

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT  
BOARD OF EDUCATION  
FY 2016– 2017 Citizens Budget Review Committee**

Thursday, October 8, 2015 ~ 5:30 – 7:00 PM Administrative Center – Boardroom

**AGENDA**

I. Call to Order

II. Roll Call

Board Committee Member

Allyson Lambert (Chair)

Michael O'Brien (Board Member)

Citizen Committee Members (appointed by Board Member):

Joe Hayes (Dominique)

Chris Dean (Gentry)

Joseph Blanchard (Haas)

Becky Williams (Hull)

TBA (Rice)

Tammy Dauma (Col. Sean Williams)

Ms. Noelle Hohnecker (Col. Richard Cole)

Dawson Mann (Regional Student Council ~ Lathrop)

Staff Members

Dr. Karen Gaborik, Superintendent

Robin Mullins, Director of Business Services

Lisa Pearce, Chief Financial Officer

Sandra Weaver, Budget Specialist

III. Adoption October 8, 2015 agenda

IV. Approval of minutes from the October 1, 2015 meeting


V. AGENDA

**Old Business:**

Foundation Formula Summary

**New Business:**

Department Presentations

 Facilities

 Special Projects and Grants

Community Values & Budget Priorities

VI. Comments

VII. Adjourn

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT  
BOARD OF EDUCATION  
Citizens' Budget Review Committee - Meeting Minutes  
Administrative Center - Board Room  
520 Fifth Avenue, Fairbanks, Alaska  
October 1, 2015**

**A. Preliminaries**

**1. Call to Order & Roll Call**

Allyson Lambert, School Board Member and FY 16-17 Citizens' Budget Review Committee Chair called the meeting to order at 5:35 PM. Citizens' Budget Review Committee meetings are recorded and available on the district's website.

Board Committee Members Present:

Allyson Lambert (Chair)

Citizen Committee Members Present:

Tammy Dauma (Col. Sean Williams)

Becky Williams (Hull)

Joseph Blanchard (Haas)

Joe Hayes (Dominque)

Dawson Mann (Regional Student Council)

Christopher Dean (Gentry)

Citizen & Board Committee Members Absent:

Michael O'Brien (Board Member)

Noelle Hohnecker (Col. Richard Cole)

TBA (Rice)

Staff Present:

Lisa Pearce, Chief Financial Officer

Sandra Weaver, Budget Specialist

Karen Gaborik, Superintendent

Robin Mullins, Dir. of Business Services

**B. Agenda Review**

**C. New Business**

- Committee Chairperson Allyson Lambert reviewed the *F.N.S.B.S.D. Board Strategic Plan*
- Superintendent Karen Gaborik reviewed the *District's Roadmap* document and shared that there are conversations regarding additional K-8 Magnet Schools and Alternative Instruction
- Lisa Pearce presented the PowerPoint *F.N.S.B.S.D. 2016-17 Budget Process* to committee members

**Committee discussion topics included:**

- How might the Ketchikan lawsuit impact next year's budget? Unknown at this time, may not be settled for at least 18 months
- Will there be a Retirement Incentive Program? Unknown at this time, could complicate the retention of many specially trained positions
- S.T.E.M. Magnet school – the discussion is at the top of the list
- Transportation –may need General Fund contribution of ~\$850K to maintain status quo level of services, must follow state transportation regulations.

- Exempt staff – where are they? Many are located within ADC, some are at Nutrition Svc. and FMD & two activity coordinators are located in the schools
- Meeting with parents and community —need to get this started as early as possible
- Corporation – sport sponsors? /Alumni – giving back? Need to increase their involvement
- Negotiations - all groups (ESSA, FEA, FPA) bargaining – scenario provided did not include any additional funds for salary increase
- Lobbyist year-round? – October 14 topic discussed at the Board meeting
- Loss of the activity coordinators – how would this save money? Won't others get Extra Duty contract \$\$ instead? No, Assistant Principals would be required to complete activity coordinator duties – a workload increase with no additional pay.
- Activity protective equipment – more risk if the district isn't paying for items such as helmets? One DW Activity Coordinator would still oversee/mandate policy rules & guidelines
- Class sizes are already higher in certain areas, need to protect class size
- Consider closing an elementary school? Savings? – Yes, there would be some, although some employees would remain employed elsewhere, Borough could possibly repurpose closed schools
- Magnet schools – extra costs? Yes - Barnette also has 7<sup>th</sup> and 8<sup>th</sup> graders
- Lisa Pearce recommended committee members visit the State of Alaska Office of Management and Budget (O&B) website
- Is committee bound by open meetings act?

Superintendent Dr. Karen Gaborik discussed this year's process is starting early to focus spending additional time with the School Board & engaging groups early in the budget conversations; including presentations to principals, receiving feedback from parents, schools, community, employees and individual programs.

***Information requested:***

Breakdown of what is spent on individual sports

Forward the PowerPoint presented by Lisa Pearce

If 700 new students enrolled in BEST – how much additional revenue would be generated K-8 including middle schools – what might this look like?

Utility cost breakdown – average costs for elementary, middle, high

Closing a small school – saving cost analysis

Display FY 15-16 CBRC recommendations on website

**Meeting times:**

Every Thursday for the next 6 meetings

Committee will present first report November 17<sup>th</sup>, 2015 at the School Board meeting

**Future topics:**

Foundation formula – 30 minute review

Facilities Management presentation

Committee members invited to contact Lisa Pearce with questions at any time

Audio of the Citizen Budget Review Committee meetings can be heard on the following site:

FNSBSD/Board of Education/CBRC/Audio

Link: [October 1, 2015 - Audio of Meeting](#)

Meeting adjourned at 7:05 PM

Minutes respectfully submitted by Sandra Weaver

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT (FNSBSD)  
BOARD OF EDUCATION

Citizens' Budget Review Committee (CBRC)

Report to the Board of Education for the 2015-16 Proposed Budget

March 10, 2015

This year marks the thirty-first year of citizen participation in the Fairbanks North Star Borough School District budget review process.

The Citizens' Budget Review Committee consisted of two School Board Members, Allyson Lambert, Chair, and Michael O'Brien. The following committee members wish to express their appreciation for the opportunity to comment directly to the Board of Education:

Citizen Members:

Michelle Williams  
Anisha Adams  
Noelle Hohnecker  
Tammy Dauma  
Christopher Dean  
Larry Ehnert  
Michelle Rizk  
Becky Williams  
Elcee Evershed

Appointed by:

Heidi Haas  
Wendy Dominique  
Colonel Larry G. Rice, Jr.  
Colonel Sidney "Cape" Zemp  
Lisa Gentry  
Sean Rice  
Michael O'Brien  
Sue Hull  
Regional Student Council Representative

The committee has a wide range of experience. Michelle Williams returned for her seventh year; Larry Ehnert returned for his fourth year; Becky Williams and Tammy Dauma returned to complete their third year; Noelle Hohnecker, Christopher Dean, Anisha Adams, Michelle Rizk, and Elcee Evershed served their first year on the committee.

The 2015-16 CBRC met two times prior to the presentation of the 2015-16 proposed budget. At the initial December 3, 2014 meeting of the CBRC, the administration introduced members to the current 2014-15 year budget book and reviewed the budget process to include timelines for presentation and approval. At the January 28, 2015 meeting, committee business included presentations from the administration on Alaska School Funding 101, 2014-2015 budget review, 2015-2016 Projected Revenue/Shortfall, proposed budget cuts preview, and the legislative landscape. During the course of the next five weeks, we also heard from special education services, Response to Intervention (RTI), Department Heads, support staff, and principals from elementary, middle, and high schools. Each meeting, the committee members asked questions and engaged in conversation to more fully understand the impact the proposed cuts had on departments, programs and schools. Each meeting lasted an average of two hours.

This year, the committee took public testimony at the beginning of each meeting. Over the course of five regular committee meetings, the committee heard from 35 members of the public in support of the OPTIONS Teen Parenting Program, Library Assistants, the District Art Program, Nurses, Counselors, Technology and ITT positions. Public testimony provided committee members a unique opportunity to learn more about positions and programs slated for cuts than what would otherwise have been available.

This year's committee was tasked with evaluating the administration's proposed budget for 2015-2016, including assessing the reasonableness of revenue level assumptions, and examining the level of expenditures planned for the upcoming school year across all operating fund program areas. Additionally this year, the committee was tasked with providing budget recommendations under two distinct funding levels.

This report will present some specific recommendations with regard to the 2015-2016 administration's proposed budget. Development of these recommendations occurred over the course of five meetings – three to conduct the review, and two to develop the final recommendations.

### **Revenue Assumptions**

Revenue assumptions comprise an essential component of CBRC review. District administration makes an educated estimate each year as to how much revenue will materialize for next year's operations. Anticipated program expenditures are then matched against the level of projected revenues in order to present a balanced budget.

At this stage of the budget development process, due to the timing of local assembly and state legislative appropriation actions, the true revenue picture is never 100% certain – and the range of possible revenue scenarios can fluctuate by millions of dollars.

The administration's projected operating fund revenues initially indicated a decrease of about \$2.6m for 2015-16. This was based on a base student allocation (BSA) of \$5880, a small decline in enrollment, reduction of \$1.2m in supplemental aid based on HB278, and a static mil rate from our Borough Assembly. It also includes \$1.9m in fund balance designation, which is almost double the 2014-15 use of fund balance.

The administration's 2015-16 proposed operating fund revenues anticipates no additional revenue from the state. It does, however, include \$3.4m in supplemental aid as per HB278 (a reduction of \$1.2m from 2014-15). Governor Walker's proposed budget eliminates the supplemental aid completely. If this comes to fruition, the district would experience the need to reduce an additional \$3.4m from the 2015-16 proposed budgeted expenditures. Administration pointed out that the \$847,000 local contribution increase based on assessed valuation offsets the loss in state funding due to increasing property values and does not really give the district any additional operating funds. Rather, it shifts the burden of this amount from the state to the local borough.

Projecting revenue with a high or low can create an unstable and questionable environment which will ultimately impact our students. The committee was concerned about making revenue recommendations that were both reasonable and defensible.

Sustaining educational programs is of serious concern, as is maintaining current class size targets. A maintenance level budget would require an additional approximately 7.5m - 11m in revenue estimates, depending on whether the state budget includes HB278's supplemental funding.

The CBRC recognizes the delicate balance administration needs to maintain between estimating revenues too high or too low. As noted above, the 2015-16 proposed budget anticipates almost \$2.6m less revenue than the prior year.

There is much uncertainty regarding the continuation of the 3.4m in supplemental aid, what is known as "one-time" energy funding. This supplemental funding has been provided for four years in a row and had become an integrated and necessary part of education funding. The committee recognizes the political uncertainty at the state level regarding continuation of supplemental aid. The committee believes the administration's presentation of revenue assumptions is reasonable and defensible.

#### **CBRC budgeted revenue suggestions:**

The Fairbanks North Star School District is facing its worst budget crisis since the late 1990's. Most years when our district is facing a significant deficit, other major districts around the state are in the same situation. Not so this year. Other major districts around the state are not facing the extreme budget shortfall that we are, whether due to increasing enrollments (Mat-Su) or significant fund balance (Anchorage). They are not facing the prospects of teacher cuts and increased class sizes. Anchorage School Board, in fact, has already passed a budget that includes additional teacher positions. Because Fairbanks is "going it alone" this year, there is a small chance that the State will feel enough political pressure to help alleviate our funding shortfall. It is incumbent upon us in Fairbanks to do what is necessary to help minimize the budgetary pressure on our community. Therefore, the committee believes the following recommendations are prudent and advisable.

#### ***District's Anticipation of 3.4m decrease in Supplemental Aid (Energy Funding)***

Based upon the state's budget crisis and the current political environment, and indications from Senate and House leadership, the committee feels that the supplemental funding as enacted in HB 278 will likely not materialize. The committee believes it is important to energize our community to ensure our legislators hear the call to "Keep the Promise" and forward fund education in accordance with HB278.

#### ***Request additional local contributions***

The administration's proposal anticipates the Borough Assembly will "hold the district harmless" and provide an offset for the \$847,000 reduction in state foundation revenue. This \$847,000 is deducted by the state due to increasing FNSB property assessment valuations. The total local contributions are approximately 78% of what is allowable under state law.

In addition, the committee recommends that a request be made to the Borough Assembly to waive the district's annual lapsing of funds. The committee is aware that an upcoming Ordinance No. 2015-14: An Ordinance Waiving FNSBC 3.02.060e Relating to the School District Annual Lapsing of funds to the School district Facilities Maintenance Reserve Fund for Fiscal Year 2014-15 Only, has been referred to the Borough Assembly Finance Committee and will advance to public hearing on March 26, 2015. It is imperative we support this Ordinance. If passed, this will provide an additional \$800,000 to the proposed budget.

The committee recommends that district administration continue to work with the Borough to amend code language that permanently addresses the lapse of school district funds. We are hopeful that a compromise can be reached that meets every one's needs. While the committee appreciates the Borough Assembly's commitment to maintain school facilities, current language can reduce critical operational dollars in the classroom and does not take into account unique situations regarding categorical funding and foundation funding offsets. The committee believes that current language discourages prudent saving of year end funds and the re-allocation of those funds in support of classrooms in the next budget year.

Lastly, in this time of decreased education spending due to the state budget crisis, the committee believes this community will support an increase in the mill rate to ensure our students continue to receive the funding necessary for high quality education from motivated, skilled, supportive teachers, administrators, and support staff.

**CBRC Proposed Budget Changes Regardless of Funding:**

The CBRC strongly supports the ongoing efforts of the Board and administration to keep class sizes at their current levels as this impacts the majority of students and lends to greater achievement. Long discussions were had on how to maintain current class sizes.

Referring to the *Superintendent Amendment plus Full Cut of Supplemental Aid in Fy15-16 Proposed Budget (~11m)*: The currently amended budget proposed by the administration is a budget that balances the full ~11m in cuts by proposing a variety of cuts to materials, programs, and personnel. The administration proposes increasing the PTR in the different grade levels by:

K:	+0.5
Gr 1-3:	+1.0
Gr 4-6:	+1.0
Gr 7-8:	+1.5
Gr 9-12:	+2.0

1. The CBRC is recommending additional program and personnel cuts worth 12.4 FTE teacher positions in an attempt to reduce the PTR increases to:

K:	+0.0
Gr 1-3:	+0.0
Gr 4-6:	+0.5
Gr 7-8:	+1.0
Gr 9-12:	+1.0

To do so, the committee recommends the following:

- Freeze Staff Travel at current funding level - ~1FTE \$103,600
- Increase supply cuts from 5% to 15% ~1FTE \$125,901
- Cut an additional 6 elementary counselors ~6 FTE \$668,100
- Cut 4 elementary secretary positions ~2 FTE \$218,690
- Restructure the Special Education Department to provide one full-time ELP teacher to each elementary school. The ELP is part of the Special Education Department and has not had an increase in years.
- Cut \$260,000 from HR Department Proposed Budget ~2 FTE \$260,000
- Eliminate Department Head stipend ~2 FTE \$240,000

In relation to the above, bring back the Department Head prep period with a focus on Department Curriculum Specialist. This could then be paid with the grant that currently pays the curriculum content coaches. Since this is not in the Operating Budget, the money savings from the stipend will create ~2 FTE which goes back into the school teacher allocation. The committee feels that, although it would take effort to restructure the current system, the benefit of having the content area curriculum specialist in the building is worth the effort. The Department Curriculum Specialist would be working directly with members of their specific department on a daily basis and directly influencing what and how the specific curriculum is being taught. As it currently stands, there is only sporadic contact with the content coaches. The committee feels this new model would not only retain teachers but improve overall curriculum implementation.

2. Other considerations:

- Assign each Assistant Principal in High Schools and Middle Schools 1 class (of their choice) to teach (if highly qualified). This creates ~2.8 FTE. The committee feels this has numerous benefits. It will keep them connected to the teaching side of education and benefit them with the new teacher evaluations. It will reduce the number of days out of the buildings for them because they would have classroom responsibilities, and it will allow some additional electives to be put into the secondary schools.
- Consider implementing Pay for Play (with exceptions).
- Discuss increasing cost of school lunches to potentially offset Nutrition Services subsidy.



**CBRC Prioritized “add-backs” in the event of increased funding:**

The CBRC discussed “add-backs” in the event of increased funding. This could include the HB278 Supplemental Aid and / or \$800,000 in additional funding if the Borough were to waive the lapse fund this year. The following is the committee’s recommendations, in priority order, should additional funding become available.

- Nurses (3 FTE). The committee feels nurses are essential to ensure the health and safety of our children. The committee notes too many instances where children have experienced medical emergencies at school, and but for the nurse available to assess the student’s needs and provide the correct care, could have resulted in serious issues.
- Activities Coordinators. The committee recommends reinstating the activities coordinators positions. Student activities are vital to the educational experience we provide to the students in our district. The committee feels that Assistant Principals would not be able to effectively manage our extra-curricular activities, especially in light of the implementation of new student assessments and teacher evaluations.
- OPTIONS Program. The committee recommends reinstating this program if funding available. Our mission is to provide an excellent and equitable education in a safe, supportive environment so ALL of our students can become productive members of a diverse and changing society. The committee feels that by eliminating this program, we risk losing this segment of our student population, thereby affecting not just one generation of students, but potentially two generations. However, the committee also realized this program will not support itself. Therefore, the committee recommends the administration consider restructuring this program, possibly partnering with UAF, using interns for child-care providers, and considering fee based child care for available positions.
- Class Size. The committee recommends reinstating class size targets in Grades K-12 at the current level.
- Technology. The committee recommends restoration of VOIP, Chromebook Carts for on-line assessment, and ITT positions not otherwise restored. Technology is an integral part of the District’s strategic planning process; its importance in our society cannot be overstated.
- Intervention Aides. The committee recommends restoration of these positions.
- Sr. Accountant (Payroll). The committee understands the need for an additional payroll specialist in the Accounting Department. However, the committee believes this position does not require a Senior Accountant, but rather can be accomplished by hiring a Payroll Specialist at a lower level.

**Additional Comments to the School Board:**

The CBRC held many conversations that we felt were important to the overall operations of our district. Although, as a committee we believe the administration has done a good job at utilizing staff, programs and funds, we believe that continual evaluations of each program or department are crucial to the student and financial success of our district.

The committee strongly agrees that class size is the priority; however, due to the significant deficit facing the district, the committee understands that keeping class size PTR at its current level may not be an option. Therefore, the committee encourages the administration and Board to protect the PTR in grades K-3, if nowhere else, as these grade levels are where our children receive the foundation of education that will carry them throughout their lives.

The committee understands that funding for district-wide teacher computer refresh and subject textbooks have only been postponed one year. The administration will need to address these issues next year. It is important that our teachers, staff, and students have current materials and resources necessary to ensure student success, and best prepare our students to be competitive in the workplace, in applying for colleges, scholarships, and other career and educational opportunities.

The committee supports the administration's recommendation to add a BEST director/principal. Revitalizing this program and ensuring it is competitive with the two other major homeschool programs in Fairbanks has the potential to significantly increase revenue. There are at least 1000 children homeschooled in Fairbanks that are attending other homeschool programs, creating revenue for those districts. The committee believes a revitalized BEST homeschool program has the potential to attract more students to our program, either in Fairbanks or statewide, thereby creating additional revenue for our district. The committee recommends the administration set a goal of recruiting 250 new students to BEST in the coming year.

The committee understands that additional areas may not be addressed prior to this budget cycle but would like to encourage additional evaluations be made before the next budget cycle. An additional area of evaluation should include 4 day or 4 ½ day school days.

**Closing comments:**

The CBRC received comment regarding various areas of proposed cuts, areas for improvement and concerns from citizens. All committee members were provided these comments and additional discussions took place because of the feedback from our community.

The CBRC operates on an on-going basis. We will continue to perform a thorough review of district efforts to achieve student success as well as management and operational efficiencies. Our goal is to provide more specific recommendations for the Board's consideration during future budget cycles and validate the effective use of taxpayer resources needed to maintain the high level of service and dedication to our students. With the upcoming strategic 5-year plan, the committee is eager to assist the administration and board in laying the framework for this longer term plan that will lessen the burden/impact as we move forward.

## 2015-16 Citizens' Budget Review Committee Report

The CBRC is hopeful that, with community support and advocacy, the supplemental aid will be restored within the state budget and the lapse ordinance will prevail, thereby increasing our current budget, and allow the above recommendations to be evaluated and implemented by the Board as the budget is finalized.

The CBRC would like to thank the administration and staff for their support and assistance throughout our budget discussions. The committee also thanks the many members of our community who provided public testimony and critical information to us for our consideration during this process.

Thank you for your time in reading this committee report. We hope you will find the recommendations useful.

Respectfully Submitted,

For the members of the 2015-2016 Citizens' Budget Review Committee