

Director Guard expressed his concerns over a decrease in the general fund of \$1 million that was shown on some of the statements. Dr. Blanche talked about getting new money into the district, and how the administration e-mailed legislators about the increase not really being more money because of how things are funded and other requirements. Actually only a small percentage of the money is new money for our district. Claudia Wood talked about the budget freeze being in place for buildings and she shared information about other comparison reports that are outlined in the January Monthly Financials. The Board discussed the insurance fund and asked questions about the costs and increases from last year. Mrs. Wood said a large percentage of the costs are for prescription drugs. There was discussion about the new administrator of the insurance program and if they were staying on target now with processing accounts. Mrs. Tangen said their oldest claims were about 45 days behind but they were getting better in processing claims.

Budget

Mrs. Tangen updated the Board on where she was with preparing the budget estimate for 2004-2005 and the budget adjustment for 2003-2004. They are looking at a fund balance of around \$2.4 million and have spending authority for \$3.7 million. The difference was with the \$1.5 million cut from the State this year, but we are still allowed the spending authority. We are looking at a 1% budget guarantee for next year and hopefully having about \$797,000 in new funding for 2004-2005. They heard about the state formula and what the legislators are saying. Director Tupper didn't think the legislators can really make up the difference nor do they have the authority to give us what we need. Mrs. Tangen talked about adjustments in the 2003-04 budget for English Language Learners for \$639,000; Open Enrollment for \$574,000, and Special Education for \$503,000. Mrs. Tangen talked about levy issues and spending authority. The management levy will be up next year and Mrs. Tangen shared other pieces of the budget dealing with early retirement, liability insurance, and increases in workers compensation. We are dealing with these costs. Board members asked questions about early retirement, cash reserves, tax increases, incentives, and other financial matters. Mrs. Tangen said they were looking at a 1% contract settlement that will impact the budget next year. There is a board goal dealing with revenue and we are about \$1 million off where we want to be. The Board Goal is to (1) Restrict growth of general fund expenditures within the percent of allowable growth and (2) Increase general fund revenues. Mrs. Tangen said at this point we have 47 teachers who are retiring and that amounts to about a \$20,000 savings per teacher to fill positions for next year. There was discussion about the health insurance account and costs being less than anticipated. Mrs. Tangen said there will probably be about a 16% increase next year for insurance. They discussed the third party administrator group and how they were working. Mrs. Tangen said it was recommended we had from 3 to 6 months of claims in reserve for insurance, and we don't have that amount now. If there would be major insurance claims, that would impact our budget for next year. Director Guard asked about how the items the Board addressed regarding the budget priorities were being incorporated into the budget for next year such as in the area of elementary music and fine arts. Dr. Blanche said that will depend on the allowable growth figures and at this point the governor is going to veto the rate presented. If the allowable growth is back to 2%, we will not realize much more because our enrollment has declined. There were years of growth, but at this point our district enrollment has been declining and that impacts the budget. Mrs. Tangen mentioned they were calculating the same number of staff positions for the 2004-2005 Budget being estimated. Since April 30 is the lay off date, everything needs to be in place by that time. We hope to have about 100 teachers turn over and this is possible with the number of people retiring for next year.

Jefferson/Edison Renewal

Mrs. Tangen said that Mr. Hunigan, Mrs. Reynolds, and she had been working with people from New York on the contract proposal for Jefferson/Edison. She highlighted several accomplishments of this program such as: (1) calendar included extra days and will be maintained at Jefferson; (2) replacing and updating technology since the program is five-years old; (3) having a funding change if there is a fluctuation with enrollment – if there was an increase of 20 students, we would add one teacher; and if there was a decrease of 20 students, we would reduce one teacher. (4) ELL fully funded by Edison including transportation; (5) utility costs including air conditioning when applicable; (6) Title 1 would be at a flat amount of \$250,000; (7) categorical funding areas would be forward to Jefferson Edison;

(8) special education costs would be at the district's expense; (9) five-year contract with them but revenues for 2006-09 based on allowable growth from the state with a minimum of 1% and a maximum of 3%; (10) all other provisions would be the same.

Mrs. Tangen reviewed the question raised on whether this program was a cost to the district. There were meetings with administrators to go over this and they looked at a number of areas including salaries, building expenses, supplies, curriculum, technology, and other matters. The cost for us to run this program for the 2004-05 year was estimated around \$2.4 million but doesn't include the curriculum or technology elements. The proposal from Edison amounts to about \$2.6 million with curriculum and technology features included. We had a provision that we would pass on money to them up to 40 additional students. There were actually 60 new students and it generated \$187,000 so we were about \$10,000 ahead this year. Director Zamora said the Edison program also gave us the benefit of extra days of school and hours for our children. Mrs. Tangen talked about the special education costs and Edison had some concerns with years four and five of the contract because they didn't know if they could cover the special education costs in those years. Director Guard asked if we felt we were getting the results we wanted through this program. Dr. Blanche felt we were having the results we wanted and data was showing the students were improving. The Edison Programs wants us to keep them at Jefferson School also. Director Zamora talked about advantages to the program such as less mobility, parental involvements, and the technology component. Mrs. Tangen also mentioned the staff training and development activities that were done through Edison. If either side did not want to continue the program, there is a 90 day time frame built into the contract to stop. Mrs. Tangen will contact Edison this week and at some time in the future bring back a contract for approval. Director Zamora said she was pleased with the climate changes at the school and how it provides stability in the neighborhood. Director Clewell said he has been in and out of the building for meetings and you can sense the pride in the school. President Low said Jefferson has always had a good business partner relationship, but they are really encouraged by the behavior turn around and positive attitude of the students. Her concerns had been with the costs, but now she sees the benefits outlined and this is not a cost to our district. Director Roberson said we have seen the benefits and community involvement, but asked if we can spend more money on other schools to get the same results.

Facilities Update

Mr. Bill Good passed out a handout dealing with capacity questions from the Board. We will be revisiting these capacity figures and the Board now has the industry standard for reference. We will be moving forward with data later this week. The second point was that we have entered all the student data into the GIS and we can use whenever we need the information. The Board received copies of the area maps to use with future discussions for the LSIAC.

Jefferson Edison will start their construction project with a "wall breaking" at noon on March 11th. They are completing bids for Monroe and Madison and will have them ready for consideration on March 8th. The contractors are interested in getting started as soon as possible. There was a bid opening on March 5 and we have changed the scope on a project at Harrison where we can do some of the work and have a savings. Board members commented about the GIS printing of maps and the good work done at Madison. President Low thanked Mr. Good for keeping things moving forward and positive. Mr. Good said all this work is great for the district and a good step in the right direction. Director Clewell talked about the nice article in the paper about energy savings for the district. Director Guard agreed it was a nice note for the public to read about how efficiently we are spending money.

LSIAC Updates

Directors Guard and Tupper talked about the Local School Improvement Advisory Committee's first meeting. The meeting was not dominated by anyone person or group and we had about 55 people who attended at North High School. It was a very diverse group and representative of the district. Director Tupper said the meeting was well facilitated and there was good information. People felt good about the process and what they learned. Dr. Blanche said the meeting started by focusing on the Comprehensive School Improvement Plan (CSIP) and that set the tone of the meeting. We are anxious to see the turn out for the next meeting, and Dick Henzelka did a great job in leading the

meeting. Director Guard said people felt that it was a good process and we were getting something done; and it also created the right mood for discussion. They went through the process of CSIP and it took the focus off the individual buildings and put it on the district as a whole. How will we make this a great district was the question. Director Guard complimented Dr. Blanche and Mr. Henzelka for their leadership and the strategy they are using. President Low thanked Directors Tupper and Guard for representing the Board at these meetings.

Superintendent Search

The Board received a list of search firms we used for sending out RFP. We have gotten several proposals in and Director Guard and President Low will look at them before cutting them down to the right number for interviews. The Board talked about available dates to conduct meetings with the search firms. It was decided to use Tuesday, March 9 starting at 6:30 PM and Wednesday, March 10 starting at 5:30 PM for interview sessions.

Policy Review

Director Clewell said the next meeting for the Policy Committee would be March 24 at 4:00 PM. They appreciated the fact that board members approved the harassment policies and the school closing policy at the last meeting. He asked if the Policy Committee should look at the anti-hate covenant at their next meeting. Director Guard thought the committee should also look to see what other policies the anti-hate covenant might affect. President Low said Bob Mata had talked about changes in some other policies with this covenant.

Announcements/Comments

There was a thank you to North High for hosting the dance teams over the weekend. Director Zamora said she would not be available for the exclusion hearing on Thursday. Board members also talked about the music and dance competitions and the professionalism of the students. It was a shame we can't get more of our community to attend these events. Dr. Blanche said people who attended from all over walked out of the event just amazed at what we could do for the students. We had over 3000 packed into the gym for the evening performance. People could also watch on the big screens in the cafeteria. This is a good time for the media to focus on what we are doing to help our community because these events affect our economy. There were comments about our wrestling team and how our sports teams are coming back.

ADJOURNMENT

President Low declared the committee meeting adjourned at 7:40 PM.

Linda Smith Kortemeyer, Board Secretary