

**Alaska State Board of Education & Early Development**  
**Approved Minutes**  
**October 26, 2015 by audio-conference**  
**Juneau, AK**

First Vice-Chair Sue Hull, serving as acting chair, brought the meeting to order at noon. Lt. Col. Nall and Chair James Fields were absent. Members and staff pledged allegiance to the flag. John Harmon moved to approve the agenda and Kathleen Yarr seconded the motion, which passed unanimously. There were no conflicts of interest.

**Public Comment**

David Nees of Anchorage said the board has history of granting nearly all 70/30 waivers because of economic hardship. He urged the board to look at administrative costs. [“70/30” refers to the state requirement that districts budget and spend at least 70% of their operating funds on instruction.]

Patrick Mayer, superintendent of the Wrangell School District, opposed the 70/30 requirement. There are too many variables affecting a budget, such as fuel costs and teacher retirements.

**Business Agenda**

**Agenda Item 1. School District Budget Waiver Requests.**

Commissioner Hanley briefly stated the topic.

Elizabeth Nudelman, Director of School Finance & Facilities, recommended that the board approve the requested waivers. Ms. Nudelman reviewed the statute, the consequences of not approving a waiver, the communication between the department and districts, the process of reviewing budgets, and historical data. In response to a question, she said there are no issues the board should be aware of.

Barbara Thompson moved and Kathleen Yarr seconded the following motion: I move the State Board of Education & Early Development approve the district waiver requests for 70% minimum expenditure for instruction requirement for Fiscal Year 2016 for the following school districts: Alaska Gateway, Bristol Bay Borough, Chatham, Copper River, Hoonah City, Hydaburg City, Iditarod Area, Kake City, Kashunamiut, Klawock City, Lake and Peninsula, Nome, North Slope Borough, Northwest Arctic Borough, Pelican City, Pribilof, Saint Mary’s, Skagway, Southeast Island, Tanana City, Wrangell, Yakutat, Yukon Flats, and Yupiit.

John Harmon said he appreciated the board’s packet. Running a small school is tough on a budget. His school’s instructional costs are 61%. Heat and liability costs are high, and administrative costs are part of economy of scale. All the districts’ budgets looked very good.

Acting Chair Hull asked Commissioner Hanley to address whether the 70/30 process has been helpful to districts.

Commissioner Hanley said the board once supported removal of 70/30, but one year members had concern about waivers for three districts. In one case, the board didn't see that meeting the 70% threshold was beyond the scope of the district. The board didn't grant the waiver, and the district then worked with a management team on its budget.

Acting Chair Hull said the board should look at whether 70/30 is necessary. Commissioner Hanley said it would be addressed at the board's meeting in December.

The motion passed unanimously.

### **Board Comments**

John Harmon commended the department for its efforts during the rollout of the Alaska Measures of Progress. Acting Chair Hull agreed.

Kenny Gallahorn moved and Kathleen Yarr seconded a motion to adjourn. It passed by unanimous consent. The board adjourned at 12:45 p.m.