

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on March 14, 2000, at the Matanuska-Susitna Borough Assembly Chambers, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Darcie K. Salmon. The purpose of the special meeting was to meet jointly with the school board.

II. ROLL CALL

Assembly members present and establishing a quorum were:

- Mr. Larry DeVilbiss, Assembly District No. 1
- Ms. Sara Jansen, Assembly District No. 2
- Mr. James Colberg, Assembly District No. 3
- Mr. Dan Kelly, Assembly District No. 4
- Ms. Jody Simpson, Assembly District No. 5
- Mr. Jim Turner, Assembly District No. 6
- Mr. Doyle Holmes, Assembly District No. 7 (Deputy Mayor)

Staff in attendance were:

- Mr. Michael J. Scott, Borough Manager
- Mr. Michael Gatti, Borough Attorney
- Ms. Elizabeth Manfred, Borough Deputy Clerk
- Ms. Pam Taber, Clerk's Office
- Ms. Tammy Clayton, Finance Director

School Board Members present were:

- Mr. Robert Wells, Seat A, President
- Mr. John Fairfield, Seat B
- Ms. Linda Menard, Seat C
- Mr. Mike Chmielewski, Seat E
- Ms. Helene Antel Brooks, Seat F
- Mr. Daniel Contini, Seat G

School Board Member absent and excused:

- Mr. Bob Johnson, Seat D

School District staff present were:

- Mr. George Troxel, Interim Superintendent
- Mr. Bob Doyle, Assistant Superintendent for Finance and Operations
- Mr. Scott Schwald, Transportation Supervisor
- Mr. Karl Schleich, Snowshoe Elementary School Principal

IV. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by School Board President Wells.

III. APPROVAL OF AGENDA

Assemblymember DeVilbiss requested that a report on school testing be added that he had requested at the March 7, 2000, regular assembly meeting.

There was no objection to the agenda as amended.

V. NEW BUSINESS

A. Annual Budget: MSB 2.12.075

School Board President Wells noted the school district budget was adopted by the School Board.

Mr. Doyle:

- Announced that the school district budget was adopted on March 1, 2000, after several public hearings, transmitted to the borough on Monday, and that Ms. Clayton distributed it at this meeting.
- Explained that the budget: is below the state maximum; \$1.8 million above borough ordinance, and excludes the supplemental appropriation given to district; and includes a large lapsed fund balance.
- Stated that the projected lapse of \$1.2 million would be split between the borough and school district.
- Commented that there was discussion at school board meetings about revising the lapsed funds procedures; the school board would like 100 percent of lapsed funds to stay with the district.
- Remarked on several positive projections: (1) that the previous budget portion allocated for pupil instruction was 71 percent and had increased to the current 74 percent, which is the highest in the state; (2) that charge backs on grants and administrative fees is 2.99 percent; (3) salary and benefits are steady at 89 percent; (4) this budget includes positive measures for overcrowding, including the opening of Teeland Middle School and Talkeetna Elementary School; and (5) includes a Palmer area alternative school.
- Explained that if the assembly does not address a supplemental appropriation over the current funding legislation, that the district has identified some monies that include: decreasing class sizes in the high schools and middle schools; adding an additional guidance counselor for elementary schools; restoring the library program at Su Valley High School; restoring some staff support for the correspondence program; and restoring some classified cuts.
- Stated that the total request for local funds is \$26,523,254, which includes \$60,000 for nutrition services and \$725,370 for pupil transportation.

Discussion followed on the \$1.2 million projected lapsed funds for FY2000.

Mr. Scott inquired about the pupil transportation reduction.

Mr. Doyle responded that the state legislature currently has a transportation supplemental appropriation before them, with some discussion about 100 percent future funding.

Discussion followed.

School Board President Wells:

- Commented that this is the first budget in several years in which the school district is not requesting the full state cap funding.
- Expressed appreciation for the \$1 million supplemental appropriation and stated that when it is received in the middle of a budget cycle, it is not as well utilized.

Discussion continued.

Assemblymember Turner inquired about future budget projections.

Interim Superintendent Troxel responded that projections include: lower class sizes, investment of textbook adoptions, continued development of the "See You On-line Program," and expansion of the alternative school.

Discussion continued.

B. Tax Cap Initiative

School Board President Wells stated his concern about what level of funding is sustainable.

School Board Member Brooks asked the assembly if they have plans for educating the public.

Assemblymember Turner stated he believes the best course for the assembly is not to take sides, and publish information about the effect on public services if the tax cap passes.

Assemblymember DeVilbiss stated that the Municipality of Anchorage is preparing two budgets as a public educational tool to provide the results of services expected under a 10 mill cap.

Mr. Scott:

- Stated that the upcoming work session discussions include the tax cap issue and agreed that information needs to get out to the public.
- Commented that education would take the biggest hit because most of the general public does not realize that the majority of the mill levy funds the school district budget.

- Remarked that the Mat-Su Fire Chiefs Association has passed a resolution in opposition to the tax cap.

Assemblymember Kelly inquired about the impact of the projected 11 percent revenue sharing decrease.

Mr. Scott stated that a significant portion of revenue sharing for this borough is directed to the road service areas, and that library funding would also be affected; any reduction result would mean either reduced services or a mill rate increase.

Discussion followed.

Mayor Salmon expressed concern about the lag time if the 10 mill tax cap passes, and he inquired about how long would it would take to get a sales tax proposition before the voters and instigate the tax process.

Mr. Scott:

- Stated that a sales tax election would take a minimum of 90 days: a February 1, 2001, date as the last date for a vote for a July 1, 2001, enactment, or possible earlier dates could be considered.
- Commented that if the 10 mill cap is adopted and the bonded indebtedness is not issued by January 1, 2001, that the debt service has to be taken from the 10 mills.
- Remarked that if the tax cap is passed, the borough would want to go to the bond market quickly.

Discussion continued.

C. Funding Formula for Local School Support: MSB 3.04.045

School Board President Wells discussed the current education funding formula and asked for assembly input.

Discussion followed regarding the current education funding formula.

D. Reporting and Lapse of Appropriations: MSB 3.04.110

Discussion followed concerning the current procedures regarding lapsed funds.

Interim Superintendent Troxel:

- Noted the negative impact on students when funds are not secured at the beginning of the fiscal year.
- Commented that, by knowing the funds are available at the start of the fiscal year, it creates a predictable environment.

E. Renovation and Renewal Projects

School Board President Wells noted the number of current construction projects and inquired about funding for the bonds that have been passed, but not issued.

Mr. Scott:

- Announced that bonds were issued for the Wasilla High School renovation last week with closing on March 15, 2000, and that the project will be completed over two to three summers.
- Commented that the Wasilla High School renovation is the last allotment of bonds from the legislative FY99 authorization.
- Stated that the borough has \$46 million remaining on a statewide basis and is scheduled as the first to be funded.
- Remarked that the state has allotted \$150 million for urban schools and the borough may realize the \$46 million from that fund.
- Spoke to the renovation and renewal list and stated that the borough has funded approximately \$3 million toward those items.

Discussion followed.

F. School District Taxing Authority

Mr. Scott:

- Explained that the concept of allowing the school districts of Alaska to be their own taxing authorities could be brought before the state legislature.
- Stated that this concept occurs in many other states.

Assemblymember Kelly:

- Noted that board members are elected officials, and stated that the responsibility for revenue and expenditures should remain with the school board.
- Stated that the school board is familiar and knowledgeable about the in-depth issues within their budget.
- Expressed his feeling that the school board should be totally responsible for their budget and taxing for it.

Mr. Gatti:

- Commented that the concept would require a state constitutional amendment; that the Constitution delegates taxing authority only to cities and boroughs.
- Stated that the borough and school district are connected, and this would be a substantial change around the state, but that the idea is not unique and could be adopted.

Discussion followed.

G. Goal Setting in Education

Assemblymember Turner:

- Commented that there is currently a revolution about how districts are doing business: typically budgets are done on inputs, employees, programs, etc.
- Stated his belief that the starting point should be the results you want and work backwards to determine what you need to obtain those results.
- Commented that a strategic plan could be developed with a goal toward measurable results; Phoenix, Arizona, is an example of a lead city in this area.
- Remarked that in a results-based management, the key is personnel, they share in the responsibility of results obtained which establishes an accountability and is reviewed from year to year.

H. Report on School Testing

Mr. Troxel:

- Reported that the benchmark testing done last week was administered to grades three, six, and eight and measured abilities in reading, writing, and mathematics.
- Stated that the high school exit exam was also given last week to the tenth graders measuring the same abilities of reading, writing, and mathematics.
- Commented that the results of the testing will be known by the end of September 2000.
- Announced that the testing was well coordinated and that the students were positive about the test.
- Remarked that next year's testing at the high school level will be six days and will encompass some logistic problems and that the elementary testing will remain the same three-day period for next year.

Assemblymember DeVilbiss inquired about the tenth graders not taking the bench mark test instead of exit exam.

Interim Superintendent Troxel responded that the issue was raised with the commissioner of education and that the commissioner could not readily reply.

Discussion followed.

VI. **SCHOOL BOARD, MAYOR, ASSEMBLY, AND STAFF COMMENTS**

Mr. Scott:

- Commented on the two finalists for the school district superintendent position.
- Thanked Mr. Troxel for an outstanding job as school district interim superintendent and he appreciated the leadership shown.

Ms. Manfred:

- Stated that there are still a few State Financial Disclosure Statements that have not been received and that they are due March 15, 2000, at 5 p.m., in the Clerk's Office.
- Requested agenda items for the joint assembly/planning commission meeting on March 28, 2000.

School Board Member Chmielewski:

- Appreciated the opportunity to attend this type of meeting and invited everyone to volunteer time in one of the schools.

Assemblymember Simpson:

- Appreciated the conversation at this meeting.

School Board Member Contini:

- Enjoyed the conversation at this meeting.

Assemblymember Colberg:

- Complimented the school district for doing a fine job for his two grandchildren.

School Board Member Brooks:

- Appreciated the meeting.
- Noted that tests are inherently flawed and wished there was some way to demonstrate progress; achievement is not necessarily tied to test scores.
- Expressed the thought that if the objective of the budget goes beyond having a minimum formula; that we are willing to invest in the children.
- Appreciated the time and effort that the assembly spends to work with the school board.
- Encouraged the assembly to accept the presented school district budget.

Assemblymember Kelly:

- Noted that this has been an interesting meeting and stated that he appreciates the school board for their dedication and concern.
- Stated that he will support the school board budget.
- Commented that he enjoyed visiting the schools and talking to the principals.

School Board Member Menard:

- Recognized Ms. Pat Chesbro, Ms. Paula Harrison, Mr. Scott Schwald, Mr. Karl Schleich, (new president of principals association), and MSEA President Kathy Wright-Murphy in the audience.
- Appreciated the meeting dialog.
- Invited everyone to a reception on Thursday, March 16, 2000, at 6 p.m. at Colony High School to meet and socialize with the two school district superintendent candidates.

Assemblymember Holmes:

- Congratulated the school district on the amount of projected lapsed funds.
- Explained why he disagreed with School Board Member Brooks' statement regarding the new testing requirements.
- Stated that he has visited schools and complimented the children's exceptional behavior.

Interim Superintendent Troxel:

- Stated it has been a pleasure being at this meeting and participating in the discussions.

Assemblymember Turner:

- Stated his disagreement with School Board Member Brooks' statements regarding the test requirements.
- Commented that he filed a letter of intent to run for re-election for assembly district six.

School Board Member Fairfield:

- Thanked Assemblymember Turner for his comments on the management-by-results philosophy, which is similar to outcome-based education, and makes the leap to the budget logical.

Assemblymember Jensen:

- Hoped that the school district was using the supplemental funding for the teacher/student ratio problem.
- Stated that a quality-based budget is not a new option.
- Believes that testing is one way to judge student performance.
- Found it noteworthy that there is a projected \$1.2 million in lapsed funds after the \$1 million supplemental appropriation was requested and received.

Assemblymember DeVilbiss:

- Expressed disappointment that he missed the school concert because he received the invitation late.
- Appreciated getting the budget now.
- Commented on the "Helping Kids Succeed Alaska Style" book, and inquired about who distributed the publication.

Mayor Salmon shared that Mr. Schleich's wife was a part of the culmination of the "Helping Kids Succeed Alaska Style" book and that he requested it be distributed to the assembly.

Mr. Schleich commented that the data used in the book comes from the youth risk behavior survey.

School Board President Wells:

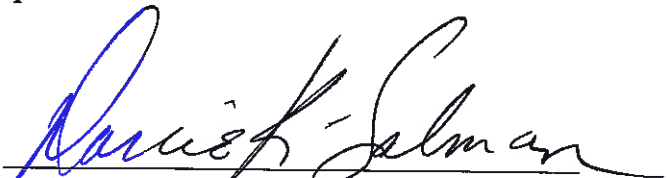
- Appreciated the discussions at this meeting.
- Again noted the reception for the two superintendent position candidates on Thursday, March 16, 2000, at the Colony High School Library from 6 p.m. to 7:30 p.m.
- Stated that the superintendent position interviews will be conducted Tuesday, March 21, 2000, at Cottonwood Creek Elementary School.
- Commented that the \$1.2 million projected lapsed amount is only about 1 percent of the budget.

Mayor Salmon:

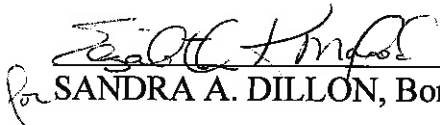
- Spoke regarding a possible asset fair.
- Stated that he attended Tanaina Elementary School as a royal reader to first and fourth graders; he recommended taking time to participate in the program.
- Announced that he attended the Colony and Wasilla High Schools girls basketball game and noted the positive community feeling.
- Remarked that Thursday, March 16, 2000, the Region III Basketball Tournament begins at Palmer High School.
- Appreciated the attendance and input during the meeting.

VII. ADJOURNMENT

The special assembly meeting adjourned at 8:30 p.m.


DARCIE K. SALMON, Borough Mayor

ATTEST:


for SANDRA A. DILLON, Borough Clerk

Minutes approved April 4, 2000.