

**MINUTES OF THE SPECIAL MEETING FOR THE PURPOSE OF CONDUCTING
DUE PROCESS HEARINGS**

**POCATELLO/CHUBBUCK SCHOOL DISTRICT NO. 25
BOARD OF TRUSTEES**

**Board Room at the Education Service Center
Wednesday, June 5, 2013
6:00 p.m.**

BOARD MEMBERS/SUPERINTENDENT PRESENT:

Janie Gebhardt, Chair (Excused)	Jim Facer, Member
John Sargent, Acting Chair/Vice Chair	Paul Vitale, Member
Jackie Cranor, Clerk (Excused)	Mary M. Vagner, Superintendent

OTHERS PRESENT:

Marvin Smith, Hearing Officer, Smith & Banks, PLLC
Amy White, Legal Counsel, Anderson, Julian & Hull, LLP
Carl Smart, Director of Employee Services
Bart Reed, Director of Business Operations
Rhonda Naftz, PTE Coordinator
Maggie Calica, Legal Counsel, Idaho Education Association
Employee Docket No. 13-16
Sheri L. Nothelphim, Court Reporter, M&M Reporting
Rena Johnson, Board Secretary

Welcome, Call to Order and Statement of Purpose

Acting Chair Sargent welcomed everyone and called the meeting to order at 6:03 p.m. He said the purpose of the meeting was to hear the background on balancing the General Fund budgets and Convene Due Process Hearings.

Introduce Hearing Officer

Acting Chair Sargent introduced Mr. Marvin Smith as the Hearing Officer and turned the time over to Mr. Smith.

Convene Due Process Hearings

Mr. Smith said the District would make its opening presentation for all of the hearings. Ms. White asked for clarification as to whether or not there would only be one hearing as only one employee was present. She said five out of the eight employees waived their rights to a hearing and out of the three remaining employees only one was present. She said the District was requesting to combine all three hearings rather than conduct individual hearings. Ms. Calica said the language in Employee Docket No. 13-16's letter was a little different than the others and would prefer to have that hearing separately. Ms. White asked if the District could address the financial issues for each of the employees and present individual issues separately for Employee Docket No. 13-16. Mr. Smith confirmed there would only be one hearing for Employee Docket No. 13-16. Ms. White said that one of the statutes listed in the letter to Employee Docket No. 13-16 referenced financial emergency and clarified that it was listed in error and the District was not declaring a financial emergency. Ms. Calica said she understood that the reference to Idaho Code 33-515 did not apply. Ms. White asked if Ms. Calica would stipulate any objections in relationship to the notice associated with the hearing. Ms. Calica said she disagreed with the reference to Idaho Code 33-515, Paragraph 5 which referenced suspension and/or probation for any violation of the code of conduct. She said the notice to the employee did not address any performance issues. Ms. White asked if Ms. Calica would stipulate that SB1040 related to a request for a reduction in days would be addressed as an informal review. Ms. Calica said she would stipulate as long as it was clear that the hearing was not related to any performance issues. Mr. Smith asked if both parties agreed to the stipulation and on the process for the hearing and that the hearing was not related to any disciplinary hearing issues. Ms. White and Ms. Calica agreed. Mr. Smith convened the Due Process Hearing at 6:21 p.m.

Hear the Background on Balancing the General Fund Budgets Inclusive of the 2013-2014 School Year's General Fund Budget: History of Funding K-12 General Fund Budgets with Attention to Funding Adjustments Due to Recession; March 2013 Levy Election; Direction for Preparation of 2013-2014 General Fund Budget

Mr. Smith turned the time over to the District's administration to present budget information pertinent to the Due Process Hearing. The court reporter swore in Mr. Smart who stated and spelled his name, stated his position in the District and how long he had been with the District. He said his job duties included managing employee benefits, payroll, budgets and managing finances. He said he had been in his position for over 20 years. Ms. White asked Mr. Smart to go through the District's budget presentation. Mr. Smart said the first page was the state's distribution factor history. Ms. White asked him if he prepared the document. Mr. Smart said yes. Ms. White said the document would be marked as District Exhibit #1. Ms. White said the next document showed FY columns and various subcategories. She asked what FY Approp. stood for. Mr. Smart said it was the amount that JFAC appropriated for state funding. Ms. White asked what trend had been taking place since 2010-11. Mr. Smart said there had been a decline in state funding each year since 2010-11. He said the value of a unit had dropped to \$19,626 per unit. Ms. White asked why the value of a unit dropping from \$25,000 to \$19,000 was important. Mr. Smart said a reduction of \$7,000 per unit amounted to a \$3.5 million reduction. Ms. White asked what impact the reductions had on balancing. Mr. Smart said it was millions of dollars that the District did not have to balance its budget and cuts were necessary in order to make up for the loss. Ms. White reviewed the next document in the budget presentation. Mr. Smart said it was the State Based Salary Distribution History. Ms. White said the document would be marked as District Exhibit #2. She asked Mr. Smart to explain the different salary categories. Mr. Smart said the base salary was distributed by employee type; administrative, certified and classified and only a certain amount could be used for a particular category. Ms. White asked what the trend had been for salary distribution. Mr. Smart said in 2009 the base salary was at a high but had decreased over the last three years. Ms. White asked what category the affected employees were in. Mr. Smart said certificated. Ms. White asked Mr. Smart to explain the next document. Mr. Smart said the next document detailed budget items that were frozen in order to prepare for the coming budget cuts. Ms. White said the document would be marked as District Exhibit #3. She asked what the total amount of cuts for 2010 was. Mr. Smart said \$1.8 million. Ms. White asked if the list shown in the document listed the areas that the budget was cut. Mr. Smart said yes. Ms. White asked if there was any trend for where the cuts came from. Mr. Smart said the first areas chosen for cuts were programs, supplies, purchased services and anything that would least affect classroom services. Ms. White asked Mr. Smart to review the next document. Mr. Smart said it was another list of cuts but for the following year. Ms. White said the document would be marked as district Exhibit #4. She asked what the total cuts amounted to for the following year. Mr. Smart said \$5.3 million. Ms. White said the document broke the cuts into headings and asked what the headings meant. Mr. Smart said the headings separated the non-personnel reductions and personnel related reductions as the District had to look at serious personnel related reductions that year. Ms. White asked if the reductions were related to days or hours. Mr. Smart said it was the second year of furlough days. Ms. White asked if the reductions applied to the counseling and PTE staff as well. Mr. Smart said yes. Ms. White asked if these were the same cuts the District was revisiting now. Mr. Smart said yes. Ms. White asked if any of the cut positions or hours were restored at any point in time. Mr. Smart said the District was able to restore most of the positions with Jobs Bill money which was federal stimulus dollars. Ms. White asked if that was extra money. Mr. Smart said yes. Ms. White asked if the District still received the extra money. Mr. Smart said the additional funds were expended by the end of FY 2011. Ms. White asked that when the money was used to restore extra days or positions if there was an understanding as to what would happen when money went away. Mr. Smart said it was understood that the District would continue to fund additional days and positions as long as it was able and that any changes would be revisited after the funds were expended. Ms. White asked Mr. Smart to review the next document. Mr. Smart said it was the next year of cuts. Ms. White said the document would be marked as District Exhibit #5. She asked what the total amount of cuts for the next year was. Mr. Smart said \$3.3 million. Ms. White asked what category the cuts were applied to that year. Mr. Smart said the cuts were to personnel. He said 16 FTE were cut. He said FTE stood for Full Time Equivalency which translated to a full-time teaching position. Ms. White asked if that meant 16 positions were cut. Mr. Smart said yes, the positions were cut through attrition. He said if a teacher retired in a program that could be handled with fewer teachers, those positions were not replaced. He said most of those positions were at the secondary level. Ms. White asked if it was the third consecutive year of cuts. Mr. Smart said yes state funding was declining while at the same time the District faced big increases to insurance and general expenses and the only remaining area to cut was salaries or positions. Ms. White asked Mr.

Smart to review the next document. Mr. Smart said it was the next year of cuts. Ms. White said the document would be marked as District Exhibit #6. She asked what the total cuts amounted to that year. Mr. Smart said \$1.9 million. Ms. White asked if that year was still being closed out. Mr. Smart said yes. Ms. White asked if that number could still change. Mr. Smart said yes. Ms. White asked what the personnel cuts amounted to. Mr. Smart said \$371,000. Ms. White asked if over the four years of cuts the total reductions equaled the same amount as the budget additions. Mr. Smart said the District knew it would have significant increases in medical expenses and was getting less from the state and would have to cut that amount from somewhere else in the budget in order to balance. Ms. White said it appeared that the amount cut matched almost to the dollar the amount that was decreased by the state. Mr. Smart said yes. Ms. White asked Mr. Smart to review the next document. Mr. Smart said it was a state funding estimate for FY14. Ms. White asked if the document was provided by the state. Mr. Smart said the data was provided by the state and the document was prepared by the District. Ms. White said the document would be marked as District Exhibit #7. Ms. White asked about the column titled "Support Units". Mr. Smart said the state determined the amount of support units based on a District's ADA. He said a support unit was equivalent to a classroom. He said the District would have 587 support units. Ms. White asked if that was stable. Mr. Smart said it had increased slightly this year but had remained flat for the last two years. Ms. White said total state support amounted to 581 units. Mr. Smart said the units were based on the first reporting period and Districts typically saw a reduction from the first reporting period and the best 28 weeks. Ms. White asked if the 581 units was actual state funding. Mr. Smart said yes. Ms. White asked what line 14 of the document represented. Mr. Smart said line 14 represented entitlement, salary apportionment, benefit apportionment and additional state support. Ms. White asked if it represented the total amount of state support. Mr. Smart said yes. Ms. White asked if there was an increase from one year to the next. Mr. Smart said yes there was an increase to salary and benefit apportionment due to PERSI increasing its rates. He said there was also a change in the index due to two years of movement. Ms. White asked if the state was providing the two years of funding that was previously frozen. Mr. Smart said yes. Ms. White asked if the increase was extra money. Mr. Smart said the two years of restored funding was already built into the FY14 salary schedule and was a pass through. Ms. White asked if the amount the District would receive from the state covered the whole schedule. Mr. Smart said the amount received from the state would cover about 85% of the salary schedule. He said local funds would make up about 14% of the remaining cost. Ms. White asked if not having any additional money was one of the reasons for the proposed reductions. Mr. Smart said yes. Ms. White asked if that was also the reason the District had made such drastic cuts over the last four years. Mr. Smart said yes. Ms. Calica asked when was the last time the District had spare money in its budget. Mr. Smart said he could not remember. Ms. Calica asked if the distribution factor for PTE differed from a traditional FTE. Mr. Smart said PTE had some additional special funds that were not part of the general fund. Ms. Calica said that PTE was not part of the District's discretionary funds. Mr. Smart said it was not. Ms. Calica said PTE was funded at 1.5 per student rather than regular rate. Ms. White said the District's presentation would address PTE funding. Ms. Calica said the reduction notice referenced that no more than 33% would be used to fund a PTE contract. Mr. Smart said he was not an expert on PTE budgets. Ms. White asked if in reviewing the budget it was fair to state that the general fund did not have any additional funds to supplement PTE. Mr. Smart said that was fair. Mr. Smith called for the next witness. The court reporter swore in Mr. Reed who stated and spelled his name, stated his position in the District and how long he had been with the District. He said his duties included oversight of finances, food service, transportation and M&O. He said he was familiar with the District's budget and in preparing those. Ms. White asked if the District ran a Supplemental Levy. Mr. Reed said yes at \$8.5 million. Ms. White asked if it was an increase. Mr. Reed said yes, it was a \$1 million increase. Ms. White asked what was the reason for the increase. Mr. Reed said the District ran an increased levy knowing it would face further revenue shortfalls and would not have sufficient funds to balance the budget. Ms. White asked if there was any discussion about running the levy at a higher amount. Mr. Reed said yes. Ms. White asked why the District decided not to run the levy at a higher amount. Mr. Reed said the Board wanted to be sensitive to taxpayers and did not want to risk overstepping and receiving nothing. Ms. White asked if there was any understanding that the increased levy would cover all of the District's shortfalls. Mr. Reed said it was known that the increase would assist in balancing but would not meet all of the District's shortfalls. Ms. White asked Mr. Reed to review the next document. Mr. Reed said he prepared the document which covered options for balancing. Ms. White said the document would be marked as District Exhibit #8. Mr. Reed said during a previous budget year the District received a one-time allocation from the state due to federal requirements for keeping the Jobs Bill money. He said at that time the Board decided to set those funds aside for future budget years and the document represented the amount available from those set-aside funds to balance for FY14. He said the document outlined

the various levels of the set-aside funds that could be used to balance. He said the Board recommended using 60% of the set-aside funds to balance for FY14 which amounted to \$1.2 million. He said that amount was subtracted from the shortfall and left \$1.4 million that still needed to be cut in order to balance. Ms. White asked if the funds were set aside specifically to offset reductions. Mr. Reed said yes. Ms. White asked what the -\$2.7 million represented. Mr. Reed said it was the amount of expected revenue versus anticipated expenses. Ms. White asked if it represented the funding discrepancy. Mr. Reed said yes and the Board directed the administration to come up with additional cuts to balance. Ms. White asked if the recommendation to use 60% of the set-aside funds left \$800,000. Mr. Reed said yes. Ms. White asked if that was all that was left to balance for future years. Mr. Reed said yes. Ms. White asked Mr. Reed to review the next document. Mr. Reed said the document detailed the recommended budget reductions. Ms. White said the document would be marked as District Exhibit #9. She said the document listed different categories by type and kind. Mr. Reed said yes. Ms. White reviewed the categories and said the total amounted to \$1.7 million. She said the instructional programs included a recommendation for the reduction of extra counselor days. Mr. Reed said yes. Ms. White asked if the affected employees were the ones that did not attend the hearing. Mr. Reed said yes. Ms. White asked if the District was cutting \$545,000 in staffing and did not have additional money to fund PTE. Mr. Reed said there was no additional money to supplement PTE. Ms. White said the next four pages were a part of one document. Mr. Reed said the document summarized the detail of the District's expenditures and revenues and was a condensed version. Ms. White said the document would be marked as District Exhibit #10. Ms. White said the first page was revenue and the next three pages were expenditures. She asked if the changes in funding represented the funding cuts. Mr. Reed said it was the dollar and percentage difference from one year to the next. Ms. White asked what the difference was. Mr. Reed said it left the District \$1.4 million short of balancing. Ms. White asked if the District's expenditures were more than the anticipated revenue. Mr. Reed said yes. Ms. White asked if that was the reason the District was recommending further cuts and could not fund extra programs. Mr. Reed said yes the District could not afford to fund 5 additional days for PTE. Ms. White asked Mr. Reed to review the next document. Mr. Reed said it was the District's FTE history. Ms. White said the document would be marked as District Exhibit #11. Mr. Reed said the document covered the amount of funding units the District received from the state by category and what percentage the District was over or under. Ms. White said it appeared that the District was employing fewer personnel than was allowed. Mr. Reed said yes because there was not sufficient funding to hire additional staff. Ms. White reviewed the funding percentages by category and asked why the numbers varied so greatly. Mr. Reed said it had to do with the way the state funded the individual employee groups. Ms. White asked if there was a reason the percentage was so much lower for certificated staff. Mr. Reed said it was because the priority was placed on the teaching staff. Ms. Calica asked Mr. Reed to point out PTE reductions on Exhibit #9. Mr. Reed said PTE was not listed on the document. Ms. Calica asked where PTE was referenced on Exhibit #10. Mr. Reed said PTE was listed under special funds and was not included in the general fund. Ms. White asked Mr. Reed if there were any additional funds in the general fund to support PTE. Mr. Reed said no. The Hearing Officer called for the next witness. The court reporter swore in Rhonda Naftz who stated and spelled her name, stated her position in the District and how long she had been with the District. She said her duties included helping PTE teachers obtain business contacts, guest speakers and with making phone calls. She said she was also responsible to act as a compliance officer to keep reports accurate and to ensure money was spent in timely manner and in accordance with federal guidelines. Ms. White asked if she dealt with the PTE budget. Ms. Naftz said yes. Ms. White asked Ms. Naftz if she worked with Employee Docket No. 13-16. Ms. Naftz said yes. She said he was the automotive teacher and ran a great program. She said he was skilled in instructing students to perform basic oil changes and changing transmissions. Ms. White asked if the recommended reduction had anything to do with performance. Ms. Naftz said it did not. Ms. White distributed copies and asked Ms. Naftz to review the document. Ms. Naftz said it was a copy of a teaching certificate issued by the state. Ms. White said the document would be marked as District Exhibit #12. She asked if the teaching certificate was for Employee Docket No. 13-16's specific course. Ms. Naftz said yes. Ms. White asked Ms. Naftz to review the next document. Ms. Naftz said it was the teaching schedule for 2012-13 for Employee Docket No. 13-16 that listed the name of the course and the number of students. Ms. White said the document would be marked as District Exhibit #13. She asked Ms. Naftz if she tracked the data. Ms. Naftz said yes. She said the data was broken out by trimester and listed the total number of students in each trimester. Ms. White reviewed the number of students in each trimester and asked if the number was common for a PTE program. Ms. Naftz said the numbers were a little low. She said some of the PTE programs had safety issues and could not go over a certain number. Ms. White asked about the handwritten number. Ms. Naftz said it was the number of students enrolled that year. Ms. White said the document showed

that only three students were enrolled in automotive 4. Ms. Naftz said yes, it was a yearlong course that students could take for one or two hours per day. Ms. White asked about the document entitled Request Satisfy Summary for 13-14. Ms. Naftz said it was the total number of students registered to take the class. Ms. White asked about the handwritten number. Ms. Naftz said it was the same as the above number but was easier to read. Ms. White said the enrollment documents would be marked as District Exhibit #14. She asked if it was fair to say there was a strong enrollment for automotive 1 and then as the difficulty and level of knowledge increased the enrollment numbers declined. Ms. Naftz said yes. Ms. White asked if she had an interest in maintaining the automotive program. Ms. Naftz said yes. Ms. White asked what concerns there were for automotive 3 & 4. Ms. Naftz said the low enrollment numbers were a concern, but the numbers had faces and if a student had been with the program for four trimesters it showed a serious interest on the student's part. She said if the enrollment numbers remained that low those students would have nowhere to go. Ms. White asked what opportunities there were for automotive students beyond the District. Ms. Naftz the most realistic option was to obtain an agreement with ISU and combine automotive 3 and 4. Ms. White asked if there were any concerns related to the automotive budget for the current school year. She said Ms. Calica's question would be addressed during this portion. She said there was a reference in the letter about a modest increase in funding. Ms. Naftz said in most programs there had been no increases and costs continued to go up. She said there may have been a small increment for the automotive program but was less than \$50. Ms. White asked if it was fair to say the funding for the automotive program had remained flat. Ms. Naftz said yes. Ms. White said the letter referenced that only 33% of the PTE program should be spent on the contract. Ms. Naftz said the 33% was directed by the guidelines for the program budget request. She said the guidelines listed priorities as supplies and services first, equipment second and salaries and benefits last. Mr. Smith asked what document she was reading from. Ms. White said it had not been assigned an Exhibit number yet. Ms. Naftz said it was a document from the Idaho Division of PTE Budget Request Form 10F. Ms. White asked if it was the form the District utilized from the state for the PTE budget. Ms. Naftz said yes. Ms. White asked if the directions were from the state. Ms. Naftz said yes. Ms. White said the document would be marked as District Exhibit #15. She asked if there was a paragraph called allowable use of funds. Ms. Naftz said yes. She said there were five areas of allowable expenses because of programs like CNA that could use contracted services while most programs only could use the first three areas. Ms. White asked if the automotive program was one that could only use the first three areas. Ms. Naftz said yes. Ms. White asked if the program funds came out of the PTE budget and not the general fund. Ms. Naftz said yes. Ms. White asked if the District supplied any general fund money to supplant the PTE program. Ms. Naftz said not that she knew of. Ms. White asked what type of items would go in each of the three categories. Ms. Naftz said items in the supplies category had to be items with a cost of \$499 or less, such as a power drill. She said equipment included items over \$500. She said salaries and benefits could be for an extended contract. Ms. White asked if the supply and equipment categories were one category based on the amount spent. Ms. Naftz said yes. Ms. White asked how the 33% was determined. Ms. Naftz said it was the amount of the budget divided equally into three parts, but the guidelines gave first consideration by category. Ms. White said so the budget amounts were equal but were listed in order of priority. Ms. Naftz said yes. Ms. White asked if the order was supplies, then equipment then salary. Ms. Naftz said yes. Ms. White asked why the District was recommending cutting five extra days. Ms. Naftz said because more than 33% was being allocated to the salary and benefits category. Ms. White asked if the standard teaching contract was 180.5 days. Ms. Naftz said that was correct and Employee Docket No. 13-16's contract was 180.5 days plus an additional ten days. Ms. White asked if Employee Docket No. 13-16 would still maintain 5 extra days. Ms. Naftz said yes. Ms. White asked if removing 5 days would bring the salary and benefits portion of the budget within the 33%. Ms. Naftz said yes. Ms. White asked if she knew what other programs had been affected. Ms. Naftz said Family and Consumer Sciences. Ms. White asked if the reductions were based on performance. Ms. Naftz said no. Ms. White asked if Employee Docket No. 13-16 was being held to a different standard. Ms. Naftz said no. Ms. Calica asked if Employee Docket No. 13-16 had a supplemental contract for PTE. Ms. Naftz said she did not believe so. Ms. Calica asked if the additional days were part of Employee Docket No. 13-16's standard teaching contract. Ms. Naftz said she would have to defer to HR. Ms. Calica asked if there was more to Form F. Ms. Naftz said yes. Ms. Calica said Ms. Naftz referenced earlier that some PTE programs could not go over a certain number of students due to safety reasons. Ms. Naftz said yes. Ms. Calica asked if there had ever been an effort to increase enrollment for automotive 3 & 4. Ms. Naftz said she believed so. Ms. Calica asked about the enrollment numbers and what the distinction between periods was. Ms. Naftz said there were 7 students enrolled in automotive 3 and four of those could also be signed up for automotive 4. Ms. Calica asked how long Ms. Naftz had been the PTE Coordinator. Ms. Naftz said this was her first year. Ms. Calica asked if she knew what the PTE

factor was. Ms. Naftz said yes. She said a student enrolled in school that was not a PT school was 1, and a student enrolled in school that was PT was 1.33. Ms. Calica asked what the difference between a PT and a non-PT school was. Ms. Naftz said a school had to apply to be a PT school. She said the District had a virtual PT school in each of the four high schools. She said the state expected a higher level of outcome because it was allocating additional funds. Ms. Calica asked if Employee Docket No. 13-16 taught the virtual programs. Ms. Naftz said yes. Ms. Calica asked why the District wanted to eliminate programs that attracted more money. Ms. Naftz said the District did not want to eliminate the program. Ms. Calica asked if automotive 3 & 4 had been eliminated for the 2013-14 school year. Ms. Naftz said she was not aware of that. Ms. Calica asked if there was any relation between the 1.33 factor and the 33% requirement. Ms. Naftz said there was no correlation. Employee Docket No. 13-16 asked Ms. Naftz if she knew what the state recommended for supplemental contracts. Ms. Naftz said she did not believe there was a state recommendation on supplemental contracts. Ms. Calica asked how the District determined an appropriate allocation of funds if a program used all five areas. Ms. Naftz said she would use the same logic and would allocate 20% per category rather than 33%. Ms. White asked if Ms. Naftz had looked at what neighboring School Districts were doing with extra day contracts. Ms. Naftz said yes. Ms. White asked what she had found. Ms. Naftz said many neighboring Districts were completely doing away with extended contracts for all employees and many only allowed three extra days. Ms. White asked if the recommendation was based on financial reasons and was consistent with other Districts. Ms. Naftz said yes. Ms. White asked if there were any concerns from the state regarding PTE funding. Ms. Naftz said the state wanted to ensure that money was being spent in order to support students in the best way possible. Ms. White asked if the PTE programs had any cost increases. Ms. Naftz said yes. Ms. White asked if it was better for students if the District spent PTE money on equipment rather than on extra days. Ms. Calica asked Ms. Naftz what Districts she compared the PTE program to. Ms. Naftz said she compared the program to Districts #91, #93, Boise, Meridian and Nampa. Ms. Calica said it appeared that the District had to apply for PTE funds. Ms. Naftz said that was correct. Ms. Calica asked how much money the automotive program brought in. Ms. Naftz said she did not have the number off hand but could get the amount after the break. Mr. Smith recessed the hearing for a break at 7:33 p.m. Mr. Smith reconvened the hearing at 7:46 p.m. Ms. Calica asked how much money the automotive program brought in. Ms. Naftz said the automotive program brought in \$10,362. Ms. Calica asked how the money was distributed. Ms. Naftz said \$3,497 was spent on salary and benefits, \$3,363 for supplies, \$1,800 for travel and \$1,600 for equipment. Ms. Calica said it appeared that the amount spent on salary and benefits was around 33% of the total allocation. Ms. Naftz said it was slightly over. Ms. Calica said most of the money was being spent on supplies and equipment and less on travel. Ms. White said that was the amount requested and asked Ms. Naftz if the budget request was followed. Ms. Naftz said if the budget request was not going to be followed she would have to submit a written request to move one budget category to another and funds could not be spent until the request was approved. She said the total amount allocated for the automotive program would not be enough to cover the expenditures for the year. Ms. White asked how. Ms. Naftz said the SkillsUSA National Conference would not take place until June and would cost over a thousand dollars and there was only \$160 left in the travel budget. Ms. White asked if the money came from automotive 1, 2, 3 or 4. Ms. Naftz said it was from PTE added cost funds. Ms. White asked if having seven to eleven students in automotive 3 or 4 warranted extra days. Ms. Naftz said it was hard to justify 10 extra days with the number of students in the entire automotive program. She said many teachers worked beyond contract hours with no compensation. She said Employee Docket No. 13-16 worked summers in order to get the rooms ready to go which was one of the reasons for requesting the extra days. She said the problem was the amount of money spent on the extra days. Ms. White asked if the problem was the priority of the money spent rather than the number of students served by the extra days. Ms. Calica asked when the fiscal year ended. Ms. Naftz said June 30th. Ms. Calica asked when the SkillsUSA trip was scheduled. Ms. Naftz said the trip was scheduled for the third week in June. Ms. Calica asked if there was enough time to include the trip expenses in the current fiscal year. Ms. Naftz said she thought so. Ms. Calica asked how much the program would be over budget. Ms. Naftz said the trip would cost around \$1,000 to \$1,500 and would put the program over budget by \$800 to \$1,300. The Hearing Officer called for any further witnesses. The District had no further witnesses. Ms. Calica called Superintendent Vagner as a witness. The court reporter swore Ms. Vagner who stated and spelled her name, stated her position in the District and how long she had been with the District. Ms. Calica asked if the District declared a Reduction in Force. Ms. Vagner said no. Ms. Calica called Employee Docket No. 13-16 as a witness. The court reporter swore in Employee Docket No. 13-16. Ms. Calica asked how long Employee Docket No. 13-16 had been a teacher in the District. Employee Docket No. 13-16 said for 37 years in the automotive program. Ms. Calica asked the employee to describe the program. Employee Docket No. 13-16 said it was a nationally recognized and certified program.

He said students that left the automotive 4 program had the necessary skills to get a job and enough credits and the ability to bypass a large portion of ISU's automotive program and be out working in short amount of time. Ms. Calica distributed copies of Exhibit E. Employee Docket No. 13-16 read the statements from former students. He said one of the students was able to earn 25 credits during the program and was one semester away from earning a college degree and had saved over \$10,000 in tuition fees. Ms. Calica asked what courses Employee Docket No. 13-16 taught. Employee Docket No. 13-16 said automotive introduction, automotive 1, 2, 3 and 4. He said he taught automotive 1 in the first trimester, automotive 2 for all three trimesters and a combined 3 & 4 program all three trimesters. He said the automotive 3 & 4 students could be working in shops or doing live work during class time or outside of class time. Ms. Calica asked if the students participated in the community. He said yes. Ms. Calica asked if Employee Docket No. 13-16 was aware of any of the automotive courses being cancelled for 2013-14. Employee Docket No. 13-16 said yes he was aware of automotive 3 & 4 being cancelled. Ms. Calica asked why. Employee Docket No. 13-16 said he was told by three students that their counselor informed them that they should sign up for different courses because automotive 3 & 4 were being cancelled. Ms. Calica asked if he was given any notice or opportunity to recruit. Employee Docket No. 13-16 said no. Ms. Calica asked if he was aware the automotive program numbers were low. He said not any more than in previous years. He said the numbers fluctuated from year to year. Ms. Calica asked what impact the elimination of automotive 3 & 4 would have on the students not able to take the program. Employee Docket No. 13-16 said the students would not have any hands on experience and would not have the skills to get a job. He said the students would have no opportunity to earn tech prep credits to transfer to ISU and there would be no advanced automotive class. Ms. Calica asked him what kind of competitions the students participated in. Employee Docket No. 13-16 said there were a large number of contests at various universities and colleges in order to get the best recruits. He said some of the contests were sponsored by Ford and AAA. He said students went to regionals at BYU-I in order to qualify for state. He said every one of his students that competed this year qualified for state. He said two students out of eight qualified for nationals. Ms. Calica asked what the benefit was. Employee Docket No. 13-16 said students were able to earn tens of thousands of scholarship dollars and were able to meet industry leaders and talk to them one on one. He said some students were recruited to take tests and could potentially have a job lined up. Ms. Calica asked if Pocatello High School was the only school that offered the automotive program. He said Pocatello High School was the only location in which the program was offered, but students from the entire District were able to participate. He said it was more difficult for students from Century and Highland High Schools to attend because transportation was no longer provided between the schools. Ms. Calica asked how many days Employee Docket No. 13-16 followed up with community members. He said most the visits were done after school on contract but he had to use part of his extended contract to make some of those contacts. Ms. Calica asked if it was typical for a student to participate in five competitions. Employee Docket No. 13-16 said yes. Ms. Calica asked how many days were needed to attend the competitions. He said nationals took six full days off contract. He said the state competition was four days and one of the days was off contract. He said the regional competitions were contract days. Ms. Calica clarified that seven of the days were off contract. Employee Docket No. 13-16 said yes. Ms. Calica asked if PTE funds were separate from the general fund. Employee Docket No. 13-16 said yes that was his understanding. He said it did not cost the District any general fund money and did not save any money to eliminate the extra days. Ms. Calica asked Employee Docket No. 13-16 if he recalled PTE being reduced over last few years. He said not to his knowledge. He said he thought there was an increase last year and this year. Ms. Calica said Employee Docket No. 13-16 spent 8 or 9 days visiting with the community and asked how he used the remaining extra days. He said some years he attended the summer conference which took three extra days. He said he also spent up to two extra days opening up and shutting down the shop at the start and end of the school year. He said he actually spent a total of 17 extra days to accomplish his duties which was over and above the extended contract. Ms. Calica asked Employee Docket No. 13-16 what would have to be eliminated if his contract was reduced. Employee Docket No. 13-16 said he would be unable to take students to competitions. He said it could cost them tens of thousands of scholarship dollars. Ms. Calica said he submitted 17 days for reimbursement. Employee Docket No. 13-16 said yes. Ms. Calica distributed Exhibit B & C. She said Exhibit B was the notice of the recommendation for the Due Process Hearing. The Hearing Officer directed that all names and any handwritten information would be expunged from the Exhibits for the record. Ms. Calica said Exhibit B stated that no more than 33% would be spent on salaries and benefits and the remainder would be spent on supplies, equipment and travel. She said the allowable funds provided that 10% may be used for an in-state leadership conference or event. Employee Docket No. 13-16 said instructor travel costs may be allowed for out of state, summer conferences, workshop fees, mileage, per diem, lodging and supervision. Ms. Calica asked if PTE funds

could be used for professional development or inservice days. Employee Docket No. 13-16 said he could not use PTE funds for professional development or to offset student fees. Ms. Calica asked if there was any indication on the allowable funds guidelines that no more than 33% of the budget could be used for salaries and benefits. Employee Docket No. 13-16 said it was never mentioned on Form F. Employee Docket No. 13-16 said he called the state's PTE program director and asked what the recommendation for a PTE extended contract was. He said the director told him the recommendation was ten days but stressed it was only a recommendation. Ms. Calica distributed Exhibit D. She said the Exhibit was the statement of purpose for the allocation of PTE funds which was provided by the state. She asked Employee Docket No. 13-16 if there was an increase or decrease for the 2013-14 PTE budget. Employee Docket No. 13-16 said there was a 1.1% increase. Ms. Calica asked Employee Docket No. 13-16 if he had any record of how many students went onto post-secondary education. Employee Docket No. 13-16 said to his knowledge approximately 60% of completers went onto post-secondary education. Ms. Calica distributed Exhibit G and asked that the name be expunged from the Exhibit for the record. Employee Docket No. 13-16 said the Exhibit was a copy of the form he submitted to the SDE for the previous school year. He said the form was then forwarded to the District's PTE Coordinator following approval from the state. He said the form listed the amount of money available, directed where the money could be spent and required a narrative detailing the expenditure of the funds. He said \$10,260 was the available amount and he entered \$3,497 for salary and benefits and \$1,800 for travel. He said he did not have any professional or contracted services and used the money for the installation of equipment. He said it took more supplies to run the shop than equipment. He said \$3,497 was within \$100 of being 33% of the total budget which was not directed by the state. The Hearing Officer asked Employee Docket No. 13-16 to identify the pencil handwriting on Exhibit G. Employee Docket No. 13-16 said it was written by the PEA President, Jan Flandro. The Hearing Officer allowed Employee Docket No. 13-16 to adopt a statement of fact that the handwriting was not his own. Employee Docket No. 13-16 agreed. Ms. Calica asked how much Employee Docket No. 13-16's extended contract would be if it was cut in half. Employee Docket No. 13-16 said it would come out to about \$1,750. Ms. Calica asked what kind of an impact it would have on Employee Docket No. 13-16's personal life if he only had five days for conferences, meeting with employers and opening and closing the school year. Employee Docket No. 13-16 said he would have to donate his time for conferences or he would not be able to attend. He said the opportunities for students would be impacted unless he donated his time. He said he was unsure if he would be able to take students to a national conference if he was off contract and technically not an employee of the District. Ms. Calica distributed Exhibit F. Employee Docket No. 13-16 said the Exhibit was the language from the 2013 Legislative Session regarding renewable contracts which stated that absent a formal RIF, any contract may be renewed for a shorter or longer period and at a greater, lesser or equal amount than the current contract and shall be uniformly applied to all employees. Ms. Calica asked Employee Docket No. 13-16 if his extended was part of the standard teaching contract. Employee Docket No. 13-16 said yes. Ms. Calica asked if Employee Docket No. 13-16 was aware that all employees were receiving a reduction in teaching contract. Employee Docket No. 13-16 said no. Ms. White asked Employee Docket No. 13-16 if the standard teaching contract was 180.5 days. Employee Docket No. 13-16 said yes. Ms. White asked if he had ten days in addition to the 180.5 days. Employee Docket No. 13-16 said yes. Ms. White asked what the percentage of the automotive budget increase came out to. Employee Docket No. 13-16 said 1.1%. Ms. White asked Employee Docket No. 13-16 if he would agree that was a modest. Employee Docket No. 13-16 said yes but it was an increase. Ms. White said yes, but was not substantial. Employee Docket No. 13-16 said compared to previous years it was substantial, especially when the program lost 15% five years ago. Ms. White confirmed that the PTE program had suffered losses in the last five years. Employee Docket No. 13-16 said his supplemental contract had remained static and only went up a little. Ms. White asked Employee Docket No. 13-16 if he would agree that the program had not had any substantial increases. Employee Docket No. 13-16 said he did not agree. Ms. White asked if he would agree that costs had gone up for supplies and equipment. Employee Docket No. 13-16 said the amount of money he received for supplies was adequate to cover the in costs. Ms. White asked if costs had gone up. Employee Docket No. 13-16 said yes. Ms. White said Employee Docket No. 13-16 stated that 60% of his students went on to post-secondary education. Employee Docket No. 13-16 said virtually 100% of professional technical students went on to college, a mission or to the military. He said 60% of completers went on to post-secondary education or to a career and were completers of automotive 4. Ms. White asked if that would be 60% of 11 students. Employee Docket No. 13-16 said not all students in automotive 4 were seniors and he did not have the data on hand. Ms. White said he indicated that he had heard automotive 3 & 4 were cancelled for the 2013-14 school year. Employee Docket No. 13-16 said yes. Ms. White said he stated that Ms. Naftz talked to him about this. Employee Docket No. 13-16 said after the fact. Ms. White asked when the conversation occurred.

Employee Docket No. 13-16 said Ms. Delonas, Ms. Naftz and he met and discussed the schedule for the upcoming school year within the last month. Ms. White said Ms. Naftz testified that automotive 3 & 4 were not cancelled and asked if he and Ms. Naftz discussed needing to recruit students from automotive 2 to sign up for automotive 3. Employee Docket No. 13-16 said yes. Ms. White asked Employee Docket No. 13-16 why he believed the program had been cancelled if they discussed recruiting students for automotive 3. Employee Docket No. 13-16 said it was because his students told him they had been pulled from automotive 3 & 4. Ms. White asked Employee Docket No. 13-16 if he believed Ms. Naftz lied about automotive 3 & 4 not being cancelled. Employee Docket No. 13-16 said he could not comment on that. Ms. White asked Employee Docket No. 13-16 if he believed automotive 3 & 4 were cancelled. Employee Docket No. 13-16 said yes. Ms. White asked Employee Docket No. 13-16 what he based that belief on. Employee Docket No. 13-16 said after hearing from his students he spoke to Mr. Devine who told him automotive 3 & 4 had been cancelled. He said the principal asked for a letter stating the program had been cancelled but Mr. Devine said he could not provide a letter but that any program with less than 20 students would not be allowed to be scheduled. Ms. White said Mr. Devine would not provide a letter stating the program was cancelled and Ms. Naftz testified that the program had not been cancelled and asked if he still believed the program was cancelled. Employee Docket No. 13-16 said yes. Ms. White asked if the number of students in the program warranted the amount of funding received. Employee Docket No. 13-16 said he could not speak to the amount of funding but was a reasonable number of students based on the safety risks. Ms. White asked Employee Docket No. 13-16 what the highest number of students he had in automotive 3 & 4. Employee Docket No. 13-16 said about 14 or 15 in automotive 3 and 5-7 in automotive 4. Ms. White asked Employee Docket No. 13-16 if he had talked to students about taking automotive 3 & 4. Employee Docket No. 13-16 said Ms. Delonas had. Ms. White asked if the students indicated any interest in taking the program. Employee Docket No. 13-16 said only the students he had spoken to. Ms. White said the narrative on Form F identified four trips for competitions. Employee Docket No. 13-16 said yes. Ms. White asked when the EITC contest was. Employee Docket No. 13-16 said sometime in March. Ms. White asked if it was during contract time. Employee Docket No. 13-16 said yes. Ms. White asked if the BYU-I and Boise trips were on contract. Employee Docket No. 13-16 said yes with the exception of 1 day. Ms. White asked when nationals were held. Employee Docket No. 13-16 said he did not have the exact date but it took six full days off contract time. Ms. White asked if nationals was the only off contract competition. Employee Docket No. 13-16 said yes with the exception of the Ford and AAA competitions. Ms. White said those competitions were not identified in the narrative. Employee Docket No. 13-16 said that was correct. Ms. White asked if he attended those conferences if students qualified. Employee Docket No. 13-16 said yes. Ms. White asked if that was another one to two days. Employee Docket No. 13-16 said yes. Ms. White asked how the competitions added up to the 13 days he requested for travel. Employee Docket No. 13-16 said not all of the days were associated with contests. Ms. White said his narrative for travel identified costs that would be incurred during the summer conference. Employee Docket No. 13-16 said he was not going this year. Ms. White asked if he had ever attended. Employee Docket No. 13-16 said yes. Ms. White asked why he was not going this year. Employee Docket No. 13-16 said he was attending 6 days of competitions. Ms. White asked how much time he spent opening and closing the school year. Employee Docket No. 13-16 said about two days before and after the school year. Ms. White asked Employee Docket No. 13-16 if he knew how many days he requested for opening and closing the current year and 2013-14. Employee Docket No. 13-16 said he did not know. Ms. White asked if she heard correctly that PTE funds could not be used for professional development. Employee Docket No. 13-16 said yes. He said funds could be used for travel, but not for other costs like registration or student fees. Ms. White asked if he planned to request any funds to travel to and from professional development activities during the 2013-14 school year. Employee Docket No. 13-16 said he usually attended seminars after the school year. He said the seminars were usually one day. Ms. White asked if he attended seminars on his own time or if he expected compensation. Employee Docket No. 13-16 said he attended the seminars on his own time. Ms. White referred to Exhibit G and said Employee Docket No. 13-16 submitted a funding request for 19 extra days and asked if he expected to be paid for all 19 days. Employee Docket No. 13-16 said he donated 9 days and only submitted the request showing the number of days he anticipated working beyond his regular contract. He said the principal wanted to know exactly how many days he would be working attending conferences, meeting with community and opening and closing the shop. Ms. White said the dates identified on Form 10F only added up to 12 days. Employee Docket No. 13-16 said he didn't understand how she was coming up with that math. Ms. White asked if the administrator signed off on the request. Employee Docket No. 13-16 said yes, the Principal signed off on the request and sent it to Ms. Naftz. Ms. White asked if the principal signed the request. Employee Docket No. 13-16 said he did not see that he did. Ms.

White asked if he requested 12 extra days. Employee Docket No. 13-16 said he requested 10 extra days on the state form in the amount of \$3,497. Ms. White referenced Exhibit C. She said the guidelines specified that first consideration was to be given to supplies and equipment and asked what the biggest expense on his request was. Employee Docket No. 13-16 said the largest expense was for salaries and benefits. Ms. White asked if the guidelines specified that salaries and benefits should be secondary. Employee Docket No. 13-16 said the guidelines recommended first consideration be given to supplies and equipment but there were a lot of recommendations including having ten extra days for PTE teachers. Ms. White said Employee Docket No. 13-16 currently had that. She asked if the recommendation says to give first consideration to outlay and materials. Employee Docket No. 13-16 said yes. Ms. White asked whether he gave first consideration to outlay and materials or to salary and benefits. Employee Docket No. 13-16 said he did not know the form just listed the amount of money. Ms. White asked if Employee Docket No. 13-16 would agree with the statement in the letter about the program receiving a modest increase. Employee Docket No. 13-16 said yes. Ms. Calica asked if the salary to run the automotive program was paid for strictly from PTE funds or if the salary was also paid out of the general fund. Employee Docket No. 13-16 said it also came out of the general fund. Ms. Calica asked if it was the extended contract that paid for the days needed to open and close the shop and participate in competitions. Employee Docket No. 13-16 said it funded the extra costs to run the professional technical program. Ms. Calica asked if any supplies, equipment or materials accompanied students to competitions. Employee Docket No. 13-16 said yes. Ms. Calica asked if students were allowed to attend competitions without him. Employee Docket No. 13-16 said no. Ms. Calica asked if this was a District or state requirement. Employee Docket No. 13-16 said both. Ms. Calica asked if the competitions were flexible. Employee Docket No. 13-16 said the competitions listed were flexible and were estimated. Ms. Calica asked if he typically listed the estimated days in his request as a preapproval if students qualified. Employee Docket No. 13-16 said he had taken students to competitions for the last 25 years and had only not qualified three times in 35 years. Ms. Calica asked Employee Docket No. 13-16 if he typically volunteered more days than he was paid for. Employee Docket No. 13-16 said many. Ms. Calica asked how days he had volunteered that year. Employee Docket No. 13-16 said 15. He said a lot of those days included students coming in on their own time before or after school to review procedures, processes and practices to prepare for competitions. Ms. Calica asked what percentage \$3,497 was out of \$10,000. Employee Docket No. 13-16 said it was about 34%. Ms. White asked Employee Docket No. 13-16 if he had to go to the competitions in order for the students to attend. Employee Docket No. 13-16 said he thought so. Ms. White asked if students could go with any state advisor. Employee Docket No. 13-16 said as long as the school approved it. Ms. White asked why he thought that. Employee Docket No. 13-16 said it was what the principal and vice principal told him. Ms. Calica asked Employee Docket No. 13-16 if he had anything further. Employee Docket No. 13-16 said he sat before the Board fighting for the automotive program five years ago. He said at that time trimesters were pushed on schools as the solution for time on task at which time he told the Board it would limit the number of students able to take PTE courses. He said he again addressed the Board a few months later when his contract was reduced by 1.5% and he could no longer teach an extra class during his prep hour and stated this would kill the automotive program. He said his automotive students had come before the Board for recognition multiple times over the last 20 years. He said just a few weeks ago the eight students that attended the state competition were recognized for their success at the May 21, 2013 Board Meeting. He said two of those students would attend nationals. He said he had taken students to state every year for 25 years. He said also at the May 21, 2013 Board Meeting the Board recommended reducing his extended contract. Ms. White objected. The Hearing Officer sustained the objection saying Employee Docket No. 13-16's comments were narrative and argumentative. He asked if Employee Docket No. 13-16 had anything factual to add. Employee Docket No. 13-16 said yes, without his extended contract he would not be able to take students to competitions which would be a very sad day. Ms. White asked Employee Docket No. 13-16 if he planned to teach next year. Employee Docket No. 13-16 said yes he planned to teach until he was 65 and eligible for Social Security and retirement benefits. Ms. Calica asked Employee Docket No. 13-16 if part of his standard teaching contract including the 10 extra days that he signed at the start of the school year. Employee Docket No. 13-16 said absolutely.

Close Due Process Hearing

Mr. Smith closed the Due Process Hearing at 9:14 p.m.

Summarize Decision Making Process and Time Line

Mr. Smith said according to statute all parties had three days to submit any briefs or Findings of Fact. Ms. Calica said she planned to submit something. Ms. White said she planned to submit Findings of Fact and Conclusions of Law but not a traditional briefing. Mr. Smith asked both parties if three days was enough time to submit Findings of Fact. Ms. White and Ms. Calica agreed. Mr. Smith said Findings of Fact should be sent to his office and he would distribute copies to the appropriate parties. He said the notice stated that the Board would make a decision within 15 days. He said Findings of Fact were due to his office Monday, June 10, 2013 by 5:00 p.m. He said the administration and representation for Employee Docket No. 13-16 would prepare Findings of Fact, Conclusions of Law and Decisions for Board consideration at a Special Meeting to be held June 11, 2013 at which time the Board would take action. He asked if everyone understood the instructions. Ms. White, Ms. Calica and Mr. Sargent said they understood.

Adjourn

Acting Chair Sargent adjourned the Special Meeting at 9:14 p.m.

APPROVED ON:

July 16, 2013
By:

Jenie A. Heberdt
Chair

MINUTES PREPARED BY:

[Signature]
Secretary, Board of Trustees

ATTESTED BY:

[Signature]
Clerk