

**MINUTES OF THE BOARD OF TRUSTEES  
SPECIAL MEETING/WORK SESSION  
Pocatello/Chubbuck School District No. 25  
Tuesday, May 10, 2011  
Board Room at the Education Service Center  
1:30 p.m.**

**BOARD MEMBERS/SUPERINTENDENT PRESENT:**

Marianne Donnelly, Chair	John Sargent, Member
Janie Gebhardt, Vice Chair	Jackie Cranor, Member
Frank Rash, Clerk	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, May 10, 2011, 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 1:32 p.m. She reviewed the addendum to the agenda. She 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) **Introduce Technology Coordinator** – *Mr. Smart/Mr. Jolley*
- 3) **Pocatello Community Charter School Programmatic Audit Report** – *Dr. Mortensen/Dean Martin*
- 4) **Insurance Coverage/Carriers** – *Mr. Smart*
- 5) **Upcoming Bid Awards** – *Mr. Reed*
- 6) **Policy 8116** – *Part Day Enrollment/Attendance of Students Attending Non-Public Schools; Policy 8130* – *Attendance of Students* – *Ms. Vagner*
- 7) **Balancing the 2011-2012 District 25 Budget and the Financial Impact of SB 1184** – *Ms. Vagner/Mr. Reed/Mr. Smart*
- 8) **Staffing Levels for 2011-2012 and the Future** – *Ms. Vagner*
- 9) **Public Comment**
- 10) 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.
- 11) **Board Operating Principles #22 & 23:**
- 12) 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.
- 13) **Adjourn**

**Introduce Technology Coordinator**

Mr. Smart said the administration intended to introduce Mr. Jolley at last month's Work Session but he was out of town for Infinite Campus training in Boise. He said Mr. Jolley had been hired as the new Technology Coordinator in Bob Steven's place. He said Mr. Jolley started as a computer technician for the technology service center until Mr. Stevens hired him to come to the Ed Center as a network technician. He said Mr. Jolley had done an excellent job. Ms. Vagner said Mr. Jolley was very tech savvy and could help bring the District into the future. Ms. Cranor said she appreciated the fact that Mr. Jolley was already working to help save the District money with technology. Mr. Sargent asked Mr. Jolley where he went to school. Mr. Jolley said he had attended ISU.

**Pocatello Community Charter School Programmatic Audit Report**

Dr. Martin said the PCCS audit team consisted of Diane Demarest the Site Coordinator, Teresa England the Curriculum Coordinator, Wendy Horman a Board Member from Bonneville School District and Jan Harwood the

Title I Coordinator for the Pocatello/Chubbuck School District. She said prior to the audit team's visit, stakeholders of PCCS including the Business Manager, a teacher and the Board Chair conducted a self study. She said the group interviewed staff and students and reviewed the recommendations from the 2010 audit to track progress towards goals. She said the Accountability Plan in Goal 1 was reviewed to ensure adherence to laws and procedures and federal and state reporting and testing requirements. She said the team reviewed Goal 2 which included the process for assessment and reporting for curriculum and instruction. She said Goal 3 was reviewed for stakeholder support and found there was strong support and satisfaction among stakeholders. She said Goal 4 was reviewed for continuous improvement. She said a draft copy of the full audit was included in the packet. She said the final version would be provided to the District pending feedback and she did not anticipate any major changes. She reviewed the recommendations and commendations of the audit team. She said in Goal 1 the commendations included accurate and complete staff and student records, stable enrollment, effective use of space, active fundraising committee and a diverse and active Board with Board evaluations in place. She said the recommendations included reviewing staff files and conducting policy reviews including Human Resources policies and making policies easily accessible to the public. She said the team suggested this would help with transparency. She said she had been the Administrator at PCCS for close to twelve years and the audit team suggested a plan be put in place for succession. She said that was something she would have to work on. She said the charter needed a new strategic plan as all of the goals in the current plan had been met. She said in Goal 2 the commendations included good use of space, attendance, academic performance, student and staff satisfaction, teacher collaboration, strong professional community, good communication, classroom management, student engagement, student led conferences, good support for 9<sup>th</sup> grade transition and participation in Title 1 professional development. She said the recommendations included monitoring math and reading data and data for the 9<sup>th</sup> grade GPA. She said the charter planned to partner with District to get GPAs and grades and to encourage a relationship between the special education staff and provide more support for special education and RtI planning. She said the Goal 3 commendations included parents being well informed of the school's vision/mission and of their child's progress and activities, active fundraising, parent engagement, student pride and personal achievement. She said the Goal 3 recommendations included surveying stakeholders to solicit feedback, additional community outreach activities and build a practical relationship with the District. She said the Goal 4 commendations included a strong teacher mentoring program, reflective practices and the plate to plaque method. She said the recommendations included creating a new strategic plan, create a process for documenting progress, implement academic data tracking, identify growth indicators on the ISAT, future dissemination efforts to the District, support special education networking, and Board development. She said that was a summary of the general commendations and recommendations from the audit team. Ms. Donnelly asked what the "plate to plaque" method was. Dr. Martin said it was the school's practice to take recommendations from activities like reader workshops and book clubs and implementing them K-8 clearly at every grade level. She said when an idea or a recommendation first gets started it is on the "plate" and when something was accomplished it went on a "plaque". She said the method helped teachers keep projects in the front of their minds. Ms. Donnelly asked if it guided the school's portfolio. Dr. Martin said it did guide the portfolio, specifically in three areas, active pedagogy, building character and professional development. She said as a school only one area was a focus at a time which currently was service learning but this method was the work of teachers. Ms. Gebhardt noted that the school had accomplished its strategic plan but suggested they move to a continuous rolling document and add new goals on an annual basis similar to what the District did. Dr. Martin said she believed that was a good idea. She said it was good that the school had accomplished its goals but realized they needed a plan to build on in looking forward. She said when the plan was created the Board knew they needed a plan that looked ahead farther than one year but had not considered a rolling document from one year to the next. She said she would look into implementing a continuous strategic plan as there was no shortage of goals. Ms. Donnelly said it had been very effective in keeping the District on track. Dr. Martin said she would put a committee together and start work in the summer. Ms. Vagner said the District's Strategic Plan was on the website and could be used as a reference. Mr. Rash asked if the charter consistently had around 150 students on the waiting. Dr. Martin said it was average. She said there were currently over 200 on the waiting list right now but usually dwindled mid-year. Mr. Rash asked if a study had been conducted to determine where students were coming from. Dr. Martin said a study had not been conducted but typically students came from all over. Ms. Cranor asked if the charter's strategic plan was online. Dr. Martin said it was not as it was not currently a workable plan since they had come to the end of it. She said it would be posted online when the charter had a new workable plan. Ms. Vagner said the administration would prepare a programmatic audit letter for Board consideration at a future meeting. Ms. Donnelly said the Board appreciated the good work and the relationship with PCCS.

## **Insurance Coverage/Carriers**

Mr. Smart said included in the packet was a list of proposed insurance carriers and a benefit's package for next year. He said the Insurance Committee was able to get the renewal rate down to 11% from a 25% increase. He said to get the renewal rate increase down, the deductible was increased from \$1,000 to \$1,500 and emergency room visit co-pays were changed from \$50 to \$200. He said the new renewal rate included the 3% wellness benefit. He said another benefit that had changed was the DXL benefit for diagnostic and lab work. He said it used to be provided at no cost and now the first \$200 would be out of pocket and any cost after that would go towards the deductible. He said office co-pays were changed from \$30 to \$45 and from \$35 to \$50. He said an 11% renewal rate increase would be about a \$200,000 impact to the general fund. He said the administration would work with the Insurance Committee to set the parameters on wellness to maximize the benefit to the District for participation. He said overall the administration was satisfied with the committee's ability to get the renewal rate down to 11% from 25%. He said dental insurance increased by 6% and the benefit stayed the same. He said vision insurance premiums would remain the same with one plan change that eliminated a Blackfoot doctor from the network. He said the plan change saved the District an 18% increase. He said there were a number of life insurance claims last year which would mean a 40.4% increase for the Hartford premiums. He said it would be a \$45,000 impact to the general fund. He said it was a sizable amount but could have been worse. He said workers compensation rates would go up between 9% and 18% next year. He said Lockton would verify the new plans and the administration would bring the recommendation to the Board for approval. Mr. Sargent asked how the administration calculated the impact to the general fund. Mr. Smart said it was based on current rates. He said the smallest increase was for certificated staff rates. Mr. Reed said the rates were based on each employee group and certificated staff was the lowest, then transportation and then M&O. He said rates were run over a three year experience rating. He said the overall rate for the District was getting better but claims were high year two years in a row. Mr. Smart said the District had budgeted \$300,000 for last year and \$380,000 for this year. Ms. Vagner asked Mr. Smart to give an update on the Insurance Committee. Mr. Smart said the committee met the month before. He said the group went through different scenarios and were apprehensive about eliminating the DXL benefit but decided in the end that it was worth a better renewal rate. He said the committee understood the predicament the District was in relative to the budget and understood that a lower renewal rate was necessary. He said the committee also understood the need for employee participation in the Wellness program and recommended implementing a mandatory participation requirement in 2013 to allow the District to inform employees of the importance. He said employees that participated would benefit and those that chose not to participate would help pay for programs. Mr. Rash said Regence allowed the committee to shop around similar to a cafeteria plan and find options that provided the best benefit to employees and the District for the smallest increase. He said the insurance company was very easy to work with. Mr. Smart said Lockton created a spreadsheet for the insurance company and the committee to review various options. He said the committee wanted to keep the wellness philosophy intact while getting the lowest renewal rate possible. He said another option the committee considered but ultimately decided against was to raise prescription drug co-pays. He said the committee felt too many people would stop taking critical prescriptions to avoid such a high cost which would contradict the wellness policy. He said the committee asked the insurance company if something else could be changed instead and the insurance company was very accommodating. Mr. Sargent asked if the committee had any ideas on how to promote wellness participation District wide. He said the District missed having another 1% taken off its renewal rates by a very small margin. Mr. Smart said there were four main things that the District would ask each employee to do annually that included completing an HRA, annual screenings, health fair participation and blood work. He said the four things were easy to accomplish and easy to track. Mr. Sargent asked if there were any financial incentives for wellness participation. Mr. Smart said some employees would not participate with or without a financial benefit. Ms. Vagner said the committee would look into financial incentives. Mr. Rash said the District should track participation to see how close it was to meeting the goal and encourage employees frequently to meet the goal. Mr. Sargent said sometimes it just took an extra dollar to get people to participate. Mr. Smart said the administration was working with the committee to come up with incentive options. Ms. Donnelly said the Region 5 Board members discussed the option of employees getting auto and homeowners insurance at discounted rates by participating in the District's liability insurance and was no cost to the District. Ms. Vagner said the administration had not looked into that option but would research the information. Ms. Donnelly said one person claimed her auto and homeowner's insurance was decreased by 50%. Ms. Vagner said the administration had to consider the impact to the local market and the opportunity to shop. Mr. Smart said it was important for Districts to be careful about sponsoring one company over another. He said

the District received requests from community businesses all the time but the administration had to consider other local businesses because they are all a part of the community. Ms. Vagner said Districts were required to provide liability carrier information to all employees and could consider other insurance options as a part of that but could not single out one company over another. Ms. Donnelly suggested only sponsoring companies that offered a discount.

### **Upcoming Bid Awards**

Mr. Reed said the administration had held off on bid projects that normally occurred in March or April. He said included in the packet was a bid schedule of project bids that would be included in the next Board packet. He said the administration went through the CIP schedule and very few projects were considered with the exception of critical repairs and replacements such as the waterline at Wilcox elementary that was very old and deteriorated and would be replaced over the summer. He said the District opened bids on several items which all came in under budget including food supply bids, dishwashers and ovens that would be part of an ongoing replacement project for food service. He said food service had a healthy fund balance because it had not replaced equipment in a number of years. He said the bid for the Alameda HVAC project was open and the administration would present the bid options to the Board at the next meeting. He said there were a number of smaller bids on items like doors and windows and would open bids on instructional and custodial projects soon. He said he anticipated bringing bids for the Stocks building at the July Board Meeting. He said bus bids would be delayed until the June Board Meeting. He said a good portion of the operation report would be focused on bids next month and the Board would be asked to consider approving the bids. Ms. Gebhardt asked why the oven bids had been rejected. Mr. Reed said the vendor did not meet specifications and the District would go out for new bids. Ms. Cranor asked if anything had been done to improve the stairs at Franklin Middle School. Mr. Reed agreed the stairs were in bad shape and said when maintenance resurfaced the stairs it was through a vendor with a new product which deteriorated faster than the vendor anticipated due to snow, ice and salt during the winter. He said the company now had an improved product and the company would make the repairs over the summer at no cost. Ms. Cranor asked if adding a covering to the area was feasible. Mr. Reed said the administration had discussed doing that sometime in the future. He said it would take a sizable amount of money but hoped that down the road it would be something the District was able to do. He said getting the stairs repaired was a priority this summer.

### **Policy 8116 – Part Day Enrollment/Attendance of Students Attending Non-Public Schools; Policy 8130 – Attendance of Students**

Ms. Vagner said included in the packet were Policies 8116 and 8130 that dealt with attendance and part-time attendance of students. She said the language that had been added to both policies was the same and was specific to the number of minutes a secondary student could be enrolled. She said the new language specified that a secondary student shall be enrolled for either 150 or 240 minutes. She said this would eliminate the option of being enrolled for three periods because the District would only receive ADA for the first two and the student would be getting a free period without compensation from the state. She said religious instruction was not included in the minutes of public school instruction, so a third or fifth period of religious instruction would be allowable. She said the District would increase its periods by 4 minutes for a total of 75 minutes for the upcoming school year to ensure the District met the minimum of 150 minutes in 2 periods for part time and 240 minutes for full day. Ms. Gebhardt said the 4 periods at 75 minutes did not add up to 240. Ms. Vagner said 240 minutes was the minimum number of minutes required to receive ADA funding for full time and a student would have to be enrolled for four periods in order to meet that minimum. She said the District would not be reimbursed for the third period because it did not meet the 240 minute minimum and would not be allowable. She said the administration would bring the Policies to the Board on first reading at the Regular Meeting the following week so the District would be covered for the upcoming school year. Ms. Cranor asked if attendance would be affected this year. Ms. Vagner said the administration would have to evaluate part-time attendance but the biggest challenge would be fifth year seniors or seniors in their last trimester. She said she believed the administration would be able to correct any issues with ADA reimbursement.

### **Balancing the 2011-2012 District 25 Budget and the Financial Impact of SB 1184**

Mr. Smart said the administration was still working to confirm the number of units for this year. He said the numbers from the state had fluctuated every week since the first ISEE upload. He said the May 4<sup>th</sup> data was the only unit calculation he felt confident in with the exception of the alternate school data. He said he knew the state gave the District too many alternate school units but everything else looked right on target. He said he hoped the

difference was within five units in the end. He said the state had still not generated the index calculation for teachers. He said in the District's last upload to the state the state did not take into account 115 employees because the descriptions did not match the state's labels. He said the administration was able to fix the information so the employees would show up on the state's report. He said the index may be higher than the administration anticipated so the District could pick up some additional dollars and hoped it would eliminate the deficit. Mr. Smart said the administration was working to align information with the state to generate revenue and reduce the deficit. Mr. Reed said discretionary funding and salary apportionment equaled 80% of the District's budget. He said most funds were earmarked and offered Districts little flexibility. He reviewed the expenditures by revenue document which showed how far the District was off and where money needed to come from to balance salaries and benefits, discretionary and local funding. He said the District was fortunate to have a reserve fund from money put aside for a potential holdback and for the passage of the Supplemental Levy which enhanced the District's ability to balance the current year's budget without major reductions. He said it was the forward thinking of the Board that helped offset huge reductions. He said the District would be faced with that possibility in the coming years as most of the funds used to balance the budget were one-time money. He said the administration could not afford to underestimate the fact that the District was facing serious budget reductions for the third year in a row. He said it dramatically affected the District's ability to maintain programs as they were. Mr. Smart said the District was losing money again this year even with an increase in student enrollment. He said the Budget Committee asked how future enrollment was projected. He said the administration tracked retention from year to year to see how many stay and projections had been very close over the last few years. He said there was not a huge influx of growth which made it easier to plan ahead. He said the anticipated additional students would give the District about 10 more units and yet the District would still receive about \$2.5 million less from the state for the upcoming school year. Mr. Sargent said a lot of new companies were coming to the area and could bring in a lot more students. Ms. Vagner said Ms. Allen was following up with Department of Labor and should have a report the following week. Mr. Sargent said the Mayor anticipated around 900 to 1,200 new jobs in the area which would likely bring in some new students. Mr. Smart said if that happened he hoped the students would stay. Ms. Donnelly said we also had to consider the possibility of a new charter school opening and the number of students the District would lose because of that. Mr. Smart said the District had information as to when that might occur and would add it into enrollment calculations in the future. He said something new that the District had to deal with for the future was further reductions to fund programs in the three pillars of Luna's Students Come First plan like technology, pay for performance and new assessments. He said the reallocation of funds was 1.67% of the District's budget. He said the administration anticipated having around 598 units for next year which could have been more if part time secondary enrollment had been figured out. Mr. Reed said the salary reduction from the state was from a permanent reduction to the base at 1.87% in addition to the 1.67% that Mr. Smart had mention earlier per SB 1184. He said even if all programs and salaries stayed the same for the following school year the District would face a \$2.7 million reduction because of the new formula in SB 1184. He said this was a major reduction especially considering the increased levy which was completely used up in order to make up for these extreme reductions. He said the new plan earmarked funds for various new initiatives like dual credit, high school redesign and specific technology. He said all of the money to fund those programs had come at the cost of salaries and benefits. He said the District would face further challenges in looking ahead at the budget over several years. He said the budget continued to get tighter every year. He said the District only had about 27% of its budget that was flexible, the rest were fixed costs. He said the biggest change to the District's revenues and expenditures was the additional \$1.5 million from the Supplemental Levy and the reductions per SB1184. Mr. Smart said another change was that in the past state lottery money had been directed to school plant facilities funds and was now shifted to general funds. Ms. Cranor asked if the loss of lottery funds was calculated in the projected loss. Mr. Smart said it was the administrations understanding that lottery funds would go directly into the state's general fund formula rather than coming to Districts as a line item for school plan facilities funds. Mr. Reed said the state put the funds directly into the formula so it would not look as bad but it was still a reduction to Districts which would probably never be put back. He said the District had to reduce facility renovations because of that loss. He said the District would face next year's budget with only its contingency reserve and appropriated fund balance which would be almost completely used up in order to balance. He said the District would have no one-time money to fall back on in the coming years. Ms. Cranor asked if the District would use Board reserves if it got more money from unanticipated units. Mr. Reed said additional units would change the picture a little. He said if there was any excess from the state or if the state came in ahead of revenue projections all of the additional funds would be used first to balance the budget but would probably not make up for the entire loss. He said the District would need everything it could get to face the coming years. He said it was

bad enough at a 1.67% reduction this year, next year it would go to 4.05%. He said any excess would help lessen that blow. Ms. Cranor asked if the District could consider textbook adoption if it got any excess funds. Ms. Vagner said that would have to be addressed down the road. Mr. Reed reviewed the general fund revenue and expenditures for 2011-12. He said there would be a 10% reduction to discretionary funds and would change the picture as to where funds could be used. He said the District had to use \$1.9 million from reserves to balance the budget even after the cuts that were already made. Mr. Reed said he would review the impact of SB1184 over a six year period. He said for this year it showed a 1.67% reduction and then 4.05% and then 6% for four years and then a permanent reduction of 5.74% until legislation was changed. He said this would permanently maintain District salaries at a \$2.2 million reduction each year. He said that was the money that would be used to fund Luna's plan. He said it was a shift from money to be used for salaries to be put towards technology and pay for performance. Ms. Cranor asked how long Mr. Luna would be in office. Ms. Vagner said four years. Ms. Donnelly said regardless of how long he was in office the law was written to direct cuts for at least six years. Mr. Rash said he hoped that the legislature would overturn all of this during the next session. Mr. Smart said the District would hold its budget hearing on June 21, 2011 and would publish the information in the Idaho State Journal. He said the administration would have a balanced budget to the Board before then. He said Trustee elections would be held the following Tuesday. Ms. Donnelly asked if Districts picked up the cost of the County conducting elections. Mr. Smart said the County was responsible to pay for it. Ms. Donnelly said there were 11 different precincts just in her Zone and some of the precincts only had a few families that could vote there. Ms. Vagner said the state put new money in the budget to pay for elections at a much higher cost than Districts were able to conduct elections for. She said it cost the state about \$5 million overall. Mr. Smart said on top of all of this the District had hiring and the issuing of contracts to deal with. He said the administration would also need to go through budget requests and verify and finalize each request. Ms. Vagner asked if the preparations reflected the direction of the Board. The Board agreed that it did. Mr. Reed said it was important for the public to understand the significant changes that education in Idaho was facing. Ms. Cranor commended the administrative staff for working to make sense of all of the information and leaving the District in a better position than most. Ms. Donnelly said she agreed.

### **Staffing Levels for 2011-2012 and the Future**

Ms. Vagner said a hard copy of the addendum had been provided to the Board to make the information easier to follow. She said the District was facing an annual reduction to salaries ending at 5.74% for 2017 and beyond. She said the state had redirected funding to be put towards categorical funding. She said in FY 2012 the state would shift \$13 million from salaries and would put it into technology upgrades and implementation. She said this would remain in place for four years and then drop to \$10 million for each year thereafter. She said this was at the cost of salaries for all employees. She said the Board explained this to the community in its white paper to the Journal. She said the high school redesign would cost \$700,000 per year and dual enrollment would cost about \$840,000 with taxpayers footing the bill for post-secondary education. She said maintenance and repair for laptops would become an annual cost at \$10 million per year and would come out of employee pay. Ms. Cranor said so rather than pay for teachers the state was paying for laptops. Ms. Vagner said that was correct. She said included in the addendum was unit information showing how the District could be understaffed by 7% for the upcoming school year. She said the District was already understaffed by 11.5% for administrators and 18% for classified. She said 7% of certificated staff equaled about 41.86 positions. She said it was the intent of legislature to increase that number every year. She said it would cap at 11% in 2014 and every year thereafter which amounted to 65.78 teaching positions each year. She said the intent of the bill was clear, the intent was to replace teachers with technology and long distance learning. She said because of this bill the District would have to cut \$760,000 this year, \$1.5 million next year and \$2.6 million the year after that. She said if the District understaffed at the maximum allowable amount it would be cutting \$2.5 million out of salaries this year, then \$3.4 million and \$4 million in 2014. She said the District already did not have the resources to handle an increase in students let alone with understaffing at the maximum amount. She said the District would do its best to maintain positions through attrition and Category I contracts. She said the District had a number of positions that it would shift or eliminate through attrition. She said there was .5 FTE for a counseling position that was a voluntary contract reduction. She said the District would pick up the .5 FTE and combine it with a .5 FTE from elementary music by shifting that position to another assignment. She said the media center specialists added up to a total of 4.33 which would come from eliminating elementary and middle school specialists. She said high school specialists would have to take on other assignments. She said two of the media center specialists were on a Category I contract and another was on a retiree contract. She said there were four continuing contract teachers, two part-time and two full-time.

She said remaining persons would be shifted to cover six new classrooms. She said the District would be understaffed by 4.67 positions but no one would lose their job. She said .5 English and .5 Math FTE would be eliminated in the middle school and would be covered by Alameda staff. She said .5 Math FTE would be eliminated at Hawthorne Middle School by someone who was .5 math and .5 special education and would be shifted to full-time special education. She said there were several retirements that would not be replaced. She said the District would downsize counseling support at the middle school level. She said two counselors would be moved to Highland High School to cover openings there. She said middle school counseling positions would be reduced from two to one and the Alameda Center would be reduced by .5. She said the District would provide support for counselors in the middle school by moving counseling secretaries from high schools to the middle schools. She said the District would utilize the Education Jobs Act money this year and would begin to prepare for next year. She said it would help the District avoid increasing class sizes this year. Ms. Cranor asked how shifting the counseling positions would affect the high schools. Ms. Vagner said the high schools would have to cover the clerical support with these cuts. She said it would be less of an impact to the high schools than it would be to the middle schools if they were left without any support and one less counselor. She said there was a fulltime position in band at Hawthorne Middle School who resigned so the District would use only .5 to cover band and the other .5 to cover elementary. She said media center specialists would be eliminated at the middle school level which could be maintained through clerical staff. She said the FTE could be absorbed through attrition or through program elimination. She said it would get the District closer to where it needed to be to balance the budget without cutting people or pay. She reviewed several FTE that retired that would not be replaced. She said it amounted to 3.75 FTE at the high school level. She said overall the District would absorb 16.52 positions through attrition. She said the District would not be able to add positions with the exception of covering a few additional classrooms at the elementary. She said the District would staff neutrally in special education but would have to do some shifting. She said it had been a difficult process and she commended the secondary, elementary and special education directors and the principals for recognizing what needed to be done. Ms. Vagner said the administration recommended the Board consider the staffing options and move forward with a reduction in force per the proposed Resolution. Ms. Cranor asked what the reductions would do to elementary class sizes. Ms. Vagner said class sizes would mostly remain the same. She said the administration did everything it could to impact class size as minimally as possible but would not be able to do that for 2012-2013. She said the elementary was short one room at Chubbuck and the District was looking at utilizing the portables at Bonneville for Greenacres Elementary. She said the administration was working with ISU which was originally going to eliminate its Early Childhood Program but then decided not to. She said Dr. Mortensen and Dr. Hedeem were still working out various space options. Ms. Vagner reviewed the proposed Resolution. She said it stated that SB 1184 had been signed into law and reduced salaries and benefits and allowed for understaffing. She said the Board had studied the budget at a May 3, 2011 Special Meeting and again today at its May 10, 2011 Work Session. She said the Board would review the budget again the following Tuesday at its Regular Board Meeting. She said the Board would utilize the holdback account for 2011-12. She said the other options would be to reduce positions, salaries and benefits or a combination of both. She said the Resolution stated that there is wisdom in setting aside funds to lessen the impact for 2012-13. She said the administration recommended the Board proceed with the following reductions and reduce through attrition where possible. She said the RIF Policy stated that the Board may implement the RIF Policy if there is a substantial decrease in revenue and said the District was in its third year of substantial decreases. She said the Board would hold a public hearing as part of its Regular Board Meeting. She said the administration would lay out the budget and the public would have the opportunity to provide any input. She said once the Board took action it would need to provide written notice to the PEA setting forth the facts of the decision and the effect on operations within 30 days of the hearing. She said if reductions could not be accomplished through attrition then the District would allow staff to maintain their job in another area which is what the administration was proposing. She said every certificated employee was HQ with the exception of one person who would be funded through TQ to become HQ. She said seniority could not be a contributing factor when implementing RIF. Ms. Cranor asked if the RIF Policy would need to be amended. Ms. Vagner said a committee would be put together and would include teachers and would be responsible for correcting any policies in contradiction with the law and creating new policies where necessary. She said the administration would come back and work with teachers on the transfer policy and others that would lay out how things will be done differently. She said strategically the administration would do its best to look at equity and the unfortunate opportunity that attrition brought. She said if the District was not able to handle reductions through attrition it would have to come from positions or people. She asked the Board for direction in preparation for Tuesday's meeting. Ms. Gebhardt said she could not think of a better way to handle the situation. Ms. Donnelly said the

administration had done an amazing job in saving jobs. She said this was not something anyone in this District wanted to do. She said it was a shame that the District had to eliminate the media center specialists positions when it was the position best suited for facing the upcoming technology changes. Ms. Gebhardt said it would be a nightmare trying to figure out how the online courses would work. She said she was grateful that the Board did not shift the school plant facility funds from maintenance to the general fund as the state had eliminated maintenance funds for Districts and would have really compounded the problem. Ms. Vagner said the kind of cuts SB 1184 mandated was unconscionable. Ms. Cranor said she hoped more people would get involved and bring this to the attention of the legislature next year. Ms. Gebhardt said she didn't think the legislature understood what they have done. Ms. Cranor said she agreed. Ms. Vagner noted that all of the calculations and reductions did not even bring fractional ADA into the picture which was another cut the District would have to face two years down the road. Ms. Vagner said the administration would prepare the budget based on the direction of the Board. She said the administration would bring "intent to hire" letters for Board approval in order to get them sent out on time. Ms. Cranor asked if there were any other options to consider in the future instead of just eliminating staff. Ms. Vagner said the District would probably have to consider cutting extra-curricular activities and consider a four day school week. Mr. Rash said he hoped the economy would turn around and the legislature would have the wisdom to change some of this legislation. He said revenue had come in higher than anticipated a few months in a row. Ms. Cranor asked if the Board could share some of the spreadsheets in the budget presentation with the legislators so they could see what had been done. Ms. Vagner said only one of the District's legislators voted in favor of this plan.

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

**APPROVED ON:**

July 19, 2011

**BY:**

  
Chair

**MINUTES PREPARED BY:**

  
Secretary, Board of Trustees

**ATTESTED BY:**

  
Clerk