



SOUTHEAST ISLAND SCHOOL DISTRICT

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Board Report March 22, 2019

Budget Workshop

At this point, we are uncertain about what our final budget will be. Legislators suggest funding cuts will not be as dire as the Governor has proposed. Regardless of what the legislature passes, the Governor can veto any part of that budget. We will not really know for sure what we face before the end of June 2019.

Lucienne will review the adjustments we have made to the budget for the coming school year. We are projecting that we will need to cut an additional \$350,000 from the budget. Tonight's workshop is an opportunity for everyone to begin thinking about our priorities. With a change in leadership, it is time to take a look at what we are doing and what we are not doing, and to decide what to retain and what to change.

Our incoming Superintendent, Sherry Becker, is visiting the island to begin talking with sites about the strategic plan review and site budgeting priorities. She will be here from March 26 – April 5; a schedule of site visits will be out soon. The decrease in our budget places our new Superintendent in a tough position, as she will be facing program cuts rather than program building. We are exceptionally fortunate that she is giving so much of her own time to do this early planning. Normally, a new Superintendent would show up in about the middle of July and be moderately clueless about pressing district concerns. Please plan to participate in these important site conversations to assist our new Superintendent with these hard decisions.

There are a number of areas where we spend money and some of those will be affected with the tilt of the Governor's agenda. Below, I have listed some of these areas and estimates of costs. These costs are pure conjecture and intended to simply get people thinking about ways to balance the budget. I am sure I have forgotten a few items that could be added to the list. None of the options are attractive. Every item will have proponents who can explain why it is mission essential. Remember, the best cuts are always ones that affect someone else. My hand is in every expenditure and rationale. I am happy to review each rationale but, with my imminent departure, those who will continue with the district need to make the hard decisions.

Vehicles

At the start of my tenure, we had two vehicles in addition to those used by maintenance staff. Now we are swimming in vehicles. Island sites and visiting students from outer sites have exceptional vehicle access for programs and activities. We could quickly cut ten vehicles and eliminate the second support staff position working with our mechanic. This would slow repairs. It would also reduce insurance and maintenance costs.

\$75,000

Staff, Superintendent, Board and Student Travel

We participate in many activities. There have been a variety of educational opportunities for students, Legislative internships, and many other group activities where we pay all or a percentage of the travel and lodging costs. Board members go to trainings, the Superintendent and Board members visit the legislature and the Superintendent is asked to attend several statewide administrator meetings. Travel to job fairs is also a significant expense. Some of these costs are absorbed by grants or charged to Federal accounts that we have control over. Some of those could be used for other purposes if we did not use them in this way. **\$50,000**

Fall Inservice

We bring in all teachers from outer sites and strive to have some extra time for new teachers to the district. **\$7,000**

Four-Day School Week

There are some additional costs to operating the 4-day school week. Teachers need a certain number of days to meet retirement expectations for days worked per year. We add several days to contracts and have some Friday work days to make this work. We also encourage sites to have Friday activities for students. **\$25,000 - \$30,000**

Swim Lessons

We support students learning to swim. On the road system, students attend swimming lessons on Fridays rather than missing classroom time. Off-island schools try to schedule lessons when they come to the island for other activities. Staff are then paid on Friday, a bus driver and bus are involved, and there is a pool rental. **\$3,000?**

SCUBA

This involves pool time, additional staff costs, and equipment. **\$5,000?**

Site Budgets

Over time, we have increased funding to sites for supplies and travel. **\$50,000**

We currently allow sites to move money around in the budget. For instance, if a site does not spend their entire travel budget, the money can be moved to cover the cost of other items. If we did not allow this movement between line items, more money would come back to general fund at the end of the school year. **\$50,000**

Sports

Over my tenure, the District has absorbed an increasing amount of sports-related costs. Some of these items include:

- Meals and labor for feeding visiting teams
- Travel and per diem costs for chaperones and coaches
- Referees
- Most costs for State or National travel

There are also the costs of coaching stipends, the activities director and her travel, and meeting the expectations of sending an administrator to regionals and state competition.

The more costly sports are those that require travel. Middle school and elementary sports don't require much travel and are pretty cost effective. Archery is the one cost-effective sport for secondary students through State competition because there is no out-of-district travel to that point. Sports could be cut and it is certainly being considered in other districts. **\$20,000-\$50,000**

STEAM Week

This includes many things, such as the Prom, swim lessons, and several competitions and activities are only available when all students are brought together. Off-island sites have been flown in at significant expense. **\$10,000**

Visiting Music Program

There is enough interest to have this go to two weeks at several sites. The sites have been expected to contribute \$1,500 per week, about half of the total cost. Sites could not afford to cover the whole cost, especially if we cut their site budgets. The additional costs may be covered by a grant this coming year. **\$15,000**

Classes That We Do Not Offer

Currently, we pay for just about any class a student requests once they exceed what we can offer. This comes as reimbursement once they get a passing grade in the class. **\$10,000**

Greenhouses

These have yet to approach their intended capacity. Success varies by presence of interested staff. Without someone on site who is excited about the potential, the greenhouses flounder. Where someone takes an interest, they can flourish and students can benefit in many ways. Our research has shown the time to engage students is when the greenhouse is operating well. We have changed our model to address this by hiring employees to work in the greenhouses 10 hours/week where the aquaponic systems are operational and with AmeriCorps volunteers. AmeriCorps volunteers do amazing projects with students unrelated to the greenhouses and that is only a sliver of their function.

AmeriCorps Volunteers (three currently): \$30,000

Greenhouse Manager based in Coffman Cove: \$60,000

10 hour/week employees and a 29 hour/week employee in Coffman Cove: \$15,000

Two teachers at Small Sites

Hyder and Kasaan are projected at 10-12 students. Port Alexander, Whale Pass and Naukati could have 15-17 students. A second teacher is a tremendous financial investment. Kasaan has been operating with one teacher and we propose adding \$15,000 to their site budget to recognize this sacrifice. The hope is that it will support the large burden of raising money for sports travel. Each second teacher adds **\$100,000-120,000** to that site's costs.

Teacher Housing

Past administrators have advocated to not provide teacher housing. We also charge fairly modest rent. District-owned housing requires additional staff and expense for furnishings and repairs. **\$100,000**

Insurance

If all insured staff completed the paperwork needed to be able to seek other insurance coverage we could save considerable dollars and no expected hardship for our employees. **\$50,000**

Currently we cannot afford to add positions that would be covered by insurance or increase the hours of existing positions over the threshold where we are required to provide insurance coverage, which is about \$25,000 per employee.

I am sure there are other possibilities for cost savings and other individuals will spot possibilities I have over looked. Just as I sit here, I keep thinking of one more. Our goal over the years has been to do everything possible to support all of our schools. Anything we do can impact the viability of a school. We are as small as we can go without far more radical cuts to personnel, which then leads to more school closures, which then leads to more personnel cuts, which leads to....well you get my point. You have to look at the unintended consequences of every action. This is not checkers. It is more like chess. We never add an expense for only one reason. If there was an expense with only one reason, generally we did not add it to start with. When you are looking at cuts, look for the other reasons for the activity that you may be missing.

Archery Travel for Nationals

We will not house or supervise any SISD students or young children housed who are not invited as part of the team. Exceptions had been made in the past and it is a slippery slope. For request that we have agreed to, several others pop up and want to know why they bring children too.

We have also made the decision not to supervise or house students from other districts with our teams. We have done this in the past as well. We have no direct control over these participants while shouldering responsibility for any actions or damage. While have made exceptions in the past, we want to avoid issues with allowing one request and not another.

With both situations we are going to go with a consistent policy. We are looking at a number of similar issues as we begin the transition in district leadership. The goal is to have clear and concise policies as our new superintendent steps in.

We have stated that if another district has a competitor at the event or if SISD parents and children are there, we will provide transportation to the event if it is not a burden on our driver, does not add to the commute for our own competitors, and does require additional vehicles or trips. We are simply not allowing other competitors or other children to house with our team and we take no responsibility for their travel from Alaska.

Staff Hires

Hires are almost complete. Both my replacement and Priscilla's replacement have signed contracts. New teachers for Hyder, Naukati and Thorne Bay have all signed Intent to Hire forms. We are very happy with our hires and feel the district will benefit.

Currently, we are still seeking an elementary teacher for Port Alexander. For the first time in my tenure we are not concerned about any of our sites falling below ten students. It is probably bad luck to even bring that up. Sites are amazingly stable and I attribute that to our excellent teaching and support staff. There are many other options for getting an education in Alaska and I deeply appreciate our parent and student support.

Greenhouses

The Thorne Bay greenhouse is back on track and raising baby goldfish. Coffman Cove's greenhouse is ramping back up with end of the cold snap. Naukati's greenhouse has crashed with unhealthy goldfish and out-of-control aphids. Kasaan's greenhouse is out of commission due to the fire and subsequent removal of their goldfish. The Kasaan greenhouse had been operating and the community will take responsibility during the summer. The Naukati greenhouse has been more problematic. Our new teacher hire has a farming background with interest in the greenhouse operations and we expect that to revitalize the program.

Our problem has been that success of our greenhouses is based on the interest of our site staff. If they are enthusiastic and give of their own time, greenhouses tend to be successful. In the blink of an eye, the system can crash if there is no one championing the program. Where we have AmeriCorps volunteers, systems are going well. Where we hire an employee to work 10 hours/week, greenhouses can be stable. When plants stay in the greenhouse too long we have aphid infestations. When there are no plants sucking up the fish waste, our fish can't survive. When no one checks water quality we kill our fish. Our own food service cannot count on produce when they cannot count on consistent production.

One problem is that the greenhouse need heaters to pull in heat from the boilers. In most cases, we do not do so and it shortens the season. Even with heated water in the beds, we cannot get retain heat to keep plants going. We are purchasing some heaters using grant funding.

Once again, sites will sell hanging baskets. Coffman Cove and Thorne Bay are hard at work preparing for their basket sales. The cold snap held us up at most other sites, but the starts are available and due for dispersal soon. The goal is to have a good product to sell. If that can be shown, we can sell them to commercial sellers in Craig, Thorne Bay and Coffman Cove. This avoids direct competition and is good for everyone. The problem last year was that the starts sat too long at most sites and the product was far inferior to what commercial sellers expect. If we can establish our quality and get heat into our greenhouses, next year should be very lucrative for students.

9. B. Proposal to Obtain Property in Kasaan

I have nothing to propose tonight. Branzon Anania and I visited with the Organized Village of Kasaan. They have no interest in trading part of Lot 7 for part of Lot 8, so the new gym will be as large as we can fit on the lot we own (Lot 8). This will work out. We are asking the City of Kasaan to allow us to construct the gym into a right of way between the lots to maximize the size of the gym. We have not made any further progress on discussions regarding additional property in the community.

10. A. FY 2020 1st Proposed Budget

This naturally needs to go to a second reading as we are still significantly in the red. Our incoming Superintendent, Sherry Becker, will be leading community meetings in the next week or two to discuss the budget and strategic plan. Please take this opportunity to assist with decision making on where to make the cuts that are needed to balance the budget per the Governor’s anticipated cuts to public education.

10. B. THRIVE Grant Agreement with HCSD

We are partnered through a grant connected to Amy McDonald. It is in part connected to the Phlight Club activities. This agreement is to hire a .25 FTE local leader at that site. It is all paid out of the THRIVE Grant. **I recommend approval.**

10. C. Acceptance of Grant Funds and Participating Share Obligations for CIP Grant Awards

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| 1. Kasaan Covered Play Area | \$440,433; participating share \$8,988 |
| 2. Thorne Bay Playground Upgrades | \$221,614; participating share \$4,523 |
| 3. Thorne Bay Maint. Building Roof | \$158,446; participating share \$3,234 |

These grants require School Board approval. **I recommend approval.**

10. D. Approval of Expenditures over \$10,000.00

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| 1. Thorne Bay Gym Water Heater Replacement | \$17,850.00 |
| 2. Thorne Bay School HVAC Pneumatics Inspection and Calibration | \$15,250.00 |

Both are mission essential and have been put off for some time. **I recommend approval.**

10. E. Approval of Partnership with HCSD for Rural Utility Services Grant (RUS) Application (SISD match approximately \$23,000)

This is for replacement components to our VTC equipment. Every few years we have to upgrade and improve our capabilities. Technology has a lifetime, which is painfully short. The match is a small percentage of the actual cost. There is no guarantee that we will get the grant. One of the partners last year failed to do something essential and we were all denied. Our odds of approval rise when we partner. **I recommend approval** as this is an essential component to our delivery of education to our smaller sites.

12. Advance Planning

Hollis School would like us to set the date for the May Board Meeting tonight to assist with their planning for hosting that event.

Sincerely,



Lauren Burch
Superintendent