

**MINUTES OF THE BOARD OF TRUSTEES
SPECIAL MEETING/WORK SESSION
Pocatello/Chubbuck School District No. 25
Tuesday, March 12, 2013
Board Room at the Education Service Center
8:30 a.m.**

BOARD MEMBERS/SUPERINTENDENT PRESENT:

Janie Gebhardt, Chair
John Sargent, Vice Chair
Jackie Cranor, Clerk

Jim Facer, Asst. Treasurer
Paul Vitale, Member
Mary M. Vagner, Superintendent

A Special Meeting/Work Session of the Board of Trustees of Pocatello/Chubbuck School District No. 25 was held on Tuesday, March 12, 2013, at 8:30 a.m. in the Board Room at the Education Service Center, 3115 Pole Line Road, Pocatello, Idaho, as provided in Section 33-510, Idaho Code;

Convene Special Meeting

Chair Gebhardt welcomed everyone and called the Special Meeting to order at 8:43 a.m. She said the purpose of the Special Meeting was to take action on approving four early graduation requests.

Take Action to Approve Early Graduation Requests

Ms. Vagner said included in the packet was a memorandum with information relative to the students requesting early graduation and the students had completed all requirements. A motion was made by Mr. Sargent and seconded by Mr. Facer to approve the early graduation requests as presented. The voting was unanimous in the affirmative. Chair Gebhardt adjourned the Special Meeting and Convened the Work Session at 8:44 a.m. She reviewed the agenda and the addendum and said the Special Meeting/Work Session was for the purpose of the administration discussing with the Board the following topics:

- 1. Head Start Federal Review Findings Report**
- 2. Overview of Business Services:** *Human Resources; Payroll; Accounting; Print Shop; Legal/Insurance*
- 3. Professional Technical Education Report:** *Carl Perkins Funds; Sequestration*
- 4. School Improvement Grant:** *Administrative Assignments*
- 5. Wide-Area Network Services:** *Competitive Pricing for Internet Services*
- 6. Budget Preparation 2013-2014:** *Status of HB65; Status of Use It or Lose It; Other Legislative Impacts/JFAC Action; Sequestration; Current Unit Calculation and Impacts; Enrollment Projections; Balancing the Budget with Passage of the Supplemental Levy and Flat State Funding; Essential Cost Increases Inclusive of Health Insurance Increases; Staffing Levels and Displacement of Staff; Hiring Timelines*
- 7. Updates:** *Valley Pride Portneuf River Update; District #25 Employee Safety Plan; OK Ward Park Joint Use Agreement; 2013 Bidding Calendar; 2012-13 District #25 Calendar Adjustments*
- 8. Public Comment**

Board Protocols for Public Comment will be followed at all Board Meetings. Patrons wishing to address the Board will fill out Form AD 2 – Request to Appear before the Board and present it to the Board Chair or Board Secretary prior to the meeting. Because of the diversity of issues, members of the Board may not respond to delegations. Instead, issues are recorded and referred to the proper staff member for follow-up. The Board is informed of these efforts by the staff member responding to concerns.

Board Operating Principles #22 & 23:

22) The Board will follow the chain of command referring others to present their issues, problems, or proposals to the person who can properly and expeditiously address the issues; 23) Board members will refrain from communications which create conditions of bias should a problem or complaint become the subject matter of a hearing before the Board.

9. Adjourn Work Session

Head Start Federal Review Findings Report

Ms. Young said a copy of the overview of findings was included in the packet. She said the Audit Team conducted the Audit the week of December 2, 2012. She said one of strengths listed in the report was in the area of literacy. She said it was a strong program for children and parents. She said Head Start hosted many literacy

events. She said there was a group for fathers that focused on literacy and a program for children to read with their parents and turn in evidence of the reading for a free book. She said some of the non-compliance areas identified in the report were relative to Human Resources and tuberculosis testing for bus drivers. She said Head Start staff always received tuberculosis testing prior to employment and it had never been an issue in the past until the Audit Team reviewed bus driver files and found that drivers were not tested. She said the administration previously thought the requirement applied to building staff only. She said she provided a handout for the Board that spoke to the progress of findings. She said bus drivers were in the process of receiving tuberculosis testing. She said the administration was currently revising the protocols to include the tuberculosis testing requirement. She said the testing cost would be paid for out of Head Start funds. She said the job description would need to be revised to include the requirement. She said the Head Start Policy had been revised to include a statement requiring all staff members working with Head Start children to receive tuberculosis testing. She said the administration was still working on language to be included in the job description that would address any staff member that tested positive. She said currently Head Start followed CDC and local health department protocols but would put that in writing. She said the next finding was regarding child health and safety. She said during the Audit Team's interview with one of the teachers the team asked if parents were ever asked to bring diapers to school and the teacher responded that on occasion parents were asked. She said Head Start was required to provide diapers. She said the wording in the report finding was inaccurate and the administration was contesting the finding. She said the report states that the Pocatello Head Start Program does not provide diapers and that was incorrect. She said the Audit Team refused to check whether or not Head Start had any diapers in the building. She said none of the materials provided to parents said anything about needing to provide diapers. She said in response to the finding the administration would contest the wording in the report and will document the Audit Team's refusal to look in the closet. She said the Head Start Policy was updated to include information about Head Start providing diapers and materials. She said the MOU and Parent Handbook already included the language. She said pull-ups were purchased with Head Start supply funds and the receipts had been saved. She said the revised Policy was reviewed with staff at a recent meeting and would be part of the new employee checklist. She said the only situation where Head Start was not required to provide diapers was if a physician ordered a specific brand or type. She said if the findings remained it would put the program in a position to have to reapply for the grant. She said both findings should be completely covered. Ms. Cranor thanked her for the wonderful job the Head Start staff did for children and families. Ms. Young thanked the Board for its support as the grantee. Ms. Vagner said the administration recommended the Board take Action at the March 19, 2013 Regular Board Meeting to direct Head Start bus drivers to be tuberculosis tested at the start of employment and every three years thereafter.

Overview of Business Services: *Human Resources; Payroll; Accounting; Print Shop; Legal/Insurance*

Dr. Howell introduced the Human Resources Department team. He said Diane Hansen started at the District right out of high school in the Assistive Training Program. He said she has been with the District for 32 years. He said she supported the work for hiring classified employees which included Food Service, Maintenance & Operations and Transportation. He said it took a lot of employee management and much paperwork was involved with new hires. He said the paperwork requirements had increased tremendously and there was almost no room left in the office. He said Val Jensen was the substitute secretary and had been with the District for 18 years. He said the District had about 120 substitutes and Ms. Jensen worked to set up profiles, grade preferences and to place them in open positions on a daily basis. He said the District recently implemented a new substitute calling system and Ms. Jensen had made it a seamless transition. He said she put together training and webinars and had heard nothing but good things about her abilities. He said Laurie Romasko was the newest member of the team and was in charge of the professional staff. He said she was in the process of learning the substitute system and the team was excited to have her on board. He said Shawna Miller was in charge of insurance and rentals. He said she kept up with all of the rules and changes to Medicare and Obama Care, drafted agreements for carriers and worked with the District Wellness/Insurance and Safety Committees to get the best rates. He said she also managed the rental agreements for the entire District in coordination with the Pocatello Parks & Recreation Department which constantly used the District's fields, gyms, and facilities for the many community events and activities. He said she had been with the District for 26 years. He said the entire team were native Pocatellans and he was grateful to have such a dedicated team.

Mr. Reed introduced the Business Office Department team including accounting and the print room. He said Marcie Stone had been with the District for over a year. He said she previously worked in the private industry and was a quick learner. He said she managed multiple grants, some of them over \$2 million, and tracked every dollar closely. He said financial reporting was now required monthly rather than quarterly and she did a great job keeping track. He said she was his right hand person in monitoring the budget. He said Lisa Russell and Michele

Leiby were in charge of accounts payable and receivables. He said Ms. Leiby also helped as an assistant accountant and between the two they kept track of bill paying. He said both made sure the appropriate discounts were applied in order to stretch every tax dollar as far as possible. He said the District underwent five to eight independent audits from various agencies and the three team members in accounting made sure there were little to no exceptions. He said their outstanding work kept an unqualified opinion from the auditors. He said the District's vendor file had over 20,000 vendors throughout the community and country. He said it required a lot of organization to keep it all straight. He said Whitney Talbot was the newest member of the team and was the Executive Secretary and was split between the Business Office and the Curriculum Department. He said the position was split as the District faced budget reductions. He said 60% of her time was spent in the Business Office and 40% in the Curriculum Department. He said she kept track of CIP projects and managed equipment purchases. He said Will Olson managed the entire printing operation for the entire District on his own. He said he ran color copies, business cards and various printing projects for the District Office and all of the schools. He said he ran close to 12 million copies per year. He said he also managed all of the incoming, outgoing and internal mail for the District. He said C.B. Giles was the Business Services Coordinator and was the glue that kept the department together. He said she tracked many deadlines, dealt with various legal aspects, workers compensation, injury, and worked to ensure the District's risks were minimized. He said she also worked with health insurance providers and Deaton and Co. to negotiate the best rates for the District. He said as information is needed and reports and projects are do she is there to gather and compile all of the information necessary for the Directors to do their jobs. He said everyone on the team took care of their responsibilities and worked well together.

Mr. Smart said C.B. Giles also worked with the Employee Services Department and had been with the District for almost 20 years. He said she was heavily involved with the bidding process, purchasing and legal aspects of the District. He said she was instrumental in the District's health and wellness programs which saved the District money on health insurance renewal premiums. He said she was the principle contact with all of the insurance carriers and worked well with them. He said if an employee was not being served correctly she made sure it was taken care of. He said she worked closely with the Safety Committee and worked to ensure safety was at the forefront for the District. He said she worked with the community on health and safety events including drills at the various schools. He said Carrie Auger had been with the District for 6 years. He said Debra Black had been with the District for over 20 years and she and Ms. Auger ran the payroll department. He said they both kept over 1,700 employees happy. He said there were three separate payrolls to run every month, two for classified and one for certificated professional staff. He said they made it look effortless. He said the department distributed more funds than any other department in the District. He said both did an excellent job which was reflected in the low number of checks returned. He said when a check was returned it usually ended up being through no fault of their own. He said the most stressful aspect of the job was balancing W-2s against actual payroll and was always accurate down to the last penny. He said all of this was done in the background. He said Ms. Black took on a project to digitize the payroll department's tens of thousands of paper and microfilm records for digital archiving. He said it was a tedious and time consuming task and only seven rolls of microfilm remained to be digitized. He said anyone else would have given up on such a massive undertaking but she was able to complete it. He said he was grateful for all of their hard work and knowledge. Ms. Cranor asked who helped with compiling ISEE Reports for the state. He said he was in charge of human resources and demographics, Jeff Jolley managed attendance which was aggregated and attached to students, and Tiffany Ranere compiled data for special education and gifted and talented. Ms. Vagner commended the entire business services organization which was served by about 10 people for the entire District.

Professional Technical Education Report: *Carl Perkins Funds; Sequestration*

Ms. Naftz said she provide an update on the status of Carl Perkins funding and sequestration. She said sequestration would not affect programs this year. She said decisions were being made that would affect programs next year and the District anticipated a 5.1% reduction in Carl Perkins funding. She said Carl Perkins funding was federally funded and was to be used for specific purposes. She said each Carl Perkins grant was written based on eight year legislation. She said Carl Perkins 4 was coming to a close and Carl Perkins 5 would start in the fall. She said as part of Perkins 3, Districts were asked to create a self-sustaining recruitment and retention program. She said most Districts bought out some of the counseling personnel's time and this District mad the decision to hire Career Development Facilitators (CDFs). She said each CDF was assigned to one of the high schools to talk to students about the advantages of taking PTE courses and worked with students on their schedules. She said the CDFs had done a wonderful job. She said when Perkins 4 was written the focus had shifted to current programs and aligning classes to a program of study. She said the goal was to align each program with a post-secondary credit. She said the District had done a great job in that area and was a critical factor in the high schools achieving

a 4 star rating from the state. She said another objective of Perkins 4 was to link classes and increase rigor. She said there was a lot of collaboration with math, science and English which was in line with the CCSS. She said the last objective was to build a strong alliance with the business community. She said the District was still working on that area. She said Perkins 5 was about to come out and guessed that the focus would continue looking at District's advanced students going to the next step. She said some suspected that Perkins 5 may track students all the way through high school and determine what those students did for their post-secondary careers. She said one of the issues that needed to be addressed before Perkins 5 came out was that CDFs were no longer an allowable expense through Carl Perkins funds. She said the administration was recommending that the CDF positions be eliminated and redistribute the work to PTE teachers. She said services would still be offered, but in a different manner. She said Carl Perkins funds had been used to fund .5 FTE for an administrative assistant which was allowable under the previous grant but would not be allowable under the new grant definitions. She said the administration recommended combining the PTE administrative assistant with the secondary executive secretary position. Ms. Vagner said it would be a combination of the job duties and would not be an increase to the general fund. She said it would reduce general fund costs that had covered half of the administrative assistant for PTE. Ms. Gebhardt asked if that meant the PTE Coordinator's position would be eliminated. Ms. Naftz said no. She said it would eliminate her administrative assistant position. Ms. Vagner said Ms. Naftz would identify her needs and the new secondary executive secretary would assist with those needs. She said Carl Perkins funds could no longer be used in that capacity and would free up money for PTE programs. Ms. Cranor asked if the CDFs were certificated. Ms. Naftz said one of them was. Ms. Vagner said the CDF had obtained teaching credentials knowing the change was coming. She said the state informed the District of the change about three years ago and the District had adequate time to prepare. Ms. Cranor asked if PTE courses had to maintain a certain level of participation in order to keep the program. Ms. Naftz said yes and was difficult at times. She said the administration was looking at options to keep participation up and there could be a need to rotate classes every two years. Ms. Cranor said she heard some teachers say that the trimester schedule hampered students being able to take PTE courses. Ms. Naftz said she agreed. She said theoretically the trimester schedule opens up 3 additional credits but most of the core curriculum demands most of the time. She said students taking three or four core classes were required to take them all year long which did not leave a lot of room for other courses of study.

School Improvement Grant: *Administrative Assignments*

Mr. Wegner said the District had an opportunity to apply for a School Improvement Grant. He said the District's application was on the priority list. He said there were 13 Districts eligible for the grant and 9 of them were alternative schools. He said when a school was identified as a turnaround school, four options were available for a District to pursue. He said the first was the "restart model" which provided that a school could close and reopen as a charter school. He said the second option was to completely close the school and redistribute students to other schools within the District. He said that was not an option for the District. He said the third option was the "turnaround model" which required a change in administration and replacing 50% of the staff which was not a viable option for the District with such limited staff. He said the last option was to apply for a School Improvement Grant using the "transformation model" which provided for a change in leadership at the school but allowed the staff to remain and kept current reform plans. He said that was the option the District had chosen. He said the District would begin providing training in June through a company called PEAK (Performance Excellence for All Kids) for New Horizon High School and Kinport Academy which helped to increase the level of engagement for students, focusing on building positive relationships and building non-cognitive skills. He said the grant application was due on April 5, 2013 and the grant team planned to have the grant written prior to leaving for spring break. He said the grant would be available over a three year period. He said the state had \$6 million available for School Improvement Grants. He said the minimum amount awarded for a grant was \$50,000 and the maximum amount awarded was \$2 million. He said the District would probably end up receiving closer to the minimum due to the size of the school. He reviewed the application. He said the grant application required the signature of the Superintendent, School Board Chair, Title I Coordinator and the Business Director. He said the grant had questions within questions and most of them were extremely lengthy. He said the application required the grantee to provide the rationale for the model chosen. He said the District had to prove capacity to administer the grant and explain the actions that would be taken to implement the plan. He said the District would provide the rationale for contracting with PEAK to improve student engagement at the school. Ms. Gebhardt asked if PEAK was the intervention team or if they were advisors. Mr. Wegner said PEAK would be considered an external partner. He said the District had been providing professional development all along. Ms. Cranor asked if the grant allowed interventions for New Horizon High School students as well. Mr. Wegner said not officially but hoped the grant would have a positive impact on New Horizon High School students. He said the grant had to

demonstrate how action plans would be sustained once the grant was finished. He said the District would build capacity so there would not be any ongoing costs. He said the administration would assess the leadership at the school and explain the goals of the school. He said the District would have to explain annual achievement targets, how relevant stakeholders were consulted such as the Board of Trustees or BLTs, and would need to show how formative assessments would be used. He said if the grant was awarded, the state would provide technical assistance for things like the Building Capacity Program. He said leadership training for principals would be provided. He said the state would also conduct core visits in conjunction with District level staff. He said the District would be notified by May 1, 2013 whether or not it was awarded the grant. He said the Board would be asked to approve the submission of the grant at the March 19, 2013 Regular Board Meeting. Ms. Vagner said if the District chose not to apply for the grant it would have been required to provide rationale for not applying. She said it was important for the Board to be aware of the many elements.

Wide-Area Network Services: *Competitive Pricing for Internet Services*

Mr. Smart said the District was approached by Cable One about accepting the current proposal from ENA. Mr. Jolley said the District currently had a 1 GB pipe to service the entire District. He said in most places that was plenty but for the District it was not enough. He said only so much information could fit into a 1 GB pipe at once. He said the District was running out of space. He said the District contacted Cable One about upgrading services and received a quote that was slightly higher than what the District was paying now. He said Cable One approached ENA about managing the District's account at which time ENA contacted the District with a proposal. He said under the proposal, Cable One would remain the carrier and ENA would take care of billing and the District would be upgraded to a 20 GB pipe at the Education Service Center, 10 GB at the District's backup site and 2 GB at each of the high schools. He said he believed this was adequate to meet the needs of the District for several years. Mr. Smart reviewed the price for Cable One for the next five years. He said Cable One had a staggered cost approach to make up for the up-front costs of the equipment upgrade. He said over five years the average monthly cost came to \$22,000 per month. He said currently the District got a 74% discount at the end of the year from e-rate. He said the e-rate reimbursement was placed in the School Plant Facilities Fund to offset technology upgrades and had always been utilized in that way in the past. Mr. Jolley said after the e-rate reimbursement was factored in the average monthly cost would be about \$6,000. He said the proposal amounted to a \$400 savings per month. He said one of the benefits of ENA was that they would allow the District to pay the "after e-rate" amount up front and they would submit the e-rate application. He said that would save the general fund \$1.9 million. Mr. Smart said there was a 5% increase to the School Plant Facilities Fund annually that would offset the loss of e-rate funds. Ms. Gebhardt asked how ENA was able to front the money. Mr. Jolley said ENA floated the cost and was reimbursed once a year from the federal government. He said Cable One approached ENA about taking over servicing the District's contract because ENA was expanding into many markets that Cable One wanted to be a part of and was giving them large volume discounts with the provision that Cable One would be the underlying provider. He said the partnership benefitted all parties. Mr. Sargent said anytime a company was willing to front the money for a service the District could utilize it was a good deal to him. Mr. Jolley said ENA would also maintain the equipment and file the e-rate application for the District. Ms. Cranor asked if ENA's equipment was quality. Mr. Jolley said yes and the District currently utilized their services through the state for IEN. He said so far the District had not experienced any down time with their services and their response to fix any IEN problems was excellent. He said ENA guaranteed that the District would be back online within 4 hours if the system ever went down. Ms. Vagner said the administration recommended pursuing an agreement but did not want to bring back a final proposal without informing the Board. Mr. Sargent said it sounded like delaying on the previous proposal benefitted everyone. Ms. Vagner said the administration would pursue an agreement and would bring a final proposal to the Board at the April 16, 2013 Regular Board Meeting.

Budget Preparation 2013-2014: *Status of HB65; Status of Use It or Lose It; Other Legislative Impacts/JFAC Action; Sequestration; Current Unit Calculation and Impacts; Enrollment Projections; Balancing the Budget with Passage of the Supplemental Levy and Flat State Funding; Essential Cost Increases Inclusive of Health Insurance Increases; Staffing Levels and Displacement of Staff; Hiring Timelines*

Ms. Vagner said most of the elements of Prop 1 and Prop 2 were coming back in various bills. She said the elements of Prop 3 were coming back with the exception of the one-to-one mobile computing devices and online learning. She said many of the bills were a regeneration of the items that made up the SCF legislation. She said the labor bills were for one year only with a sunset clause at the end of the year. She said the implementation of the legislation would be monitored and revisited by the legislature next year. She said HB65 was the funding bill and should come through the Senate now. She said the funding bill for 2013-14 would allow Districts to Use It or

Lose It up to 9.5% of staff. She said the descriptions in Capitol Notes were very detailed. Mr. Smart said it was more advantageous for the District to get the 1.67% restored than it was to get Use It or Lose It. He said the District only ended up understaffing by .75% which was 4.5 FTE. Ms. Cranor asked how Use It or Lose It would work next year. Ms. Vagner said supposedly Districts would be allowed to understaff at 9.5% which for the District amounted to a loss of about 70 teachers. She said it was the state's solution for solving funding shortages. She said the legislature would likely draw that number back to 5% which would be half of the number of teachers. Ms. Gebhardt asked if there were strings attached to the restoration of the 1.67%. Ms. Vagner said when the 1.67% was eliminated it was after the District had already reduced salaries by 1% and then 4%. She said at that time the District decided not to implement the 1.67% loss and covered the reduction out of the general fund. Mr. Reed said in looking at overall revenue he anticipated the budget to come out \$15,000 to the good. He said basic school support would be up slightly. He said transportation was down \$200,000. He said the state reimbursed transportation at 85%. He said if transportation did not spend at or above the amount it anticipated it would be reimbursed for less than anticipated. He said there would also be a corresponding decrease in expenditures. He said it was difficult to plan for fuel costs. He said the transportation department traveled nearly 1 million miles over the course of the year. He said fuel costs and tires took up a big portion of that budget. He said it was difficult to budget for anticipated state support with so many unknowns like Pay for Performance which the District would not have this year. He said one increase in funding was due to Medicaid revenue which was above projections. Ms. Cranor asked what the cost to the District was to utilize the services of Idaho Medicaid Billing. Mr. Reed said he thought it was about 10% of the revenue generated. Ms. Gebhardt asked if they provided training. Mr. Reed said yes they provided training to the Ed Center support staff and the school staff. He said if there were any changes to federal law they provided updated training. He said currently Medicaid revenue was over projections by \$110,000. He reviewed the general fund expenditure budget. He said the District was underspent in salaries by \$110,000. He said in previous years that amount was closer to \$500,000 and was getting tighter each year. He said purchased services and supply accounts were both ahead by about \$200,000. He said the Business Office monitored line items very closely and approved expenses only if they were absolutely necessary. He said the administration hoped to be underspent by about \$400,000 overall. He said the appropriated fund balance was at \$1.5 million from the stimulus reimbursement from the state which had been set aside by the Board. He said that would carry forward with the 5% Unappropriated Fund Balance in order to balance for next year. He said the \$1.5 million was one-time money and if the entire amount was used to balance for next year, nothing would be left for future years. Ms. Vagner said fund balance would be a critical piece in balancing for next year. She said the legislature intended to increase beginning salary for new teachers and to buy back the two years that were frozen that newer teachers did not receive. She said the legislature was proposing putting \$21 million into block grants to be used for differentiated compensation which was another form of Pay for Performance. She said Districts could spend up to 40% on professional development and at least 60% had to be spent on differentiated compensation focused on student achievement which could be determined at the local level. She said \$13.4 million was earmarked for classroom technology and the state planned to upgrade high schools with a wireless infrastructure. She said \$3 million was set aside to be awarded for competitive technology grants. She said \$10.5 million would support the reading and math initiative. She said each of the District's high schools got math or science teacher help through SCF. She said \$6.5 million would be taken out of lottery funds and put back into facilities. She said the Governor proposed taking discretionary funds that Districts received from lottery funds and tying it to facilities, so Districts could lose further discretionary dollars. She said the state may be required to match up to \$4.6 million for the Albertson's grant for SchoolNet. She said no one knew what the ongoing costs would be after the Albertson's money ran out. Mr. Reed said he saw an article about the possibility of Albertsons pulling the funding because the state had not budgeted for any professional development which was in the agreement. Ms. Vagner said the PSAT was not required but was an opportunity for students to see how they would do on a college test. She said there was money set aside for early completers and very few students met the requirements. She said money was set aside for a Safety Task Force. She said it was expected there would be new safety reporting requirements for Districts that were not funded. She said the National Board Certification reimbursement was restored. She said discretionary funding would be increased by 1.5% which amounted to \$170,000 for the District. Ms. Gebhardt asked if there was any way Districts could spend technology money on salaries. Ms. Vagner said the administration was exploring that option and was always looking for creative ways to spend money. Mr. Smart said over a four or five year period the District had seen significant enrollment increases but this year the District was down 30 students. He said it appeared that the District would see a leveling off in student enrollment which meant ADA would also decrease or level off. He said ADA generated units and he anticipated the District would be funded for 587 units. He said previously if enrollment decreased a District was allowed 99% protection but this year we learned that if a District saw decreased

enrollment other Districts in the state would have to make up for the loss by giving up some of their units to fund protection. He said that amounted to a loss of 1.5 units for the District so the District would only receive funding for 585.5 units which amounted to \$120,000 loss to pay for other District's decreased enrollment. Ms. Cranor said that should be illegal and made no sense. He said the District's entitlement was being increased by \$20,000 based on 587 units and the budget was adjusted from \$75,000 to \$72,000 to make up for the loss of 1.5 units. He said the administration had not heard anything about any increase in base salaries. He said the minimum salary for starting teachers would be increased. He said the District had fairly significant turnover last year and no one knew how the increase would affect retention this year. He said PERSI was anticipated to go up another 18.88%. He said the administration put together a rough estimate of revenue for next year. He said the comparison to last year's budget would show a line item for \$2.4 million in state support which was for Pay for Performance which would not be in the current year's budget. Ms. Cranor asked if the reduction in transportation funding had a corresponding decrease in the expense side of things. Mr. Reed said the expenses and reimbursement amounts were one year off and was not a straight across comparison. He said part of the allocation from the state had to go back into the School Plant Facilities Fund to offset bus depreciation. He said the administration was hoping that the \$1 million increase reflected in 2014 for the Supplemental Levy would be an actual increase after the election that day. Ms. Gebhardt asked if the amount showing for the 2012 Supplemental Levy election was less due to the decrease in value from the hospital. Mr. Smart said yes. Mr. Reed said with sequestration there would be a 20-25% reduction to Medicaid for next year which would change the District's reimbursement revenue. He said District's carryover was at \$7.9 million. He said the current expenditures exceeded revenue by \$2.6 million. He reviewed projected increases with and without textbook costs. He said without implementing any new textbooks the District was still facing \$1.2 million in cost increases. He said the administration recently learned that Obama Care costs could be deferred until FY 2015. He said Districts would have to implement the changes but it would not come out of the budget until then. Ms. Vagner said the projected cost for the wide-area network was estimated before the e-rate reimbursement. She reviewed the cost estimate for the opening of Alameda Middle School. She said there had been some criticism about the opening of Alameda Middle School. She said the decision was made 6 years ago when the District was faced with overcrowding and had to decide whether to renovate an older building or build a new elementary school. She said personnel costs to open the school would include a principal, attendance clerk, custodian, secretary, registrar and a counselor. She said the estimated personnel costs amounted to \$506,000 with benefits. She said the counselor from Irving Middle School would move to Alameda Middle School. She said supplies and ongoing operational costs for the school amounted to \$133,000 for a total of \$597,000. Mr. Reed reviewed the one-time startup costs. He said the cost to purchase computers, equipment and furniture was estimated at \$578,000. He reviewed the curricular materials for 6 – 8 grades. He said Mr. Wegner was trying to finalize an amount for curriculum materials which by law could not come out of the School Plant Facilities Fund. Ms. Vagner said the cost of curriculum materials would be added to the cost increases spreadsheet. Mr. Reed said to build a brand new school it could cost up to \$20 million. He said the bond for Century High School would be paid off in 2017. He said the District was moving in the right direction and was sensitive to the taxpayer. Ms. Cranor said the administration had done a wonderful job saving taxpayer dollars through advanced planning and utilizing the space available to the best advantage possible. Mr. Reed said another aspect that people didn't think about was the cost of all of the upgrades to accommodate for technology needs that were not there in the past. Ms. Vagner said the administration met with representatives from the high school boosters who requested the District add a line item for future Holt Arena costs. She said the line item was added but no money was allocated to it. She said right now all of the cost increases were absolute with the exception of textbooks. Mr. Reed said sequestration went into effect two weeks ago. He said the impact to most programs was about 5.1% reduction including Title I, Title II – Teacher Quality, Special Education, Preschool and Professional Technical. He said Head Start would also feel the effect but was not included in this information. Ms. Vagner said Ms. Harwood indicated that a 5.1% reduction to the program would completely eliminate supplies for Title I. She said the administration hoped some of the TQ costs for personnel could be paid for out of the technology funds for Districts. Mr. Smart reviewed the budget timeline. He said the administration requested that all Directors submit their budget requests by March 22, 2013. He said the Budget and Wellness/Insurance Committees would meet later that month and would know the District's exact insurance renewal rate soon after. He said Trustee Elections would be held in May. He said the District's budget hearing would take place in June. Ms. Vagner said the deadline for issuing contracts was May 25, 2013 but legislation would move the deadline back to July 1, 2013. She said the Budget Committee would discuss the level of Unreserved Appropriated Fund Balance usage in order to balance. She said with all of the cost increases and maintaining staff at the current level would leave the District \$2 million short of balancing and the District was already understaffed by 4.5 FTE. Ms. Cranor asked if Negotiations would start in April. Ms. Vagner said the administration anticipated that it would but had not heard

from the Pocatello Education Association. Dr. Howell said the administration was working to remain staff neutral other than the additions for Alameda Middle School. He reviewed Phase I of the Alameda Middle School staffing plan. He said the District would have to draw from Hawthorne and Irving Middle Schools. He said the administration wanted to move staff by position. He said Franklin Middle School was able to reassign existing staff members within the school in order to keep them there. He said there were four at Hawthorne and six at Irving. He said all of the staff was already certified and HQ. He said the District was able to use FTE from retirements towards Alameda Middle School. He said Phase I was complete. He said 6th grade teachers submitted their preferences for school placement yesterday and the administration anticipated that teachers should be able to be assigned to their first or second choices. He said there were 6th grade elementary teachers that were not HQ. He said those teachers would be required to take the Praxis or complete 30 credits in a core area. He said those teachers were HQ as an elementary teacher but did not meet HQ requirements for middle school. Ms. Cranor asked if teachers could use existing credits towards the 30. Dr. Howell said yes. He said after core content teachers were placed the administration would work on placing elective teachers. He said all staff members were told if positions opened up they could submit transfer requests but right now the District was determining the number of staff needed based on projected enrollment. He said Phase IV would address any displacement of staff due to elementary boundary changes. He said the 6th grade staff had been very receptive of the changes. He said there would be more shifts as the new school year drew closer.

Updates: *Valley Pride Portneuf River Update; District #25 Employee Safety Plan; OK Ward Park Joint Use Agreement; 2013 Bidding Calendar; 2012-13 District #25 Calendar Adjustments*

Ms. Vagner said included in the addendum were maps relative to the Valley Pride Portneuf River Project. She said she, Mr. Vitale, Ms. Gebhardt, Mr. Reed, Mr. Devine, Principal Cotant and Principal Pettit discussed the proposal with respect to the District's fields next to Irving Middle School and Raymond Park. She said Valley Pride was exploring the possibility of working with the Army Corps of Engineers to remove the concrete channel creating a natural river flow in that field which would then go back into the channel through Raymond Park to the north. She said the issue was that the District owned and used the property. She said Valley Pride had identified some possible properties that the District could utilize within the proximity of the schools that could meet the needs of both schools. She said the map identified various properties that were the size of a football field within those boundaries. She said one of the administration's issues with the proposal was that the current field utilized by both schools was well in excess of the size of one football field. She said the two principals talked with staff and learned that 5 PE classes used the field all day long during the spring and fall. She said the field was also used as practice space for three football teams. She said Softball, Little League and Lacrosse also used the field. She said the Pocatello High School football team used the storage area. She said the space was also protected by the sloped hill that was also used as a seating area. She said in looking at the proposed sites they did not appear to meet the needs of the District. She said there was also no additional funding available to provide further bussing to any of the proposed sites. She said sites further away would decrease instructional time. She said the staff stated that the proposed areas would not even meet 25% of the current needs. Ms. Cranor said the canals and levies were built due to the amount of flooding that occurred in that area. Mr. Vitale said the park would serve as the flood zone. Ms. Gebhardt said the goal of the group was to address environmental concerns caused by canals. She said her concern was the close proximity to the school and was a safety issue. Ms. Vagner said the administration had an opportunity to look at current safety practices for routine work within the District and any work that was more complicated and required greater safety precautions. She said Dr. Mortensen chaired the subcommittee that explored the District's safety practices in the M&O Department. She said the subcommittee developed the framework that could be expanded in all departments District-wide. She said Mr. Facer served on the committee along with representation from Idaho Power and Simplot. Dr. Mortensen said included in the packet was the safety training document that could be expanded electronically. She said the subcommittee worked specifically on the maintenance department and worked with the community representatives to review their company's employee safety plans and developed a framework to operate within. She said the safety plan laid out the responsibility of the District and the responsibility of the employee. She said the committee identified and defined three safety tiers. She said Level 3 was the highest level of safety risk requiring multiple trades with high qualifications. She said most of the jobs identified fell into a Level 1 and a few into Level 2. She said a Level 3 project was rare. She said the training for any Level 3 job had been identified and would have to be completed prior to starting any Level 3 job. She said the committee also identified annual training for specific trades and for all staff. She said there was more work to be done and the administration hoped to expand the document to all departments. She said safety training had been taking place as part of the work being performed but was not being formally documented which would happen now. She said Mr. Facer's participation on the subcommittee was very

much appreciated. She said the plan drafted by the subcommittee was taken to the District's Safety Committee for review. Ms. Gebhardt asked if there was any involvement at the state level. Dr. Mortensen said not at this point. Ms. Cranor asked if employees would be trained on state and federal guidelines to make sure they were aware of the requirements. Dr. Mortensen said that piece would be covered in the procedure created for Tier 3 work. She said the committee would modify the tailboards from Idaho Power and Simplot to create the procedure. Ms. Vagner said over a year ago the District entered into an agreement with the City of Pocatello for the maintenance of the softball fields at OK Ward Park. She said the agreement formalized the maintenance of the fields based on usage. Mr. Reed said one of the goals for the fields was consistent maintenance by the groups that utilized the field. He said usage would be tracked and the District would be able to use the fields for five years cost free due to the initial contribution. Ms. Cranor asked if the city had to provide insurance. Mr. Reed said it was common practice in the insurance world for the District to be held harmless when the city utilized District fields and the city did the same for the District. Ms. Vagner said the administration anticipated it would have a signed copy from the city to include in the Board packet. Mr. Devine said representatives from three of the high schools met to discuss statewide SAT testing that would take place the same day as ISAT testing. He said the administration was requesting that seniors be excused on that day while testing was taking place. He said some of the teachers could then help with SAT testing. He said space was an issue and some of the testing ended up taking place in the halls. He said included in the packet was the proposed calendar change with the number of instructional hours and said the District was well beyond state requirements at the secondary level and would not affect ADA. Ms. Vagner said the Board would be asked to approve the amended calendar at the next Board meeting in order to submit to the state.

Public Comment

Board Protocols for Public Comment will be followed at all Board Meetings. Patrons wishing to address the Board will fill out Form AD 2 – Request to Appear before the Board and present it to the Board Chair or Board Secretary prior to the meeting.

Board Operating Principles #22 & 23:

22) The Board will follow the chain of command referring others to present their issues, problems, or proposals to the person who can properly and expeditiously address the issues; 23) Board members will refrain from communications which create conditions of bias should a problem or complaint become the subject matter of a hearing before the Board.

There was no public comment at the time of the meeting.

Adjourn:

Chair Gebhardt adjourned the Work Session at 11:51 a.m.

APPROVED ON:

APRIL 16, 2013

By:

Janie Gebhardt
Chair

MINUTES PREPARED BY:

[Signature]
Secretary, Board of Trustees

ATTESTED BY:

Jackie Cranor
Clerk