

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on September 12, 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)

School Board members present and establishing a quorum were:

Mr. Rob Wells, President, Seat A
Mr. John Fairfield, Seat B
Ms. Linda Menard, Seat C
Ms. Helene Antel Brooks, Seat F
Mr. Daniel Contini, Seat G

School Board members absent and excused:

Mr. Bob Johnson, Seat D
Mr. Mike Chmielewski, Seat E

Staff in attendance were:

Ms. Sandra Dillon, Borough Clerk
Mr. Michael J. Scott, Borough Manager
Mr. Michael Gatti, Borough Attorney
Ms. Elizabeth Manfred, Borough Deputy Clerk (excused)
Mr. Jim Swing, Public Works Director

School District staff in attendance were:

Ms. Patricia Chesbro, Superintendent
Mr. Bob Doyle, Assistant Superintendent for Finance and Operations

III. APPROVAL OF AGENDA

There was no objection to the agenda as presented.

IV. PLEDGE OF ALLEGIANCE

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

V. NEW BUSINESS

A. Tax Cap Initiative

Mr. Scott:

- stated that the school district provided information to the assembly regarding reductions that may occur as a result of the 10 mill tax cap;
- remarked that the school district should share their prospective on the tax cap initiative, as they would take the largest reduction in funding;
- commented that he met with the new president of Mat-Su College to discuss the intertwined nature of the effects of the tax cap initiative;
- reported that 70 percent of our revenues come from the state; an even greater percentage of school district revenues come from the state; and the college receives approximately 90 percent of its revenues from the state; and
- spoke to a reallocation of resources on all levels and stated that the impact should be understood by the voters before they go to the ballots in November.

Superintendent Chesbro:

- commented that the board had not acted on anything specific at this time and that they are trying to convey the outcome of an \$8 million cut in funding;
- reported that one in four employees would be affected by layoffs on all levels, which would account for only \$5.6 million in reductions; the elimination of all extra curricular school activities would account for an additional \$1.4 million; and reductions in the area of specialists in the elementary and secondary levels would account for approximately \$5.7 million;
- stated that there would be significant personnel issues, class sizes would increase, and activities would be greatly diminished; and
- remarked that the standard of education in the borough would suffer.

School Board Member Wells:

- spoke to a forum that was held in Anchorage yesterday opposing the tax cap initiative;
- commented that it was evident during the forum that reductions would be too extreme and that all districts would have a difficult time continuing to deliver the kind of educational services that have been provided through the years;
- thanked the borough manager for doing an excellent job during a Palmer Chamber of Commerce meeting in a debate with some of the proponents of the tax cap;
- opined that the public needs to absorb the facts and then make an educated vote.

Assemblymember Jansen questioned how the percentage of reductions would be calculated across all state levels.

Mr. Scott commented that the reduction would be proportional.

Mr. Scott:

- remarked that the state has continually reduced aid to local government over the past fifteen years and that aid to the school district has fluctuated;
- spoke to a flaw in the proposed solution by the State Privatization Commission to combine the state student loan program with the Alaska Housing Finance Corporation and the Alaska Industrial Development and Export Authority in order to create a \$100 million endowment for education;
- commented on possible avenues for reallocation;
- believes there is a disconnect between a vote in November to cut off our revenue and alternate avenues for replacement revenues; and
- stated that a cap of this nature would stop bonding and LIDs.

Assemblymember Simpson thanked all of those individuals participating in the forums around our community regarding the tax cap and stated that she feels there is still a lack of understanding of the issue on the public's behalf.

Mayor Salmon acknowledged the arrival of Assemblymembers Kelly and Holmes at 6:20 p.m.

School Board Member Brooks:

- believes there is a spin-off effect from the tax cap primarily in respect to layoffs;
- commented that an estimated 300 people will lose their jobs and that a good portion of positions lost would be those of teachers;
- remarked that residents will leave the area, revenues from property taxes will diminish, and revenues for local businesses will decrease; and
- stated that a loss of services in the schools will result from the reductions and the community will feel the impacts.

Assemblymember Kelly asked the borough attorney, Michael Gatti, why the state is not being held accountable to straighten out the issues at hand if the constitution clearly requires that the state fund schooling.

Michael Gatti:

- cited to a case involving the borough's challenge to the state's system of funding education during the late '80s in which the borough had argued that the educational establishment clause was a fundamental constitutional right. Unfortunately, the court felt that the borough had not met the burden to establish the fundamental constitutional right.

Mayor Salmon acknowledged the arrival of school member John Fairfield at 6:25 p.m.

Discussion ensued regarding educational funding by the state.

Mr. Gatti:

- spoke to another case in which the court looked at the analysis of claims against discretionary taxation that governments impose upon their citizens and the level of constitutional scrutiny that those types of issues receive.

Assemblymember Colberg inquired how an \$8 million cut to the school district budget was calculated.

Mr. Scott commented that this was the school district's pro rata share of the overall reduction.

Assemblymember Colberg inquired further regarding the affects of the tax cap.

Mr. Scott:

- stated that the borough could expect to see a 30 percent employee reduction and services cut in their entirety.

Assemblymember Colberg asked when the impact of funding cuts might be noticed.

Mr. Scott commented that the impact would be felt as early as July 1, 2001.

Assemblymember Colberg advised that there could be a sales tax issue the following year, but that the school district and the borough would still be impacted by the tax cap reductions.

Mr. Scott:

- confirmed that the borough would still be impacted; and
- stated that a special election could be held in February to vote on a two or three percent sales tax in order to help generate revenue.

Assemblymember Holmes spoke to the issues of mandatory funding and discretionary funding.

Mr. Scott:

- reviewed the figures involved in the 16 mills; and
- stated that road service areas and fire service areas account for approximately 4 mills; debt service accounts for approximately 2 mills; and schools account for just under 10 mills.

Assemblymember Turner questioned Mr. Scott's comment regarding LIDs falling under the tax cap.

Mr. Scott:

- affirmed his previous statement regarding the effect of the tax cap on LIDs based upon legal advice that he had received.

Assemblymember Colberg spoke to the tax cap initiative and the effects that it could have on residents in the bush areas.

Assemblymember Holmes stated that he did not believe LIDs would be affected by the tax cap because LIDs are assessments, not taxes.

Mr. Scott:

- commented that he received advice that LIDs are considered to be a pledge against property and therefore would fall under the tax cap.

B. Building Construction Progress

Mr. Swing:

- commented that Talkeetna Elementary School reached the status of substantial completion on August 15, 2000, and Meadow Lakes Elementary School was completed on August 9, 2000;
 - stated that the Meadow Lakes project came in under budget by approximately \$800,000;
 - remarked that the Talkeetna Elementary School project is expected to come in under, or meet, the allocated budget;
 - stated that the dedication ceremony for Talkeetna Elementary School is the evening of September 20, 2000;
 - presented a picture of Meadow Lakes Elementary School and invited everyone to visit this location and Talkeetna Elementary School;
 - commented that the Ron Larson School is approximately 55 percent complete and that the contractor is ahead of schedule;
 - reported that the scheduled completion date for the Ron Larson School is August 10, 2001;
 - reported that the Teeland Middle School is about 30 percent complete and that construction on the project is proceeding as scheduled;
 - stated that the Burchell High School addition will be bid in November and that the city of Wasilla sewer system is being extended to the school;
 - stated that the borough is currently in a joint venture with Spenard Builders Supply and the city of Wasilla;
 - reported on the Colony Middle School wastewater treatment facility;
 - stated that there has been fire alarm upgrades in many of the schools;
 - remarked that additional sprinklers were put in at Willow;
 - commented that replacement univents in the heaters at the Borough were installed.
 - reported that two bathrooms at Sharrod School were reconstructed to provide ADA accessibility;
 - conveyed that asbestos abatement of the Snowshoe Elementary School gym floor has been completed.
- **Department of Education and Early Development: Retreat on Educational Adequacy (Requested by Assemblymember Jansen)**

Assemblymember Jansen:

- explained that she participated in a focus group organized by the Department of Education and Early Development in Anchorage;

- reported that approximately 30 people were selected from AML, the Department of Education, and the Association of Alaska School Boards to attend the forum;
- stated that the group discussed the definition of an adequate education;
- reported that the group convened because part of the legislation in Senate Bill 36 required that a report be made to the legislature no later than January 1, 2001, regarding what constitutes an adequate education;
- discussed the areas of concern regarding an adequate education (i.e. a safe environment; well maintained facilities; the consideration of special needs; partnerships between schools, families, and communities; technological support; quality staff; and students who are well versed in the Alaska performance standards which are set by state law);
- commented that the forum also discussed funding to the education system;
- reported that the Department of Education and Early Development is in the process of collecting data and will be providing further statistics;
- stated that the last part of the forum's task was to look at the methodology;
- remarked that making the connection between school dollars and students' achievements is a principal school finance challenge in the next century;
- reported that the focus group adopted the report, which was then forwarded on to various organizations for discussion; and
- stated that the department would like to see revisions and comments to their report submitted to the legislature by January 1, 2001.

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

Superintendent Chesbro:

- stated that Colony, Palmer, Wasilla, Houston, and Su-Valley High schools will be meeting with parents and handing out reports explaining the types of intervention the schools are working on to meet the needs of children;
- commented that the district has prepared a packet regarding the high school qualifying test; and
- remarked that the scores of the testing are related to the Alaska Performance Index.

Assemblymember Kelly inquired how the proficiency level was derived.

Superintendent Chesbro:

- commented that she did not know precisely how the proficiency level was derived, but that there were several teachers in the district who were involved in the process.

Assemblymember DeVilbiss thanked Superintendent Chesbro for the information on the testing and commented that he looked forward to seeing how the students performed.

Mayor Salmon inquired about the grade level of children when the test was taken.

Superintendent Chesbro stated that the students are now in the eleventh grade and that they received the tests in March 1999, as tenth graders.

School Board Member Fairfield:

- commented that the testing is a graduate minimum requirement and is not necessarily designed to be passed on the first attempt.

School Board President Wells:

- commented that the State Board of Education met over the weekend, but still has not made a decision regarding what year implementation of testing will occur;
- stated that he, the superintendent, and other members of the district will be attending an educational summit with districts statewide at the end of the month;
- remarked that the State Board will answer questions regarding the final implementation of the test;
- feels that testing is a work in progress;
- emphasized that math skills across the state should be enhanced; and
- stated that he is excited about the future and about having been able to respond to some of the questions concerning public education

Assemblymember DeVilbiss inquired why testing is not designed to meet the grade level of the students, but rather is set at a graduate level.

Superintendent Chesbro:

- commented that the tests are given at a sophomore level in order to assess students' aptitude; and
- stated that the test is given once at the sophomore level, twice at the junior level, twice at the senior level, and is also offered after scheduled graduation dates so that students have many opportunities to take the test.

Assemblymember Kelly spoke regarding his understanding of the testing thresholds.

Mr. Scott:

- commented that he thinks it is helpful to give testing at different levels as it provides insight into problem areas in the classroom;

Mr. Gatti had no comments.

Ms. Dillon:

- stated that absentee voting starts next week;
- remarked that absentee voting is available at the Cottonwood Creek Mall in Wasilla and also at the borough building;
- commented that ballots for all areas in the borough are available at these two locations;
- conveyed that absentee ballots by mail may still be requested;
- encouraged everyone to take advantage of voting options as there is no reason why a person should have to wait to go to the polls on election day;
- stated that voting can also occur by personal representative;
- reminded everyone about electioneering;
- appreciated the use of schools as polling places;

- commented that results should be in within an hour after polls close; and
- invited everyone to attend the election certification.

Mr. Scott had no comments.

School Board Member Menard:

- inquired if an introduction of the school board candidates for the October 3, 2000, election was in order.

Mayor Salmon asked the candidates to introduce themselves.

School Board Member Menard:

- applauded the 80-acre acquisition for a borough project that is now moving forward; and
- stated her concern regarding the teacher/union contract in that teachers are only allowed to incorporate two years of their longevity into the system.

Assemblymember Jody Simpson:

- expressed her excitement over the dirt work that has started at Houston High School; and
- remarked that she is looking forward to seeing how the school district's emergency operations plan will be incorporated into a public safety plan.

School Board Member Brooks:

- expressed her appreciation for community support and support of the students; and
- encouraged responses to the Department of Education and Early Development's adequacy report.

Assemblymember Colberg:

- stated that this is his last official meeting with the school board;
- commented that it has been a real pleasure working with the school board; and
- feels that the public will make the right decisions in regard to education.

Mr. Fairfield had no comments.

Assemblymember Kelly:

- expressed his appreciation to the school board for collaborative efforts to solve problems with the education program and for building new schools; and
- stated that economic development could be used as a source of revenue if the tax cap is passed.

Mr. Contini had no comments.

Assemblymember Turner had no comments.

Superintendent Chesbro:

- commended the school district staff for a smooth-running first day;

- reported that the school district is approximately 90 students over the projected enrollment; and
- stated that the student enrollment count period will run from October 2, 2000 to October 27, 2000.

Assemblymember Jansen:

- expressed her pleasure to have represented the Matanuska-Susitna Borough at the educational adequacy retreat;
- encouraged everyone to explain the school bond proposition for the upcoming election as the community does not seem to be aware of the issue; and
- stated that it is always a pleasure to meet with the school board for discussion.

Assemblymember Larry DeVilbiss:

- commented that he does believe there is a gap between the issues and public knowledge; and
- thinks it would be advantageous to have the state election and borough election together.

Assemblymember Holmes:

- stated that this is also his last official meeting with the school board;
- thanked everyone for all the hard work;
- believes that things will be fine if the tax cap passes;
- commented that the legislature will take action quickly; and
- remarked that the assembly and the school board will find solutions and that there is a definite need to incorporate the public in the issues.

School Board President Wells:

- believes that combining the state and borough election would be more costly;
- thanked Assemblymember Jansen for the work done at the adequacy retreat; and
- recognized Assemblymembers Holmes and Colberg for their public service.

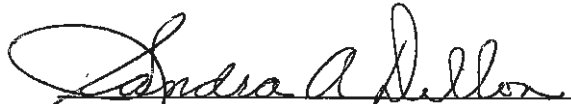
Mayor Salmon:

- feels that children are becoming fearful and agreed with Superintendent Chesbro that there will be a loss in teachers if the tax cap initiative passes;
- commented that we have invested our livelihoods and community dollars into the school system;
- stated that we need to explore the possibilities of a four-year college in the borough if the tax cap does not pass;
- encouraged everyone to inform the public regarding the tax cap; and
- spoke to the possibility of a sales tax in regard to alternate forms of generating revenue.

VII. ADJOURNMENT

The special assembly meeting adjourned at 7:23 p.m.

ATTEST:


SANDRA A. DILLON, Borough Clerk


TIMOTHY L. ANDERSON, Borough Mayor