Director of Alternative Education
Heather Rauenhorst, Director of Grants and Special Programs
Robin Mullins, Director of Business Services
Sandy Weaver, Budget Analyst
Sharon Tuttle, Executive Assistant to the Board of Education

Public Testimony – *limited to items on the agenda only* [0:00:35]

President Haas called for public testimony.

Ronda Schlumbohm, 7095 Snow White Court, Salcha Elementary teacher, spoke in support of reinstating the library media director position. She shared the many ways the library media director had helped her as a classroom teacher.

Deann Moore, 1307 Garay Street, districtwide art teacher, spoke in support of reinstating the districtwide art specialist position. Ms. Moore spoke about how the loss of the position would affect the department's ability to reach and work with students. Some responsibilities would have to be cut to compensate for the loss of the position.

Public Testimony (continued)

Kyra Aizstrauts, PO Box 233, University Park principal, supported the superintendent's recommendation to reinstate the behavior intervention specialists. She urged the board to follow the administration's recommendation.

Michele Poeschel, 109 Chief Charlie Drive, West Valley activity director, spoke to the importance of the school level activity coordinators and asked the board to reconsider reinstating the positions.

FY 2015-16 Approved Budget Work/Adjustments [0:07:39]

Board members were tasked to make adjustments to the 2015-16 Approved Budget as needed to address the allocation of available funds.

Lisa Pearce, chief financial officer, noted the school board, in its previously adopted Approved Budget, projected approximately \$4.6 million in unallocated funds. With the legislature having now adopted a state budget, it left the district with approximately \$3.756 million in unallocated funds. The unallocated funds were a result of the borough's additional supplemental funding of approximately \$4.5 million, less the reduction of funding from the state.

Ms. Pearce briefly reviewed the budget documents. She explained the district had experienced two straight months of record medical expenses in April and May at \$4 million and \$4.6 million respectively. With the two large months and the anticipated expenses for the month of June, she projected the district would need approximately \$2 million to balance medical expenses – which would most likely come from the district's current year fund balance.

Superintendent Dr. Gaborik provided a list of recommendations for the board's consideration. From her full list of recommendations, she recommended the board accept the first four recommendations to reinstate the behavior intervention aides, secondary grade 5 secretaries, high school activity coordinators, and funding for a revised Response to Intervention (RTI) program, along with another recommendation to reinstate the high school department heads for a total of approximately \$2.3 million, leaving about \$1.4 million in fund balance, which equated to roughly .6 percent in fund balance. Dr. Gaborik and Ms. Pearce supported maintaining a fund balance and felt it was the responsible thing to do, as the district could face unforeseen expenses, such as utility costs and/or increased medical expenses, as experienced in the current year.

Board members discussed and considered the fund balance. Discussion centered on the need for a fund balance, as well as the pros and cons of allocating funds to the board reserve versus fund balance. A question was raised as to whether the district could invest reserve funds. Ms. Pearce stated investing was not an option. Some board members liked the flexibility of having funds available to address some issues in the strategic plan, which could produce efficiencies and better instruction for students.

In reviewing the list of proposed reductions and Dr. Gaborik's list of re-instatement recommendations, some board members were hesitant to reinstate positions that were already cut, as next year some of the same positions would probably be back on the reduction list. The board and administration discussed nurses and the viability of utilizing medical aides in place of nurses; the RTI program and a proposed change in the delivery model; the superintendent's recommendations to restructure the Administrative Center including library media and curriculum and the need to maintain support for librarians; the training position in human resources – noting the human resources department had made significant non-personnel reductions in order to maintain the training specialist position – board members were concerned about compliance issues; and the continuation of the OPTIONS program in a decreased capacity – daycare options were still being explored. Board members also considered the behavior intervention specialists; secondary grade 5 secretaries; technology and the use of robots for instruction delivery; the instructional technology teacher positions; and the library media director position.

FY 2015-16 Approved Budget Work/Adjustments (continued)

Board members voiced support for Dr. Gaborik’s Administrative Center restructuring recommendations. Board members asked about the implementation of the Strategic Plan and felt if funding was needed to address issues in the plan, funding should be set aside in the board reserve. Dr. Gaborik stated the administration had started to build an implementation plan for the Strategic Plan. If the board was considering a magnet school, there would be real start-up costs associated with the project; there would need to be funding for an administrator and a support person. Ms. Pearce suggested the board allocate some funding to the board reserve for the board’s use and move the remaining funds to fund balance. Both accounts would be accessible if the board needed to make adjustments throughout the year. Board members agreed it was important to have a responsible budget, which included a responsible fund balance.

Ms. Pearce estimated if the board reinstated Dr. Gaborik’s recommendations, it would total \$2,367,492. Decreasing the original \$3,756,838 in unallocated funds by the administration’s recommendations (\$2,367,492), would leave approximately \$1,389,346 still unallocated for the board’s consideration.

Motion #1 [1:13:56]

GENTRY MOVED, HULL SECONDED, TO MOVE \$150,000 OF THE ESTIMATED \$1,389,346 IN UNALLOCATED FUNDS INTO THE BOARD RESERVE.

MOTION #1 CARRIED UNANIMOUSLY BY ROLL CALL VOTE. 5 AYES (RICE, HULL, GENTRY, LAMBERT, HAAS)

Motion #2 [1:14:42]

HULL MOVED, GENTRY SECONDED, TO RESTORE \$2,367,492 IN FUNDING TO REINSTATE THE ADMINISTRATION’S RECOMMENDATIONS.

President Haas noted the positions and recommendations for the record:

Description	Positions	Estimated Cost
Elementary Behavior Intervention Aides	17 - 0.5 FTE	\$ 443,970
	2 - 0.25 (SAL & TRV)	
Secondary Grade 5 Secretaries	8 - 0.5 FTE	\$ 223,980
High School Activities Coordinators	1 - Exempt	\$ 278,375
	3 - 0.5 FTE certified	
Response to Intervention (change in delivery model)	19 - 0.5 FTE (assistants)	\$1,146,167
	6 - certified Grades 4-6 AIMSWEB	
High School Department Heads		\$ 275,000
	TOTAL:	\$2,367,492

MOTION #2 CARRIED UNANIMOUSLY BY ROLL CALL VOTE. 5 AYES (RICE, HULL, GENTRY, LAMBERT, HAAS)

Motion #3 [1:16:15]

HULL MOVED, GENTRY SECONDED, TO MOVE THE REMAINDER OF THE FUNDS AVAILABLE IN FUND BALANCE.

MOTION #3 CARRIED UNANIMOUSLY BY ROLL CALL VOTE. 5 AYES (LAMBERT, RICE, HULL, GENTRY, HAAS)

FY 2015-16 Approved Budget Work/Adjustments (continued)

Ms. Pearce clarified the budget process in moving forward. She anticipated developing a revised Approved Budget with the board's adjustments, which would become the district's official budget document and the document transmitted to the Department of Education. Since the board had already adopted the budget resolution, the administration would bring forward a revised resolution at a future board meeting for the board's approval.

Ms. Pearce spoke to the "on behalf" contribution, specifically the retirement payment, which was approximately \$31 million in pass-through funding in the budget. Board members appreciated the information as the public sometimes had questions and it could be very confusing.

General Board Comments/Announcements [1:20:30]

President Haas noted the difficult budget year. On behalf of the entire board, President Haas expressed the board's appreciation to the borough assembly for their contribution. She also thanked everyone involved in the budget process throughout the year and everyone who took the time to testify, send emails, advocate, and provide input. The board wished everyone a happy and safe summer.

The meeting adjourned at 7:22 p.m.

Submitted by Sharon Tuttle, executive assistant to the Board of Education.