

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

Work Session

MINUTES

December 1, 2008

President Hajdukovich called the work session to order at 6:04 p.m. in the Board Room of the FNSBSD Administrative Center at 520 Fifth Avenue to discuss the parameters for the 2009-10 budget.

Present:

Leslie Hajdukovich, President
Sue Hull, Treasurer (by phone)
Patrick Lee, Clerk
Kristina Brophy, Member
Sean Rice, Member

Absent:

Wendy Dominique, Vice President
Howard Thies, Member
Michael Fitzgerald, Base Representative
Timothy A. Jones, Post Representative
Ken Sample, Student Representative

Staff Present:

Nancy Wagner, Superintendent
Wayne Gerke, Assistant Superintendent - Secondary
Mike Fisher, Chief Financial Officer
Ron Gherman, Executive Director of Library Media & Instructional Technology
Clarence Bolden, Executive Director of Human Resources
Jim Cobb, Executive Director of Technology & Information Services
Bill Bailey, Public Relations Director
Elizabeth Schaffhauser, Director of Employment & Educational Opportunity
Gayle Pierce, Director of Labor Relations
Traci Gateway, Director of Grants and Special Projects
Louise Anderl, Director of Federal Programs
Sharon Tuttle, Executive Assistant to the School Board

Budget Parameters

Mike Fisher, chief financial officer, gave a PowerPoint presentation recapping the district's FY2008-09 adopted budget and the budget considerations for FY2009-10.

The purpose of budget parameters:

- Try to get arms around what the revenue picture might look like...what should the administration plan on in the "initial budget"?
- What were some of the increasing costs of current on-going programs that the district needed to be aware of?
- What were some of the more important variables the Board had discretion over and needed to consider?
- What major programs or initiatives should the district think about adding, expanding, changing, or eliminating?
- Time for Board discussion and direction to administration for preparing the "administration's proposed budget" to the Board.

Budget Parameters (continued)

The Board discussed funding topics:

- Local revenue
 - ⇒ Borough’s “Status Quo” contribution
 - ⇒ How much of an increase was the State assuming local taxpayer would contribute
 - ⇒ Does the district ask for local funding above what was necessary just to cover the loss in State funding? If so, should it be tied to a specific program or initiative, or apply it to general operations?
- State revenue
 - ⇒ Enrollment
 - ⇒ Legislative funding initiatives
 - ⇒ Base allocation amount
 - ⇒ How much of an increase was the State assuming local taxpayers would contribute
 - ⇒ Impact aid
 - ⇒ Other state sources
- Federal revenue
 - ⇒ Federally connected students
 - ⇒ Federal impact aid

Operating Fund Revenue Summary

<u>SCHOOL OPERATING FUND</u>	<u>FY09 Budget</u>	<u>FY10 Scenario</u>	<u>Difference</u>
Local Revenue			
Borough Appropriation	\$44,222,700	\$45,492,190	\$1,269,490
Additional Above Status Quo			
Miscellaneous Local Sources	554,800	554,800	
E-Rate Program	250,000	250,000	
Total Local Revenue	45,027,500	46,296,990	1,269,490
State Revenue			
Regular Foundation	95,964,830	100,788,120	4,823,290
Quality Schools Initiative	362,410	362,410	
TRS/PERS On-behalf Payment	20,407,890	20,407,890	
Contract for On Base Schools	1,450,000	1,450,000	
Total State Revenue	118,185,130	123,008,420	4,823,290
Federal Revenue			
Title VIII, Impact Aid	7,661,080	7,661,080	
Medicaid	320,000		(320,000)
	7,981,080	7,661,080	(320,000)
Other Financing Sources			
Designated Fund Balance	5,525,200	3,225,200	(2,300,000)
TOTAL SCHOOL OPERATING FUND	\$176,718,910	\$180,191,690	\$3,472,780

Budget Parameters (continued)

Mr. Fisher and the Board discussed the Board’s Priorities and other considerations in regard to funding for 2009-2010:

Board Priorities

- ✓ Primary Performance Goals
- ✓ Board's Ongoing Commitments
- ✓ Board's 2008-10 Initiatives
 - Implement Secondary Review Recommendations
 - Implement Phase II Technology Blueprint
 - Prepare for Fall 2009 Bond Election
 - Develop Formative Assessment Plans – writing skills

Legislative Priorities

- ✓ Technology
- ✓ Dropout Prevention/Graduation Success
- ✓ Career Technical Education
- ✓ State General Obligation (G.O.) Bond

Other Considerations

- ✓ Projected enrollments
- ✓ Class sizes (full kindergarten, prep/planning time)
- ✓ Charter Schools
 - Watershed Charter School – enrollments
 - Effie Kokrine Charter School – initial budget
- ✓ Special education support
- ✓ Boys & Girls Home (RPTC)
- ✓ School supply funding
- ✓ School activities funding
- ✓ Community wide activities task force
- ✓ Utility costs
- ✓ School resource officers
- ✓ Enterprise-wide software replacement (financial)
- ✓ Nutrition services meal prices, central kitchen, subsidy
- ✓ Pupil transportation funding, contract, driver wages

Mr. Fisher reviewed the administration’s recommendations:

Local Revenue:		Budget responsibly, comparable to prior year, with adjustments for assessed values, and reasonable increases to help fund educational programs.
Federal Revenue:		Budget at current base level of funding.
State Revenue:		Budget based on the JLEFTF recommendations, and lobby for additional support of legislative priorities and funding on the Base Student Allocation (BSA).

Budget Parameters (continued)

The Board discussed the proposed budget and administrative recommendations, including the overall budget process, changes in the legislature regarding education support, lowering class sizes – especially in K-3rd, enrollments, capital improvement projects, borough funding and working with the borough for budget support, the Boys & Girls Home, activity fees, technology, career technical education, graduation success, and dropout prevention.

The Board also discussed different district programs and their projected funding needs for the future. The Board discussed the effectiveness of a dropout prevention specialist versus a classroom teacher in reducing the dropout rate. The Board discussed reviewing the dropout prevention program and evaluating its success and effectiveness to determine if some of those funds could be designated to other avenues of fighting dropout rates, such as lowering class sizes. It was noted that funding might be better spent to lower class sizes providing for more teacher connectedness and attention to students. Research had shown that contacts by teachers were more effective in combating dropout prevention.

The budget process was discussed. For the past two years, the Board had convened a citizen's budget advisory committee to review the budget and make suggestions and recommendations. The Board discussed doing something similar for the upcoming year or having a budget committee of the whole, along with a couple of community members. The Board felt having community members on the committee ensured community oversight of the budget and gave ownership of the budget to the community. It was suggested that adding one building principal from each level to the budget committee would be very helpful to the process, along with possible representatives from other groups like PTA's and students.

In previous years, administrative program directors had made individual presentations on their department's mission and budget. The Board discussed having department presentations during the upcoming budget process.

Mrs. Hajdukovich asked Board members to think about all the different budget process options. Board representatives to the budget committee were Sue Hull – chairperson and Patrick Lee – member, but all Board members were welcome to attend the committee meetings.

The Board thanked Mr. Fisher and his staff, Robin Mullins and Kathy Helmick, for their work and presentation.

Adjourned at 7:58 p.m.

Submitted by Sharon Tuttle, executive assistant to the Board.