



SOUTHEAST ISLAND SCHOOL DISTRICT

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Board Report April 27, 2016

No Buy Out

There has been some interest in a buy out offer to entice staff members to retire or leave the district. This has not created financial gains for the district in the past. The topic has been raised during public comment at recent Board meetings. There will be no district financial offer to encourage resignations.

Budget

We are reducing expenditures by close to a million dollars from this past year. That cannot be done cutting fluff. We are already pretty lean and we will feel the impacts of these cuts. We can hope funding will improve the following year, but students will be impacted by cuts. For at least this coming year, we will have to do without most things not directly connected to the classroom. Board and staff travel, stipends, student travel, sports support, maintenance and vehicle workers will be the most noticeable adjustments.

The bulk of the savings is from staff reductions. We are losing about 4 teaching positions, and can save almost the equivalent of another teaching position if Teacher Retirement will accept our proposal to reduce the Superintendent to less than half time. If it is determined that Thorne Bay must have an additional teacher or the Superintendent remains full time, we would need further reductions of a more painful nature.

We have intentionally expanded into as many ventures as we can for students to raise their own money for sports or academic travel. Not all sites have those opportunities and we will continue to expand as grant funding allows. A few more years before the current budget crisis would have been helpful. Naukati, Coffman Cove, Thorne Bay and Kasaan have greenhouses that can support student activities. Garden starts and hanging baskets could generate impressive funds. Wood-fired boilers in these communities, plus Hollis and Whale Pass, provide opportunities for student fundraisers. We have been paying \$200 per cord for firewood and need several hundred cords each year. Chicken eggs may not make much beyond costs, but chicks sell for at least \$4 each and, in combination with small, student-built mini chicken coops, could generate significant dollars. Similarly, small aquaponic home systems with fish included can generate significant "value added" funds. The store connected to the district café is available for anything students can develop for sale, from any site. Kitchens in Naukati, Coffman Cove and Thorne Bay are available for student fundraisers.

The state of school funding has left us stumbling and leaves several sites without these opportunities. The goal would be to provide a greenhouse at every site, but current State funding requires that we obtain grant funding before we can add additional greenhouses. Priscilla Goulding recently had a Rasmussen grant funded for lighting of the Coffman

Cove greenhouse. They do not normally fund school projects, but the written reply expressed keen excitement for our project. That organization has a specific process and one needs to get funded at the modest \$25,000 level to be considered for larger grants. I am optimistic that they will be willing to help fund greenhouses for our remaining schools. We will also pursue UDSA grants this fall. Regardless, we will continue to provide funding for any site that wishes to add raised bed gardens or chickens and we are open to proposals by sites that could produce funding for students.

Port Protection and Edna Bay

At this time, I expect to lose Port Protection for next year. There is one remaining student and he is expected to seek early graduation by summer. Unless students move to Port Protection in the next couple of months, there is no way to justify keeping it open. We will retain and continue maintenance at the schools at both sites, and are happy to consider reopening either school if enough school-aged children move to either community. The complication is that, once closed, we have to notify DEED early in the spring if we want funding for the following year. Obviously, student arrival during the summer is too late for us to commit to Edna Bay. We continue to hold out hope for Port Protection and will only accept that there is no hope at the last possible moment this August.

Naukati and Whale Pass

Both schools are expected to operate with one teacher next year.

Howard Valentine

Our second teacher has recently resigned. The school is becoming a “hub” with the massive greenhouse. We will hire a second teacher at the site. We have asked parents to review what teacher attributes are needed at the site with the loss of Mr. Chadwick, as needed teacher attributes are different than what was predicted with him present.

Thorne Bay

We eliminated a teaching position last year in the elementary school and had to add that back as the numbers increased in the fall. Depending on student count, Thorne Bay will require either a 0.49 FTE or a 1.0 FTE teacher in addition to what was initially budgeted for this past year. There is an additional 1.0 FTE teacher added to the site without a clear assignment at this time. While we have managed to balance the budget with current projections, adding a position here would require cutting that much from somewhere else.

Café

We closed the café during weekdays for the past few months. We have been reviewing operations, the data available and interviewed many clients and potential clients. The café simply must break even with costs. The effects of much-reduced staffing, some changes to the menu, and efforts to improve things like the quality of the burgers and pizza already show in daily income on weekend traffic.

We plan a number of improvements. The café will be directly managed by Nick Higson. The addition of improvements to the Thorne Bay school kitchen will result in a much better pizza product. Take and bake pizza, sales of tortillas and a student-managed store next to the café are expected to balance the café budget. The student store will have ice cream products and market items from any school.

We know from feedback the adjustments that are needed and believe the cafe can support itself. Continuing with a culinary arts class will provide a supply of capable student operators as we strive to fill the positions with students. **We plan to be open during the week starting the week of May 16, 2016.** We anticipate - based on last year sales and adjustment to the menu, quality and improved staff training - that we will do fine through the summer. We will revisit the future of the café in September. Should we be wrong about the café's performance, we have built a viable business that has value through leasing the business to others or through selling it to buyers. Both have approached us already. I believe we can make it work to the benefit of our students. It should be just one more way for students to raise money for travel as we are increasingly pinched on funding from other sources.

9. A. 2. 2nd Reading BP/AR 5121, Grades/Evaluation of Student Achievement and BP/AR 5123, Student Progress

I recommend approval unless a Board member requests additional time for review.

9. A. 3. 2nd Reading, FY 2017 Budget

The budget is balanced as we speak with what we know today. I recommend having Lucienne review the cuts that have been made and **move the budget to a third reading.**

9. B. 1. Bruce Hill Scholarship

We have two applications that were completed satisfactorily and on time. Both are well done and deserving of support. **I recommend approval of both requests.**

9. B. 2. Calendar Selection

We did not propose a five-day calendar this year as there did not appear to be enough interest to justify the extra work. Calendar Option #1 is the overwhelming favorite. Only Hyder voted for the other calendar. **I recommend approval of Calendar Option #1 for the 2016-2017 school year**

9. B. 3. 1st Reading, FY 2017 Cooperative Agreement between Hydaburg City School District and Southeast Island School District

The partnership has placed an increased burden on our office staff. We have a stronger administrative team in Hydaburg now and that has reduced the stress considerably. We expect that pattern to continue to improve. A portion of the contract has been allocated to individual staff members to recognize the additional workload. I do not believe anyone in the office would cry if we eliminated that additional workload, but I feel we should maintain the commitment. It has benefited us with the Phlight Club grant and the RUS grant. **I recommend approving the cooperative agreement.**

Sincerely,



Lauren Burch
Superintendent