

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

Thursday, February 11, 2016 ~ 5:30 – 7:30 PM Administrative Center – Room 426

AGENDA

I. Call to Order

II. Roll Call

Board Committee Member

Allyson Lambert (Chair)

Heidi Haas (Board Member)

Citizen Committee Members (appointed by Board Member):

Joe Hayes (Dominique)

Chris Dean (Gentry)

Becky Williams (Hull)

Vacant (Rice)

Tammy Dauma (Col. Sean Williams)

Charlotte Larue (O'Brien)

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 February 11, 2016 agenda

IV. Approval of minutes from the February 4, 2016 meeting

V. AGENDA

✚ Curriculum – RTI and the Reading Program.

✚ Committee discussion - develop FY 16-17 Proposed Budget recommendations in case of projected revenue shortfall.

VI. Comments

VII. Adjourn

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
BOARD OF EDUCATION
Citizens' Budget Review Committee - Meeting Minutes
Administrative Center – Room 426
520 Fifth Avenue, Fairbanks, Alaska
February 4, 2016**

I. Call to Order – 5:45 PM

School Board Member Chairperson Allyson Lambert called the meeting to order a 5:45 PM.

II. Roll Call

Board Committee Members Present:

Allyson Lambert (Chair)

Board Committee Members Absent:

Heidi Haas (Board Member)

Citizen Committee Members Present:

Chris Dean (Gentry)

Becky Williams (Hull)

Tammy Dauma (Col. Sean Williams)

Charlotte Larue (O'Brien)

Dawson Mann (Regional Student Council Member) Lathrop

Citizen Committee Members Absent:

Joe Hayes (Dominique)

Noelle Hohnecker (Col. Richard Cole)

Vacant (Rice)

Staff Present:

Dr. Karen Gaborik, Superintendent

Robin Mullins, Director, Business Svcs

Dan Schmidt, Assistant Superintendent

Rebecca Hurbi, Communications Coordinator

Lisa Pearce, Chief Financial Officer

Sandra Kowalski, Ass't Sup't

Sharice Walker, Dir Comm.& Public Rel.

III. Adoption of the February 4, 2016 Agenda

Chris Dean moved to adopt the agenda, Dawson Mann, second. Motion carried unanimously.

IV. Approval of the minutes from the November 12, 2015 meeting

Becky Williams moved to adopt the minutes, Tammy Dauma second. Motion carried unanimously.

V. AGENDA

New Business: Review of the 2016-17 Proposed Budget.

Lisa Pearce introduced the FY 16-17 Proposed Budget power point presentation. This was the same power point the School Board reviewed during their budget work session on Monday, February 1, 2016. The proposed budget presents the same state foundation revenue assumption as presented by the Governor, which includes a \$50 increase in the BSA.

Q – will the \$50 increase apply to all student categories in the foundation formula?

A – effectively yes. The increase is to the Base Student Allocation, and the formula adjusts for student counts in various instructional categories.

A new section in the FY 16-17 Proposed Budget called “District Vision” was described. The section provides additional information about various department operations and critical tasks. It supplements the bullet points found in the program and department budget allocation pages.

Enrollment projection methodology was described. Enrollment projections encompass 10 years of trend data, along with the current year's enrollment cohort survival rates. Projected enrollment is always an educated guess. Historically, projected enrollment has come in to very close to the

actual enrollments. Projected enrollment drives a majority of budget allocation decisions

Student enrollment projections for FY 16-17 equal 13,821, up about 160 students above the FY 15-16 projected enrollment. The adjusted ADM is just over 26,000 students, due to the state foundation formula computations.

An issue impacting the FY 16-17 Proposed Budget is transportation. An additional \$1.5 million is earmarked in support of maintaining the current level of transportation services.

Q – is there a mandated level of service for Transportation?

A – not really. Transportation is not mandated. Districts that choose to provide it can do it themselves, contract it out, or pay parents to transport their own students. State guidelines for transportation exist, but no mandates. Transportation could be scaled back. For example, instead of the current 1.5 mile “walk zone”, the district could adopt a different “walk zone” standard. If standards were to be changed, it would be important to maintain consistency.

Q – will the increased costs mean we’ll be able to get bus drivers? (Late bus issue.)

A - unknown. We hope it will help recruiting, but the driver day (with a big break in the middle) makes it hard to recruit drivers. Bus drivers are paid at no less than 2 X minimum wage. Starting driver hourly rate is currently \$14.00, it tops out at ~\$21. Minimum wage is increasing to \$10.75, so that is certainly part of the increased costs.. First Student is still having trouble recruiting, even though there’s a \$2,000 dollar signing bonus for new drivers.

Q – Will there be any more supplemental \$\$ coming for transportation?

A – uncertain. FY 15-16, the current year, was the last year scheduled to receive any supplemental transportation money. We’ll be asking for extra help, but no way to know if we’ll get it. Some districts receive \$68 per student, some districts receive \$2,000 per student. Fairbanks receives \$902 per student. (Actual students, not adjusted students, less Correspondence program students.) Transportation budget allocations across the state are all over the board. Supplemental assistance may be a good way to get additional support without increasing the BSA.

Additional discussion over projected revenues related to Impact aid.

Q – is impact aid directed specifically for the use of on-base students?

A- No. Impact Aid is more like a payment in lieu of taxes – as the FNSB has no assessed valuation for the land on which there are military bases. Impact Aid revenue is goes into the general operating fund as is available for general operating fund expenses.

Q - E-rate, what is it?

A - A quasi-governmental program, with oversight by the FCC, and USAC – the entity the FCC created to run the program. School districts file to obtain reimbursement for eligible telecommunications and broadband costs.

The committee next reviewed the expense side of the FY 16-17 Proposed Budget. Expense budgets are up approximately \$4.6 million. Additional teachers, for increased enrollments accounts for \$1.12M of the increase. Another \$2M increase is due to an estimated 2% increase in expected health benefit costs. The other \$1.5 M expense increase is for the transportation subsidy.

Q & A re: page 83 – student activity expenses. Discussion centered around the various funds and functions where student activities are budgeted. Pages 83, 84 and 85 represent operating fund budgets. The operating fund allocates ~ \$2.3 M for activities across the district – for coaching contracts, ASAA dues, etc. There is also a separate fund for student activities (page 74) with \$2.6 M in club funds. This is a proprietary/agency fund, (where the district is the custodian for funds

students raise for activities, but is not subject to allocation by the FNSBSD towards annual operating expenses). Parent booster club funds, (which don't appear anywhere in the districts' budget) are the funds used for sports travel. Parents are responsible for all costs of their own student's sports travel.

Q & A Re: Travel. Student travel and staff travel appear throughout the budget in various function categories (e.g. instruction, student activity, etc.) as required by the state for the operating fund. Student travel found under the instructional function would be considered an extension of classroom learning, for instance, to Creamers Field, or to the museum. Student travel found under the student activity function is slated for travel that is not directly related to the classroom instructional program – for example, for cross country skiing up to Birch Hill.

Student activity funds are allocated to the buildings according to student enrollment. Building principals and staff decide how to spend their student activity allocation across various expense categories which include not only student travel, but also all activity supplies and equipment. It is up to the principal's discretion. Most of the student travel is at the high school level, where the principals and activity directors have to allocate and organize it according to their sports and activity programs. They may be able to supplement some student activity travel, but equipment and uniforms are usually a higher priority with the limited allocations they receive.

Parent booster clubs have to pick up most of the student sports activity travel expense. Becky advised student travel for sports is strictly paid by the parents – the district doesn't cover any student travel for sports programs.

Total travel in the FY16-17 Proposed Operating Fund budget includes \$213,000 for staff travel, and approximately \$400,000 budgeted for student travel.

Q – has the district cut back on professional development travel?

A – Yes we have, over the years. Special grant funding also provides some travel budgets that are specifically targeted for professional development.

Back to the overall budget picture:

- Projected FY 16-17 enrollment = 13,821, up 161 from the FY15-16 projected enrollment.
- The FY 16-17 Proposed Budget anticipates a static level of Local Contribution from the FNSB Assembly.
- State funding is set at the same level proposed by the governor, which includes an increase of \$50 to the Base Student Allocation (BSA)
- The budget contains a slight increase in impact aid due to an increase in identified students.
- There is a slight change to Fund Balance in the budget
- There are no salary adjustments contained in the budget, negotiations with all three bargaining groups are slated to occur this year
- There is a 2% increase budgeted for health insurance costs due to inflationary trend

Much remains unknown. Particularly problematic is what revenue level will materialize.

Karen walked the committee through the highlights of the FY 16-17 proposed budget, and described how the changes in this year's proposal tie to the district's strategic plan.

The committee received the February 1, 2016 School Board budget work session handout, and discussed the changes in: Facilities Management, Human Resources, the RTI program, the SMART program, Personalized Learning, the E-Learning labs (for credit recovery as well as enrichment

opportunities), chromebook carts, Golden Heart Academy, Crisis Prevention & Intervention (CPI) training, technology, (including teacher laptop replacement; \$500K for the 1st year of a 4 year lease), Network Services, and a shift in the ITT (instructional technology teachers) model. Three ITT teachers remain, along with 6 support staff positions to provide tech support to the schools.

Q & A about the RTI delivery model (will hopefully reduce the number of pull outs) and pull out programs (like ANE) were discussed. Students are not pulled out of “core” classes, but it is a very site specific decision as to how supplemental services are provided.

The RTI program is in the process of transitioning into a model where interventions will be provided by the classroom teachers. Again, it will be very site specific how this will happen, but some of this has already been put into place across the elementary schools. School choices for intervention services must be research based, and allow the teachers to make the decisions for the students in their classrooms.

Q - E-learning - is e-learning going to be like a study hall?

A - No. Each school will provide space for 5 periods a day, or else they will create space in their schedules for students to be able to take classes that are not offered at their schools.

The committee expressed appreciation for the changes and efforts put forth by Facilities Management to reduce overtime and temporary/substitutes costs. The 4 custodial positions have already been added in the current year and have already resulted in thousands of dollars in savings - in just the first 2 pay periods since inception.

Concerns arose about the Proposed Budget addition of an additional staff member to the Human Resources Department. There was interest in seeing if there could be some restructuring to reduce HR staff.

FY 16-17 organizational chart restructuring was highlighted for the committee.

Q - why doesn't the Proposed Budget include a decrease to class size in grades K-3?

A - one major issue with the Proposed Budget is the revenue projection. Nothing is proposed to reduce class size at this point, because the revenue picture is too uncertain.

The committee expressed appreciation for the shift that is happening with the strategic plan. The changes and the increases in alternative education options and choices are good to see.

Q - what is happening with the Extended Learning Program (ELP)?

A – the committee could ask Kathie Wassman to come in and talk about that.

The committee reviewed the handout with the changes suggested at the Elementary, Middle and High school level meetings from the fall, along with their own suggestions to the Superintendent last fall. Discussion highlighted the discrepancies between the two handouts. Priorities and recommendations differ in certain aspects.

One of the Superintendent's goals is to maintain the Options program next year. It needs to be maintained until it can be reestablished; doesn't want to lose it. It's going to take a lot of work and more than just getting it through the next Fiscal Year to get it reestablished though. A comment was offered regarding the teen options program. Could it be modeled into an e-learning site and become successful, as well as give some independence to young mothers?

The process to obtain principal and staff input to help inform the FY 16-17 budget decisions was

explained. Items that made the list had to receive at least two votes. All of the information was used to develop the FY 16-17 proposed budget – but not all of the initiatives are going to be seen in the coming year’s budget.

Specific example - the nursing program – even though the newspaper made it sound like nurses were going to be cut, they’re not. Shifting to a new dynamic will take considerable time, and it needs to be done right.

Use of Paramedics was suggested for consideration. Paramedics can dispense medications and are trained in recognizing trauma. Plus, UAF has a paramedic program with local graduates that could be employed. Some schools in the lower 48 are using the paramedic model for nursing services in the schools.

Q – Nurses show up as a top priority for all levels – elementary, middle and high school, so what’s driving the change in the program?

A - Being able to provide a level of health service that makes sense at a school. Not sure an RN degree is required to successfully accomplish. The district is not anticipating any huge savings for the switch – and is having a very hard time filling RN positions. School district pay is not competitive. One member mentioned the hospital is having a hard time filling RN positions too, and the SD doesn’t come close to hospital pay offered. The market for RNs, especially in AK is very competitive.

Q- re: discipline in the HS and the need to maintain activity director positions. Could the activity directors be repurposed to also help the AD’s with some of the lower level discipline needs? Maybe this will be a way to help keep them?

Review completed - committee held discussion on next steps.

The School Board is looking for committee guidance.

What changes would the committee recommend if the FNSBSD doesn’t get the \$50 BSA increase? If the \$50 BSA increase is removed, we will need to reduce the budget by a million dollars.

Q – What would a 1% or 2% contract decrease across the board generate?

A - Lisa will provide at next meeting.

Additional discussion on projected revenues:

A 10% cut to the 5880 BSA level will mean a \$16.3 Million dollar budget reduction.

A 10% cut to the 5830 BSA level will mean a \$15.2 Million cut to the FY 16-17 proposed budget.

The committee discussed how to approach. The committee agreed they liked how it was done last year. Coming up with a list of what could be cut if revenues don’t materialize definitely helps inform the community and helps to galvanize subsequent actions.

Community meetings will be held starting at North Pole Middle on February 23rd.

The Fairbanks Council of PTAs is holding a meeting next Saturday – February 13th – at Ryan at 10:00 AM. The Chief Financial Officer will make a presentation with time for Q & A.

Q – how can the committee know what is essential in the proposed budget – as opposed to what might be more of a “wish list”?

A – everything in the FY 16-17 Proposed Budget is essential. Budget cuts made over the past several years have brought us to the point where we now have to decide what we are willing to do without if requested funding is not forthcoming.

Q – is an unintended consequence of having larger class sizes creating more health issues?

A - there's likely much more to the health issues than just class sizes, but impending budget reductions certainly causes stress. The stressors have been in place for years. There will be an HR – School Board work session later this month, and this will be part of the discussion.

Q – having seen the budget priority input from Elementary, Middle and High schools – where is the district office staff input?

A – Department input is already reflected in the FY 16-17 Proposed Budget.

Q - What about charter school input?

A- input was requested, but none was received. Charter schools do not follow the same budgeting process as the non-charter schools, they can do pretty much whatever they want with the funds generated by their student enrollment.

Discussion around the K-8 model, charter schools and the reading program ensued. One member suggested (because of what happened at Tanana, where kids came home saying the district is going to close Tanana and fire all the teachers) that the superintendent consider sending a letter to Tanana parents who may have the wrong impression. Parents need to know what to expect. Would charter school expansion be a good idea? The Borealis Sun is in the process of organizing a new charter school but the concept first needs to come before the School Board. Regarding the reading program and changes to RTI –the committee requested information about what is happening in the district to help low-performing students learn to read.

Next meeting – CBRC will assume these aren't going to be the revenue numbers – and will decide what recommendations they will make regarding what the district should strive to retain, versus what the district may have to reduce at various revenue levels.

Q - should the committee recommend a different timing for FNSB and legislative code that might help the district survive the annual budget roller coaster ride?

A – there is no prohibition on what kinds of recommendations the committee can make.

It would be logical for the district's budgeting cycle to coincide with the adjournment of the legislative cycle.

Review of the new district budget webpage ~ presented by Director of Community and Public Relations, Sharice Walker (Note: The committee didn't reach this agenda item.)

Requests for information, and questions to answer for the next meeting:

- Provide the FY 16-17 Proposed Budget power point slides.
- Provide the average class size report.
- What would a 1% or 2% contract decrease across the board generate in savings?

Topics for the next/upcoming meetings:

- Curriculum – invite for 15 minute presentation on RTI and the Reading Program.
- Committee discussion - develop FY 16-17 Proposed Budget recommendations in case of projected revenue shortfall.
- Extended Learning Program

VII. Adjourn:

M/S/A motion (Becky Williams and Dawson Mann) to adjourn at 7:40 PM.

Minutes respectfully submitted by Robin Mullins

Note: Chris Dean advised he will be absent next Tuesday, will call in if he can.