

MINUTES

Special Meeting of the

BOARD OF DIRECTORS

Corvallis School District 509J
1555 SW 35th Street
Corvallis, OR, 97333

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 8:47 p.m. in the Board Room of the Central Administration Building, 1555 SW 35th Street, Corvallis, Oregon. The secretary recorded those present as listed below.

<u>BOARD MEMBERS PRESENT</u>	<u>EXECUTIVE STAFF PRESENT</u>
Kari Rieck, Chair	Dawn Tarzian, Superintendent
Donna Keim, Vice Chair	Jim Hogeboom, Assistant Superintendent
Matt Donohue	Kathy Rodeman, Business Services Director
Helen Higgins	Julie Catala, Executive Assistant to the Superintendent
Nell O'Malley	
Blake Rodman	
Anne Schuster	

II. PLEDGE OF ALLEGIANCE

Chair Rieck led the group in the pledge of allegiance.

III. AWARD OF ADAMS ELEMENTARY SEISMIC UPGRADE AND RE-ROOF CONTRACT BID NO. 25-0607-ADAMS ROOF-KM*

In November 2002, the district passed an \$86.4 million dollar facilities improvement bond, which began the process to implement Phase I of the district's Long Range Facilities Master Plan. Since then the district has completed, or is in the process of completing, each item within Phase I of the plan. Projects are well underway and many have been completed under the projected budgets due to wise fiscal and construction management. Consequently, excess bond dollars were available to be allocated toward additional projects. At the January 30, 2006 board meeting, the Corvallis School Board approved Tier 1 & Tier 2 Additional Projects to be completed throughout the district with the remaining bond funds. Roof Replacement and Seismic Diaphragm Reinforcement at Adams Elementary School was identified as one of the

deferred maintenance projects, under Tier 1. Three bids were received but all bids exceeded the architect's estimate and the project budget. District staff will consider alternate roofing materials and bidding timelines in an attempt to accomplish the work within budget during the summer of 2008. Maintenance staff will complete any necessary work to maintain the existing roof until such upgrade can occur. (Filed as Supplemental Item #II-5 in the Official 2006-07 Board Minutes.)

MOTION #47: It was moved by Director Higgins and seconded by Director Rodman to reject all bids because all bids exceed the current project budget and no alternate funding source is available to cover the additional costs.

The motion was voted on and passed unanimously.

**IV. AWARD OF LINCOLN SCHOOL FASCIA PANEL REPLACEMENT
CONTRACT BID NO. 27-0607-LINCOLN PANELS-KP***

Replacement of the fascia panels at Lincoln School was identified as one of the deferred maintenance projects mentioned in item III, above, under Tier 1. (Filed as Supplemental Item #II-6 in the Official 2006-07 Board Minutes.)

MOTION #48: It was moved by Director O'Malley and seconded by Director Rodman to authorize staff to enter into contract with T. Gerding Construction Co. for replacement of the fascia panels at Lincoln School.

The motion was voted on and passed unanimously.

**V. AWARD OF MT. VIEW WINDOW REPLACEMENT CONTRACT BID NO. 26-
0607-MT. VIEW WINDOWS-KP***

Replacement of the exterior windows was identified as one of the deferred maintenance projects mentioned in item III, above, under Tier 2. One bid was received and exceeded the total budget for the project; however, staff recommends using unassigned bond funds to cover the cost of completing this project in the summer of 2007. (Filed as Supplemental Item #II-7 in the Official 2006-07 Board Minutes.)

MOTION #49: It was moved by Director Higgins and seconded by Vice Chair Keim to authorize staff to enter into contract with T. Gerding Construction Co. for replacement of exterior windows at Mountain View Elementary School.

The motion was voted on and passed unanimously.

VI. AWARD OF CLASSROOM HEARING AMPLIFICATION SYSTEMS CONTRACT*

Superintendent Tarzian authorized the installation of classroom hearing amplification systems in 185 classrooms at the elementary, K-8, and middle school levels. The purchase and installation costs for said equipment shall be covered by the State School Fund Facilities Grant funds. Three proposals were received. Selection criteria included the vendor's ability to meet the system requirements outlined in the specifications, management plan, training plan, pricing, and company information. (Filed as Supplemental Item #II-8 in the Official 2006-07 Board Minutes.)

MOTION # 50: It was moved by Director O'Malley and seconded by Director Higgins to authorize staff to negotiate a contract with LightSPEED Technologies, Inc. and to have staff obtain legal review prior to finalizing the contract.

The motion was voted on and passed unanimously.

VII. DISCUSSION REGARDING MUDDY CREEK CHARTER SCHOOL REVISED APPLICATION

Director Higgins asked Superintendent Tarzian to provide information about workload issues associated with opening the charter school in fall 2007. Superintendent Tarzian said staff would have a short timeline to work out all of the details. She said the charter group made a statement in its proposal that they'd have all the decisions made 60 days before the start of school; tracking backward, that date would be July 5, leaving only the month of June to negotiate all of the things in the district's recommendation. She said additional concerns include impact: the district is hiring teachers right now to teach specific grades and subjects; it is unknown from which schools the charter school will draw current 509J students. Superintendent Tarzian expressed hope that the charter organizers would embrace a later start date. She also expressed a desire to establish a timeline for all of the decisions to keep the planning continuous.

In response to a question from Director Schuster regarding grants for which the charter organizers have applied, Payton James-Amberg, one of the organizers of the MCCS charter application, provided the following information:

- All phases need to be completed by three years from the middle of May last year; if charter organizers cannot get a delay from the Oregon Department of Education (ODE) they'd lose the third year of funding. Ms. James-Amberg hopes to have an answer soon from ODE.
- Money is earmarked for computers, desks, textbooks, etc. – material things for startup.
- For phase two, for which the organizers were hoping to have funds the summer prior to opening, funds would be for hiring teachers and working out the curriculum.
- Phase two charter funds aren't granted until the contract is signed, the charter organizers

have a proposed student number and there are funds for facility upgrades for things like fire/life/safety. Funding is not for salaries.

- There's a prescribed formula and the first year requires a pretty accurate student base. Ms. James-Amberg said she doesn't know when ODE will accept a student number.
- The grant is a sub-grant to ODE from the federal government. Ms. James-Amberg hopes ODE will grant the funds if it's evident that the charter organizers and the district are working together to get things done.

Charter organizer Kathleen Westly noted that the charter group is agreeable to starting a year out because they want to make the school successful. She acknowledged that 509J teachers have already been hired and people have already identified where they will send their students.

Superintendent Tarzian recommending using the timing set forth for the district's transfer process. Ms. Westly concurred.

Director Rodman commended district staff for being open to this charter proposal and for working with the charter organizers. He said he is proud of the district for making the effort to make it work, adding that if the school works, it'll be an asset for our community. Regarding the percentage of ADMw – 80% or 90% – Director Rodman said the difference between the two percentages is a relatively small amount to the district but would be a huge impact on the M CCS. He said he would also like the length of the charter to be three years instead of two, opining that the 25 student threshold provides some level of accountability already. He said it may take a school like this about three years to succeed and he wants to make it succeed.

Director Higgins asked what prompted the recommendation for a two-year charter. Assistant Superintendent said the length chosen for the term of the charter becomes the review period, e.g. if a charter agreement is for a five-year period, the renewal period would automatically become five years.

Business Director Rodeman added that there were questions about how the operations would work and how the time would be spent; in two years the district would at least have an opportunity to review those concerns and address them. She said staff will ask district legal counsel regarding the renewal clause, noting that staff really wanted to address how often the board could review the charter. Superintendent Tarzian opined that the recommended length stemmed from experiences with a previous charter school and the district's desire to keep the conversation close and frequent.

Director O'Malley indicated agreement with Director Rodman's position about the funding ratio and said she understands that the two-year window isn't about determining absolute success after two years, it's about building in a mandatory check-in process.

Director Higgins asked for clarification of her understanding that the parameters have to be either negotiated or articulated about what determines if the charter is being successful, and asked if there could be check points along the way. Assistant Superintendent Hogeboom said he will consult with district legal counsel on this question. Superintendent Tarzian expressed her

belief that the charter has articulated it very clearly and if we accept the charter, we accept those measures. She added that one of the things staff discusses with the board is those measures, to see how the charter is doing on them. She said the discussions aren't to restate the measures of the charter, and added that the discussion would offer a time to talk about the student limit.

Director Donohue provided his understanding that the charter can have negotiated into it different ways of doing things. He added that he believes there can also be an opportunity to have communication points along the way, for example: if the enrollment falls below a certain level, there'd be a mandatory conversation. He said that could be an alternative if the two-year timeline isn't going to work; there could be trigger points for communication as well. He opined that under a two-year term, the charter school would still be under grant funding and the numbers would be skewed; it wouldn't be possible to see if the charter school is financially feasible.

Vice Chair Keim said she was leaning toward a three-year term because she considers the charter school as stewards in educating the rest of the district regarding project based learning. She said three years would be more feasible in order to have a facility that's also working with OSU and agriculture, etc.

Director Higgins requested clarification of the law. Charter organizer Anita Grunder said it depends on how the charter is written; if "automatic renewal" is indicated, then renewal is for that term. If the charter is written differently, then it would be renegotiated.

Superintendent Tarzian said that from the district's perspective, the two-year term wasn't chosen to pull the charter at the end of a two-year implementation; it was a way to keep the district and the charter in conversation every two years, and to keep regular contact.

In response to a question from Director Schuster regarding the level of staff time needed for a review, Director Rodman said part of the appeal of the charter is that we'll leave the charter school organizers alone. He added that the charter law exists to allow for a little variation in the model; that variation will serve the district well, which is why he wants to approve the charter.

Superintendent Tarzian said her perspective is more in tune with Director Rodman's: a district doesn't typically have weekly meetings with the charter organizers; the communication is simply about how it's going. She said there will be natural things that are planned together and they're articulated in the charter. She said the concerns with the prior charter had to do with assessments not being given at the school; it took the board a couple of rounds to determine that the school wasn't going to follow through. She said how often the dialogue is desired relates to what would be healthy; two years seemed healthy.

In response to a question from Director Schuster, Superintendent Tarzian said a review would involve going through all items required of the charter to see which are or are not being met; the board would need to decide if any unmet items are important. Superintendent Tarzian said that even in the case of the former charter school, the board discussed why the unmet items weren't met and there was time built in to allow them to be met. She said the more often priorities are

communicated and feedback is given, the better off the charter remains.

Ms. Grunder said an important factor for the charter organizers regarding the length of the charter is that a two-year charter won't communicate to interested parents that the district has a sincere commitment; that will undermine the school.

Ms. Rodeman said one of the problems with the previous charter school was the charter failing to provide adequate recordkeeping; when that occurs, the state withholds the district's funding. She said there needs to be a mechanism in place to address that.

In response to a question from Chair Rieck about whether tuition charged for full-day kindergarten could be used to cover a teacher who teaches first grade, Ms. Rodeman said the money could be used toward the cost of a first grade teacher as long as there are kindergarteners in that class.

Director Higgins requested more information regarding the 80% vs. 90% funding. Ms. Rodeman explained that the amount of infrastructure in place district-wide for schools is more than 20% of ADMw; if the charter is granted a 90% reimbursement rate, the district would be subsidizing the charter school at a much greater rate than it is subsidizing elementary schools in the district. She said from a policy perspective, this may not be the only charter school the district will get; she would like to know if the board will be consistent in the percentage it's going to offer. She explained that the state mandates 80% for K-8 and 90% for the high school level; she hopes that if the board departs from state law that it has a good reason that could be applied equally to all charter schools.

Director Rodman asked what percent of the district's budget goes to the central office. Ms. Rodeman said two percent of the district's budget goes to support the board and the superintendent's office – not just the central office. But as long as the district has the same number of buildings it has to budget for central overhead, such as maintenance of buildings.

Director O'Malley asked how specific the board needs to be at this point, what needs to be conditionally approved now, and what gets negotiated as more information becomes available. Chair Rieck said the board was asked to use the four considerations that were given to us by staff because those are the key points of the contract that need board guidance in order for the staff to conduct negotiations. She added that negotiations would begin once the board grants conditional approval; the contract would come to the board for approval.

Responding to a question from Director Donohue about whether the building maintenance and repairs will be a district responsibility or charter responsibility, Ms. Rodeman said the infrastructure costs will remain whether there are 25 or 65 students transferring to the charter. She added that the charter would be picking up its own maintenance for whatever building they secure and that would come out of their charter funding; the 20% would come closer to covering the district's infrastructure. Superintendent Tarzian noted that the district's infrastructure costs are approximately 28%.

Director Higgins said the sense she has been getting from emails is that the 80% funding rate is punitive; however, it is based on state law.

Director Schuster said that since the number of students is controlled, the charter organizers cannot increase the amount of money they bring into the school beyond that funding percentage; the charter might bring back to the district students who had left last year. She expressed a desire to give the charter school the best shot at success; the extra money will help them succeed.

Director Higgins said that, as policy makers, the board needs to have some guidelines from which to make decisions.

Discussion ensued regarding the priority for enrollment at the charter school. Ms. Rodeman said students living in the school's attendance area are served first. Ms. James-Amberg said there is typically a waiver to allow enrollment of children of the founders of the school. Superintendent Tarzian provided an example of her understanding: if there are 10 home school students who wish to enroll in the charter school and 75 students who are currently enrolled in 509J schools, preference could not be given to the home school students; a lottery would have to be held.

Director Rodman wondered aloud whether the charter contract terms could stipulate a higher percentage of funding if the charter school brought in students who weren't currently enrolled in the district. Superintendent Tarzian said that would raise the concern that the charter is being opened for a financial reason vs. the issue of quality of education.

Chair Rieck expressed concern about setting the expectation and precedent that the district will fund charter schools at 90% and that doing so would take money away from our district. She said an 80% rate makes sense and allows the charter to be successful. She said the district only puts 72% of the district's budget into its schools; giving the charter school even 80% results in a lower overhead for the charter school. She asked the board to consider what is being put into 509J schools vs. what it will put into a charter.

VIII. ADJOURNMENT

There being no further business before the board, Chair Rieck adjourned the meeting at 9:40 p.m.

Kari Rieck, Chair

Dawn Tarzian, Superintendent

Prepared by: Julie Catala

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