THE CITY AND BOROUGH OF JUNEAU, ALASKA

February 13, 2008

MEETING NO. 2008-04: The Special joint meeting of the City and Borough of Juneau Assembly and the Juneau School Board of Education, held in the Assembly Chambers of the Municipal Building, was called to order at 6:08 p.m. by Mayor Bruce Botelho.

I. ROLL CALL

Assembly Present: Jonathan Anderson, Bruce Botelho, Jeff Bush, Sara Chambers, Bob Doll, Merrill Sanford, David Stone, Randy Wanamaker.

Assembly Absent: Johan Dybdahl

Juneau School Board of Education Members Present: Andi Story, President; Phyllis Carlson, Vice President; Sean O’Brien, Clerk; and members Margo Waring, Destiny Sargeant, JoAnn Bell-Graves

School Board Members Absent: Mark Choate

Staff Present:
CBJ: Rod Swope, City Manager; John Hartle, City Attorney; Beth McEwen, Deputy Municipal Clerk; Craig Duncan, Finance Director; Roger Healy, Engineering Director; Bonnie Chaney, Budget Analyst,
JSD: Peggy Cowan, Superintendent; David Means, Administrative Services Director; Dave Newton, Director of Student Services; and Deb Morris, Facilities Planner.

II. MANAGER’S REQUEST FOR AGENDA CHANGES – None.

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

IV. NEW BUSINESS

A. Assembly discussions with School Board regarding finance policies and goals

Mayor Botelho explained that the purpose of this meeting is not so much to go over the financial numbers in a presentation format as they have done in the past, but rather, to provide an opportunity for one on one, two to two dialogue about financial issues both bodies are facing now and in the future.

Superintendent Cowan thanked the Assembly for all their support of education through their continuous funding of education to the cap and beyond and thanked the community for all their support of education throughout the years. A strong community supports a strong education and it takes a strong education system to attract people to live in our community so it is a team effort.

Juneau School District (JSD) staff handed out supplemental packet materials which included the FY09 Capital Budget Six-Year Capital Improvement Plan; a corrected version of the original packet materials which included the FY09 Analysis of New Money to Operating Fund – Proposed Expenditures, the Feb. 8, 2008 Draft document from TEAM (Task Force Exploring Activities Money) Table 1 showing Options A and B Funding Increases for JSD and CBJ; and a spreadsheet titled “Juneau School District High School Activity and Athletic Funding by School District” which compared CBJ funding per student with comparable schools within Southeast Alaska. They also distributed to each Assembly member copies of the following documents: Opening Thunder Mountain High School and Implementing the “Next Generation” High School Plan – Final Report (Dec. 8, 2007); and FY09 Capital Improvement Plan (Aug. 31, 2007).
Superintendent Cowan said some of the recommendations the JSD staff still has to go before the School Board for adoption.

Mayor Botelho had asked prior to the meeting for the School District to answer the following questions:

1. What is the district expecting in “new” money for 08-09? How does the district intend to use that money?

2. How is the district adjusting to the continuing enrollment declines in long range planning? What are the impacts on future funding?...space utilization?

JSD Director of Administrative Services David Means gave an overview of their funding picture for the coming year. They have solicited input from within the school community, from the public through the website and through the Budget Advisory Group and the School Board is still working with the budget process with the transmission of the budget to the City and Borough of Juneau by March 31.

In answer to Mayor Botelho’s question number one above Mr. Means gave the following explanations. Much of what they expect to receive will be contingent upon three key issues before the State Legislature with the final information expected to arrive upon the adjourning of the legislative session April 16. Last summer there was a legislative task force that met regarding the foundation formula and those recommendations are before the legislature for action at this time. The three key issues they are waiting for final decisions by the legislature are:

1) District Cost Factor – similar to an area cost differential – the cost of living in Juneau is different from that in Anchorage and the increases over the next five years based on this are reflected in the Sources of New Revenue to Juneau School District based on Proposed Legislation document. (The projected income from this increase for FY09 is 2.4 million dollars.)

2) The Base Student allocation amounts were also looked at by the legislative task force and they recommended a $100 increase on this and Governor Palin recommended a $200 increase in this figure so the amounts may change depending on what is adopted by the legislature. (The projected income from this increase for FY09 is $772,711.)

3) Funding for special education intensive needs students. The task force recommended the multiplier be increased to properly reflect the actual amounts being spent and if the task force’s recommendations are followed, that multiplier will be increased from 5 to 9 the coming year, increased to 11 the following year, and increased to 13 the year after that. (The projected income from this increase for FY09 is 2.8 million dollars.)

The opening up of Thunder Mountain High School (TMHS) also gives an extra benefit for having an additional school in the foundation formula. With that added in, there is an additional $931,719 of state money but they are projecting that they will be loosing students next year and that reduction is reflected in the amounts listed on the sheet.

The total increases projected are 5,561,277 from State money and 1,588,308 from City and Borough of Juneau. He did state that those numbers don’t accurately reflect the total picture as there were some one time fixes that the state gave for an Area Cost Differential Grant and a one time fix for School Improvement Grant. Those figures which will not be received again will reduce the total projected income from the State $2,219,785 and $1,588,308 from the City and Borough of Juneau, these figures also reflect the addition of Thunder Mountain High School. Some of the assumptions built into this are that the legislature will continue to fund the TERS program at their previous funding rate. The additional amounts reflected on the sheet also include monies in a separate fund based on an increase rate for pupil transportation.
Mr. Means answered Assembly members’ questions regarding revenue amounts and the differences in his report vs. the data from Mr. David Reaume’s projected student enrollments. Mr. Means explained that the differences between the two are due to enrollments by pre-school students reflected in the school district’s figures that are not reflected in Mr. Reaume’s report. Mr. Swope asked if the increase in the pupil transportation revenues from the state will affect the amount of money the school board will be requesting from CBJ towards pupil transportation. Mr. Means explained they didn’t anticipate changing the amounts requested from CBJ as the pupil transportation funds from the state go towards regular student transportation and the funds from CBJ go towards activities and homeless student transportation.

Mr. Means then gave an overview of the expenditures as listed on page 2 of his handout titled *Analysis of New Money to Operating Fund – Proposed Expenditures*.

On the opening of Thunder Mountain High School the school district has gone through a very extensive review of the budgetary considerations in which they factored in increased property values, insurance, additional staff, and energy costs. The expense sheet also reflects changes in the full cost allocation and they don’t believe they will be receiving as much from state grants this year as in the past. Mr. Means also spoke to the changes in the additional amounts of cost in providing special education support services. Their intent is to continue those positions with their employees but if they aren’t able to fill those positions with current employees, they have contracted with national firms to provide those services to the students. These are critical positions such as physical therapy, occupational therapy, speech and language services. As part of the Next Generation planning process, they have made a commitment to the Secondary Education Plan with regard to High School Reform and Intramural Sports which are reflected in the known costs or increases.

Mr. Doll asked about the item titled Secondary Education Plan: High School Student Activities. Mr. Means explained that THHS will only have intramural sports the first year and the expenses listed are to cover student transportation to JDHS so students can still compete in state level sports. Ms. Cowan also explained that there is lunch time intramural programs offered at both JDHS and TMHS and an expanded intramural program at JDHS and Yaakoosgé Daakahídi after school with the idea being to get more engagement and more involvement in activities. One of the goals of the Next Generation was to get students involved in more activities and the fundamental goal was to add intramurals to all three schools. This also reflects the beginnings of the development for an activities program at TMHS.

Mr. Means also added that they are in negotiations with their pupil transportation contractor as they haven’t had contract negotiations in seven years so the numbers are estimates at this time. The may be some additional costs due to increase in fuel costs over the years.

Mr. Means said they are also looking at their fund balances and have been looking at those as they do income and expense projections for this next year.

Mayor Botelho asked if the figures presented reflect any budgetary changes due to teacher salary increases. Mr. Means said we are currently in the third year of a three year contract with each of the three bargaining units. The coming year, they will be in negotiations so any changes would be reflected in the next fiscal year’s (FY10) figures but the FY09 figures are solid.

Additional discussion by Assembly and School Board members took place regarding the upcoming process with the budget cycle.

With respect to the second question posed by Mayor Botelho, Deb Morris and David Newton spoke to the group regarding the demographics. The main point with regard to demographics is that although the student enrollment is decreasing, the facilities are at maximum capacity at this time. The main reason for this is partly due to the school board reaching their goal of lower the class sizes to allow for a smaller teacher:student ratio and also has to do with the fact that many of the special needs programs which were formerly being conducted in hallways and alternative areas are now housed in classrooms.
The demographics figures are provided in Mr. Reaume’s report and Ms. Story pointed out that there is a difference between the total number of school age children in the community and the total number of students enrolled in the school district. They are hoping to increase enrollment through programs such as the Homebridge correspondence program which is reaching out to students who had not been enrolled with the school district or were dropping out of school. This past year, the enrollment rate in the Homebridge program has doubled since it began. Alternative programs such as the Juneau Community Charter School, whose charter was just renewed for another seven years, the Yaakoosgé Daakahídi, Montessori, and the Tlingit language immersion programs have helped to boost student enrollment.

JSD staff also explained that although there have been declining enrollments in portions of the student population, that wasn’t necessarily true for all of the student population. The special education program continues to grow and the student needs for space have increased. In 2003 the school district ran two half day pre-school programs, they now run ten half day pre-school programs. They have a higher number of emotionally disturbed, autistic, and higher health impaired student enrolled so not only has that segment of the student population grown but the types of needs have also grown and the student’s with these needs can’t always be taught in large classroom settings. Although the enrollment numbers were higher in the past, many of these special education programs were conducted in hallways, stairways, storage closets, etc… they now have lower enrollment numbers but the space needs are also being met and those programs are no longer required to be held in hallways, stairways and storage closets.

Some of the work being done on the facilities is to enable them to be more flexible with the space available to meet the various needs. Ms. Morris reported that space needs change in this changing world with an example of this was the fact that when she started at JDHS, they had 4 computer labs and they now have 11 computer labs. They are working to developing design with flexibility for the space available to be able to change with the change in technology and the learning environment as time goes on. Since 2002, the Juneau School District has added an additional 20 teaching positions even though the enrollment has declined, much of that is related to the special needs referred to earlier.

Assemblymembers and School Board members discussed the public perceptions and some of the Assemblymembers suggested the school district may want to do a public relations campaign to get the word out about the changes due to the specialized educational needs and the reasons the schools are at full capacity with lower enrollment numbers.

Ms. Cowan reported that over the course of the next year, there will be some shuffling around of students due to the renovations being done at Glacier Valley and Harboview Elementary schools. During the renovation, they will be shutting down Harboview and there will be a general shifting around of offices, students, and programs for the next year. She shared that a possible long term goal, not yet adopted by the board, will be to move Yaakoosgé Daakahídi to Marie Drake to be able to open enrollment in that program to 9-12 grades. Currently enrollment in Yaakoosgé Daakahídi is limited to persons 16-22 years old due to space restraints in their currently location.

Assembly and School Board members discussed the teacher:student ratio. Ms. Cowan explained the board’s target ratio is 1:20. That goal may change over time as goals and focus changes. Research shows that 1:14 is the best ratio but the board doesn’t see themselves going for that figure.

The group took a brief break between 7:12 and 7:21 p.m.

Following the break Andi Story and Jeff Bush reported on the TEAM group and their recommendations.

Ms. Story reported that the charge for the TEAM (Task Force Exploring Activities Money) was based on a recommendation from the High School Planning Team to look at the comprehensive athletics and activities for grade 9-12 at both JDHS & TMHS schools. Their charge was to look for a sustainability
funding picture with access and equity in mind. They have less than half the kids at JDHS currently participating in activities. Research shows kids involved in activities are engaged and more likely to go to school to keep the C average to participate in the activities. In looking at the issues, they examined the following factors and came up with the below recommendations:

FACTORS

They took a comprehensive look at what it will cost. Andy Meiners did a study by contacting all the booster clubs in town to see what the overall costs of the activities are currently coming in at. Through his research, they determined that the School District is currently paying 10% and CBJ paying 10% and 80% is being funded by the booster clubs, community fundraising and parents, parents, parents.

Ms. Story said the piece that shocked her the most was what they kids currently have to pay to participate. For someone wanting to play an in source program, it costs $60 each and to play an outsource program it cost $25 to participate. Basically the outsource programs receive support from booster programs but the in source programs do not. Some examples of actual costs are to play soccer it cost $660 per kid, to play hockey it cost $1,000, to play football it cost $1,450, and dance team is $1,300. A student who wants to participate, those are the funds involved. It is really an economic thing and many kids are choosing not to go out for sports because it is too expensive. The recommendation is essentially to throw more public funds into the mix, won’t bring it down to a flat fund but it will significantly reduce the required contribution by students and their families for all activities. They looked at what it would cost for basic funding for all the programs, which would limit it to the basic aspects, not factoring in any out of state travel. Sandy Wagner, their current athletic director came up with a basic program at 2.2 million.

The point was made that since the school district was already funding intramurals for the next year in the budget plan, the TEAM group didn’t look at that when they came up with their $2.2 estimate. The group had looked at possibly asking for a percentage of the sales tax but they decided not to put that recommendation forth.

RECOMMENDATIONS

Options before them school board would need to be decided between the following:

1) Keep everything the same with regard to no new public funding.
2) Or adopt the recommended formula: JSD pay half, CBJ pay ¼ and community pay ¼ through fundraisers.

Members discussed the difference on where the funding would come from, JSD vs. CBJ and whether it all was ultimately coming from CBJ through the additional monies given from CBJ to JSD through its “outside the cap” funding. Ms. Cowan reported that the projected $1.1 million from the school district was coming from general operating expenses and the projected $550,000 from CBJ would be from the “outside the cap” funding, currently being paid at the amount of $185,000 which would mean a difference of $365,000 additional funding over the current fiscal year. It was also clarified that “Activities” refers to more than just athletic programs and includes athletics AND activities such as band, drama, academic decathlon and other activities.

BREAKOUT GROUPS

Mayor Botelho divided the meeting up into breakout groups made up of both Assembly and School Board members with staff to be available to all the groups to be able to answer questions of any of the groups. They considered the following questions:

1. The task force on funding for high school activities has identified $2.2 million as the amount needed annually for funding for activities at JDHS and TMHS. Where do you envision these
funds coming from? Assuming contributions from CBJ and the district, how much should come from each?

The groups for question 1 were made up as follows:
Group 1: Margo Waring, Sean O’Brien, Sara Chambers, Bruce Botelho
Group 2: Randy Wanamaker, Jonathan Anderson, Bob Doll, Andi Story, & Phyllis Carlson
Group 3: Merrill Sanford, David Stone, Jeff Bush, Destiny Sargeant, JoAnn Bell-Graves

The groups reported back their main observations:
Group 1: Reported that their main concerns dealt with public health concern regarding the obesity crises in the country and they need to address participation in school activities in light of these concerns.
Group 2: Reported that they wondered about the connection to TMHS and whether the objective is to get every student involved in an activity or is it that no student would be excluded from participating due to their financial circumstances.
Group 3: Reported that they spoke to the fact that there is a finite amount of money between the city and school district and they need to look at it from a broader perspective as to how it all fits into each of the organizations as a whole in light of all the other funding issues competing for the same monies.

2. Do you [as a school board member] intend to bring any capital projects forward for the October 2008 ballot? What would these projects be? Under what circumstances, if any, would you [as an assembly member] Support placement of a school bond issue on the ballot?

The groups for question 2 were made up as follows:
Group 1: Bruce Botelho, Merrill Sanford, Andi Story, Randy Wanamaker
Group 2: David Stone, Bob Doll, Sara Chambers, Margo Waring, Phyllis Carlson
Group 3: Jeff Bush, Jonathan Anderson, Sean O’Brien, JoAnn Bell-Graves and Destiny Sargeant

The groups reported back their main points:
Group 2: Reported that their concerns dealt with the appetite of the community in continuing to vote in favor of school projects considering the way things have evolved with the numerous projects that have been on the ballots and the perception of the public regarding cost overruns. Their concern was that it would be disastrous if they chose to put a school project on the ballot and it was voted down by the community.
Group 3: Reported that their concern dealt with the mood of the community and depending on whether or not the state would pass the 70% reimbursement program again. If it passes, it will buy them more time. If it doesn’t pass, it will force them to relook at the projects and priorities.
Group 1: Reported that their discussions mirrored the other two groups’ comments right down the line.

V. ASSEMBLY COMMENTS AND QUESTIONS

Mayor Botelho commented that they could go on for a lot longer but due to other commitments, they would be adjourning. He asked the members how they liked the format of the meeting and they all responded that they liked the opportunity for more dialogue and would like to try similar meeting styles again in the future.

VI. ADJOURNMENT – 8:03 p.m.

Signed: _____________________________ Signed: _____________________________
Elizabeth J. McEwen, Deputy Clerk Bruce Botelho, Mayor