

DRAFT

**AMPHITHEATER PUBLIC SCHOOLS
Tucson, Arizona**

MINUTES OF SPECIAL PUBLIC MEETING OF THE GOVERNING BOARD

Place, Date and Time of Meeting

Wetmore Center, 701 West Wetmore Road, January 27, 2015 at 5:00 PM

Board Members Present

Deanna M. Day, President
Jo Grant, Vice President
Dr. Kent Paul Barrabee, Member
Julie Cozad, Member
Scott A. Leska, Member

Central Administrators Present

Patrick Nelson, Superintendent
Monica Nelson, Associate Superintendent
Todd A. Jaeger, J.D., Associate to the Superintendent and General Counsel
Scott Little, Chief Financial Officer

Call to Order and Signing of Visitor's Register

Deanna M. Day

Ms. Day called the meeting to order at 5:00 PM.

Board Book Information: *This Special Meeting followed the outline of a Regular Public Meeting with Executive Session.*

1. EXECUTIVE SESSION

A. Motion to Recess Open Meeting and Hold an Executive Session for:

1. Determination of Whether to Hold an Expulsion Hearing and Designate a Hearing Officer to Hear Evidence, Prepare a Record and Bring a Recommendation to the Board, Pursuant to A.R.S. §15-843(F)(2), Regarding:

- a. Student # 30041671;
- b. Student # 30010933;
- c. Student # 30042554;
- d. Student # 30010919;
- e. Student # 0052249;
- f. Student # 30042276;
- g. Student # 30051141;
- h. Student # 30051135;
- i. Student # 30026722; and
- j. Student # 30033299;
- k. Student # 30034176.

2. Consideration and Decision Upon Expulsion Hearing Officer's Recommendation, Pursuant to A.R.S. §15-843(F)(2), Regarding:

- a. Student # 30033127;
- b. Student # 30050623; and
- c. Student # 30021047

3. Consideration and Determination of Appeal of Long-term Suspension Hearing Officer's Decision, Pursuant to A.R.S. § 15-842(A), Regarding:

- a. Student # 30044258
- b. Student # 30052860; and
- c. Student # 30014740.

4. Discussion of Employment of Certified Employee, Pursuant to A.R.S. § 38-431.03 (A) (1).

Ms. Grant moved that the Board recess into Executive Session. The motion was seconded by Ms. Cozad and passed unanimously 5-0. The time was 5:01 PM. Ms. Day declared the Board recessed into Executive Session in the East Conference Room.

B. Motion to Close Executive Session and Reconvene Open Meeting

Upon return to the Board Room, Ms. Day moved to reconvene the meeting into Open Session. The motion was seconded by Ms. Grant and passed unanimously 5-0. The time was 6:57 PM.

OPENING OF MEETING

Call to Order and Signing of Visitors' Register

Ms. Day declared the meeting was in Open Session and invited members of the audience to sign the visitors' register.

Pledge of Allegiance

Mr. Nelson

Announcement of Date and Place of Next Regular Governing Board Meeting:

Ms. Day announced the next Regular Meeting of the Governing Board: Tuesday, February 10, 2015, 6:00 PM, at the Wetmore Center, 701 W. Wetmore Road.

PUBLIC COMMENT

There was no public comment.

3. CONSENT AGENDA

Ms. Day asked if there were Board Member requests to have any items addressed separately. There were no requests. A motion was made by Mr. Leska to approve Consent Agenda items A-K. The motion was seconded by Ms. Grant and passed unanimously 5-0. Appointment of personnel is effective provided all district, state, and federal requirements are met.

A. Approval of Minutes of Previous Meeting(s)

Minutes from the December 9, 2014 meeting were approved as submitted. (Exhibit A)

[<http://www.amphi.com/departments-programs/governing-board-minutes/2014-2015/december-2014.aspx>]

B. Approval of Appointment of Personnel

Certified and classified personnel were appointed, as listed in Exhibit 1.

[<https://v3.boardbook.org/Public/PublicAgenda.aspx?ak=1000433&mk=50132128>, Item 3.B.]

C. Approval of Personnel Changes

Certified and classified personnel were appointed as listed in Exhibit 2.

[<https://v3.boardbook.org/Public/PublicAgenda.aspx?ak=1000433&mk=50132128>, Item 3.C.]

D. Approval of Leave(s) of Absence

Leaves of Absence requests were approved for certified and classified personnel as listed in Exhibit 3. [<https://v3.boardbook.org/Public/PublicAgenda.aspx?ak=1000433&mk=50132128>, Item 3.D.]

E. Approval of Separation(s) and Termination(s)

Certified and classified personnel separations were approved as listed in Exhibit 4. [<https://v3.boardbook.org/Public/PublicAgenda.aspx?ak=1000433&mk=50132128>, Item 3.E.]

F. Approval of Vouchers Totaling and Not Exceeding Approximately \$1,937,561.20 (Final Total)

A copy of vouchers for goods and services received by the Amphitheater Schools and recommended for payment has been provided to the Governing Board. The following vouchers were approved as presented and payment authorized:

FY 14-15

Voucher # 973 \$248,649.37	Voucher # 974 \$483,558.91	Voucher # 975 \$140,617.70
Voucher # 976 \$787,971.89	Voucher # 977 \$224,801.84	Voucher # 978 \$51,931.49

G. Approval of Parent Support Organization(s) for 2014-2015

The following Parent Support Organizations for 2014-2015 were approved:

- Amphi High Parent School Association**
- IRHS Softball Booster Club**

H. Acceptance of Gifts

The Board accepted the Gifts and Donations as listed. [<https://v3.boardbook.org/Public/PublicAgenda.aspx?ak=1000433&mk=50132128>, Item 3.H. attach] (Exhibit 5)

I. Award of Contract for Chiller Replacement at Canyon Del Oro (CDO) High School Based Upon Responses to Response for Bid (RFB) 14-0019

Board Book Information: *Request for Bid 14-0019 was e-mailed to 139 vendors and published on the District's website. This solicitation requested pricing for the replacement of a chiller at CDO High School. Six vendors responded with responsive, priced bids. See attached spreadsheet.*

[<https://v3.boardbook.org/Public/PublicAgenda.aspx?ak=1000433&mk=50132128>, Item 3.I. attach] (Exhibit 6)

J. Out of State Travel

Out of state travel was approved for students and/or staff (source of funding indicated) from: [<https://v3.boardbook.org/public/publicagenda.aspx?ak=1000433&mk=50132128>, Item 3.J.] (Exhibit 7)

K. Approval of Post-Retirement Employment Opportunities During the 2015-2016 Fiscal Year for Staff Retiring in the Current Fiscal Year

Board Book Information:

Significance of Staff Retention

As the Governing Board has previously studied and discussed, there are increasing pressures on Arizona school districts to retain highly qualified personnel that have their origins in a number of factors:

- *NCLB and IDEA demand that instruction be provided by teachers and paraprofessionals meeting high levels of qualification.*
- *Student achievement goals as wells as school labels established under state and federal law depend upon placement and retention of skilled staff.*

- *Fifty percent of all teachers in the profession today are expected to retire by the end of this decade.*
- *20 percent of teachers leave the teaching workforce every year – one of the highest turnover rates in any employment sector.*
- *Arizona state retirement contribution rates for employees have increased significantly over the last several years, leading many to retire under cost/benefit analysis.*
- *The private sector and other schools continue to compete for personnel in hard to fill disciplines (e.g., Math, Science, and various professional disciplines such as speech and physical therapy).*
- *Decreasing state funding for Arizona schools which diminishes the appeal of serving in Arizona classrooms.*
- *The vast majority of graduates from Arizona education colleges last year left Arizona to seek employment elsewhere.*

The impact of the growing teacher shortage in Arizona resulting from factors such as these is evident throughout the state. Our own district, for example, now encounters difficulty recruiting even for positions that traditionally were never difficult to fill, such as basic elementary teaching positions. Nearly 1000 classrooms across Arizona will be staffed this year, all year, by substitute teachers. Rural districts, hit even harder by this teaching shortage, have begun offering substantially higher salaries and even free housing to attract staff. School districts, like Amphi, have begun offering salary enhancements for personnel teaching in “hard-to-fill” positions. And, with the loss of staff for any reason having such a detrimental effect upon schools, schools are also pursuing the re-employment of retirees through post-retirement, third-party “employee-leasing” arrangements.

The “Lease-Back” Solution

New businesses have arisen which offer school districts the ability to hire teachers, administrators and classified employees who have retired. (The Arizona State Retirement System would normally preclude those retirees from returning to employment with any Arizona school district for one year after retirement). In this way, those employees whose valuable and much needed skills might have otherwise been lost can continue working. Additionally, these personnel may earn substantial post-retirement incomes without violating state retirement rules.

The legality of retaining retired teachers and other employees through a third party “lease-back” arrangement is expressly established in A.R.S. § 15-502. It reads in relevant part:

The governing board may obtain the services of any employee, including teachers, substitute teachers and administrators, by contracting with a private entity that employs personnel required by the school district.

The District currently offers such a program through Educational Services, Inc., a service provider through Mohave Educational Services. Our ESI contract sets a fee for the service to be provided by the retiree based on a percentage of the retiree’s former salary as a district employee (currently, approximately 71% of the retired employee’s former pay). ESI hires the retiree and “leases” the employee back to the District. ESI assumes all responsibilities for paying the retiree, who is then an employee of ESI. Like any employer is required, ESI makes appropriate withholdings and payments of all applicable taxes and the issues W-2 forms. ESI also offers a benefit plan that its employees may purchase. ESI bills the District for the cost of the retirees, salary costs and ESI’s service fee.

The district saves the difference between the cost of the employee's pre-retirement salary (and employee related costs) and the fees paid to ESI. The employee earns income both as a state retiree and as an ESI employee placed with the district.

The District has offered such a program for several years, and participants have been very positive about the opportunity. The program's approval by the Board expires at the end of this fiscal year.

In recent years, these "leased employee" arrangements have received scrutiny from both by the Arizona State Retirement System and the legislature. We have seen, for example, the introduction of legislation which modified the terms of these arrangements in various ways. One recent law, for example, now requires a "contribution" to the ASRS by the employer based upon the leased employee's compensation. This "alternative contribution rate", at approximately 8.4%, is still less than the District and the employee would normally pay into the retirement system.

The Administration's Proposal

The Administration recommends again offering current Amphitheater employees the opportunity to continue their public service even after retirement through a third party employee leasing program. At this time, however, the Administration recommends that retiring Amphitheater employees be retained through smartschoolsplus, Inc., a vendor that is offering service through a Mesa Public Schools bid and the Strategic Alliance for Volume Expenditures (SAVE) group procurement cooperative.

Retirees hired through smartschoolsplus, Inc., like the current program offered through ESI, will fill their pre-retirement position, on the following terms and conditions:

- 1. The option will be offered for the coming fiscal year, allowing the retiree's retention through ESI beginning on July, 1, 2015.*
- 2. The terms of the retiree's employment with smartschoolsplus, Inc. will be determined by the provider in consultation with the District, and the retiree must acknowledge those terms prior to placement with the District.*
- 3. smartschoolsplus, Inc. will compensate former employees of the District at the approximate rate of 71.8% of the wage paid to the employee by the District prior to retirement. This difference in pay has increased following the state mandate to make the ASRS alternative contribution on contract fees paid to third party contractors.*
- 4. The provider will make and/or pay all appropriate payroll deductions and taxes. The District will pay a service fee to the provider as determined by the District's contract with the vendor. The district will also make the requisite contribution to the ASRS, which does not modify the retiree's retirement benefits.*
- 5. Personnel placed with the District through this program must meet all district, state and federal qualification standards, including but not limited to, fingerprint/background clearance, certification, endorsement, education level, and licensure.*
- 6. Pursuant to the terms and conditions of the District's Early Retirement Program (ERP) and Early Retirement Phase Out Program (ERPOP), participants in those former programs are ineligible to participate in this program.*
- 7. Regardless of their status as employees of a third-party rather than the District, all personnel placed with the District must comply with district, state and federal laws, policies, regulations, directives as well as school improvement plans of the Amphitheater District.*

A copy of the form of agreement between the District and smartschoolsplus, Inc. is attached for the Board's information.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

Ms. Day asked the Board if there were any requests for future agenda items. Dr. Barrabee requested an item on the proposed changes to the Elementary and Secondary Education Act (ESEA).

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

Ms. Grant moved that the meeting be adjourned and Dr. Barrabee seconded the motion. The motion passed 5-0. Ms. Day declared the meeting adjourned at 7:00 PM.

Respectfully submitted,
Karen S. Gardiner

Board President

Date

Approved: TBD