

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

Work Session

MINUTES

October 5, 2015

President Haas called the work session to order at 6:36 p.m. in the boardroom of the FNSBSD Administrative Center at 520 Fifth Avenue. The work session was called for a strategic plan update, to include facilities rentals/user fees and the 2016-17 budget.

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

Present:

Heidi Haas, President
Wendy Dominique, Vice President
Allyson Lambert, Treasurer
Sue Hull, Member
Michael O'Brien, Member
Sean Rice, Member
Kobe Rizk, Student Representative

Absent:

Lisa Gentry, Clerk

Staff Present:

Dr. Karen Gaborik, Superintendent
Lisa Pearce, Chief Financial Officer
Sandra Kowalski, Assistant Superintendent of Elementary Instruction
Dan Schmidt, Assistant Superintendent of Secondary Instruction
Traci Gatewood, Executive Director of Human Resources
Kathie Wassmann, Executive Director of Special Education
Dave Norum, Executive Director of Facilities Management
Janet Cobb, Executive Director of Technology
Helen Clark, Director of Federal Programs
Sharice Walker, Director of Public Relations
Mark Nilson, Maintenance, Construction, & Energy Manager
Sharon Tuttle, Executive Assistant to the Board of Education

Facilities Rentals/User Fees [0:00:44]

The school board requested a work session to revisit the issue of facility rentals/user fees. The administration originally presented a report on the proposed fee increases to the board at their June 2, 2015 Regular Meeting. The fees were effective July 1, 2015.

Dave Norum, executive director of facilities management, demonstrated the new online facility rental program and then provided a brief overview of the recent increase in facility rental fees. The increase was imposed to help offset the district's subsidy for building rental costs. The district was not looking to make money, but rather to reduce the amount the district subsidized the program.

Overall, most user rental fee increases were minimal and not a significant hardship on most users. But the board had received emails voicing concern over the amount of the increase for weekend users when custodial fees were charged at an overtime rate, resulting in large increases that would significantly impact weekend user groups and subsequently increase participation costs to families. Custodial fees were at an overtime rate, as custodians worked Monday-Friday when school was in session and when they covered weekend events, it moved them into an overtime situation. The administration was tasked to look outside the box for options to address the issue.

Facilities Rentals/User Fees (continued)

Administration's Recommendations

Superintendent Dr. Gaborik stated the administration recommended the facilities department maintain the current fee structure, which was presented to the board at its June Regular Meeting. The increase would allow the district to cover personnel, utilities, and other costs associated with facility rentals.

The administration spoke to some of the options suggested through the emails and other public input the board received. It was suggested the district hire temporary or part-time workers at a lesser rate to cover events, as well as look at rotating shifts for staff. The administration suggested weekend users look at weekday availability when staff was already on-hand, which would greatly reduce costs, as groups would only be charged for the cost of the room, which was minimal. It was noted rotating shifts for staff was not a viable option, as custodians were needed to clean schools when schools were in session or after school was dismissed and being prepared for the next school day.

Board Comments/Questions

Board and administration discussion ensued. Board members had questions and comments on staff overtime; the possibility of combining user fees for groups utilizing facilities at the same time; contractual concerns and considerations of utilizing part-time and/or temporary staff and volunteers as monitors, rather than overtime for full-time custodians; the lack of applicants for possible positions; responsibilities of monitors/custodians during user events and if those responsibilities could be turned over to the user groups; possible risks in not having a district member present during events; allowing user groups to police themselves and/or provide their own monitors; and having monitors on duty to open and then to close facilities, but not present for the entire event.

Board members were interested in looking for a more equitable solution for weekend users. They discussed the possible budget repercussions related to continued district subsidies. Their discussions included the possibility of implementing a gradual increase; increasing fees across all users to help offset the cost of weekend use; and eliminating all subsidies.

Board members were concerned about students being priced out of activities, noting sports and activities were often what kept students in school. Board members would like to see some middle ground that would benefit both sides. It was suggested the district look to the borough for help and support since the buildings were borough buildings and utilized by the community.

Upon conclusion of the board's discussion, there was consensus from the board to have the administration revisit the issue to look for ways to reduce weekend user fees and bring it back for a recommendation. The board was divided on the issue of subsidies; some board members supported continuing to subsidize the program and others did not.

The board took a brief recess at 8:00 p.m. and reconvened at 8:03 p.m.

Mr. Rizk left the meeting at the break. Not feeling well, President Haas also left the meeting at the break and handed the gavel to Vice President Dominique.

2016-17 Budget [1:22:13]

Superintendent Dr. Gaborik and Lisa Pearce, chief financial officer, provided the board with the 2016-17 Budget Process presentation provided to the Citizen Budget Review Committee on October 1, 2015. The district's strategic plan was the administration's roadmap for the 2016-17 budget process. Based on a basic status-quo instructional program, the administration very preliminarily projected a budget shortfall of approximately \$13,791,524 or -6.70 percent change from the 2015-16 Approved Budget. The district was a people business and most expenses were personnel related.

2016-17 Budget (continued)

The administration's projections for the 2016-17 budget were based on some assumptions as of October 1, 2015:

- estimated enrollment increased by 140;
- static local funding level;
- ten percent reduction in State Foundation funding;
- static Fund Balance contribution; and
- increase in Impact Aid, based on identified students in 2016 application (estimated 4 % increase from FY16).

Ms. Pearce provided the board with a couple of scenarios of what a budget reduction of \$13,791,524 looked like. In one example, taking all the budget reductions and add-backs made by the board in the 2015-16 budget, would leave an additional \$1,556,384 in reductions needed.

There were several unknown issues that could affect the 2016-17 budget:

- legislative outcomes
 - governor's proposed budget was anticipated by early December
 - state revenue challenge
- local contribution – to be determined
 - Borough commitment, in April/May 2016
 - Ketchikan ruling
- FEA, ESSA, & FPA negotiations
- transportation contract (likely subsidy required)

Board Comments/Questions

Board discussion ensued. Item for discussion only; no action required. Board discussion included questions regarding board member budget input; assessed property values and tax cap; and the difficult budget decisions facing the board and district for the 2016-17 budget.

A board member requested data (aside from special education) for the past 5-10 years on staff growth; how staffing had changed by specific groups – teachers, aides, support staff, exempt, administrators, etc.; and what programs and/or departments the district subsidized and by how much, such as transportation, nutritional services, BEST, facility rentals, etc. Information on what positions had been cut/eliminated over the past several years was also requested.

Board Comments/Announcements [1:59:39]

None

The meeting adjourned at 8:42 p.m.

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