



# SOUTHEAST ISLAND SCHOOL DISTRICT

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## Board Report April 17, 2019

### Budget Workshop

The budget sits about \$400,000 short of balancing. Hiring a full-time superintendent and adding a second teacher in Hyder accounts for about \$200,000 of that deficit. A cut of \$400,000 is mind-boggling. I have resisted suggesting items to cut until the district goes through strategic planning to establish priorities. Our incoming superintendent, Sherry Becker, has visited each of our sites seeking input on site priorities. The results of both will help us identify where to make cuts for the May budget workshop. We should also know by that time if the cuts need to be as severe as we are currently anticipating.

It is hard to reduce spending by \$400,000 by making numerous small cuts. There are many things that can be trimmed, but cutting forty different things can create even more issues. Serious reductions threaten the viability of our smallest schools. The anticipated budget reduction forces us to eliminate just about everything that is not grant-funded, and the required matches for those grants will be just about all that we will be able to afford. There are many things we fund, including:

- Secondary Sports (travel largely paid by students but we subsidize other costs)
- Secondary Sports debts we have covered during my tenure
- Student Travel, Staff Travel, Administrative and Board Travel
- Teacher Recruitment and new teacher incentives
- STEAM Week
- Food Program (free to all students)
- School Supplies
- Professional Development
- Lead Teacher Model (would have to be when next negotiate contracts)
- Instructional Aides
- School Vehicles
- Extra Duty Contracts
- Memberships and expected contributions
- Building Maintenance
- Student Fundraising opportunities
- Computers: maintenance, new purchases, providing laptops for students & staff
- Visiting Music Program
- Classes Paid when students exceed courses we offer
- Swim lessons
- Friday Activities
- Four-Day School Week brings additional costs
- SCUBA

Possible ways to cut spending include:

- Cut financial support for anything besides teacher in elective courses
- Not bringing staff to Thorne Bay for fall inservice
- Include Activities Director and Testing Coordinator within positions already funded
- Combine some 29-hour positions
- Eliminate instructional aides and other support positions
- Eliminate or drop to .49 positions that could be contracted
- Staff provide own computers
- Restrict printer use (paper)
- Remove cost prohibitive schools from the food program (all the small sites)
- Reduce some non-certified positions to part time
- Reduce transportation supplies
- Reduce purchase of furniture for staff housing and repairs to rental units
- Cut into any reserves we have left as a one year cushion
- Eliminate one administrative position for 2020-2021
- Eliminate two teaching positions in 2020-2021
- A change in insurance provider could cut far into this deficit.

Eliminating some of these items would result in additional expense reductions. Cutting computers and support would also remove a classified position. Cutting vehicles reduces insurance, maintenance and another position. Each and every cut, however, has unintended consequences and begins to erode parent support and student opportunity.

I feel the greenhouses can bring much to students. The program has only been marginally successful and we have not successfully engaged students in the developed curriculum. Part of the issue is the shift to one day of electives with a four-day school week. Additionally, we have not effectively hired for this skill set at sites. Both factors have stunted our efforts to have student-managed greenhouses. We begin to see success where we have AmeriCorps volunteers. Success has been more limited where sites take individual responsibility. Sites that have done fairly well with minimal support are Whale Pass, Kasaan and Hollis. With support, Thorne Bay and Coffman Cove are prospering, though teachers have not been fully engaged. Naukati has a new hire with a background and understanding of agriculture. Whale Pass is a good model of a dirt greenhouse. Thorne Bay is a good model of an aquaponic system. Sound advice has been to get the site greenhouses running and then bring in teachers and students. We have three AmeriCorps positions that costs about \$30,000 per year. We are currently budgeted for one position.

I feel strongly that decisions on any change in the direction of the greenhouse program needs to come through the guidance of the program supervisor, Brian Kroschell, and the program coordinator, Megan Fitzpatrick. Additionally, Andy Cook is one of our educators who understands the system. Others could certainly make suggestions but anyone else making decisions on greenhouse operation, including site teachers and administrators with no agricultural background, is a mistake. I pride myself in being objective in all decisions. I cannot do that with the green houses, as I have too much personal investment. I believe the before mentioned individuals are the best suited to

focus on the direction of this program. I am strongly opposed to turning our aquaponic systems into dirt greenhouses. I have repeatedly offered to fund hoop greenhouses, which are inexpensive to build, for any site that wishes to have a dirt system rather than an aquaponic greenhouse. To date, no sites have expressed interest.

The cuts that we make need to be well thought out, as I anticipate difficulty keeping small schools open as we restrict opportunities and staffing. I hope parents will understand that recognize the importance of the things we are eliminating when these decisions are made knowing. The district will spend the coming year figuring out how to bring back the items we value the most. We will propose cuts at the next Board Workshop focusing on items/programs that are least impactful to students and that appear to be less important to our stakeholders as they review our strategic plan.

#### **7. D. Approval of FY 20 Certified Contracts Pending Receipt of Required Documentation**

The *Intent to Hire* has been withdrawn for the Thorne Bay position. As a result, **I recommend hire, pending receipt of required documentation, for only the teachers listed below who will work in Port Alexander and Hyder.** Additional paperwork is required before a contract is issued. I am very pleased with these recruits. All are outstanding with interesting backgrounds and attributes that will bring more opportunities for our students.

Port Alexander	Julia Trischman
Hyder	Scott Haugen and Tiffany Haugen

#### **7. E. Approval of Part-time Contract Priscilla Goulding**

To ensure a smooth transition for the State and Federal Programs position, I recommend that Priscilla be contracted for a period not to exceed a total of 30 days during July and August of 2019. Her replacement, Brian Kroschell, is expected to arrive in late July or early August and there are issues that must be addressed. Priscilla will depart as soon as Brian is prepared to assume all duties.

#### **9. B. Second Draft Proposed Budget 2019-20 School Year**

The budget remains about \$400,000 in the red. Based on continuing feedback, the proposed budget in May will be balanced. **This issue will go to a third reading** and I expect that it will need to be reviewed in June based on what the legislature and Governor agree to on the budget.

#### **9. C. Proposal to Purchase Kasaan Property**

Owning the property just to the north of the school and greenhouse in Kasaan (Block 8, Lot 6) would be beneficial for several reasons:

- The wood-fired boiler could be located on this lot, where it cannot be a threat to the school.
- There is a small housing unit on the property, which could provide staff housing.
- There is room for an additional housing unit on the lot.

The owner is asking \$89,000 for the property but requests that he be allowed to remain in the housing unit for one additional year while he builds another home. **I recommend purchasing the property (Lot 6, Block 8) in Kasaan.**

### **10. A. Bruce Hill Scholarship**

There is one applicant. **I recommend awarding the scholarship.**

### **10. B. Contract with Klawock City School District**

This regards our cooperation with this school district involving PHlight Club. Funding comes from the THRIVE grant. **I recommend approval.**

### **10. C. 1. Alaska Power and Telephone for Moving Power Lines at the Whale Pass School**

The wood-fired boiler and a covered playground are too close to the power lines. We have exhausted the boiler grant funds and still have the obligation to cover the cost of moving the power lines. **I recommend approval.**

### **10. C. 2. Well at the Whale Pass School**

The existing method of surface water collection is problematic. Wells that produce safe water have been successfully installed in the area. We would like to try putting a well in uphill from the school. The community has also expressed an interest in having access to a reliable water source. We have submitted a request to fund this project through the legislative CAPSIS program, although the likelihood of funding from the legislature in the next several years is microscopic. The company who made the proposal to drill the well will be on the island soon to drill another well in Whale Pass. If legislative money should become available for this project, we would strive to improve the water storage system to allow for community use. **I recommend approval.** This could be put off to a future date. While the current water source has problems we have survived for some time with the existing system. I would encourage commentary from Whale Pass on the issue.

### **10. D. Resolution to Raise new Funding for K-12 Schools**

This bill revives an annual employment head tax that was repealed in 1980. The Sponsor Statement includes the following information: *...The "Alaska Education Facilities, Maintenance, and Construction Tax" would collect \$30 from each person employed in the state. The tax would be withheld from an employee's first paycheck each year while self-employed individuals would be required to remit payment to the Alaska Department of Revenue. The tax would be deductible on an individual's federal income tax return...It is estimated that this tax would generate \$13 million each year. The revenue collected would be deposited into the state's general fund and accounted for separately to pay for the growing maintenance and construction needs of Alaska's schools...* **I recommend approval.** While I have not heard anything to indicate that this proposal has any prospect of passing as it may never get out of committee, it would benefit repairs and construction. At this moment, our district has three of these projects that have been funded and anticipate a new school for a total of over \$11 million. Whether individual tax payers in our district will think these projects are worth \$30 per year may depend on whether or not they see a benefit to these kinds of projects.

### **10. E. Thorne Bay ASC Management of Student Activity Reimbursement**

Several years ago we improved how we collected funds from students, parents, schools or the site ASC. Thorne Bay is the hub of student activity and their ASC has carried the organizational burden and carries more of the financial risk.

1. Students who leave the district through transfer or graduation without fundraising for their obligations.
2. The burden of forward-funding travel for the bulk of students having sports travel and then having to bid dog reimbursement.

The Thorne Bay ASC essentially provides a function that should be carried by the district. I am not anxious to absorb that duty, as the cost for the district to provide this service is simply cost prohibitive. We need to recognize the issues this creates for the Thorne Bay ASC. I think financial support for this time-consuming responsibility in the form of \$5,000 annually to the Thorne Bay ASC as compensation for the time spent is reasonable. It is not a perfect solution. I anticipate commentary from the Thorne Bay ASC on the topic. **This issue could be reconsidered at the May Board meeting unless there is consensus on a solution.**

### **10. F. Firewood Contract**

This is a response to an ongoing RFP that is posted on our website. We need additional time to evaluate the District's needs. **I recommend tabling this item until May.**

I have also asked for a review of our procedure. While the RFP is continually open, how do contractors know about changes such as the construction of additional wood storage areas, changing how we store wood, or others? The idea of keeping the RFP open is cost effective, but I think it needs a component that alerts contractors of a changes or new interest beyond the regular yearly needs.

Sincerely,



Lauren Burch  
Superintendent