

1 impossible. Mr. Steele was suspect about the value of developing a five-year budget that was bound to be inaccurate.
2 Ms. Reed explained that the encouragement from EWAC is that both the legislature and the school district need to
3 work in concert toward this longer term fiscal plan.

4
5 Ms. Gray-Jackson commented that the Municipality of Anchorage is required by code to do a five or six year fiscal
6 trend report which is to be approved by the Assembly on an annual basis. As Chairman of the Assembly's Budget and
7 Finance Committee she assured those present that there will be a Fiscal Trend Report in conjunction with the 2010-
8 2011 Municipal Budget.

9
10 Mr. Steiner noted that EWAC had recommended that ASD continue to utilize citizen Budget Review Committees to
11 identify and prioritize potential cost saving measures. These committees have been convened on an every-other-year
12 cycle and Mr. Steiner wondered if the recommendation supports that schedule or if that would rather the district go
13 through the full-blown committee process annually. Ms. Reed indicated that the purpose of the recommendation was
14 to keep the citizenry involved and that can be accomplished through the current every-other-year schedule.

15
16 Ms. Comeau noted that legislation had recently been passed requiring the state to develop a ten-year fiscal plan. She
17 explained that the district can project out for a five-year budget but there is currently no sense that those projections
18 would be reasonable. Efforts that can be made in conjunction with the municipality and the state toward long-term
19 fiscal planning would be beneficial.

20
21 **6.b. ASD Proposed Budget for FY 2009-2010**

22
23 Ms. Comeau noted that an S-version of the budget had been shared with everyone. The district found out yesterday
24 that the calculations under the tax cap have changed for both population growth and new construction. She also
25 distributed an updated version of the Budget Basics document which provides an overview of the budget.

26
27 Mr. Coffey referenced the Measurable Achievement Goals on pages 2 & 3 of the Budget Basics document. In
28 response to his initial question it was reported that these have been in effect for at least five years. The goals remain
29 basically the same every year and the measurements are reported in the Profile of Performance each year. Mr. Coffey
30 indicated that he had a problem with the wording of the Measurable Achievement Goal #9 which states that, in a year-
31 to-year comparison, the district will increase the percent of non-white employees in the overall workforce. He
32 wondered whether the district is out of compliance with any civil rights acts or requirements. Ms. Comeau explained
33 that the Board has directed the district to becoming as diverse as possible with well qualified applicants. The goal is
34 simply an attempt to measure efforts to diversify the workforce to better meet the student population. Mr. Coffey felt
35 that the goal sounds like the district is hiring on the basis of race. He felt the same intent was better stated in another
36 section of the document which used the wording "...continuing to retain, recruit and train highly qualified staff with an
37 emphasis on improving staff diversity to better reflect our student body." Mr. Coffey felt that the wording in the
38 measurement tool excludes an entire ethnic group. Mr. Friedman explained that the goal does not say that the district
39 should not hire a white person. The goal directs the district to make efforts at recruitment that will increase the
40 diversity of the applicant pool. The measurement is not a directive of who to hire but simply a tool used to see if the
41 diversity of the district workforce is increasing. Mr. Coffey continued to believe that the goal, as stated, reflects a racist
42 criteria for hiring. Mr. Higgins noted that it would be illegal to hire on the basis of race. There is an assumption that
43 having a selection process that is free from bias, reaching out to the community effectively and hiring the most
44 qualified applicant will result in a diverse workforce. Mr. Friedman indicated that the board would be happy to hear
45 suggestions of how to rewrite a measurable goal to address diversity in the district's workforce.

46
47 Ms. Ossiander explained that she was looking at the ASD budget differently given the current economic situation. She
48 noted that the municipality was struggling with their financial situation and had already made some significant
49 reductions in municipal services. There is also a lot of angst related to taxes. Ms. Ossiander asked for input from the
50 district related to the shortfall, how it should be addressed and if there was anything specific in the budget that would
51 show that the district will be protecting their financial reserves. Ms. Comeau explained that the district built the budget
52 based on a number of assumptions. One of those assumptions is maintaining reserve of 8.25% to protect the bond
53 rating. From there the district looked at projected revenues and enrollment as well as assumed costs which resulted in
54 a deficit. The board was then approached with the possibility of using some of the unreserved fund balance for one-
55 time program expenditures. Mr. Friedman noted that the board has asked that an additional 3% be kept in reserve on
56 top of the 8.25% that is kept to support the bond rating. Ms. Stokesbary reported that the district anticipates that the
57 interest revenues budgeted in the current year will not be reached. However, the 8.25% needed for the bond rating
58 has been set aside as well as an additional 3% in undesignated fund balance for other emergencies. If the estimate
59 for loss of interest earnings is more than anticipated the undesignated fund balance would be available. Ms.
60 Stokesbary indicated that the district had budgeted \$3.8 million in interest earnings for the current year. It is now
61 believed that none of that money will be realized. In spite of this, the district anticipates that there will be enough
62 revenue from all sources to cover expenditures.

63
64 In response to a question from Ms. Johnston, Ms. Stokesbary explained that the district originally used 3.1% for the
65 CPI. In January the actual CPI figure of 4.6% came out and the district adjusted the budget accordingly. That figure
66 was used for both the original and the S-version of the budget. The district was notified this week that the five-year
67 average population was reduced from 1.1 to 0.9 so there was a loss. In addition the district was notified that new
68 construction had increased. The result of those two items together is a net increase of \$80,000.

69
70 Ms. Johnston asked about the percentage of district employees who are school-based educators. Ms. Comeau noted
71 that the AEA has about 3600 member which includes more than just classroom teachers. Ms. Johnston wondered
72 what was used to calculate the student to teacher ratio. It was noted that only the classroom teacher was used to
73 calculate that ratio. Ms. Comeau explained exactly how calculations are made to budget teaching staff to students and
74 how staffing decisions are made. There are many more support staff employees in the classrooms but they do not
75 figure into the student-to-teacher ratio. Ms. Comeau explained that the State Board of Education requires that 70% of
76 the general fund must go into Instruction. The ASD has about 77% of the designated fund categories go to Instruction.

1 Ms. Johnston noted that the public is looking for an honest accounting of the relative impact that the district has on
2 property taxes relative to the municipality.
3

4 Mr. Flynn asked how the possible Federal Stimulus Funds might impact the district's budget. Ms. Comeau explained
5 that the Title I Funds and the IDEA Funds are all under Local/State/Federal Grants and would not impact taxes. These
6 funds cannot be used to supplant local dollars. Ms. Comeau explained that the district has been pouring millions of
7 dollars of General Fund money into the required federal mandates for Special Education students in order to provide
8 the support that those students need and deserve. It is hoped that some of the IDEA funding will be able to cover
9 those costs during the two years that it is available. Mr. Flynn suggested that, should that become possible, the
10 general funds that are freed up might be used to boost the fund balance.
11

12 Ms. Ossiander clarified that the district budget that will be presented for approval will be asking for approximately \$13.4
13 million more of taxes than the current year. It is also anticipated that there will be about a \$4 million increase in state
14 funding. That is about a 7.5% increase in taxes for the General Fund. Ms. Ossiander requested some additional
15 clarification on the TRS/PERS funding. Ms. Stokesbary explained that the district will be receiving less revenue from
16 the state for TRS/PERS, but it will also be expending less. The budgetary impact of TRS/PERS is zero balanced
17 between revenues and expenditures.
18

19 Mr. Steiner explained that the amount on the budget for future years does not reflect that the district is asking for a
20 specific amount but rather that the amount reflects what is anticipated using the tax cap limitation adjustment factors.
21 The amount is based on an assumption that, if taxes are once again at the tax cap limit, it will yield the noted increase
22 in taxes. The district is asking for the full amount that is allowed under the tax cap.
23

24 Ms. Johnston asked how the district monitors enrollment. Ms. Comeau explained how enrollment is monitored
25 throughout the school year. The September 30th enrollment figure is used for budgetary development purposes. The
26 enrollment on the last Friday in October is the number used to calculate the state enrollment for the current budget
27 year and determines the actual current year revenue. Ms. Comeau reported that the district started this year
28 approximately 400 students over projection and that enrollment has continued to grow every month throughout the
29 year thus far.
30

31 Ms. Johnston voiced concern regarding the number of high school students who are dropped from classes because of
32 poor attendance. Ms. Comeau explained the myriad of efforts that are made to address the dropout rate and to try to
33 keep students coming to school every day. She identified a concern with the number of students from rural Alaska
34 moving in and out of the district as their personal circumstances change leaving large gaps in their school attendance.
35 Ms. Comeau warned against simply looking at the numbers. The vast majority of the increases in enrollment this year
36 are students with significant needs. Those students need more intensive services which cost more money.
37

38 Ms. Ossiander explained that her responsibilities as an Assembly member include setting the amount of taxes and to
39 setting the total upper limit of the budget. She indicated that she would do everything she could to give the board
40 utmost flexibility in the upper limit of the budget. The tax portion is more difficult, particularly this year when police
41 officers are being deferred and bus routes are being cut.
42

43 Ms. Ossiander asked whether the district had done any analysis of what impact the tax cap initiative would have on the
44 district. Ms. Stokesbary explained that the district was not impacted when the original change was made. Ms.
45 Ossiander reflected on the number of external forces in play relative to the tax cap and the impact it will have on the
46 municipality. Mr. Friedman indicated his belief that the budget should be made based on the facts as they are known
47 and deal with possible future impacts to the budget if and when they occur. Ms. Gray-Jackson agreed with Mr.
48 Friedman's suggested approach to the budget.
49

50 **6.c. Traffic Concerns**

51

52 Mr. Friedman explained that this issue came up after a concerned citizen testified at a recent school board meeting
53 about the need for flashing lights in front of East High School. As a result of that testimony the board wondered how
54 the district could work with the municipality to address traffic issues near schools throughout the district.
55

56 Mr. Kalmes, ASD Transportation Director, reported that he had met with Mr. Bob Kniefel, Municipal Traffic Engineer,
57 and Mr. Scott Thomas, from the Department of Transportation. He noted that they have identified inconsistencies
58 between school zones in various locations across town. They have taken a look at 20 mph zones adjacent to schools
59 where children cross. A spread sheet is being developed to show the impact that moving in that direction will have on
60 traffic flow. There are several schools where children are required to cross collector and arterial roads where there are
61 not 20 mph zones. Mr. Kalmes noted that district administration will be meeting to determine what their
62 recommendations will be and also to begin looking at timelines and funding issues related to those recommendations.
63

64 Ms. Ossiander brought up two challenges. The first challenge is the inability to plow walking routes. She reported that
65 they are using Parks and Recreation funds to plow walkways along hazardous routes in the Chugiak area. She
66 wondered whether alternative revenues could be identified through Transportation funding that could prioritize plowing
67 those walking routes. She also noted the loss of the bus routes in Chugiak and how the loss of the stop in front of the
68 high school will impact people who use public transportation to get their students to Birchwood ABC and Chugiak High
69 School. She noted that there will still be a bus at the Park and Ride but there could be some significant safety issues
70 with students walking from the high school to that bus stop.
71

72 Mr. Kalmes noted that the district has received a notice to proceed on a Safe Route to School Grant from DOT. One
73 of the largest elements of that grant is to do a walking route assessment of all district schools. While the assessment
74 won't get the plowing done it will identify areas where plowing is needed. That information is necessary before specific
75 plans can be made to address the issue.
76

1 Mr. Steele noted that transportation is a significant limiting factor to accessibility of alternative programs, afterschool
2 activities and other choices available throughout the district. If this community is going to be healthy, active and
3 accessible for everyone public transportation needs to be improved.

4
5 Ms. Johnston felt that this community should start looking at combining transportation resources. She suggested a
6 pilot program at the high school level at any one of several schools where the students would depend on private
7 transportation rather than district transportation. She pointed out that one of the benefits would be the opportunity to
8 change the high school's hours of operation. The pilot would develop a synergy where the district and municipality
9 would be working in partnership. She acknowledged that funding is an issue but believed that now is the right time to
10 explore this idea. Ms. Comeau reported that Fairfax County, Virginia just completed an extensive survey prior to trying
11 just such a pilot. They were met with public outcry and the realization that the public transportation simply could not
12 accommodate all of the students. She noted that the district is looking at the starting times for high schools and will be
13 starting a conversation with the community regarding that issue in the next few months. Ms. Johnston acknowledged
14 that buses would have to be added to the public transportation system but believed that the synergy of the municipality
15 and the district working together could prove beneficial to both.

16
17 **6.d. 1% for Art – Maintenance Issues**

18
19 Mr. Friedman explained that a discussion began quite some time ago about the need to determine if it was legally
20 permissible to reserve some of the bond money that comes with the 1% for Art for future maintenance. As far as he
21 was aware there had been no answers to that query. Ms. Ossiander believed that the issue had not been pursued by
22 the Assembly. She wondered whether it would require bond counsel or just municipal counsel. It was suggested that
23 municipal counsel would be able to determine whether bond counsel would need to be consulted. Ms. Ossiander
24 stated that she would put it on her to do list.

25
26 Mr. Friedman clarified that the district receives bond money one percent of which, per municipal ordinance, must go for
27 art in the schools. The district would like a legal opinion as to whether a portion of that one percent can be reserved
28 for future maintenance. Mr. Abbott felt quite confident that the answer to that will be no. He believed that the money
29 had to be expended for a capital purpose. Ms. Drummond noted that bonds include an operations and maintenance
30 component that raises the tax cap. It seemed to her that a small amount of that could be identified for the Percent for
31 Art programs. She suggested that a maintenance assessment should be done to identify any backlog of necessary
32 work. Ms. Comeau indicated that Ms. Jocelyn Young would have that information. Ms. Ossiander believed that the
33 simplest solution may be to include language in the bond to address maintenance the next time a bond is written and
34 presented to bond counsel and see what happens.

35
36 In response to a question from Ms. Mackie it was noted that the district does not currently spend any money on
37 maintenance of the 1% for Art projects. Mr. Abbott noted that there is some money set aside for general facility
38 maintenance, including public art, through the facility maintenance program. Ms. Comeau further explained that the
39 district does not own the art and has no authority over the art. The art is a municipal asset and the only thing that the
40 district can do is monitor the art and report to Ms. Young when the need for repair is identified.

41
42 **7. COMMENTS**

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44 Ms. Johnston noted that she understood that the School Resource Officers can act as Truancy Officers. She was pleased
45 to hear that they were able to serve in that capacity. Ms. Comeau explained that the SROs are frequently working on
46 truancy issues. However, some schools do keep their SRO so busy at the school that they do not have as much time to
47 spend on truancy issues. Ms. Comeau reported that the board is actively supporting increasing the compulsory education
48 age.

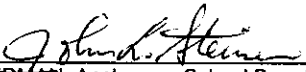
49
50 Mr. Roberts noted that this would be his last Joint Meeting with the Assembly. He thanked Assembly members for their
51 support of the district's bonds and budget over the last six years. He also wished them much energy and success as they
52 lead this wonderful city through very trying times. He stated that it had been a pleasure working with them and was
53 grateful for having had that opportunity. Several Assembly members thanked Mr. Roberts for his service and wished him
54 much success in his future endeavors.

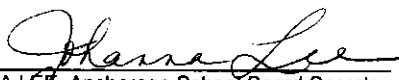
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56 **8. SCHEDULING OF UPCOMING JOINT MEETING(S)**

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58 The next joint meeting of the Assembly and the Anchorage School Board will be held in June. The exact time and date
59 has yet to be determined.

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61 **9. ADJOURNMENT** President Friedman adjourned the meeting at 1:57 p.m.

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68 HARRIET DRUMMOND, Acting Assembly Chair

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74 JEFF FRIEDMAN, Anchorage School Board President

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80 JOHANNA LEE, Anchorage School Board Secretary
81 Date Minutes Approved: June 5, 2009.

82 TS/ijl