

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

Work Session

MINUTES

March 23, 2015

President Haas called the work session to order at 6:15 p.m. in the board room of the FNSBSD Administrative Center at 520 Fifth Avenue to discuss the district's 2015-2016 Proposed Budget.

President Haas 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:

Heidi Haas, President
Wendy Dominique, Vice President (By Phone)
Allyson Lambert, Treasurer
Lisa Gentry, Clerk
Sue Hull, Member
Michael O'Brien, Member
Sean Rice, Member

Absent:

None

Staff Present:

Dr. Karen Gaborik, Superintendent
Lisa Pearce, Chief Financial Officer
Shaun Kraska, Interim Assistant Superintendent of Secondary Education
Sandra Kowalski, Assistant Superintendent of Elementary Education
Kathie Wassmann, Executive Director of Special Education
Peggy Carlson, Executive Director of Curriculum & Instruction
Janet Cobb, Executive Director of Technology
Johanna Carson, Director of Public Relations
Melanie Hadaway, Director of Alternative Instruction & Accountability
Jennifer Glorioso, Director of Nursing
Heather Rauenhorst, Director of Grants & Special Projects
Elizabeth Schaffhauser, Director of Employment & Educational Opportunity
Daniel Domke, Director of Career Technical Education
Katherine Sanders, Director of Library Media
Mario Gatto, Principal on Special Assignment
Sandy Weaver, Budget Specialist
Sharon Tuttle, Executive Assistant to the Board

2015-2016 Proposed Budget

Superintendent Dr. Gaborik reviewed the four new documents provided to board members. Dr. Gaborik was asked by the school board to provide additional cuts to the Administrative Center. She reviewed the proposed reductions to the Administrative Center, a memo from the Fairbanks Principals' Association regarding proposed reductions, a memo outlining the communication coordinator's responsibilities, and a memo on what the new Intervention Prevention Aide position would look like.

Lisa Pearce, chief financial officer, provided an overview of where the board left off at its last work session on March 12. The board was faced with making approximately \$11 million in reductions for 2015-16. At its March 12 work session, the board proposed approximately \$8.7 million in reductions, leaving approximately \$2.3 million in reductions still needed to balance the budget.

2015-2016 Proposed Budget (continued)

Board members began their work by reviewing individual departments and programs. Discussion ensued on the district's homeschool program, BEST; the ramifications of reducing a position in the purchasing department; nutrition services and the possibility of increasing meal prices and reducing work days during parent-teacher conferences for nutrition services staff; special education reductions; charter school funding; ASAA state tournament funding; school safety resource officers; and reducing SAS contracts and student activities by an additional 10 percent.

Board members also revisited some of the previous reductions agreed upon during the March 12 work session including reductions affecting counselors, nurses, the Response to Intervention (RTI) program; instructional technology teachers, and the Teen Options program. After a lengthy discussion, the board reached consensus to reinstate a .5 nurse position at Nordale.

The board asked for additional information on realigning the drug and alcohol intervention aide with the in-school suspension position and the restructuring of the library media services department. Discussion continued regarding the schedule for districtwide art specialists as it related to kindergarten classes. There was also a lot of discussion around the school safety resource officers, funding for the positions, grant opportunities, and the important role the positions served within the district. After thoughtful consideration, the board maintained the elimination of the school resource officers, but added them to their list of reconsideration if the borough waived the lapse funds for the current year.

The board spent considerable time reviewing the additional proposed reductions to the Administrative Center, approximately, another \$1.5 million in cuts. Upon completion of discussions, the board reinstated a payroll clerk – having only two people to process payroll for a district the size of Fairbanks was almost unheard of. The district had incurred some fines and penalties over the past couple of years due to deadlines not being met. The board wanted to keep cuts as far away from the classroom as possible, but eliminating a payroll clerk position could put the district at risk.

The board also agreed to reinstate the communication coordinator position. A consistent concern the board heard was about a lack of communication. Cutting the communication coordinator was counterproductive to the district's goal of increasing communication.

The board debated the pros and cons of growing the BEST program and providing funding for a leadership position. It reached consensus to fund the leadership position. Growing the homeschool program would require a large investment and take some time, but it would never happen if the district did not take the first step. In light of the board's decision, the administration cautioned the board on the dedicated time and effort needed to grow the BEST program and not to expect results overnight. Dr. Gaborik wanted to be clear the program would not have the additional students needed by the upcoming fall for the program to break even. The BEST program currently experienced approximately \$400,000 a year shortfall. Ms. Pearce stated the program would need another 136 students to break even, and then another 189 students to pay for the leadership position.

After considering whether to ask the borough for additional funding and whether or not to include that additional ask in the proposed budget, the board agreed not to add any additional revenue to the proposed budget. It would be unrealistic to submit a budget based on funds not in hand. Not including it did not preclude the district from asking for additional funds, it meant the additional ask would not be built into the Recommended Budget. Board members could earmark certain programs and positions for reinstatement if additional funding was received.

A board member raised a previous suggestion from the March 12 work session about freezing employee salaries. The proposed budget had approximately \$3.9 million allotted for salary increases and step movements. Considering the cuts already made to the budget to the present point in the work session, if the board considered a salary freeze, it would bring the board to a surplus, allowing the board to reinstate some positions they had already proposed to be cut.

2015-2016 Proposed Budget (continued)

It was noted legislators had already been talking about freezing state employees' salaries and some board members had heard them suggest districts should consider freezing school district employees as well. Board members requested more information on freezing salaries before making a decision. The board was also seeking a legal opinion on the option of freezing salaries.

Several board members had heard legislators say the board needed to seek additional funding from the borough. Board members considered their ask to the borough assembly. There were many critical positions, such as nurses, the Teen Options program, school resource officers, and more that could be reinstated with additional funding. Ask considerations included a direct request for additional funding or an increase to the mil rate for education. The board agreed to provide a cover letter with the Recommended Budget regarding their ask for additional funding.

The board took a recess at 8:41 p.m. The board reconvened at 8:52 p.m.

Board discussions continued on curriculum materials and textbooks, making an additional reduction to staff travel, finding funds for indoor air quality monitoring, and funding for human resources. Discussion surrounding human resources included the many compliance issues facing the district and putting it at risk. It would take a long term commitment to bring the district into compliance. There were mandatory training requirements and no one in the district dedicated to training and tracking. Additional areas reviewed included background checks – which could not be sacrificed, as it could put the district and students at risk. There was board consensus to reduce staff travel by another \$100,000.

The board reviewed the district's energy costs and asked about savings that might be recognized if all computers were turned off each evening. The administration could not estimate how much, if any, the district would recognize in savings, without some extensive research and surveying of current practices. Schools and staff may already be turning off their devices each evening, so there may not be much to be saved. The administration would need to research current practices. The administration had already put a program in place that turned off student computers at 6:00 p.m. each day. After some continued discussion including the decrease in energy and utility costs, the board agreed that over the course of the year, the district could probably recognize some energy cost savings and added back \$125,000 in revenue.

Still needing additional reductions, the board revisited the Response to Intervention (RTI) program and behavior intervention specialists. The board reached consensus to reduce the number of behavior intervention aides from 19 to 8. If the district received the lapse funds, the board agreed they could consider reinstating all or some of the positions.

The borough assembly was scheduled to act on an ordinance waiving the lapse fund for the current year at their meeting on Thursday. The board discussed the possibility of adding the \$800,000 in lapse funding to the Recommended Budget. Ms. Pearce explained it would be difficult to include the correct amount; the lapse amount may not be the full \$800,000. She had done some preliminary calculations and it could be less. The board agreed not to include the lapse funding in the calculations. As stated previously, the board could reinstate positions if the borough approved the lapse fund waiver.

Board members considered several possible cost cutting measures, including reducing 12 month positions to 10 month. Dr. Gaborik stated anything was possible, although it was not ideal, as a lot of behind the scenes work happened over the summer when school was not in session, such as wrapping up the previous school year and preparing for the upcoming school year. Other ideas included reducing high school grade 5 secretaries at each high school and downgrading the pay grade of the communication coordinator or making it a 10 month position. The board reached consensus to reduce high school grade 5 secretaries by two positions, suggesting it could be a .5 at each school.

2015-2016 Proposed Budget (continued)

President Haas reviewed the process for the budget approval on Wednesday. She encouraged board members to contact Dr. Gaborik or Ms. Pearce if they had suggested amendments. Mrs. Pearce asked for the board's direction in presenting the amendments. It was determined to group all the proposed reductions into one amendment. If individual board members had additional amendments, they could offer them at the meeting. The one amendment would list all the individual reductions for the public record.

Board Comments

President Haas reminded board members of the regular meeting the next evening at 7:00 p.m. and the special meeting to approve the budget on Wednesday, starting at 5:30 p.m.

Board members all expressed heavy hearts at the reductions that were proposed, but there was a small victory in not having touched class size.

Board members encouraged everyone to contact their representatives and assembly members regarding funding.

The meeting adjourned at 10:23 p.m.

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