

**AMPHITHEATER PUBLIC SCHOOLS
Tucson, Arizona**

MINUTES OF REGULAR PUBLIC MEETING OF THE GOVERNING BOARD

Place, Date and Time of Meeting

Wetmore Center, 701 West Wetmore Road December 4, 2012, 5:00 p.m.

Board Members Present

Mrs. Diana Boros, President
Mrs. Susan Zibrat, Vice President
Dr. Kent Paul Barrabee, Member
Mr. Jeff Grant, Member

Board Members Absent

Dr. Linda Loomis, Member

Central Administrators Present

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

OPENING OF MEETING - Call to Order

Mrs. Boros called the meeting to order at 5:04 p.m.

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 # 30045478; b. Student # 11005311; c. Student # 30006750; d. Student # 30044469; e. Student # 30038960; f. Student # 30042017; g. Student # 30045178; h. Student # 30045257; i. Student # 30000317; j. Student # 30039868; k. Student # 30045702; l. Student # 30032424; m. Student # 30036491.
2. Consideration and Decision Upon Expulsion Hearing Officer's Recommendation, Pursuant to A.R.S. §15-843(F)(2), Regarding: a. Student # 30044841; b. Student # 30039572; c. Student # 16806265; d. Student # 21384011; (DOE#); e. Student # 30016903.
3. Discussion of Employment and Evaluation of the Superintendent, Pursuant to A.R.S. §38-431.03(a)(1).

A motion was made by Mrs. Boros that the Board recess into Executive Session pursuant to A.R.S. §15-843(F)(2) and A.R.S. §38-431.03(a)(1), as presented. Mrs. Zibrat seconded the motion and it passed unanimously, 4-0. Mrs. Boros called a recess at 5:05 p.m. for the purpose of holding Executive Session for student disciplinary action.

B. Motion to Close Executive Session and Reconvene Open Meeting

Upon return to the Board Room, a motion was made by Mr. Grant and seconded by Dr. Barrabee that the meeting reconvenes into open session; the motion passed, unanimously, 4-0. Mrs. Boros declared the meeting in open session. The time was 7:03 p.m.

OPENING OF MEETING

Call to Order and Signing of Visitors' Register

Mrs. Boros reconvened the meeting at 7:03 p.m. and asked members of the audience to sign the visitors' register. Procedures for addressing the Board were described.

Pledge of Allegiance

FFA program [founded in 1928 as *Future Farmers of America*; in 1988 the name was changed to the National FFA Organization, now commonly referred to as simply FFA]

Mr. Armando Soto, Assistant Principal from Amphitheater High School, invited Mr. John Van Huss to introduce his students from the FFA Program: Daniel Lopez, Monique Cortez, Omar Cota, Mireya Celaya, Evelyn Martinez and Guillermo Cardenas. They performed the FFA Opening Ceremonies' ritual, which was conducted with pride and dignity by the chapter's officers. Additionally, it was heartwarming to hear from each student as each they stated their expressed appreciation to their parents and family members for the support given to them in their pursuit of their education and participation in the FFA Program.

The students led the Pledge of Allegiance and each was presented with a Certificate of Commendation.

Additionally, Dr. Barrabee acknowledged the Art Display in the Board Room. He commended the Copper Creek students and art teacher, Linda McCoy, for their contributions.

Announcement of Date and Place of Next Special Governing Board Meeting

Mrs. Boros announced the next regular meeting of the Governing Board: Tuesday, January 8, 2013, 7:00 p.m., Wetmore Center, 701 W. Wetmore Road.

PUBLIC COMMENT

There were no comments from the public.

2. INFORMATION² AND RECOGNITION(S)

A. Acknowledgement of Contributions Made by Board Members

Board book information: *Mr. Nelson will recognize outgoing Board members Mrs. Diana L. Boros and Dr. Linda Loomis; acknowledging their commitment and dedication during their years of service, and recognizing their many contributions to the District and leadership of the Board.*

Reception honoring retiring Governing Board members –
Mrs. Diana Boros and Dr. Linda Loomis

Mr. Nelson introduced the item and extended his heartfelt appreciation to both retiring board members. He described the history of service to the District by both Mrs. Diana Boros and Dr. Linda Loomis (Dr. Loomis was unable to be in attendance at this meeting) and highlighting their accomplishments. He expressed appreciation to each for their commitment and efforts – for which the District will be forever indebted.

At the conclusion of Mr. Nelson's comments, in a display of appreciation to Mrs. Boros and Dr. Loomis, the audience applauded.

Dr. Barrabee, Mr. Grant, and Mrs. Zibrat each expressed personal comments and their gratitude and appreciation. Mrs. Boros was presented with a commemorative engraved platter in appreciation for service to the Community and Amphitheater Public Schools. [Mr. Nelson will present Dr. Loomis with a commemorative platter at a later date.]

Mrs. Boros thanked Mr. Nelson and board members for their comments and support. She noted "this is a premier district" and added that she will continue to support and advocate for Amphitheater School District.

Mrs. Boros invited everyone in attendance to join the Board in a reception and refreshments. She called a recess at 7:27 p.m.; and, reconvened the meeting into session at 7:37 p.m.

B. Status of Bond Projects

Mr. Louth, Bonds Project Manager, was introduced to present this month's (PowerPoint) status update on the current Bond-funded Projects (as provided with Board book materials). Mr. Louth noted that the reporting format is listed within the five categories, as identified by the Blue Ribbon Committee, as areas of need. [A Bond-election initiative to fund capital improvement projects was voter-passed on November 6, 2007; this is the monthly update, which began at the 12/11/07 Governing Board meeting].

I. INSTRUCTIONAL SPACE / PORTABLE REPLACEMENT

A. Amphitheater Middle School Addition / Remodel: Construction is 8% complete. Classroom building footers, underground MP&E, IT infrastructure, and preparation for an electrical service upgrade over winter break are in process. AMS is on schedule and on budget.

B. Canyon Del Oro High School Addition / Remodel: Construction is 92% complete. Finishes are being installed in the new CDO Café. IDF's are being completed and cut over. Punch list corrections in all completed areas are in process. The CDO project is on schedule and on budget.

C. Amphitheater High School Renovations: Construction Documents are being prepared for bidding in January.

D. Holaway Elementary Classroom Addition: Construction Documents are being prepared for bidding in January.

E. Rio Vista Elementary Classroom Addition: Design Development Documents are being completed.

F. Nash Elementary Library Renovation: Construction Documents are being prepared for bidding in January.

G. Cross / Harelson Addition / Remodel / Campus Re-cabling: Procurement of a general contractor is in process.

H. Wetmore Professional Development Building: Procurement is in process. Tonight's consent agenda contains an architectural vendor recommendation for this project.

II. HEALTH, SAFETY, AND SECURITY

A. Copper Creek Site Drainage and Playfield Resurfacing: Engineering of this project has just started.

C. Recognition of Canyon del Oro High School Boys Golf, AIA Division II State Runner Up

The following Canyon del Oro High School student athletes were recognized for being the Division II State Champions. Team: Jaime Waltmire, Chiung "Frankie" Wu, Chris Meyers, Tsung "Eric" Wu, Daniel Rowland, Coach: John Farbarik.

The Governing Board congratulated each of the student athletes and coach, and presented them with certificates of commendation.

D. Recognition of Canyon del Oro High School Girls Golf, AIA Division II Individual State Runner Up

The following Canyon del Oro High School student will be recognized for being the Division II Individual State Runner Up. Student: Morgan Messick, Coach: Brent Watkins.

The Governing Board congratulated Morgan and Mr. Watkins, athlete and coach, and presented them with certificates of commendation.

E. Recognition of Canyon del Oro High School Girls Cross Country, AIA Division II Individual State Runner Up

The following Canyon del Oro High School student will be recognized for being the Division II Individual State Runner Up. Student: Bridgett Doucett, Coach: Shawn Hellebuyck.

The Governing Board congratulated Bridgett and Mrs. Hellebyuck, athlete and coach, and presented them with certificates of commendation. [Bridgett was unable to attend.]

F. Recognition of Canyon del Oro High School Boys Cross Country, AIA Division II State Runner Up

The following Canyon del Oro High School students will be recognized for being the Division II State Runners Up. Team: August Bruno, Jacob Bruno, (absent) Andrew Garcia, Jordan Hellebuyck, Michael James, Jacob Rischer and Timothy Ronan; Coach: Rick Glider [Mr. Glider was unable to attend; Mrs. Hellebuyck spoke on his behalf.]

The Governing Board congratulated each of the student athletes and coach, and presented them with certificates of commendation.

G. Recognition of Ironwood Ridge High School Girls Swim, AIA Division I State Champion

The Governing Board congratulated Sara Borendame, Coach Anne Fitzsimmons, and Assistant Coach Heather Crocchi for achieving the Division I State Champion in the 100 Yard Breaststroke. Each was presented with a Certificate of Commendation.

H. Recognition of Ironwood Ridge High School Football, AIA II State Champions

The following Ironwood Ridge High School students will be recognized for being the Division II State Champions: Team: Clayton Allen, Tyler Berson, Anthony Braunreiter, Austin Campbell, Michel Chism, Brandon Chronister, Robert Coleman, Liam Corkery, Samuel DeVoy, Trevor Eischeid, Kai Ellingboe, Griffin Facciano, Nathan Farmer, Julian Figueroa, Max Fitzgerald, Austin Goddard, Heriberto Gonzalez, Anthony Gutierrez, Ronald Hickey, John Klass, Cole Kuglitsch, Gordon Longville, Brandon Martinez, Michael Martinez, Jacob Matthews, Seth Merz, Jon Nelson, Devon Olivarez, Andrew Perez, Ryan Quinn, Samuel Ross, Scott, Simmons, Cristofer Thorson, Michel Treiber, Jake Vartanian, Joseph Vetrano, Michael Volk, Evan Wasilewski, Tyler Williams, Andrew Yagowski, Zeke Zankich, Daniel Zorba and Head Coach: Matt Johnson, Assistant Coaches: Randy Maish, Doug Braunreiter, Kent Middleton, Todd Berson, Ryan Maish, Anthony Coronado and Lance Scott

The Governing Board congratulated each of the student athletes and coaches, and presented them with certificates of commendation.

I. Patient Protection and Affordable Care Act (PPACA) Implications for the District

Board book information: *The Patient Protection and Affordable Care Act (PPACA), PL 111-148, 124 Stat. 119, commonly called "ObamaCare" or "the federal health care reform law", is a federal statute signed into law by President Obama in March 2010. Various aspects of the law take effect at different times – some provisions having already gone into effect and others notably taking effect with the new year.*

Mrs. Boros announced that this item would be postponed to a future Governing Board meeting.

3. CONSENT AGENDA

Mrs. Boros asked if there were Board member requests to have items addressed separately; there were none. A motion was made and seconded to approve the Consent Agenda items A-N, as presented. The motion was passed unanimously, 4-0. Appointment of personnel is effective, provided all district, state, and federal requirements are met.

A. Approval of Minutes

The minutes of the November 13 2012, Regular Governing Board meeting and Executive Session were approved, as submitted.

B. Addendum to Approval of Appointment of Personnel

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

C. Addendum to Approval to Personnel Changes

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

D. Approval of Leave(s) of Absence

Leave of Absence requests were approved for certified and classified personnel, as listed in Exhibit 3.

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

Certified and classified personnel separations were approved, as listed in Exhibit 4.

F. Approval of Vouchers Totaling and Not Exceeding Approximately \$2,305,560.15 (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:

Vo. 551	\$119,415.93	Vo. 552	\$ 95,377.35	Vo. 553	\$143,271.37
Vo. 554	\$381,685.33	Vo. 555	\$ 47,350.53	Vo. 556	\$221,555.57
Vo. 557	\$166,691.70	Vo. 558	\$271,586.91	Vo. 559	\$858,625.46

G. Acceptance of Gifts

Donations were accepted by the Governing Board as listed in Exhibit 5.

H. Approval of Parent Support Organizations for 2012-2013

The Governing Board approved the Annual Application for Governing Board Approval (Parent Support Organizations pursuant to District Policy KBE-R) submitted by *Canyon del Oro Parent Organization, Coronado Wrestling Booster Club, and Project Graduation - IRHS*

I. Approval of Out of State Travel Out of state travel was approved for students and staff (source of funding indicated): from Ironwood Ridge High School to take 20 students from the Technical Theatre/International Thespian Society to attend a costume and improvisation workshops in Anaheim, CA on February 20-23, 2013 (tax credits, student activity funds and state funds); from Ironwood Ridge High School to take 20 students from Fashion Design to attend Walt Disney Youth Education Series in Anaheim, CA on February 20-23, 2013 (tax credits, student activity funds and state funds); from Ironwood Ridge High School to take 40 students from Culinary Arts to attend Walt Disney Youth Education Series in Anaheim, CA on February 20-23, 2013; Cross Middle School to take 83 students from the Science Department to attend the Catalina Island Marine Institute in Catalina Island, CA on February. 26 – Mar. 3, 2013 (auxiliary and tax credits); from Ironwood Ridge High School to take 15 students from SMART TEAM to attend the National SMART team meeting in Boston, MA on April 18-21, 2013 (tax credits and club funds); from Cross Middle School to take 70 students from Orchestra and Musical Theatre to attend the Forum Music Festival/Performing Arts in Anaheim, CA on May 2-5, 2013 (auxiliary, tax credits and club funds); from La Cima Middle School to take 33 students from the Science Department to attend the Catalina Island Marine Institute in Catalina Island on May 5-9, 2013 (auxiliary, tax credits and parent organization); from Wilson K-8 to take 54 students from the 6th grade to Buena Park, CA on March 15-17, 2013, (tax credits and auxiliary funds); from Wilson K-8 to take 53 students from 6th grade to Buena Park, CA on March 21-23, 2013 (tax credits and auxiliary funds); from Wilson K-8 to take 200 students from the 8th grade to participate in the Six Flags Magic Mountain Math and Science Students Day to Los Angeles, CA on May 16-18, 2013 (tax credits and auxiliary funds)

Out of state travel was approved for staff: from Painted Sky Elementary to attend the Learning and the Brain Conference in San Francisco, CA on February 13-17, 2013 (gifts and donations and federal funds designated for staff development); from District Offices to attend the National Association of Secondary School Principals Annual Conference in National Harbor, MD on February 27 – March 3, 2013 (federal funds designated for staff development).

J. Approval of Grant(s)

The Governing Board approved the following grants: on behalf of Wilson K-8 in the amount of \$1,000. from the 2012 McDonald's MAC Grant – \$500 to be used towards the purchase of an iPad for the 4th grade to use during Social Studies, and \$500 to be used towards the purchase of an iPad for the Algebra Club; and, Nash Elementary School in the amount of \$5,000. from the Arizona Diamondbacks Foundation/University of Phoenix to be used towards the purchase of supplies for the "A Will, A Way for Reading Success" program.

K. Approval of 301 Plan for FY 2013-2014

Board book information: *The Arizona Department of Education requires each district to submit their District 301 Plan for approval by December 30th of each year. The Amphitheater District 301 Plan for 2013-2014 is*

presented for Governing Board review and approval. This plan is unchanged from 2012-2013. We anticipate that we will need to make changes to our 301 plan for 2014-2015 to align with requirements resulting from HB 2823.

The Governing Board approved the District's Classroom Site Fund Pay for Performance Compensation Plan (a.k.a. 301 Plan) for 2013-2014, as submitted, and authorizes its submittal to the Arizona Department of Education. (Exhibit 6a, 6b, pp. 1-34)

L. Award of Contract for Digital Radios and Repeater for Facility Support Services (FSS) Based on Responses to Request for Bid (RFB) 12-0028

Board book information: *With Governing Board approval the Administration will award a contract to Air Communications for new digital radios for Site Administrators and Facilities Support Services. The replacement of this equipment is necessary to comply with the Narrow-banding conversion requirement mandated by the Federal Communications Commission (FCC). The deadline for this conversion is December 31st.*

The new radios will provide additional frequencies, better voice clarity, and eliminate spill- over transmissions from other user groups. This purchase will also provide a new digital repeater at Canyon del Oro High School to improve radio access to all school facilities.

Five (5) vendors providing Motorola radios and equipment were mailed a copy of Request for Bid (RFB) 12-0028; 4 vendors responded with priced quotes.

	Air Communications	Creative Communications	Action Communications	Canyon State Wireless
Price per Radio	\$420.00	\$510.00	\$510.00	\$570.20
Total	\$42,000.00	\$51,000.00	\$51,000.00	\$57,020.00
Price per Repeater	\$3,595.00	\$3,810.00	\$6,200.00	\$6,560.86
FCC License	\$750.00	\$500.00	N/A	\$585.00
Trade-in	(\$1,725.00)	(\$10,000.00)	(\$6,600.00)	(\$10,000.00)
Net Cost Delivered & Installed	\$44,620.00	\$45,310.00	\$50,600.00	\$54,165.86
Tax Rate	9.3%	7.1%	9.1%	9.6%

The trade-in includes fifty-seven (57) surplus radios and two (2) base stations.

The Governing Board approved the award of contract for digital radios (to include trade-ins) to *Air Communications* based upon responses received for RFB 12-0028.

M. Approval of Bond-Related Projects

1. Award of Contract for Architectural Services for a Professional Development Center Based on Responses to Request for Qualifications (RFQ) 12-0021

Board book information: *A notice of Request for Qualifications (RFQ) for Professional Architectural Services was posted to the District's web site pursuant to the requirements of Arizona Administrative Code R 7-2-1118. Architectural services vendors registered with the Purchasing Department were also notified of the posting via email correspondence.*

This RFQ asked for statements of qualifications from interested architectural firms to provide professional architectural services for design, drawings, specifications, code & ADA compliance review, budget and scheduling for facility improvements at Wetmore Center as identified in the May 2007 Blue Ribbon Budget Analysis and Facilities Needs Committee Report. The scope of work included construction of a professional

development learning center and renovation of existing office facilities to support the demolition of portable buildings.

Ten vendors responded. The evaluation team ranked each vendor based on the evaluation criteria listed in the request for qualifications. The four highest ranked vendors were scheduled to meet with the evaluation team for discussions. The top ranked vendor after discussions was asked to provide certified cost and pricing data for the proposed work.

The Governing Board approved the award of contract for Architectural Services for a Professional Development Center to *Burns Wald-Hopkins Shambach Architect (BWS)* based on responses received for RFQ 12-0021.

N. Approval of Appointment of Director of Community Relations

Board book information: *The District advertised to fill the position of Director of Community Relations. The responsive applications were screened by Superintendent Patrick Nelson and Associate Superintendent Monica Nelson. Five applications were selected for interviews by a committee comprised of Associate to the Superintendent Todd Jaeger, Executive Director of Student Services Cathy Eiting; Principals Shannon Chandler, Andy Heinemann, and Jon Lansa. The committee recommended two applicants to the Superintendent: Mindy Blake and Mary Emich. The finalists were then interviewed by Superintendent Patrick Nelson, Associate to the Superintendent Todd Jaeger and Associate Superintendent Monica Nelson.*

The Superintendent recommends Mindy Blake as the new Director of Community Relations. Her resume is attached for the Board's review.

The Governing Board approved the selection of Mindy Blake as the new Director of Community Relations.

4. ACTION

A. Resolution Regarding Federal Funding Sequestration, Commonly Referred to as the "Federal Funding Cliff"

Board book information: *On August 2, 2011, President Obama signed into law the Budget Control Act of 2011 (BCA), increasing our nation's debt limit and imposing a series of measures to limit spending and decrease the nation's debt.*

The BCA calls for \$900 million in cuts to discretionary programs, including education, over the next decade. It also created a Joint Select Committee (referred to as the "Supercommittee") made up of members from the House and Senate, Democrats and Republicans charged with finding \$1.2 trillion more in cuts over the next decade. If the Supercommittee failed to identify this savings, or Congress failed to approve the Supercommittee's recommendation, automatic cuts would impact every federal program not specifically excluded on January 1, 2013.

The Supercommittee failed to identify the requisite \$1.2 Trillion in spending reductions and, as a consequence, the sequestration provided for under the BCA will begin, unless Congress and the Administration change the law.

Currently, several members of the House of Representatives have proposed a bill that would prohibit sequestration from impacting Department of Defense programs, but there has not been any similar legislation proposed to address education.

This item will allow the Board's consideration of a resolution urging Arizona's congressional delegation to pursue, advocate and vote for some form of legislative protection of the education budget from the effects of sequestration. At the time of the initial Board agenda preparation, research for the content of the resolution was still underway. A future update to this item will include a suggested form of resolution.

Mr. Nelson introduced the item. He hopes to have the Board approve the Resolution and its submission to appropriate legislators in Congress. As described in the agenda item, we are hoping that our congress representatives will advance Amphi's appeal to avoid the hardships created by Sequestration.

Mrs. Boros read the Resolution into record.

Mrs. Boros noted that her preference would be that this Resolution be presented to legislators personally.

Without further comments or additions, Mr. Grant moved to adopt the Resolution, as printed. Dr. Barrabee seconded the motion and it passed unanimously, 4-0. (Exhibit 7)

B. Approval of Proposed Revisions to Multiple Governing Board Policies in Board Policy Classification D (Fiscal Management)

Board book information: *At the Governing Board meeting of November 13, 2012, the Board reviewed proposed changes to several policies in the Fiscal Management series. Most of these changes were necessitated by or advisable under changes enacted by the Fiftieth Arizona Legislature. A review of the proposed changes follows below, and the attachments to this item reflect these proposals in both "redline" and "clean copy" format for the Board's ease of reference.*

DBC - Budget Planning, Preparation, and Schedules will only be revised to reflect updated legal and cross-policy references and language clarification. There is no substantive change. The corresponding regulation, however, (DBC-R) does include substantive changes. These changes are intended to incorporate many of the statutory requirement related to procedural requirements relating to development, proposal, and adoption of budgets and similar functions. This regulation represents direction by the Superintendent to relevant staff.

DBF- Budget Hearings and Reviews/ Adoption Process

The proposed revision to this policy would incorporate the latest requirements for publication/posting of the budget, which is now provided for under state law to include posting with the Arizona Department of Education, on the Department's website.

DGD, DGD-R, DGD-E - Credit Cards

This policy (and its Regulation and Exhibit) are proposed for revision in response to USFR Memorandum No. 253. Memorandum No. 253 addresses the need for more definitive language related to the use, security, control limits, issuance, purchasing limitations, purchasing documentation, payment processing, rebates/incentives, and staff training. Proposed language adjustments to regulation DGD-R provide the requisite language and ensure the level of accountability and security measures that will protect against any inappropriate use of District credit cards. As explained at the November 13 meeting (and as Board members would recall from past discussions), the use of the District's single credit card is very limited and currently vested only with the Chief Financial Officer. Exhibit DGD-E will also now document that the person signing the exhibit was advised of purchasing limitations.

DIC - Financial Reports and Statements

This policy is proposed to be updated, like DBF above, to include the provision added to A.R.S. 15-904 by House Bill 2421 that concerns publication of the District's budget on the ADE website.

DJE - Bidding/Purchasing Procedures.

Senate Bill 1263 established a number of language adjustments in a number of Arizona Revised Statutes relating to governmental business practices. Among the statutes modified was A.R.S. § 15-213 pertaining to school procurement practices. The language changes eliminate the previous requirement for bid security for the construction-manager-at-risk method of project delivery (in accordance with changes in law) and allow for Board discretion to extend job-order-contracting beyond five (5) years should the board determine a longer duration is advantageous to the district. Additional language would limit the amount of an individual job order for job-order-contracting construction services to one million dollars or a higher or lower amount prescribed by the governing board, in accordance with changes made to ARS. 15-213 by Senate Bill 1060.

DKB -Salary Deductions

Changes were made to ARS. 23-261.02 by Senate Bill 1365 that set forth specific conditions for deductions from an employee's paycheck -primarily to restrict deductions made for political purposes.

This policy is proposed for revision to include these requirements of law.

DN -School Properties Disposition

SB1263 altered A RS. 15-342 relating to the Board's discretionary powers pertaining to the sale or lease of

District property. The language has been inserted into policy document model DN, School Properties Disposition, along with new provisions concerning the donation of surplus or outdated materials, equipment and furnishings as well as a provision for the sale of certain items to students enrolled in the District.

Mr. Nelson introduced the item, noting that this information was reviewed at the last Board meeting; most of the changes are attributable and in response to legislative changes.

Dr. Barrabee moved to approve the proposed revisions to Governing Board policies in Board Policy to Classification D, as submitted. Mrs. Boros seconded the motion and it passed unanimously, 4-0.

5. STUDY⁴/ACTION

A. Study and Approval of the Proposed Expenditure Budget Revision #1 for Fiscal Year 2012-2013

Board book information: *The State of Arizona requires governing boards to revise the operating budget for the school year to reflect actual carry forwards and interest earnings.*

The Maintenance and Operations fund was adjusted to reflect the actual carry forwards and adjust student counts to reflect actual numbers. The carry forward amounts and interest earnings for the Unrestricted Capital and Soft Capital Funds were estimated for the Budget Adoption in July. These budgets have been revised to actual numbers.

Recently the Arizona Department of Education recalculated the enrollment numbers for school districts for the enrollment of our students in charter school programs over the summer. This recalculation lowered our student counts for funding purposes. The significant changes in budget are listed below:

Cover Page:

The Fiscal Year 2013 Tax Rates have been updated to reflect the actual rates set by the Board of Supervisors.

Page 1 of 8:

The Maintenance and Operations budget is adjusted to reflect the final student counts from the Arizona Department of Education.

Page 3 of 8:

Expenditures have been adjusted in the Classroom Site Funds as a result of final student counts from the Arizona Department of Education. The formula per student has increased by approximately 3.6%. However, an overall drop in enrollment will result in reduced revenues to the Classroom Site Funds from the prior fiscal year.

Page 4 of 8:

The Unrestricted Capital budget was proposed based upon full funding (\$3,584,190). The full funding has increased slightly due to final student counts from the Arizona Department of Education. However, the budget is being lowered to reflect the legislative budget reduction of \$803,278.

The Soft Capital budget was proposed based upon full funding (\$3,070,683). The full funding has increased slightly due to final student counts from the Arizona Department of Education. However, the budget is being lowered to reflect the legislative budget reduction of \$1,694,144.

Page 5 of 8:

The Building Renewal Fund has a zero budget. The Building Renewal formula has been subject to many modifications and suspensions since its creation in 1998. Since 1998, the school district has been shorted over \$19,000,000. The suspension of funding for Building Renewal by the Legislature will require that the district keep uncommitted balances in the Unrestricted Capital and Soft Capital Budgets.

The budget for the bond Building Fund has increased to reflect the final carry forward of funds from the prior year.

Page 6 of 8:

Federal and State Project Funds were lowered slightly to reflect the final grant allocations.

Mr. Nelson stated that this is the first budget revision to be presented for approval.

Mrs. Boros noted her appreciation for the detailed review of proposed changes to the Expenditure Budget revision contained within the agenda item.

Mr. Little was invited to highlight the changes being submitted for approval. State law requires that districts revise their budget for adjustments by December 15th (as described above). The changes reflected within this budget revision request are small. He displayed the proposed revised documents and reviewed the associated Board Book materials. Mr. Little explained that due to the lengthy process of receiving data from all state school districts, the Department of Education doesn't release final student counts from the previous school year (in this case 2011-2012) until September or October of each year. The Annual Financial Report (AFR) is submitted for approval in the Fall; this information provides the updated carry-forward and interest earnings, which are then revised and incorporated into the revised budget. The most significant changes are contained within the Capital budget pages. This year, the final student counts actually showed an increase. There is a slight increase to the per student formula. Overall, the District is still realizing a reduction because the enrollment has dropped greater than the increased funding formula. Since the suspension of Building Renewal funding in 1998; overall the District has been shorted \$19 million. This requires that the budget must keep uncommitted balances within the unrestricted and soft capital categories to cover contingencies. He noted that an Emergency Corrections grant application has been submitted to the School Facilities Board (SFB). He suspects that those monies will run out; currently the State has a balance of about \$6 million to cover statewide requests. The budget revision approval must be done in order to preserve any possible budget capacity.

Mr. Little responded to board member questions.

Mr. Little expressed concern about the lack of attention paid by legislators – to the true extent, and the cost in the longer term of continued delays for maintenance; the problems being kicked down the road” are getting more and more expensive. It may even take a legal challenge. There is a desire by the legislature to move towards a new inventory-formula based system of Building Renewal funding.

Mr. Grant inquired about the feasibility of collaborating with other local school districts in formally submitting support for attention to the dire concerns (Building Renewal/conditions of schools and facilities). Dr. Barrabee is concerned about the possible need to close schools/facilities as a result of facility failures. Discussion ensued about these concerns and the possible need to validate the Board's expressed concerns.

The next monthly School Facilities Board meeting is mid December. Mr. Nelson clarified the process that districts follow in submitting issues with the related rationale and documentation; such as the current fuel tank issue at Transportation under consideration by the SFB. Once this has been resolved, further action may be recommended.

A motion was made by Mrs. Boros to approve the Expenditure Budget Revision for Fiscal Year 2012-2013. The motion was seconded by Mr. Grant and it passed unanimously, 4-0 (Exhibit 8, pp. 1-14).

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS

There were no new Board Member requests.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

A motion was made by Mrs. Boros that the Board Meeting be adjourned; Mr. Grant seconded the motion; and it passed unanimously, 4-0. Mrs. Boros declared the meeting was adjourned; the time was approximately 9:05 p.m.

Respectfully submitted,
Margaret Harris

Mrs. Susan Zibrat, Vice President

Date

Approved: 1.8.2013