MEETING NO. 2012-06: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 7:00 p.m. by Mayor Bruce Botelho.

I. ROLL CALL

Assembly Present: Mary Becker (telephonic), Bruce Botelho, Karen Crane, Johan Dybdahl, Jesse Kiehl, Carlton Smith, David Stone, and Randy Wanamaker (telephonic).

Assembly Absent: Ruth Danner.

Staff Present: Rod Swope, City Manager; John Hartle, City Attorney; Kim Kiefer, Deputy City Manager; Laurie Sica, Municipal Clerk; Craig Duncan, Finance Director.

Juneau School District Present: Board Members Andi Story, Barbara Thurston, Kim Poole; Glen Gelbrich, Superintendent; David Means, Director, Administrative Services; Kristin Bartlett, Communications Manager.

II. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None.

III. SPECIAL ORDER OF BUSINESS

A. Joint Meeting With The Board Of Education To Discuss School Board Issues.

Andi Story, Vice President of the Juneau School Board thanked the Assembly for the opportunity to meet, for the quality school buildings and the funding support. She spoke about the work of the budget committee, chaired by Barbara Thurston, with a membership including the entire school board, seven community members, and two staff members. She said Supt. Gelbrich would forward a budget to help meet their goals of optimal learning in a world-class school district, and thanked the staff for their excellent work. The budget committee met for six weeks and some changes were made to the proposed budget based on discussion and public testimony. They have made some tough choices. The school budget will have its final reading on March 27. The Board will hold a special meeting following the legislative session adjournment to incorporate the actions taken at the state level.

Mr. Gelbrich thanked the Assembly for the support of the schools, the community, and to the staff who partnered with them to do things in concert. Mr. Gelbrich spoke to a handout that illustrated key efforts towards achieving the strategic plan, which they are carrying out and incorporating into the budget planning. They are trying to wean off one-time grants and get away from hiring staff with grants. This practice had built programs with constituencies and when the grants end, difficult choices need to be made. He spoke about changes that have come about in implementing the strategic plan, including lengthening the school year by three days and increasing the requirements for graduation. Mayor Botelho said the Anchorage School District recently announced it was moving from state standards to federal standards, and asked Mr. Gelbrich for his views about that.
Mr. Gelbrich said JSD made that same announcement two years ago. JSD did not accept the “wanting” standards of the state and we will report our data in relation to the higher standards, not to the state standards. The state is working hard to increase the standards. We still see a gap between the state and national standards. He fully endorsed Anchorages actions as Juneau had already taken that step.

Mr. Gelbrich referred to material submitted to the Assembly in its packet and noted operating fund expenditure additions and reductions, highlighting items new to the budget, including the AVID program, training for school administrators, and establishing a refresh cycle for technology.

Mr. Stone noted that 13 full-time equivalent staff were moved from grant funding to the general fund so the budget must have been carefully scrutinized. Mr. Gelbrich said that was the case and if the goal is results for kids everyone needs to improve their behavior. The board directed staff to not only look at the general fund to see what needed to be continued but also what needed to be started and difficult decisions were made.

Mr. Wanamaker asked about an organizational assessment/audit. He asked if the Assembly could get a copy of the report and asked how the results would affect the budget. Mr. Gelbrich explained the assessment and said it includes significant detailed data. It was published on-line and he would provide a print copy for the Assembly. The assessment shows improved performance over the past two years and indicates areas that still need improvement. JSD was presented with the results in March. In April, they will present their recommendations based on the information.

Ms. Becker asked about special education and if there were sufficient number of para-educators available. Mr. Gelbrich said changes would be made to match the para-educator day to the teacher day and they are considering combining current multiple sites for efficiency.

Ms. Becker asked about the elimination of the truancy officer and if there was data to show the effectiveness of the position. Mr. Gelbrich said there was not much data but the truancy officer was a valued staff member. There are other strategies besides subcontracting that role to the truant officer. As much as we care about the current person in that position, there are others on staff that can be effective if the parents are contacted by them. It is hard to find services the district did not value.

Ms. Crane asked about the funding for dual courses with the University and who paid the cost. Mr. Gelbrich said it varied, JSD paid for some, some classes were university granted, and some were paid by the student. A lot depended on the individual student. It is a small portion of the education program but opened the world to high school students.

Mr. Means explained the summary of the funding request. JSD has appreciated the past practice of CBJ providing the maximum funding allowed by law, and they have put this figure in the budget. If the state laws change to allow a greater contribution, they do not plan to change the current figure and request more. JSD will seek continued funding outside of the cap.

Mayor Botelho said the school budget was the Board’s purview, but asked if the Board would be interested in exploring functions performed by both CBJ and the District that might lead to
greater efficiencies. He asked if the purchase of bulk fuel was a coordinated effort. Mr. Means said the bulk fuel contract for CBJ did cover the school district as well. Mr. Means suggested building maintenance and custodial services might be one area of exploration. Mr. Gelbrich said the idea of finding efficiencies by not replicating services had great merit and huge potential if the staffs could work together on processes. There are union contracts to be aware of, but it might be worth taking work groups and looking for any potential future savings.

Mr. Dybdahl asked about the community uses of the buildings and if there is a user fee structure. Mr. Gelbrich said there was a user fee structure. It may not be market rate but the community owned the buildings and they tried only to recoup their costs. There is a range of fees based on the type of user groups.

Mr. Kiehl asked how much was budgeted for preventive maintenance. Mr. Means said the maintenance budget reflected overall maintenance, including snow removal; he would have to do a more detailed analysis to determine what was preventative.

Mr. Wanamaker asked about student transportation funds provided by the state. He said he understood that when there was excess, the funds did not have to be returned and the use was unrestricted. He asked how any excess funds from last year were used in this year’s budget. Mr. Means said Mr. Wanamaker’s understanding was correct and that a transfer of funds was made to the Rally program, which has been operating at a deficit for many years. We are making changes to make it financially stable. The indirect charges assessed to the Rally program may have been excessive. The program is paid 98% by user fees, and it was felt that the current users of the program should not have to make up for past program losses. The Board approved the transfer.

Mr. Dybdahl asked what it would take statewide to close the gap for school funding for this year.

Mr. Means said the Alaska School Business Officials Association and the School Administrators Association conducted an analysis in late summer of all the school district budgets across the state. They estimated that the base student allocation figure in the permanent foundation formula would need to increase $320 across the board, or approximately $60 million.

Mr. Kiehl estimated it to be $85 million statewide.

Ms. Story said the Board appreciated the Governor’s increase of an additional $30 million, $20 million for spiraling costs and $10 million for busing. They are projecting a budget based on 20 fewer students and even with the Governor’s proposed increase the Board will still be facing quite a few cuts.

Mr. Smith asked about his budget message focusing on the big picture, the funding for the next year being uncertain as well as the expenses, and the reduction of reliance on grants. The sequence and timetable for state funding are not consistent with building a long-term systematic approach, and this is a system of school funding that screams to be fixed. He asked Mr. Gelbrich what the long-term looks like in the ideal.

Mr. Gelbrich said the ideal would provide greater clarity about funding with a longer look. When he arrived in the district the state forward funded over a three-year period. That allows the district to go through a community process that is less involved because they are making
fewer changes and they can plan for the long term. Now, the budget process consumes a significant amount of administrative time for approximately four months, which takes time away from the real work in the classrooms. Establishing the budget for schools out further is hard – the funding levels are uncertain and the price of oil fluctuates. If there could be tentative plans with a base amount and if more is available, that would help. As it stands now, we will complete a budget process and have it to you as required by law at the end of the month. The legislature will still in likelihood be discussing this political football. In the meantime we are actually teaching people that the budget reductions are not real and there will always be more, so we are teaching people to be cynical. We would be in a better position to have true transparency. We have to have a plan for the worst-case scenario. Some of our staff are going through an emotional roller coaster.

Mr. Smith asked if the leadership in other key districts in large school districts are thinking this way. Mr. Gelbrich said this timetable is exasperating for all. Our community would like more long-term predictability about our programs.

Mr. Kiehl asked if there are any prospects for “secure rural schools” federally-funded programs using timber receipts coming from Congress. Mayor Botelho thought it was just a one-year extension. Mr. Gelbrich said there were a number of renditions being discussed. Mr. Swope said this is a one-year extension. Mr. Kiehl asked him what the impact of those funds would be on the District budget. Mr. Means said that money goes into the CBJ treasury and is part of its appropriation for general school operations. Mr. Gelbrich said the greater urgency in schools is that these funds really impact the smaller school districts and it is at a crisis level for them.

Mr. Kiehl asked Mr. Means about funding to the cap and his statement that the district would not ask for additional funds if additional funds were provided by the state that increased the amount the city could provide. Mr. Means said if the base student allocation increased it flows through to the districts and also increases the amount that a municipality can provide the districts.

Ms. Story said an increase inside the formula was the solution to long term planning. When funds are allocated outside of the formula, the we project cuts, which is hard on the community. It would benefit everyone to have a smooth funding plan. Representative Mike Hawker held a joint education task force and came up with the three-year funding plan, which ended last year. Everyone needs to be part of a plan for stability.

Barbara Thurston said in November they started with the budget process and in January meetings began and the Board received a draft from the administration. Some administrative revisions were made in February and at this time the budget committee has completed its work. There will be a meeting about the budget on March 6 and the Board will adopt the budget on March 27 to provide to the city. There has been significant public testimony and concern. It has been an open process with lots of public questions and answers and drilling down into the details.

Kim Poole said she did not know that anyone was particularly happy with this budget because it involves people losing jobs, and subsequently losing those families if people need to move out of town for work. We do not want to keep this type of picture going for very long or get to a point of letting people go, closing buildings, cutting administration and increasing workloads. She would like to see a committee within CBJ and JSD to investigate efficiencies in the school
district. It is not going to happen if we just say it’s a good idea but we could spend some intentional time to see how we can reduce costs. She spoke about busing students outside of their areas due to open enrollment and cooperative use of meeting spaces and library services between the city and school. This community is rich in funds, community involvement and caring, so it takes more than the spreadsheet to solve the problem.

Mayor Botelho said joint planning between the school and CBJ was an issue that could be discussed at the next regular meeting after consulting with the CBJ management.

Mr. Kiehl said he thought in the event that the legislature increased the base student allocation, why would the School District state it would not ask the CBJ to fund to the increased amount of the cap. Mr. Gelbrich said this was an administrative decision made in conversation between CBJ staff and school administration, prompted by the timeline that screams to be fixed. If both entities are trying to set a budget, they discussed conceptually that they would not seek the adjustment in the year the legislature came in late, but would seek it in the following year, as a one-year delay. They are trying to be sensitive to the budget issues of CBJ.

Ms. Story said the cost to bus students from one high school to another is $34,000 and is a cost but not a big savings.

Mr. Kiehl said that CBJ’s budget convenience was not a priority to him over knowing how the schools would be funded.

Ms. Becker thanked the board, the staff and the community for the work and information.

IV. ASSEMBLY COMMENTS AND QUESTIONS

Mr. Stone said he was very pleased to see the direction that the school district was going and the improved test scores.

Mr. Smith said he appreciated the strategic plan and that the School District is working the plan.

V. ADJOURNMENT: 8:18 p.m.

Signed: ________________________ Signed: ________________________

Laurie Sica, Municipal Clerk

Bruce Botelho, Mayor