

**MINUTES OF THE BOARD OF TRUSTEES
SPECIAL MEETING/WORK SESSION
Pocatello/Chubbuck School District No. 25
Tuesday, November 9, 2010
Board Room at the Education Service Center
1:30 p.m.**

BOARD MEMBERS/SUPERINTENDENT PRESENT:

Marianne Donnelly, Chair	John Sargent, Member (Arrived at 1:38 p.m.)
Janie Gebhardt, Vice Chair	Jackie Cranor, Member
Frank Rash, Clerk (Excused)	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, November 9, 2010, at 1:30 p.m. in the Board Room at the Education Service Center, 3115 Pole Line Road, Pocatello, Idaho, as provided in Section 33-510, Idaho Code;

Welcome, Call to Order, and Statement of Purpose:

Chair Donnelly welcomed everyone and called the meeting to order at 1:33 p.m. She reviewed the addendum to the agenda. Mr. Rash was excused. Ms. Donnelly said the Special Meeting was held for the purpose of a Work Session for administration to discuss with the Board the topics outlined in the agenda.

- 1. Convene Meeting**
- 2. PCCS Audit Report** – Mr. Reed/Dean Martin – 20 min.
- 3. Special Education Budget Overview/Medicaid Impacts 2011-12** – Ms. Steenrod – 20 min.
- 4. Athletic Facilities Strategic Planning Committee Update** – Mr. Devine – 5 min.
- 5. Renovation of Stocks Building, Relocation of Alternative Programs, Modification of Alameda Center and Opening of a 4th Middle School Committee Update /Alternate School Design Committee Report/Engagement of Architect** – Mr. Reed/Mr. Devine – 20 min.
- 6. Education Jobs Act Follow Up/Budget Committee Report/Emergency Levy and Supplemental Levy Election/Projected Cost Increases Inclusive of: PERSI; Insurances; Utilities; Fuel; ARRA Position Push-ins; Military Leaves; Contingency Shifts; TQ Budget Reduction 2011-12; Textbook Needs (Elementary Consumables)** – Mr. Smart/Mr. Reed
- 7. Insurance Committee Report and Overview of Insurance Changes Resulting from Federal Legislation**– Mr. Smart/Ms. Giles – 20 min.
- 8. Data to be Collected by the State (ISEE) in 2010-11 Update** – Mr. Smart – 5 min.
- 9. Financial Condition of the State and Monitor all District Budgets Update** – Mr. Reed – 5 min
- 10. New ISBA Resolution for Delegate Assembly** – Ms. Vagner – 5 min.
- 11. Public Comment**

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.

12. Adjourn

PCCS Audit Report

Ms. Vagner introduced Dean Martin and Ally Florez from the Pocatello Community Charter School. Ms. Florez reviewed the audit and what the Charter had done for the past three years to improve the ability to have a balanced budget. She said as of the June 30, 2008 the Charter had a deficit of \$239,000. She said the Charter's administration formulated a three year plan to get out of debt and eliminate the line of credit. She said the Charter

was able to reduce the debt by \$100,000 each year. She said the Charter enlarged the class sizes to 24 students per class to increase revenue and decreased expenses where it could. She said after the first year the Charter reduced its line of credit to \$152,000. She said it was difficult to come up with \$100,000 to reduce the deficit due to budget cuts. She said the charter increased class sizes again to 28 students per class. She said the Charter hoped to reduce class sizes once the financial crisis was over. She said by June 30, 2010 the Charter was able to eliminate the deficit and reduce its line of credit to \$127,000. She said the line of credit was completely paid off in July, 2010. She said the Charter hoped that with the increased class sizes and decreased expenses it would not have to use a line of credit again. Mr. Sargent asked if the Charter used the line of credit throughout the year. Ms. Florez said it had not and hoped it would not be needed in the future. Ms. Gebhardt noted the Charter reached its financial goals ahead of schedule. Ms. Florez said the Charter would utilize ARRA funds for salaries to avoid further deficit or using the line of credit. Ms. Vagner asked how the Charter planned to absorb the cost once ARRA funds were no longer available. Ms. Florez said the Board had not decided how the funds would be spent. Ms. Vagner asked how many positions were currently funded through ARRA. Ms. Florez said she believed there were currently two positions funded through ARRA. Ms. Vagner asked how the Charter planned to fund the two positions in the future. Ms. Florez said the Charter expected to have enough funds to cover the two positions as it would no longer be making \$100,000 payment on the line of credit. Ms. Vagner asked if the Charter was prepared to face flat or reduce funding from the state. Ms. Florez said the \$100,000 it saved each year not paying on a line of credit should be enough to cover the two positions and any decreases from the state. She said \$100,000 was a large amount for a Charter that size. Ms. Cranor noted there was one finding on the Charter's audit that dealt with segregation of duties and said the Charter needed to hire one more person. Ms. Florez said it would probably be a finding every year as the Charter did not have the funds to hire an additional person. Ms. Cranor asked if they had plans to hire another person in the future. Dr. Martin said the Charter did not currently have a plans to hire an additional person and was not a high priority. Mr. Sargent asked if that was a risk the Charter was taking. Dr. Martin said the auditor told the Charter it was not a significant risk with the other Policies and procedures the Charter had in place. Ms. Florez said the system for accounting and checks and balances the charter had in place met the needs. Dr. Martin said the Charter had a strong Board and finance committee. Ms. Florez noted she did the payroll and Accounts Payable and was not a signer on the checks and authorization came from Dr. Martin and the finance committee. Mr. Reed said it was normal for smaller Districts to have few people to cover multiple responsibilities. Ms. Donnelly thanked Dr. Martin and Ms. Florez for the report.

Special Education Budget Overview/Medicaid Impacts 2011-12

Ms. Steenrod said the Special Education budgets were included in the packet. She said recently the Special Education department's Part B application was approved. She said the Part B allocation was \$2.4 million. She said it equaled \$1,900 per special education student. She said it was \$10,000 more than the previous year. She said there was carryover due to stimulus funds and the department was able to use that for supplies and equipment without spending the current budget on it. She said the largest expense was salaries and made up 80% of the budget. She said the department contracted with outside agencies for physical and speech therapists. She said the department was able to set aside \$90,000 for early intervention services and hoped to continue some of those services through stimulus dollars. She said the department would work on a plan to phase out the services without stimulus dollars to cover them. Ms. Cranor asked if it covered two teachers. Ms. Steenrod said it did cover two special education teachers. Ms. Cranor asked how other special education teachers were funded. Ms. Steenrod said they were funded through the general fund. She said there were not enough federal dollars to cover the entire special education department. She said the next budget in the packet was the ARRA budget. She said the department had spent \$1.1 million and was on target to spend the remaining ARRA dollars by the September, 2011 deadline. She said staff gave input to set funding priorities which were included in the packet. She said the department had been very careful to not have ongoing costs. She said a lot of the ARRA funds went towards increasing curriculum and technology which would not need sustained funding. She said the alternate assessment changes required updated technology. She said the department would review the budgets and come up with a plan to spend the remaining ARRA dollars. She said the 2010-11 preschool budget allowed for three instructional assistants and one speech therapist. She said other speech therapists were funded through the general education fund. She said there were five special education teachers at Lincoln that were not included in the Head Start

budget. She said the special education administration met with the Lincoln principal to gather input on budget items including salaries, supplies, equipment and professional development. She said the department no longer received a health and welfare budget. She said the department was working to develop a plan and identify priorities to improve the situation at Lincoln. She said the last budget was the Pocatello Community Charter School budget. She said she and Dr. Martin had worked out a budget to submit to the state. She said the entire special education budget for the Charter went directly to teachers and was easier to track. She said the remaining stimulus dollars had gone to salaries. She said the last item included in the packet was a memorandum detailing a potential loss in Medicaid revenue. She said the state was proposing rule changes to redesign benefits. She said the notice from the state indicates the rule changes are cost neutral but it has significant cost impacts to Districts. She said currently Districts could bill for behavior interventions and would not be able to bill for those with the proposed rule changes. She said the rule changes would require Districts to provide the services through outside agencies. She said it could equal a \$380,000 loss to the District. She said the District had special education students that received developmental therapy for adaptive behavior, feeding, social skills and other developmental skills. She said the District currently billed for the extra costs and services and would be unable to do that with the changes. She said the District had four special education aides that equaled about \$80,000 and would not be able to continue supporting the cost. She said the District contracted for intensive behavioral interventions and was reimbursed for about 79% of what it was billed. She said in the future the District would have to cover the expense with no reimbursement. She said the department had to come up with a plan to absorb the costs in its general education budget. She said the service was critical for special education students. Ms. Cranor asked how the department planned to absorb the cost and what it would do with the programs. Ms. Steenrod said the programs might have to be scaled back and redistribute staff to cover the highest priorities. She said it would have to be a District wide decision. Ms. Cranor asked if the state considered this low impact. Ms. Steenrod said the state had presented the changes as cost neutral. She said the department would look for ways to maximize the carryover and use the stimulus dollars to optimize the budget. She said there were several new special education students at Irving Middle School and had enough aides to cover the workload. She said the duties were increasing and the budget was getting leaner. She said the District had special education aides at Irving Middle School, Highland High School and Century High School. She said the special education department had scheduled with parents to explain the Medicaid redesign. She said the proposed changes were expected to go into effect July 1, 2011 if supported by the legislature. She said the plan was to stagger implementation based on student birth date. Ms. Vagner noted the topic was on the agenda for the Board Work Session with legislators. She said it would also be discussed at the Superintendent's Forum. She said Districts needed to keep the discussion in front of the legislators so they would understand the implications of the lost revenue. Ms. Steenrod noted the state had never fully funded special education for Districts. She said after the District learned of the changes the administration sent comments to the state to provide its input. Ms. Vagner said Ms. Steenrod and the department had done an excellent job in preparing and planning the budget and utilizing ARRA funds to benefit the District rather than funding positions that would eventually need to be shifted to the general fund.

Athletic Facilities Strategic Planning Committee Update

Mr. Devine said the Athletics Facilities Strategic Planning committee had divided into to sub-groups. He said one subgroup would research current fields to determine the condition and availability. He said the committee had acquired aerial photos of the fields to determine what could be improved. He said the committee met with Mr. Reed, Mr. Wright and the high school Athletic Directors to discuss issues. He said one of the issues was the manpower to maintain current fields. He said the committee prioritized critical needs. He said the second subgroup was more complex. He said the second group would research the use of Holt Arena, the cost impact to the District and lost revenue to schools. He said the cost to utilize the ISU facility was high. He said schools were facing a funding crisis and were not receiving the revenue they expected. He said one of the issues being researched was whether or not the District could utilize current fields and if it could use just one or if it would need to use two. He said the committee would look at staggering use of the fields to see how many it would need to use. He said currently two of the high schools shared fields and the committee would determine if all three could utilize the same field until further resources were available. He said he hoped the committee would have various options to present for Board consideration. He said the committee did find that the reason the District paid

a higher rate than others that utilized the facility was due to the fact that the District used it for other activities such as band and choir. Ms. Cranor asked if the District was charged separately for band events at Holt Arena. Mr. Devine said the District was not billed for the other uses and was included in the contract which was why it was a higher rate. Ms. Gebhardt asked if the District had other options available for those events. Mr. Sargent said it was one of the things the committee was looking into. Mr. Devine said all of the various options were being researched. Ms. Cranor noted some of the cost savings suggestions were very interesting. Ms. Donnelly noted the football program subsidized a lot of the other programs. Mr. Sargent said in looking at the programs that utilized the Holt Arena it appeared that the band program used it more than the football program. He said in speaking to a contractor that day it appeared the original quote on upgrading current fields was rather high and should actually cost less than \$100,000. He said if the resources were available it was a good time to take advantage of low construction costs.

Renovation of Stocks Building, Relocation of Alternative Programs, Modification of Alameda Center and Opening of a 4th Middle School Committee Update /Alternate School Design Committee Report/Engagement of Architect

Mr. Devine said the Alternate School Design Committee visited an eLearning Center in Bonneville County. He said the eLearning Center was open from 7 a.m. to 7 p.m. and was available for all students including homeschooled students. He said the possibilities available through eCenters were impressive. He said another group from the committee had gone to an alternate school in Meridian to see how the school utilized the space. He said the school had a lot of glass on the interior to create a spacious feeling. He said it also increased safety by allowing teachers and the administration to see what was going on in classrooms and hallways. He said the school had very spacious hallways that were 14 feet wide which the District would not need. He said the Meridian alternate school had designed the building from scratch and were not confined to a set amount of space like the District was. He said the committee also visited the Renaissance alternate school. He said visiting both schools gave the committee a lot of good ideas in thinking about the needs of the alternate programs. Ms. Cranor asked if the architect was able to visit the schools with the committee. Mr. Devine said the architect had not been able to go but met with the administration after to discuss the options considered by the committee. Mr. Reed said the committee had brought photographs back for the architect to review. He said it was an exciting committee with a lot of creative discussion and ideas. He said there were a lot of wants and needs to sort through with five different programs being under one roof. He handed out draft floor plans from Jensen Barnard Architects. He said the preliminary layout had 27 classroom spaces. He said the classrooms shaded in green would accommodate 20 students. He said the committee had discussed the need to have some larger classrooms. He said the preliminary layout gave the committee a general idea of the space available. He said the architect also provided a schematic for flex classrooms that could have multiple uses. He said one of the alternate schools that the committee visited had a large multipurpose room which the committee would like to see included but would not be as large. He said one part of the Stocks Building could be expanded to accommodate that type of room. He said it could accommodate a small gym, cafeteria and assembly space. He said the design came together a little bit more each time the committee met and hoped to have a final design in the next two months. He said once the architect had a final design the District could begin bidding in late spring or early summer. Mr. Devine said Alameda staff members were providing input as to program details and how they could fit into the proposed design. Mr. Reed said the District had begun the design phase for the HVAC system at Alameda and would start phase 2 the following year. He said the District would piece together the timeline and budget for the projects.

Education Jobs Act Follow Up/Budget Committee Report/Emergency Levy and Supplemental Levy Election/Projected Cost Increases Inclusive of: *PERSI; Insurances; Utilities; Fuel; ARRA Position Push-ins; Military Leaves; Contingency Shifts; TQ Budget Reduction 2011-12; Textbook Needs (Elementary Consumables)*

Mr. Smart said the updated Education Jobs Act document was included in the addendum. He said the administration had a good idea of what the allocation expenses would be now that positions and costs had been identified. He said the information had not changed dramatically but some of the costs had been adjusted. He said the final estimate was \$30,000 over the original estimate due to benefits being added with the restoration of custodial hours. He reviewed the overall costs for the two year period. He said to restore a furlough day either

through professional development or parent teacher conference days the amount would come to about \$220,000. He said the total allocation for the District was \$2.1 million and anticipated having \$240,000 remaining after the top priorities were met. He said the administration and the PEA would meet on Monday, November 15, 2010 to discuss the allocation of the remaining Education Jobs Act funds. Ms. Cranor asked if the committee planned to use the Education Jobs Act funds to subsidize the loss of ARRA funds for behavior technicians. Ms. Vagner noted that the behavior technicians were identified as a top priority for elementary principals in addition to custodians. She said the elementary school Title I resources had been negatively impacted and the Education Jobs Act funding was a means to sustain the behavior technicians for an additional year. She said the budget committee would plan two years out and make any decisions regarding Title I allocations or eliminations over time. She said as student behaviors increased the behavior technicians became more critical to elementary schools and any decisions to faze them out would be made over the next two years. She said Districts could not predict what the federal government would do with Title I budgets from one year to the next. She noted there were behavior technicians at every elementary school except for Gate City which was not a Title I school. Ms. Cranor asked if the Education Jobs Act fund was the best resource to maintain the behavior technicians. Ms. Vagner said the District had to stretch federal funds to cover certain areas and had done an excellent job of avoiding funding FTE through ARRA funds. She said behavior technicians were a critical support to classroom teachers. Mr. Smart said the Budget Committee had asked principals what the top priorities were when considering the use of the Education Jobs Act funds and the behavior technicians were a top priority. Ms. Cranor asked if the allocation of the remaining funds would be discussed with the PEA. Mr. Smart said they would. He said the unallocated funds amounted to just under two days of furlough restoration. Ms. Vagner noted some employees willingly went back to an old position that was higher paying understanding the risk that the position was temporary. Mr. Smart then reviewed the Supplemental Levy history. He said the data went back to 2004. He said the District was in its 4th year of a \$6 million levy and the District would need to decide what direction it would go in the future. He reviewed the levy rate for each year based on tax value. He said there had been a significant increase in property value between 2004 and 2011 but expected very little increase for 2012. He said if the District went for a \$7.5 million levy the taxes would be similar to taxes paid in 2004. Ms. Cranor noted it would actually be \$4 less. Mr. Smart said the Budget Committee would begin discussing the Supplemental Levy at its next committee meeting on Thursday, November 11, 2010. He said the administration would have more in depth information to bring to the Board for setting a levy amount and date after the committee met. Ms. Vagner said the Board would set the levy amount and date at the December 14, 2010 Regular Board Meeting to meet the County's deadlines for public notice. She said state elected officials had not taken a stand for education and Districts had an obligation to meet contracts and program delivery to students and could not survive on flat or reduced funding. She said the challenge for Districts would be getting the community to respond to the education funding crisis. She said legislators told Districts to go to the community to solve their problems. She said the Board would be going to the ISBA Convention the following week to engage with legislators and it would be interesting to hear the plans for funding education. She said the administration had presented a levy rate from flat to a \$2 million increase. She said the administration would be ready to bring solid options to the Board in December. Ms. Cranor said the District had forgone an Emergency Levy and hoped the community acknowledged the sacrifice and reiterated that the District could not function on status quo with the cuts Districts had received from the state. Mr. Reed said the District had survived on a \$6 million dollar levy for four years but had not had to deal with the radical reductions from the state at that point. He said the reductions from the state amounted in the millions and the District had never functioned under those conditions previously. Ms. Donnelly noted that the reductions were on top of the loss of the M&O. Ms. Cranor said she understood that a tax increase was difficult for everyone but education needed to be a priority. Ms. Vagner said this had to be the year for Districts to be brave and bold and take the situation by the horns. Mr. Smart said the District had two chances to run a spring election which are March and May. Ms. Donnelly said the District would not know the outcome of the legislative session in time for the March election. Ms. Vagner said the administration had considered running two elections. She said it could run the first election in March at the flat rate of \$6 million and another in May after any negative impacts from the legislative session were realized. She said the administration did not know what the legislature would do. She said the District would have to be brave and bold in its decision making in order to balance the budget. Mr. Sargent said if the District was going to ask for an increased levy amount it was critical to communicate what would be restored

with the increase. He said it was important for the community to see exactly what the District planned to do with an increase. Mr. Smart reviewed the cost reductions for 2009-10. He said there were significant textbook reductions and the District had to cut several million dollars out of its budget over the past two years. He said some of the main reductions included supplies, purchased services and salaries. He said the District was still short millions to sustain programs. He reviewed the projected cost increases for 2011-12. He said the first item identified was PERSI. He said the District was required to cover this increase per state law. Ms. Vagner said she would advise not using the Education Jobs Act funds to cover PERSI increases but rather build into the budget. She said the Board could decide to eliminate behavior technicians but could not eliminate a PERSI push-in once the money was gone. Ms. Gebhardt said District had been buffered by the stimulus dollars but those would not continue for long. She said permanent additional funding was critical. Mr. Smart said the administration did not know where insurance increases would end up but estimated it would be about a 10% increase. He said the District had the potential to receive a 4% decrease based on wellness participation but if the increase was 15% it would still come out to an 11% increase. Ms. Cranor asked if that was an estimate. Mr. Smart said yes the administration would begin discussing costs with the insurance carrier in January. He said utilities and fuel costs would also increase but there was no way to predict the amount. He said fuel prices had already begun to rise. Mr. Smart said ARRA push-ins were on the list but did not include the behavior technicians. He said if all of the positions were brought back in, it would amount to \$300,000. He said employees returning from military leave would also have to be brought back in to the budget. He said textbook needs for elementary consumables equaled about \$250,000 every year. He said the District would eventually need to figure out how it would catch up on textbook adoptions. He said the District was already behind in that area. Ms. Cranor noted that teacher salaries were not on the list and said the public needed to be aware of how much it would take to restore teacher salaries. She said it was important to see what the District was facing. Ms. Gebhardt noted the reductions were on top of steps and lanes being frozen. She said employees would not be able to put up with increasing their skills with no compensation or benefit for very long. Ms. Cranor said she read an article about teachers moving to other states because Idaho could not compete and was a very real concern for the District. Mr. Smart said the Budget Committee was charged with identifying priorities that tied back to the budget cuts and projected cost increases. He said the committee had its work cut out for them.

Mr. Davis said he would like to share an email from a teacher regarding the use of the Jobs Bill Money. He said the email stated she could not afford to stay in the District with a Masters Degree making less than when she started. He said there were many teachers faced with the same decision and she was not the only one he had heard this from. He said all of the teachers were very talented and finishing degrees and planned to go elsewhere.

Ms. Gebhardt said it was unavoidable with the state cutting funding back to the rate of ten years ago. She said the public was paying more taxes ten years ago than it was now and was getting less than it ever had. Ms. Vagner said it was important to note that the Board was charged with balancing the wellbeing of District employees as well as the taxpayers. She said the Board had opportunities but had purposely chosen not to increase taxes but the District was in a different environment and needed to face the reality in planning a 2012 budget. Ms. Gebhardt said it was critical to make sure legislators understood it is their job to ensure equality across the state. Ms. Vagner said she would add the topic to the Board's Work Session with Legislators.

Insurance Committee Report and Overview of Insurance Changes Resulting from Federal Legislation

Mr. Smart said Ms. Giles interacted with the District's insurance carrier the most. He said Lockton helped with things the District did not have expertise in. He said Ms. Giles communicated with Lockton on a weekly basis. He said the PowerPoint included in the packet showed Insurance changes that were coming down the road relative to health reform. He said there were adjustments the District would have to consider. Ms. Giles reviewed an overview of the changes. She said the District would not feel the impact of the changes until September, 2011 as that was when the District would renew its insurance contract. She said insurance carriers received weekly clarification of health reform changes and impacts. She said the health reform changes would come in two waves. She said the first wave would be implemented in 2011 – 2013 and the second wave in 2014 – 2018. She said impacts to Districts could include reporting health plan values on W2s. She said she believed the requirement was in place in order for the federal government to ensure employees had health coverage. She said employees would not be taxed on the amount of coverage. She said the District had already implemented the change to allow

dependents up to the age of 26 to avoid any lapse in coverage when the change was implemented nationwide. She said there would be an additional cost to the District for the appeals process because an outside company would have to take over those duties. She said the District had preventative care in place but could have to change depending on what the government would require for preventative care. She said currently preventative care included diabetes, cholesterol, high blood pressure, vaccines, tetanus shots, pediatric visits, vision and hearing, immunizations, counseling for obesity, screenings for women and various other preventative screenings. She said another change that was coming was employees would be considered full time and entitled to benefits at 30 hours per week rather than 32 hours per week beginning in 2014. Mr. Smart noted that most of the District's employees were either 32.5 hours per week or 20 hours per week and had very few that would be affected by the change. Ms. Giles said existing plans would be grandfathered in to the health reform but if Districts made any changes to their coverage's those changes would eliminate the grandfathered status. She said the grandfather status would likely not last long as coverage changes were always needed. She said another change was that Districts would be required to post health care policies and notices which required an increased work load for current employees with no compensation. She said employees with flex plans had been notified they would lose benefits if they did not use them before the deadline. Ms. Giles said another change with the health reform was that employees would be penalized for opting out of insurance. She noted some employees might opt to take that risk because the penalty could end up being less expensive than the required health insurance. She said the Insurance/Wellness Committee would work through the process to determine how the District would be affected by implemented changes. Ms. Vagner noted that with the shift in Congress there was no way to determine what might happen with health care reform. She noted that as health care reform unfolded the concept of universal health care appears to not really be universal.

Data to be Collected by the State (ISEE) in 2010-11 Update

Mr. Smart said data upload process was much more time consuming than anyone ever thought. He said it was also a challenge with the implementation of the new Student Information System. He said the District was still in the process of learning the Infinite Campus system and would do its best to meet state requirements. He said some of the data required by the state was not in the required format in Infinite Campus. He said the administration had been sending test data every week and was submitting hundreds of thousands of line items at a time. He said the errors were minimized with each test submission. He said multiple employees were working non-stop to clean up the data. He said the administration had been able to get all of the data into the format required by the state. Ms. Gebhardt asked if the administration was keeping track of the hours spent on cleaning up the data. Mr. Smart said hours were being tracked. He said he would eventually need to start on attendance and highly qualified status for submission to the state. He said it had taken a lot more time to get the first submission to the state than the administration had anticipated and would be a challenge to have everything ready on a monthly basis and eventually a weekly basis. He said the District would eventually need to get to a point where it could submit flawless data on a regular basis. He said the District was moving in the right direction but no one anticipated the requirement to be so time cumbersome. Ms. Cranor asked what funding impacts could be imposed with incorrect data. Mr. Smart said it could affect the District's salary apportionment. He said the data would determine how many employees the state would fund. He said Joyce Popp was working with Infinite Campus to put the data into the format required by the state. He said it was a problem that was affecting Districts across the state.

Financial Condition of the State and Monitor all District Budgets Update

Mr. Reed said the proposed education budget from the state for next year was most likely flat. He said the District never received more money than it requested and was often less. He said he had read several articles in the Idaho Outlook that suggested Idaho may not bounce back to pre-recession levels now that the economy was turning around. He said one of the reasons was because non-farming employment was not as strong as previously forecasted and part time employees looking for full time employment was about 17.1%. He said unemployment was 9.6% across the nation. He said another reason the economy would take longer to bounce back was the decline in the housing market. He said the housing market hit its peak in 2006 and dropped substantially by 2009 which would take a long time to recover. He said the conditions affected public school funding. He said school Districts were not expected to regain the funding status it had ten years ago because of reduced local funding and

the slow recovery of the housing market. He said some reports showed that state revenue could take until 2014 to rebound. He said Districts also had to take into account inflation and price increases. He said one increase Districts knew they would face was PERSI. He said the Pocatello/Chubbuck District was not in too different a position than other Districts in the nation. He said other Districts had eliminated courses that were not required, summer school, field trips, activities, salaries and professional development. He said one good thing was that projections for Idaho were \$14 million ahead of forecasts for the year.

New ISBA Resolution for Delegate Assembly

Ms. Vagner said the new ISBA Resolution came from Meridian and would have to be supported by three Districts in order to come to the floor. She said the Resolution was being proposed to change the rules in order to allow Districts to get additional resources for taking on a dissolved charter school regardless of the timing. She said charters had to close their doors for various reasons and when they did there was no additional funding for Districts taking on students from a dissolved charter. She said currently funding was based on various numbers reported at the beginning of the year with no option for mid year funding regardless of the circumstance. The Board agreed to support the Resolution for Meridian to bring to the floor.

Public Comment

Mr. Davis said teachers had expressed discontent saying they would not vote in support of a Supplemental Levy. He said he tried to dissuade them from not passing the levy but understood how they felt. He said he believed the District needed to ask for an increased levy and go for as much as it possibly could. He said he would do everything he could to gain the support of teachers in passing the full amount. He said he was aware that the District would face opposition to an increased levy but would pass if it had the support of teachers. He said he encouraged the District to run an \$8 million levy and possibly another in May. He said educational funding was facing a tough battle with the elected officials in Boise who were focused on cutting education further. He said if the District was going to go forward boldly it would need the support of teachers. He said the Board needed to remember that teachers were taxpayers too.

Adjourn

Chair Donnelly adjourned the Work Session at 3:42 p.m.

APPROVED ON:

BY:

Chair

ATTESTED BY:

Clerk

MINUTES PREPARED BY:

Secretary, Board of Trustees