



**Minutes
Joint Dinner Meeting
Tempe City Council and
Tri-District
(Tempe Union High School District,
Tempe Elementary School District, and
Kyrene School District)
February 11, 2009**

Minutes of the Joint Dinner Meeting of the Tempe City Council and the Tempe Union High School District, Tempe Elementary School District, and Kyrene School District held on February 11, 2009, at 6:00 p.m., Tempe Elementary School District, Sanchez Administration Center, Governing Board Room, 3205 South Rural Road, Tempe, Arizona.

Councilmembers Present:

Mayor Hugh Hallman
Councilmember P Ben Arredondo
Councilmember Joel Navarro
Councilmember Onnie Shekerjian
Councilmember Corey D. Woods

Councilmembers Absent:

Vice Mayor Shana Ellis
Councilmember Mark Mitchell

Tri-District Members Present:

Steve Adolph, Superintendent, TUHSD
Karen Arredondo, TD3
Chris Busch, TD3
Sheri Cooper, TD3
Zita Johnson, TUHSD
Jim Lemmon, TD3
Bill Munch, TD3
Ross Robb, KSD
Robin Arredondo Savage, TUHSD
David Schauer, Superintendent, KSD
Art Tate, Superintendent, TD3
Mary Lou Taylor, TUHSD

Guests Present:

Ed Ableser, State Representative, District 17
David Schapira, State Representative, District 17
Rae Water, State Representative, District 20

City Staff Present:

Kate Hanley, TCC
Shelley Hearn, Comm Relations Mgr
Jan Hort, City Clerk
Charlie Meyer, City Manager
Lynette Stonefeld, TCC, CIS
Shauna Warner, Neighborhood Svcs Dir

Dinner convened at 6:00 p.m. and the meeting convened at 6:20 p.m.

Agenda Item – Welcome

Karen Arredondo welcomed the group and thanked everyone for attending.

Agenda Item – Introductions

Everyone introduced themselves.

Agenda Item – Legislative Update

David Schapira, State Representative, District 17, provided an update:

- Last Saturday, the Legislature passed the 2009 budget fix and is beginning to work on the FY2010 budget. It continues to be a bleak picture for education funding.
- The baseline of the "Chairman's Options" were that there was a \$1.6B deficit for this fiscal year, and the options listed about \$1.85B. In theory, the options were to be a ceiling of what cuts would be, and then the legislature would choose what things to put back among the State's programs.
- The Chairman's Option for K-12 education for the FY 2009 fix was \$103M.
- It turned out that the cuts would at \$133M for the Department of Education. Beyond that, the Commission for Secondary Education, the State Land Department, School for the Deaf and Blind, and other entities that deal directly with K-12 system also saw cuts. Total cuts for K-12 were about \$300M.
- For FY 2010, the Chairman's Options proposal for K-12 education is \$892M. The proposal for universities is just over \$300M and the total is over \$1.2B.
- The bigger problem with FY 2010 is that the deficit for the year is \$3.01B and the options total \$3.03B. The cushion is \$20M, and that would equate to \$872M cuts to K-12.
- There are many others factors that will play in. The biggest is the federal stimulus package. In preliminary discussions with the majority leadership, it appears they do not intend to spend any of the federal stimulus money on "permanent spending." They might reject the federal stimulus funding. Even if the \$20M is put back in and the K-12 is down to \$872, it is still over a \$1.2B cut.

- He serves on the appropriations committee and education committee and has been a vocal advocate against these education cuts. .

Rae Water, State Representative, District 20, summarized the special session. Two issues are a concern to her:

- The Speaker would be authorized to initiate, join or terminate any legal proceedings on behalf of the House of Representatives, without further approval by vote of the House, and take all appropriate action on its behalf on any related matter. If that happens, how can she represent her constituents?
- Regarding conference committee (which occurs when a House bill and a Senate bill are put together in a compromise bill), the rules they want to strike are: "Notice for conference committee shall be posted prior to 5 p.m. for conference committees scheduled to meet prior to 12 p.m. the following day. If the notice is posted after 5 p.m., the conference committee cannot meet earlier than 12 p.m. the following day." They want to eliminate the notice and that is not transparency.

Regarding the stimulus package and the education stabilization fund, the House is suggesting \$793M to Arizona, and the Senate is suggesting \$641M. The significant string attached is that we would have to retain funding at the 2006 levels of spending for K-12 through university. The university spending is only about \$70M above the 2006 level and K-12 is only about \$100M above. If we are considering taking almost \$900M of cuts, what happens to the stimulus package? Some of those cuts won't affect the stimulus package, but we need to watch that. When there is emergency money to carry you over and buy time to readjust your systems, to throw that back and not take it is not appropriate - not with the effect it would have on our school districts and our children.

Ed Ableser, State Representative, District 17, stated that the answers are drafted in bill form, and it was presented to the Speaker of the House and the President of the Senate, and they laughed in their faces.

- There is an ideological divide between most members serving at the State Capitol. One belief is that public education should not exist. There are 51 down there that want to get rid of public education.
- Citizens can influence change by changing the ideological belief of certain representatives and giving them convincing arguments of the need for public education. Members of the school boards, community members, and city council are all influential. We need to change their minds, or change them.

David Shapira stated that the appropriations chairman asked the joint legislative budget committee how much government has grown in the last five years. Since 2004, government has grown by \$3.7B. The majority of that increase, in the last five years, was because more people moved to the state and were using state services. \$250M of it is equalization tax. They suspended state equalization and backfilled that funding with state general fund dollars. Hundreds of millions of that was new school construction, \$400M of it was increasing the state employee salaries/benefits, and a little over \$200M was for full day kindergarten.

Ed Ableser continued that Tempe has had full day kindergarten and it has benefited the constituents, but the rest of the state had the opportunity to enjoy the same benefits. He has heard that it will be cut. The

argument that government has grown is falsified in every direction. Government serves the purpose of its people. The ideological divide at the Capitol is more widespread than he has ever seen, and it is to the point where certain representatives just want to get out of there. They are disgusted by the direction the State is taking and that is disheartening. The idea is that the more you reduce the ability for government to actually provide quality services for the constituents, the less government is successful in accomplishing what it has set out to do. \$300M has been cut from education, and only \$20M has been cut from the Department of Corrections. Approximately \$300K was put into the board of cosmetology. That was the only line item that increased from last year's spending.

There was a question about the \$250M in equalization tax. Ed Ableser responded that the \$250M that was backfilled out of state revenue will need to be done forever if that bill passes. The equalization tax essentially was \$250M. It has never gone to anything but education funding. Education funding had to be backfilled because of the loss of that \$250M. If the bill does not pass, next year we will have that \$250M in revenue and he would hope that money would go toward education and maybe backfill some of the cuts made this year. The likelihood of that bill being defeated is not high because we know they have the votes in the House and Senate and the Governor will sign that into law. He anticipates the equalization tax will be permanent. Regarding the federal stimulus package, if we have to maintain the 2006 spending levels, the problem is that the federal government uses different terminologies than state government. They are using terminology that you must maintain your general funding for education. Does that mean basic state aid, does that mean all of your M&O, soft capital, hard capital? The problem for us in Arizona is that if they include capital (new school construction) in that maintenance, that is basically an additional \$300M or \$400M difference between 2006 and 2008. We would have to add \$300M to today's budget just to get the stimulus package.

Ms. Water continued that public charter schools also took a hit because they lost their basic state aid as well as an additional \$4M which was their version of our \$21M cut for soft capital. Every public school system is taking a hit. In the meantime, there is a bill going through involving corporate tuition tax credits. There is a bill going through not only to eliminate the sunset but to allow it to increase by 2% per year forever. While there are areas taking cuts, there are bills going through where, in essence, we are spending more, for example, the line item of \$1.6M to the sheriff of a county of over 2M people.

David Shapira added that the Tempe Chamber of Commerce supported the equalization tax and it is one of their top priorities. He told them he disagreed and asked that their government relations staff should go back and remove that as one of their top priorities. Everyone present tonight is influential. There is no reason for the Chamber of Commerce to support this. It would mean almost \$95 per year that he, for example, would pay extra in his taxes to ensure quality education in Arizona.

There was a question about the leadership of the Governor. Mr. Shapira responded that the Governor restored \$12M for some of her pet projects and in so doing, hurt Tempe because we lost all Science Foundation Arizona money. There are so many direct correlations with ASU and the contracts it has created. This started under Gov. Napolitano and came out of an idea from Ireland in which they help create private/public interests together to stimulate innovation.

Mr. Ableser added that the Governor's budget policies haven't started yet. The Governor was not very actively involved in the budget process and it remains to be seen what will happen.

Mr. Ableser continued that there was a discussion several years ago about untying the hands of school boards to allow them to use the money. The only thing he saw in this adjustment bill is that we get to take our soft capital money and now we can either hire people or buy textbooks. The rest of our hands weren't untied, however, to allow us to make these other decisions. His experience with Intel about fifteen years ago with the Clinton administration was that they got together and decided how to remove some of those regulations which were binding creativity. Intel is putting in billions of infrastructure dollars in Arizona as a direct result of improving the environmental regulatory program. Their hands were untied so they could achieve better results.

Mr. Shapira responded that Rich Crandall, at the beginning of this session, said that before we passed a budget fix for 2009 or start on 2010, there was a bill he termed as "red tape reduction" that would be heard and passed by the legislature before the cuts were discussed. That didn't happen. The Senate is not hearing bills. There is a bill pending, however, to do some pretty significant red tape reduction and there is another bill to eliminate Title 15 because there would be no mandates from the state on education under that bill. He supports the red tape reduction, but the elimination of Title 15 is too brutal.

There was a question for suggestions, other than writing letters and phone calls, for changing the hearts and minds of legislators.

Ms. Water responded that she thought it would be great if there were people down there watching them. It takes a lot of time. As a legislature, we need to know that people are watching what we are doing and people need to be informed. People don't understand. This didn't happen overnight, but has been happening over many years. If we don't take care of our children, who will be the workforce of tomorrow? Education is not an expense of the state, but is an investment for each one of us. Also, companies don't invest in states with poor education.

Mr. Ableser added that if anyone has a relationship with someone down there, they can have an influence.

Councilmember Shekerjian asked for clarification on the fifty-one people who aren't supporting public education. Is there a movement to privatize education?

Mr. Ableser responded that it is moving in that direction.

Mr. Shapira added that he felt there are a few members that have that intention and he agreed that there are a lot of members who get bullied into furthering that agenda. He didn't think there are 51 members that want that to happen, but there are probably nearly that - many who are moving into it whether they realize it or not.

Break at 7:50 p.m.

Reconvened at 7:56 p.m.

Agenda Item – Status Reports

City of Tempe:

Mayor Hallman stated that he didn't believe that fifty-one want to get rid of education. He puts the burden on those in the legislature and in the governor's office over the last two years.

- In the last four and a half years, the City of Tempe doubled its reserves. That is a fairly conservative thing to do, especially when massive amounts of revenue are coming in. In one year, we saw a 22% increase in sales taxes, and most other jurisdictions spent it. The City applied significant discipline to reserve additional funds, and it came from a combination of asset sales and additional revenue. That is allowing the City to suffer through the economic downturn with a little different finesse.
- We grew this City a little faster than we probably should have, given a sustainable concept of employment, and we are working to reorganize the organization. The City Manager has just presented concepts to the City Council and until the seven members of the Council decide what they are going to do, it isn't a done deal. That budget proposal will be discussed by the Council on February 19th. Given the difficult task, it might take a month or six weeks to come up with a final proposal.
- On December 1st, Council gave direction to reduce total staff to a sustainable employment number, reducing staff by a total of 179 positions. Currently the City Manager is proposing 171 positions because the average salary was slightly higher than the average salary in the City.
- At this point, we won't be using layoffs. The goal is, through attrition, to reach that sustainable level of employment over the next three years by using the reserves we created.
- We have also implemented a concept for our employee, which allows employees to have first shot at positions that open up. The 171 positions that will be eliminated aren't necessarily the ones that will be emptied by people who hold those jobs currently.
- That is a model for the legislature and the governor to consider. In future decades, as there are suddenly large increases in revenues, people stop pretending it is a permanent change in revenue streams.
- In the last downturn from 2001 to 2004, the approximate total loss of revenue that the City experienced from the baseline likely level of growth was about \$28M. That is almost exactly the amount of money reserved during the following three and a half years. He suspected that this economic downturn is worse than average would predict, so we probably won't have a total amount of reserves to carry us through and leave us with a sustainable amount of reserves in the event of other economic downturns, and we also have to keep in mind that anytime we don't cut a position that is a permanent renewing position (recurring expenses), is a cut forever because that is a recurring expense that has now been eliminated.
- The starting point that the legislature has by cutting out the \$819M in recurring expenses has already been eliminated from the deficit for the next, but given the projected deficit of \$3B, they have a long way to go.

- With all of that said, working sooner than later to cut recurring expenses reduces the long term problem. Our Council faces the issue that if we don't take a recurring expense out, but instead take out a one-time expense out of the budget, the next year we will still have to deal with that deficit hole. Trying to address recurring expenses rather than one-time expenses is the opposite side of the issue of one-time revenue vs. recurring likely growth in revenue.

Although there is no way to implement it at the City level, it is the same problem the school districts face. The property tax funding model that the state uses is archaic. Primary vs. secondary property tax is the best example. The City can spend its primary property tax on O&M and spend the secondary property taxes on bonded items. That is absurd. Tempe is built out and has greater O&M needs. It has a lot higher cost of maintaining its older buildings than other areas that are expanding. The City is not building parks, community centers, or police and fire stations with rapidity that other cities are because of the higher O&M obligation. Releasing cities from that crazy matrix of primary and secondary property tax and allowing school boards and cities to spend as they best see fit, would untie our hands and allow us at a local level to spend the money in a way to meet specific needs. The matrix exists as a means to prevent excess spending by school boards and cities by increasing property taxes and using that money for recurring expenses. Secondary property tax in the original legislative model was created to be spent on capital, and that was as a means to prevent taxing jurisdictions from overtaxing their populations. It was a business-interest type concept. At this stage, eliminating those ties would reduce the waste of money, because, for example, Scottsdale just tore down huge numbers of buildings over the last five years because they didn't have the O&M, but they had plenty of capital. That is a great example to our young people of how not to live sustainably. It was cheaper to spend three or four times as much money rebuilding buildings. That's the kind of tie of hands we face in Tempe and in the school districts. That is something the legislature could address.

He would like to adopt the concept that the Science Foundation of Arizona talks about, the "Irish Miracle." It requires the cut of federal taxes, however, because the basis for the Irish Miracle fundamentally was a reduction to a marginal rate of 12-1/2% of the income taxes paid in Ireland. As a result, companies relocated to Ireland for the tax haven benefits and it was a huge cut in their tax burdens. That is what the United States has been facing over the last twenty years. Until about 1984, the United States led the way with reductions in marginal income tax rates for corporate and high wealth individuals. That was followed across the globe through tax treaties, including with Mexico, and now Mexico's marginal tax rate during this same period went from over 70% to below the United States marginal tax rate for corporations. What we are now seeing is that countries have reduced their marginal tax rate which is attracting a significant amount of capital out of the United States and it is something this country will have to deal with.

He would also look at the entire legislature and start seeking friends wherever they may be. Certainly there are very smart legislators of both parties who have demonstrated that they get it, but our legislators and the governor are facing a no-win situation where they have to balance the budget because leadership failed to get things adjusted in the first seven or eight months of this fiscal year. We are now all taking the hit in the last four months of the year to make up for an entire year's worth of cuts that should have been made earlier. In last year's budget, sweeping funds and moving payments to school districts out by a couple of days so they could be counted in this year's budget instead of last year's budget are fine examples of that.

Everyone who participated in that game should be held accountable. The City of Tempe has councilmembers who are working diligently to continue to balance the budget. This Council has been under immense pressure and will face up to the fact that we have to reduce our budget to keep it in balance. We have to do it with recurring expenses because once we spend the reserves we have, we will have to deal with that deficit next year. A budget balancing model was created and we have to balance that model with current expenditures and past promises. Tempe's healthcare packages are about three times richer than almost any other jurisdiction. The City of Phoenix' cost of its past promises to its employees is about \$1.1B or \$1.2B. Phoenix is ten times the size of Tempe and that would say ours should be about \$120M. It is not. It is about \$400M. We have to deal with that healthcare problem and we don't want to end up in the same position as Tempe Union High School District and terminate healthcare for retirees. The City of Mesa is going down that same road. Phoenix had a much smaller problem to solve and has solved it in a way that probably gets them into balance for good. We are following that model and providing a little more generous benefit currently. We still have to deal with that more directly in our final budget analysis and see what trade-offs we will make. He expects that it will be done by the end of March.

Thanks to the residents of Tempe, both Tempe Union High School District and the City of Tempe saw successful bond elections. We have, as a result, additional capital dollars now supported by bonds. We already had the tax money, and now we have bonding authority to use that tax money primarily for parks rehabilitation programs, streets, water and sewer lines.

Kyrene Elementary School District

Ross Robb, President of the Kyrene School Board, stated that in considering successes and challenges, one of the greatest successes as school boards and board members becomes one of their greatest challenges. For as long as he has followed public education, we always seem to be able to cut some and still continue to provide quality education. Now, that ability to always get it done has become one of the greatest challenges. All we know is that every year the old jalopy gets pulled in and we fix it. We would all like to someday say we can't do that anymore and there won't be school tomorrow, but we don't and we never will. On one track, we have to get the word out. We are charged with the responsibility of providing quality public education to kids. We can be outraged, but we can't turn from our responsibility.

As school board members, we must keep in mind that we are not our budget. We are greater than our budget. While the budget is an important part of what we do, we cannot allow ourselves to be defined by our budget. Our challenges are what they have always been—less revenue and increasing cost. In Arizona, it is too easy to measure our success by test scores and labels. As much as we are not our budget, he also believes we are not our test scores and labels. If you really want to experience the successes of any school in Arizona, you need to go to the schools. In the schools there are hundreds of successes every day, one kid at a time, one class at a time, that takes place outside of all of our views. It is seen by one dedicated teacher and a lot of children in that classroom. Education is about people and it is personal to all of us, to dedicated teachers who work consistently, to students, and to families. Beyond all of the test scores, all the labels, budgets, policymakers, and all the critics that think they know public education better, our success is doing our job with very little recognition and even less compensation. Our success is in keeping the promise of public education alive and that promise is about 200 years old.

Specific successes include:

- A very dedicated staff, a very focused and optimistic group.
- A dedicated board. The Kyrene District has been incredibly far-thinking in establishing adequate reserves in the beginning. We feel confident that somehow, someday, we are going to fix the old car and we are going to figure it out.
- We have 25 schools—19 elementary and 6 middle schools. Of those, 17 are excelling schools and the other 8 are highly performing. In districts of equivalent size, Kyrene ranks close to number one in putting money into the classroom. Last year, 63.5% of our dollars into the classroom.
- Our lifeblood is open enrollment, and of our 18,000 students, about 3,330 are open enrollment students.
- Kyrene has been recognized nationally for its Kyrene Teachers with Technology Program.
- Kyrene is the proud employer of the Arizona Teacher of the Year.
- Kyrene has 3 A+ schools.
- For many years, Kyrene has had the reputation of the rich district. While that was fun when we were, it is not true anymore. One of our programs, the Family Resource Center, takes care of incredible number of homeless children, provides services, clothes and medical services.

For a long time, we have had the conversation about not wanting to finance our future on the backs of our children and grandchildren and now we have. It seems to him, no matter what your party affiliation, old, or young, if we have any hope of climbing out of the monumental deficits that we are now facing, we better have some educated kids to pay the bills and compete globally.

Tempe Union High School District

Mary Lou Taylor stated that the community that supported the district so well in the passage of the M&O and capital overrides, and the board and constituents worked hard, so it has put them in a somewhat stronger financial position. It will help as they go forward to find ways to deal with the provisions in Senate Bill 1006 that will impact their budget.

She outlined the successes of the Tempe Union High School District.

- The district has 58 National Merit Scholarship semi-finalists this year.
- The governing board has approved the 2007-2012 strategic plan for year two. The mission is to have excellence in teaching and learning. The vision is, "Through our goals and objectives we will transform the structure of our schools to meet the needs of an ever-changing world." Our goals are to increase student achievement, optimize the use of all resources to accomplish district goals, and to recruit and maintain highly qualified staff.
- In December, the district learned that Tempe High School is now an International Baccalaureate (IB) school. The juniors will start this fall. This finalizes a two-year research and application process.
- Compadre High School is now called "School of Choice" and is continuing to grow due to the diverse needs of students.
- Since last summer, there have been 1,346 students in the Tempe Union On Line (TUOL) program.

Concerning challenges,

- Enrollment on the 100th day is 13,049 students, compared to 13,184 students on the 100th day in 2008.
- Tax credits were down this year. In 2007, we had \$1,177,906, and this year we only collected \$1,104,374.
- Beginning with the class starting this fall, the graduation requirements will change. They will now have to have 23 credits to graduate. A new committee has been formed to identify additional resources in program strategies, such as on line classes, evening and Saturday schools, and other alternative programs.
- There will be a significant amount of time and energy extended in the next two months to identify ways to reduce the budget to meet the needs of the state deficit.

Tempe Elementary School District

Karen Arredondo outlined the successes of TD3:

- The Rodell Foundation selected Holdeman Principal Wendy Reeck as one of four finalists in the exemplary principals.
- The Assistant Principal at Gilliland, Brady Wald, was also recognized by the Rodell Foundation.
- For the fourth straight year, a TD3 counselor was named Arizona Elementary School Counselor of the Year.
- The Tempe/Kyrene Chapter of the Council for Exceptional Children recognized several Special Needs employees last April for providing outstanding service in making a difference in the lives of exceptional individuals.
- One of our teachers spent eleven days in Canada working with field scientists to study the effects of global warming. She was able to communicate with her class through the satellite phone, so her children were basically going through the same process she was. She was one of 50 chosen nationwide.
- One of our parents was given an Emmy for his PTA video.
- The Gilliland Middle School was awarded the bronze level partner, the highest possible level achievement in the first year of a program. The program is called "Beat the Odds." It started in the district and Gilliland was the first school to participate. The school has to end up with at least a performing label for that year. Since then, 13 other schools have been added to that program.
- A student from Connelly was a national winner of the "Bedtime Story Sweepstakes" sponsored by Disney and Scholastic. He received \$2500 worth of Disney books for the Connelly library and received a \$3,000 bedroom makeover from Pottery Barn and \$1,000 worth of Disney books.
- The Diablos held a dinner for teachers who have done innovative things in their classroom. Twelve teachers were represented.
- The district's partnerships with the City and area businesses are one of our successes. Those partnerships have helped produce some of these successes.

She outlined some of the challenges:

- Many students are moving out of TD3 to the outlying areas.
- Students are leaving the district because the academic rigor is not what it should be. They have great leaders and are working on programs that will improve the academic rigor.
- Financial change. Tempe has always been known for its programs and services and their philosophy is to maintain that. However, money does not match philosophy.
- The district believes in small schools and believes in its nurses and librarians. They have “no pay for play”, which means all students can participate in extra curricular activities with no pay, and hopefully they can retain those beliefs.
- Competition with charter and private schools.

The competition for the dollar is not going away, but is getting stronger. We need to let people know who we are, what we do, and what we offer. We need to be able to adapt and embrace change.

Agenda Item – Issue Discussions

Opportunities for cooperation and collaboration

Bill Munch, TD3, stated that he came to TD3 in 2001 to be the purchasing manager with the intent of ending his career as a purchasing manager. When an opportunity in another district came up to be a purchasing director for a little more money, it was a difficult time for him to leave the district. That is why he decided to run for the governing board and is proud to serve. This is a great city and he is proud to be a member of Tempe. At a recent meeting, his board talked about working together with the two other school districts, as well as the City. In 2004, a Tri-District collaboration agreement was signed by the three districts and they would like to also include the City. His district is suggesting the development of a joint task force on collaborative efforts between the three school districts and the City of Tempe.

- The purpose would be: “To provide a forum to discuss and recommend efforts to enhance, renew and develop cooperative efforts which will conserve resources and allow each participant to accomplish their respective missions in the most cost-effective and efficient manner.”
- Methodology: Conduct as many as five meetings per year to discuss those actions and methodologies which will accomplish the stated purpose. Devise a method to report the progress back to the City Council and the school boards. Present those recommendations to the City and the districts for approval and implementation.
- Composition: A total of 15 members including 6 representatives selected by the City, three superintendents, one school board member from each district, and a staff member from each school district.
- We would like to go forward with this tonight and discuss whether the draft plan is workable. If consensus is reached, the TD3 board would send out a formal invitation to the other participants for their formal consideration.

Councilmember Arredondo noted that the Mayor has appointed a committee that is doing the same thing. If they prefer to go ahead, he would ask that they wait until summer and discuss with the Mayor any restructuring possibilities. The same people attend the City committee and ASU has also been included, as well as the community colleges.

Councilmember Shekerjian added that the City's Education Partnership Committee is chaired by Councilmember Arredondo and she chaired it the two previous years. An inventory was created of the things currently done in partnership with the districts, and that list could be passed on. Also, the City's purchasing staff met with the districts' purchasing staff to look at ways to piggyback on each other's purchasing power. The idea was to continue every year with the purchasing aspects. That would be a good starting place, but she suggested that all the partners should be included with Councilmember Arredondo's committee.

Councilmember Arredondo added that charter schools also need to be included. The City answers to all of the people in Tempe and we cannot exclude anyone.

Rae Water agreed that we are all in this together and it is bigger than just Tempe and the three school districts. We are leaving out two very large areas of the Kyrene School District and the Tempe School District. There is one school in Chandler and two in Phoenix. Any collaboration needs to include all stakeholders.

Mayor Hallman recommended that the City does have a committee that could be the interfaced. The scope of work already encompasses all of these partnership opportunities. Whether people in Chandler and Phoenix want to join or other districts, at some point it gets too large. What the City of Tempe can continue to offer to do is work with all three of the school districts and our major education contributors and partners to look for ways to save resources. And as budgets get tighter, people will be more willing to decide that the marginal thousand dollars here and marginal thousand dollars there now are worth saving.

Mayor Hallman continued that in looking at the list of partnerships, there are continuing things that we can look at, i.e. "print shop shared resources", and "purchasing initiatives resulting in an IGA for copy repair services."

He continued that concerning "transportation initiative to explore the possibility of combining bus routes", he would offer one more suggestion to the legislators. The City of Tempe has a great bus system and offers, through an initiative that started at Tempe Union High School District, free bus service to anyone who is in a Tempe school, whether or not they are a resident, and Tempe youth. The high school and middle school students can access our Orbit system and the arterial street buses rather than having parents wait on the corners for the school buses. We have invested hundreds of millions of dollars in a bus transportation system and we now have three district buses running in the same footprint. The legislature could help by reducing the fact that transportation dollars are specifically earmarked and allow a district to partner with a city to eliminate the duplicative bus system and take the money that is otherwise poured into transportation dollars and put that into something else. It is a savings that everyone could enjoy. We could give the districts back 80% of their transportation dollars and it can offload that cost into the City system that is already there. That is just one example where there might be millions of dollars that could be saved.

He continued with "school facilities use initiative to determine facilities use fee schedules." We have gone down this road many times and we always get hung up on are the excess utility costs school districts run into. We are thankful that we have a partnership with TD3 and we now have the North Tempe

Multigenerational Center built on school district property to provide a wonderful athletic facility with the gymnasium, the computer lab, and other facilities for TD3 during the day and for the Tempe families in the evening. That is one example of a unique partnership. That would be addressed in Councilmember Arredondo's committee immediately. If you want to form a committee, have all of the same people show up at his committee and start talking about the issues.

Councilmember Arredondo added that his committee has adopted an action plan which came from the membership. He believed that everyone will simply re-invent the wheel. Also, for the out-lying communities, we have Communities in Schools program and we have all talked about the Communities in Schools interfacing with the Town of Guadalupe. The City Council believes we are talking about the whole community. It is very important that anyone can jump on the Orbit and go to school.

Councilmember Shekerjian agreed that the districts should reconsider forming that committee and instead meet with the City committee.

Meeting adjourned at 8:30 p.m.

Prepared by: Connie Krosschell

Jan Hort
City Clerk