



SOUTHEAST ISLAND SCHOOL DISTRICT

P.O. Box 19569, 1010 Sandy Beach Road Thorne Bay, Alaska 99919
(907) 828-8254 Fax: (907) 828-8257 E-mail: sisd@sisd.org

Board Report May 23, 2019

Budget Workshop

A balanced budget continues to be elusive. With these harsh cuts you see today, we thought we were close to a balanced budget until we reviewed student numbers. There is no increase in funding between ten and twenty students in a school. In fact, those extra ten just add to our cost. The only exception is in Thorne Bay where every student generates about \$14,000. Unfortunately, Thorne Bay could be down to around 65 students. This leaves us still in the red by about \$150,000. That is too far to dip into our reserves. We have already made pretty deep cuts and are not anxious to go further.

I am very optimistic that the final legislative budget will be favorable and many of these cuts can be eliminated or reduced. We are awaiting the outcome of the legislative special session. I would be surprised if we had any sense of the outcome before the middle of June, as the Governor can still use the line item veto to remove items he does not agree with. With an anticipation of a significant budget increase, we have begun to look at what is most important to fund if dollars are available. We are taking into account feedback through the strategic planning process and which dollars most affect students. Rankings can change and your feedback is appreciated up until a June Board meeting.

1. Site supplies, materials, and media
2. Curriculum consumables: \$15,000
3. 2nd teacher Kasaan: approximately \$15,000
4. Student travel: \$17,000
5. Vehicles: \$5,000
6. Visiting music program: \$20,000 (may be grant funded)
7. STEAM week every other year: \$25,000 per year
8. Thorne Bay Office, District Office
9. Greenhouse worker/AmeriCorps/hours for daily worker (some paid from grants; \$60,000 if AmeriCorps where using aquaponic systems)
10. Mechanic assistant: \$20,000
11. Curriculum funding: \$35,000
12. Technology funding: \$35,000
13. Staff and board travel \$15,000
14. Library/resource clerk: \$15,000
15. Reimburse for ASC minutes, site newsletters, board reports (all will be required): \$8,000
16. Board stipend: \$1,000

Site Materials

We have reduced funding on these items drastically and schools cannot operate without these things. This simply has to be the first item returned to the budget.

Kasaan Teacher

We expect a surge in student numbers in Kasaan. We had increased the site budget by \$15,000 to compensate any site operating with only one teacher. That would return to the district if the count justifies the second teacher. We will make that decision as we see actual enrollment numbers.

Vehicles

Our student-transport vehicle fleet is aging and it will be increasingly difficult to keep all vehicles operating at one time. Our intent had been to sell vehicles as they aged and replace with other surplus Forest Service vehicles. The attraction of rotating stock is that we buy vehicles cheaply and get rid of them before they cost us much, generally improving mileage with the newer vehicles. While that is the most economical method because it avoids major repairs, we are going to have to make due with our older vehicles and either park them or sell and not replace them if they require major repairs. They have become integral to student movement. We do not get that much from selling these vehicles and we should keep them at sites as long as possible.

Visiting Music Program

Priscilla has applied for a grant to support the program. This is not important to every site. Some sites find it very important and would like to have two weeks. Sites have "skin in the game" by contributing \$1,500 per week. We would like to continue to support this for sites that wish to continue with the program.

STEAM Week Activities

This is highly successful and brings students in from remote parts of our district. Phlight Club has helped to pay for this travel, but even with that assistance, it remains quite expensive. Unless funding is exceptional, we will move to having the activities and travel every other year.

Office Staff

These are difficult to rank and I am not perfectly objective. The administrative team, including our incoming Superintendent, will be spending much time on these issues.

Three staff members will lose insurance and/or hours and income. Tammie Watkins, Janelle Wehrman, and Chris Page Haufe are slated for dramatic reductions. Where does each rank if our measure is what is most important for students? Shane Clark, for instance, will no longer work with vehicles. That is pretty easy to justify adding back if we have money, as it is clearly about student safety and keeping vehicles available for student movement. Office workers are a little harder to rank in importance for students. Chris has been really important district-wide, Janelle is really important to Thorne Bay School and Tammy is really important to Hollis School and Janet. All three are very important to the district and do outstanding work. Unless you work directly with any of them, it is hard to see that when you are wondering how you are going to buy pencils next year. About the last thing on earth I want to be doing in my last month with the

district is to impact highly desired and respected personnel. We will do everything we can to minimize the impact on staff.

Greenhouse

We have four greenhouses set up for aquaponic systems. Thorne Bay and Coffman Cove are operational. Kasaan would be if they had not lost the boiler. Naukati staff have had not expressed interest in their greenhouse recently. I would argue the educational opportunities with greenhouses are off the charts. Taking advantage of these opportunities has occurred in the past, but is only effective if administrators and at least one staff person at a site are interested in involving students. Currently, there is minimal teacher involvement in Thorne Bay, Coffman Cove and Naukati. We have curriculum and a large fundraising opportunity that is not being utilized. Some sites are producing hanging baskets. We are missing a great opportunity to sell bedding plants in the spring. We are not supplying our food program to any significant degree at a time when the food program has a deficit of about \$80,000 per year.

The decision on what system to use in the greenhouses should be made by someone who has experience in these systems. Some will argue to just have a dirt system, though dirt brings just as many issues as fish. For several years I have offered to supply hoop greenhouses at sites that preferred that approach. They are cheap and do not need all of the bells and whistles of an aquaponic greenhouse. There have been no takers. My own error has been in not hiring staff with the skill set needed to incorporate greenhouses into the curriculum. We get good applicants, but they are not often the best fit for the other skills we look for in a teacher. The result is a floundering greenhouse program.

We have tried to overcome this deficiency with AmeriCorps workers. We had advice to back up, get the greenhouses operational and then bring in teachers and students. This year we have three AmeriCorps workers, requiring a District contribution of about \$11,000/each per year. This brings a 40-hour a week employee and many opportunities for students beyond gardening, as the program also requires them to do many student activities not connected to greenhouses. These workers are an exceptional value. In addition, we have Megan Fitzpatrick managing the Coffman Greenhouse and providing support to the other greenhouses. Priscilla Goulding is being replaced by Brian Krossschell, and he will manage the District's agricultural and livestock programs.

My recommendation is to retain Megan in her current capacity and have an AmeriCorps employee at any site that retains an aquaponic system. If a site will be using dirt, they can do that with existing staff and site resources. Grants pay for some of these costs and more grants can be pursued.

Other Savings

The budget crunch has us looking at all expenses. We are burning way too much fuel at many sites. I get a little twitchy to see wood boilers turned off, fuel oil burning, and half of the windows open at a school day and night. Seeing this makes me feel like I need to lock down the fuel boilers at sites. Additionally, garbage costs could be reduced by burning paper products. We have gotten less restrictive on electric consumption. We could be more efficient with vehicle use.

Kasaan and Port Alexander Property

The board has approved purchasing a property adjoining the school in Kasaan and that contract is on the agenda for approval tonight. With other things and people being impacted by the budget cuts for next year, it is understandably a topic of conversation with some in the district as they face cuts. The new covered play area in Kasaan will have to sit where the housing unit was formerly sited. We have about \$200,000 from insurance to replace that building. We also have insurance money to replace the wood-fired boiler and building. I am insisting the boiler be as far from our other buildings as possible. The Organized Village of Kasaan has no interest in releasing the property they own near the old boiler site. The boiler had been sitting on a right of way for the city of Kasaan. We needed somewhere to place both structures. The lot behind the school fits that need and is immediately available. It is critical to the long-term health of the school if we wish to have two teachers at the site. A similar issue was solved in Port Alexander this year. We had never owned a housing unit at the site and if we were going to keep the school open it was critical to take the step. Teachers have lived in the school and on boats and housing was persistent contribution to teacher turnover at the site.

As I approach retirement I am reminded often of my own crime of presuming superintendents and principals above me were morons. I found it far easier to suggest solutions when I was downhill and had a fraction of the information. I catch myself knowing how to fix problems in my own community when I have zero information and never attended community meeting. It is amazing how much easier it is to make decisions that way. We don't do anything in this district unless there are multiple reasons. We never do anything without weighing many factors. Often some of those cannot be public but most come after much debate at the administrative level and considerable thought on the unintended consequences of any decision.

Board Report

AmeriCorp Volunteers

We have three full-time workers this year. **Eric Bazzett** has been working in Coffman Cove. **Kim Scarda** has been working in Thorne Bay and **Sam Schlobohm** has been working in Hollis. All have been a tremendous value to the district and students and we appreciate their efforts. Kim has moved south, Eric would like to return if we fund the position and Sam will be leaving us after three years with the district. Sam has become a fixture in Hollis and at district events. He has certainly learned to use his "voice" as you will have noticed if you attended recent soccer matches. Sam has been deeply involved in every aspect of education and student activities. The district will note his absence, but the impact on Hollis will be monumental.

Indoor Soccer

I could not be happier with the addition of soccer to our sports program. I hope neighboring districts will get more involved. It is wonderful for students and keeps them active at a time of year when there were not opportunities for them. It will be nice to see it move up the grades over time.

Opioid Prevention Grant

This grant required that it be submitted by an organization that met certain guidelines. It is good for the communities and our students. It will fund about \$14,000 toward Brian's salary and he will have to manage the grant. It will require a district employee paid for by the grant. That individual will be managed by others and we will not be directly involved with the grant. Thanks to Priscilla for assisting with getting the grant submitted. I would like Heidi to speak to it further tonight.

9. B. Budget

If you attended the workshop or have had a chance to look at the current budget proposal, you know that it includes enormous cuts to about anything that could be cut. It is not the final budget. The legislature is still meeting on school funding. I am optimistic that we will get reasonable funding and hope the cuts we have made will be unnecessary. The legislature's budget arguments can go clear into June and we will not know what our final funding is for some time. We will need a Board meeting in late June to approve a final budget to submit to the State. I hope that we can put most of the items that were cut back into the budget. We could not wait any longer to make the cuts. It is not fair to staff that are impacted when their contracts begin in July. Staff in particular needed advance notice if their jobs were going to be impacted. It is far easier to add things back at the last minute than it is to make the hard cuts in staffing with no notice. We have made a draft of priorities for funding depending on the outcome of legislative action. Continuing discussions are likely to move items up and down the list. We are trying to focus on priorities based on direct student impact. Of course, that opinion will vary depending on which seat you are sitting in. Every cut has an impact and every cut has unintended consequences. **I recommend moving the budget to another reading at a Board meeting fairly late in June.**

9. C. Firewood Contract

We had looked at this last meeting. I had been concerned about existing contracts and being sure all parties had an even playing field. The intent of an open RFP for firewood was to allow for smaller contractors, student groups or individuals to have opportunities. **I recommend approval.**

9. D. Thorne Bay ASC Student Debt

We have contacted our attorney about withholding transcripts for failure to pay student debt. This apparently is quite complicated and may not really be an option. It may be that we have to pursue small claims court. We would not see the money at that time and takes quite a bit of work. What it can do is lead to recovering our loss through their PFD. We went to small claims court regarding computers that weren't returned and had the judgment. It was ineffective in that case, as the family had left the state. The ASC could submit that debt to the District Office a specific time in the process when it is clear there is no intent to pay the debt. I would encourage the Thorne Bay ASC to comment on what they believe we should or should not do before we propose any action. **I do not have a suggested motion without feedback from the Thorne Bay ASC and addition legal commentary.**

10. A. Extension of Firewood Contract

This supplier has been held up as we built additional wood storage space. It was not his fault the wood was not delivered in the time allocated. **I recommend approval.**

10. B. Professional Service Contracts

All of these contracts are necessary for delivery of required Special Education Services. Thanks to Janet and Sherry, as they worked to find the most cost-effective means of gaining these services. **I recommend approval of all of the contracts listed under 10.B.**

10. C. Approval of RUS Grant Application

The match for this grant has increased from the \$23,000 approved in March to \$31,000. It is expected that those expenses will be covered by purchases that would be made anyway by our Technology Department. The grant is not assured and failed last year when one of the district partners did not complete their paperwork. It is a risk when we team with multiple districts. **I recommend approval.**

10.D. Authorizing Signature Update

I am sad to go. We need this resolution to change the signatures on our checking accounts. **I recommend approval.**

10. E. and F. Thorne Bay Playground and Kasaan Gym

These items are steps toward construction utilizing State money. **I recommend approval.**

10. G. Updates to Mission Statement, Vision Statement and District Goals

We recently had two days of meetings to review these topics. A survey was requested from all interested parties and anyone that looked at the survey and was interested was encouraged to be on the review team. We appreciate the hard work of those participants. As the exiting Superintendent, I felt it better to have stakeholders discuss this without my participation. I will ask Sherry to comment. **I recommend approval.**

10. H. Contract to Purchase Property in Kasaan

The board approved purchasing this property at the last board meeting. This is the contract that our attorney drew up and the owner has signed. **I recommend approval.**

Next Board Meeting

I recommend scheduling a Board meeting during the Inservice/work week in August (August 20-23). **We will also need to schedule a Board meeting late in June** to approve our budget so we can submit it to the State by their deadline. I would not expect the need for a meeting in July.



Lauren Burch
Superintendent