

Shirley Nelson – BAC Chair

April 8, 2015 Minutes

Meeting Commenced at 12:00p.m.

-Agenda approved

-Mark Foster (ASD CFO):

Discussed potential program and staff reductions in FY 2015-2016. ASD added \$17M that the BAC recommended to save. Now, according to the ASD, 2015-16 reductions equal 29.4M. (24m State/Fed, 5.4m Local) Discussed bonds and the possibility of receiving zero funding from the state. The senate finance is still discussing this issue. These reductions could result in a net loss of 50-100 personnel. ASD has 60 more teachers this year and next compared to the end of last year. Some high schools within the 1600-2000 student range have 4-5 vice principals. (this number is comparable to similar regions) There are 60 elementary schools with 3 assistant principals. An option is healthcare cost sharing among personnel. (cost sharing like this is more typical among non-direct classroom teachers) This could result in more funds to hire more teachers.

- Kate Giard (operating budget):

Planning and Zoning would like to get a head start on the 6 year fiscal plan and they would like to get a few Budget Advisory Commissioners involved in the plan. Will be meeting with Mark Foster regarding the timing of sending out tax bills. Also discussed the option of consolidating ASD and muni departments. Typically models show that muni would take over most dept's. This would require approval of the School Board. Discussed drafting a letter of recommendation of this consolidation from the BAC to the school board, Anchorage Assembly, and the Mayor. The tax exemption Resolution to the Assembly Budget/Finance Committee is going to get tabled. IBEW (union) owns 33 million in real estate and they qualify for non-profit. The policies are out of date and need tweaking. We also discussed the importance of protecting the tax-exempt status of actual non-profits that qualify. We need to pay more attention to what happens with excess bond money.

Moved to extend meeting to 1:15pm- Approved.

-Brad Keithley/Joe Riggs (Alaska Fiscal Challenges):

The sustainable budget idea says that Alaska has oil income as well as investment income and that we may need to consider utilizing PFD earnings (not the dividends) as a revenue source to balance the state budget. We must reduce the operating budget. The capital budget is already at minimal levels. The BIG 3 cost drivers that need to be looked at for reducing the state operating budget is: K-12, Medicaid, University. ISER studies have found that redirecting the PFD to the State would likely result in an increase in capital projects, where much of the money would leave state for material purchases and such. This would have a negative impact on the private economy. Discussed the importance of Medicaid reform, especially prior to Medicaid expansion. Briefly discussed the Commonwealth North operating budget pamphlet.

Meeting Adjourned at 1:15pm.

