

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

Work Session

MINUTES

March 2, 2015

Vice President Dominique called the work session to order at 7:05 p.m. in the board room of the FNSBSD Administrative Center at 520 Fifth Avenue. The work session was called for the administration's presentation of the 2015-16 Proposed Budget to the school board.

Vice President Dominique 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:

Wendy Dominique, Vice President
Allyson Lambert, Treasurer
Lisa Gentry, Clerk
Sue Hull, Member
Sean Rice, Member

Absent:

Heidi Haas, President
Michael O'Brien, Member

Staff Present:

Dr. Karen Gaborik, Superintendent of Schools
Lisa Pearce, Chief Financial Officer
Sandy Kowalski, Assistant Superintendent of Elementary Education
Shaun Kraska, Interim Assistant Superintendent of Secondary Education
Traci Gatewood, Executive Director of Human Resources
Kathie Wassmann, Executive Director of Special Education
Dave Norum, Executive Director of Facilities Maintenance
Janet Cobb, Executive Director of Technology
Peggy Carlson, Executive Director of Curriculum & Instruction
Johanna Carson, Director of Public Relations
Melanie Hadaway, Director of Alternative Instruction
Helen Clark, Director of Federal Programs
Katie Sanders, Director of Library Media Services
Mario Gatto, Principal on Special Assignment
Sharon Tuttle, Executive Assistant to the Board

Administration's Presentation of 2015-16 Proposed Budget [0:00:41]

Lisa Pearce, chief financial officer, presented the administration's 2015-2016 Proposed Budget. The proposed budget reflected the administration's best effort to present a spending plan that addressed the substantial budget challenges facing the district.

The district's proposed budget was based on an estimated \$243,936,213 in the Operating Fund. The proposed budget was based on status quo staffing and instructional costs, and a projected decrease in enrollment, leaving a projected shortfall of approximately \$7,584,861.

With the state's budget deficit of approximately \$3.6 billion, Governor Walker's proposed budget cut the supplemental funding for schools proposed last year through HB278. The district anticipated receiving approximately \$3,443,627 in supplemental funding. If Governor Walker's proposed cut to the supplemental funding stood, the district would face a total deficit of approximately \$11,028,488.

Revenue Outlook

The presentation focused on the district's Operating Fund. The Operating Fund funding sources were comprised of local, state, and federal revenues, in addition to the use of available fund balance.

Revenue source	2015-16	
	Proposed Budget	% of Budget
Local Revenue	\$ 51,820,770	21.2%
State revenues	176,879,717	72.5%
Federal revenues	13,324,300	5.5%
Use of fund balance	1,911,426	0.8%
Total Estimated 2015-16 Revenue	\$ 243,936,213	100.0%

Expenditure Outlook

The district faced increasing costs of approximately \$5,896,584 million in order to provide essentially the same level of services for students as provided in the current year. A maintenance level of services budget started with the previous year's budget with subsequent additions and reductions to staffing and other costs based on projected changes in enrollments, benefit costs, negotiated agreements, and other costs based on projected changes in enrollments, benefit costs, negotiated agreements, and other inflationary changes to existing or mandated programs. Approximately 87.6 percent of the district's operating budget was allocated toward personnel costs. Negotiated wage increases, and specifically, increasing health benefit costs made up a substantial portion of increasing costs.

Ms. Pearce pointed to three main unresolved issues facing the 2015-16 budget:

1. Legislative Outcomes
 - a. Governor's proposed budget cuts additional \$3.4M from FNSBSD state revenue
2. Local Contribution to be Determined
 - a. Borough commitment – would not come until April/May
 - b. Ketchikan ruling – motion for stay was denied on 2/27/15 (could change local contribution)
3. ESSA Negotiations

Proposed Reductions

Superintendent Dr. Karen Gaborik reviewed the administration's list of proposed reductions for 2015-16. Dr. Gaborik's initial proposed budget, based on the budget including the supplemental funding, eliminated 65.80 FTE in personnel changes and increased class sizes. Hearing the board's commitment to maintaining class size, Dr. Gaborik amended her original proposal to 50.4 FTE in personnel changes, leaving class size in K-3 unchanged. In anticipation of the district not receiving the supplemental funding, Dr. Gaborik presented a list of proposed cuts and reductions totaling \$11,089,291, with a loss of 73.6 FTE in personnel reductions. With the vast majority of the district's operating budget allocated toward personnel costs, a majority of the shortfall would have to be absorbed in personnel cuts.

Board Questions/Comments

Board member questions and discussions included the district's homeschool program – BEST, student assessments and testing, curriculum materials, technology/computer refresh cycle/needs, the restructuring of human resources, special education, the administrative center switchboard operator, the possibility of revising the senior accountant position to a payroll clerk, energy costs, a reduced workweek – both daily hours and/or shorter school/work week, combining programs/grade level programs, and the use of Zimbra versus Google.

Board Questions/Comments (continued)

Board members considered the pros and cons of the district's OPTIONS program. The program, although expensive, offered a valuable alternative option for some students. Suggestions were made about partnering with the university, capping the number of students participating, and looking for alternative daycare options to help defray some costs.

Board members and the administration discussed a number of different positions throughout the district, including school attendance secretaries, nurses, music teachers, art specialists, counselors, behavior intervention specialists, instructional technology teachers, RTI assistants, content coaches, activity coordinators, assistant principals, principals, temporary employees, and others.

The board's next work session on the budget was scheduled for Tuesday, March 10 at 6:00 p.m., when the Citizen Budget Review Committee would present its report and recommendations to the board.

The meeting adjourned at 8:28 p.m.

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