

MINUTES

Regular Meeting of the

BOARD OF DIRECTORS

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

I. CALL TO ORDER AND ROLL CALL

Chair Gable called the meeting to order at 7:35 p.m. in the Central Office Board Room, 1555 SW 35th Street, Corvallis. Chair Gable dispensed with the calling of the roll and the secretary recorded those present as listed below.

BOARD MEMBERS PRESENT

Cyrel Gable, Chair
Sara Gelser, Vice Chair
Robert Baldwin, Member
Nell O’Malley, Member
Joan Demarest, Member
Kari Rieck, Member
Robert Johnson, Member

EXECUTIVE STAFF PRESENT

Jim Ford, Superintendent
Jeanne Holmes, Assistant to the Superintendent
Kathy Rodeman, Business Services Director
Fred Wright, Auxiliary Services Director
Julie Catala, Board Secretary

A quorum was present and due notice had been published.

II. PLEDGE OF ALLEGIANCE

As a flag was not present the pledge was omitted.

III. COMMITTEE/BOARD MEMBER ITEMS

Chair Gable announced she would provide her update on the Oregon School Boards Association legislative policy committee via another venue, perhaps in an e-mail to the Board, as tonight’s meeting was full. The report contains the Association’s predictions regarding the State’s financial situation and chances for tax reform.

IV. STUDENT REPRESENTATIVES

No students were present at the meeting.

V. SUPERINTENDENT'S REPORT

Superintendent Ford began by stating that he was misquoted in the March 8, 2004 Corvallis Gazette Times article which attributed him as saying there would be no layoffs in the District to balance the budget.

The District is in the process of interviewing for two elementary principals. The process should be completed by week's end.

Dr. Ford stated that he would save the rest of his report until after the Administrative Review Task Force had presented its recommendations.

VI. CITIZEN PARTICIPATION

Jennifer Humphreys, 6011 SW Grand Oaks Drive, Corvallis, spoke to her concern for the public school system in Corvallis. She has a son in kindergarten at Adams Elementary and a son enrolled in a private school, Zion Lutheran. She explained the decision was made to transfer her son to Zion in October, primarily due to the large class sizes experienced at Adams (30 students in his first grade class). She felt a personal dilemma as she and her family want to support public schools; withdrawing students does not make future class sizes smaller, it only reduces resources. She noted that other parents have inquired as to her experience at Zion out of genuine consideration in seeking a better situation for their children. She explained she understands the District is a victim of State funding. She applauded the non-represented and classified staff for voluntarily waiving a cost-of-living salary adjustment and does not want to see the teaching staff reduced nor their salaries and benefits slashed. She noted that at Zion the priority is funding the classroom first and that is the way it should be.

Chair Gable stated that any of the Board could have written the same thing as they have the very same concerns. She stated the Administrative Task Force Report later in the meeting would be illustrating ways to possibly capture some money for classrooms.

VII. STAFF PARTICIPATION

No staff presented.

VIII. SPECIAL REPORTS

A. DISTRICT IMPROVEMENT PLAN UPDATE

This item was withdrawn by staff.

B. BOND UPDATE

Auxiliary Services Director Fred Wright stated this is the fourth bond update to the Board. He then introduced the Construction Management Center (CMC) staff who were present and each provided a presentation. Most of their presentations were illustrated with an accompanying Power Point visual, a hard copy of which is filed as Supplemental Item #VII-10 in the Official 2003-04 Board minutes.

Lead Project Coordinator Tom Correia provided a report on the progress of the replacement middle school, now named Linus Pauling Middle School.

Mr. Wright provided information on water system upgrades at Inavale K-8, and Garfield and Hoover elementaries.

Mr. Wright referenced a report sent to the Board on February 17, 2004, summarizing the status of the projects and problems experienced through the remodeling of Crescent Valley High School (CVHS). He said no one person was to blame; problems could be attributed to himself, the CMC staff, architects, general contractor, subcontractors, and school staff as relates to educational specifications. To everyone's credit they are coming together as a group to resolve the issues before moving onto the next phase of the project, the remodeling of "E" Wing. Daily meetings with high school administration have helped greatly as well as understandings and adjustments with the architect and general contractor. He noted the CVHS remodeling began with the toughest project.

Director Johnson inquired if a communication plan was being developed which would deal with community concerns about the construction not going well. Mr. Wright responded that he would work with Assistant to the Superintendent Jeanne Holmes and Principal Cathi Alden to develop one. Chair Gable voiced her support for such a plan.

Project Coordinator Keith Martin provided a report on the progress of the Crescent Valley High School remodeling.

Fiscal Specialist Kim Jenkins provided a financial update on bond projects. She is hoping to include a regular monthly capital project spending report in the Board information packets beginning in April. Mr. Wright added that the CVHS track and parking lot pavings are over budget. Several other bond projects have been under budget. Not all projects have yet been bid upon.

Director Johnson requested that reports include information about projects that have not gone well, how they were addressed, and if financial adjustments were made.

Mr. Wright provided information on the Corvallis High School (CHS) project. The groundbreaking ceremony is set for April 8, provided the Board approves the contract at its April 5 meeting. The bid package will consist of a base bid and an alternate bid which

sets a 6-month earlier completion date (December 10, 2005). Based on responses and their effect on school routines, recommendations will be made to the Board.

Mr. Wright provided information on Lincoln Elementary projects and the Westland Middle School (WMS) demolition project. The only intention for the WMS building is demolition, tentatively scheduled to begin spring 2006. The kitchen will operate until the new CHS opens, anticipated to be in 2006. The library structure will be left intact. The fate of the four modular buildings has not been decided. He explained that the CMC would move from the old Highland View Middle School library the first week of June 2004 into the Westland Middle School library because the Highland View Middle School library will be remodeled as part of its incorporation into the newly constructed Linus Pauling Middle School.

Director Rieck stated she would meet with Mr. Wright to obtain further information regarding furniture, fixtures, and equipment.

C. ADMINISTRATIVE REVIEW TASK FORCE RECOMMENDATIONS

Superintendent Ford provided some background for the report stating that in 1999 there was a review of administrative positions in the district office. At that time the District was found to be in synch with other districts regarding spending. Following the failure of the county tax measure in September 2003, the District was able to include two questions in the Benton County survey. Results indicated some citizens felt the District was putting too much money into administration and that it was not spending its money well. Another task force was put together and their report follows.

Business Services Director Kathy Rodeman introduced members of the task force who were present: Mark Volmert, Laura King and Noel Mingo (staff). She stated that the task force's report had been sent to the Board in advance of the meeting. (See Supplemental Item #VII-11 in the Official 2003-04 Board Minutes.)

Mr. Mingo indicated there were six community members and three staff members on the committee, which compared the District to nine other districts in the State with roughly equivalent enrollments. He then gave a brief overview of the report.

Their main findings:

- Overall spending by the District appears to be in line with other districts.
- The District is the lowest spending district on general fund direct classroom instruction, but that correlates directly with overall rankings in general fund total operating budget per student. The report highlights the differences in extra resources that each district has available. The District falls 57% below the average per student (\$401) of extra local resource revenue. David Douglas, as an example, received an extra \$918 per student through the Multnomah County Income Tax surcharge. Some districts used one-time funding sources to balance their budgets.

- The District spends almost twice as much on Early Retirement Incentive (ERI) as the highest-spending comparable district. Since the ERI shows under central support on the State Report Card, it makes the District appear high on central support. However, after removing ERI, spending on central administrative functions is 17% below the average of comparable districts.
- The District is the highest spending district on technology support, second highest in maintenance, and second highest in special education dollars per IEP (Individualized Education Plan).

Their categorized recommendations:

1. Early Retirement: Ease the current level by reducing or eliminating the benefit for future retirees, refer to the benefit more aptly as “Supplemental Retirement Benefit.”
2. Technology: Update the District technology plan with a goal of maintaining access and availability of technology and developing an efficient and economical method of providing technical support.
3. Auxiliary Services (Maintenance, Custodial, and Utilities): Sustain the efforts in facility maintenance and custodial services that began in the 2002-03 fiscal year and have continued in 2003-04, to look for efficiencies and cost-savings opportunities. Follow up on previous recommendations to evaluate the need to reclassify positions to reflect the work performed and pay rates for comparable positions in other districts.
4. Special Education Instruction: Reduce special education costs, while still meeting Federal Maintenance of Effort guidelines, until costs are in line with similar districts on a per IEP basis.
5. Linn-Benton-Lincoln Educational Service District (LBL ESD): Look for ways to get greater benefit from the services offered by the LBL ESD, including, but not limited to, changing more services from Tier I to Tier II so that the districts have more choice of how their “share” of ESD dollars are spent. Investigate if there are services provided by the ESD that are not currently used by the District.
6. Consolidation of Effort: Continue to look for opportunities to work with other districts, colleges, and universities, or other local private and public entities to produce cost savings and efficiency for administrative/support functions that can be easily shared.
7. Direct Classroom Instruction: Allocate any available resources toward direct classroom instruction to help lower class sizes and improve the learning environment for students and teachers.

The Committee then responded to questions. Their responses follow:

- Even though the number of District students on IEPs per the December 2001 census is 12% below the average of comparable districts, the District’s spending per IEP/special education student is 23% greater. The District’s Special Education Department will be asked to explore the reason. Perhaps the District has more students with higher disabilities.

- To meet the federal requirements for Maintenance of Effort, each year the level of funding spent on special education, dollar for dollar, must be spent the following year unless one of four federal exceptions is met. The task force is suggesting that the level of spending on special education be kept as close to Maintenance of Effort as possible. District special education budgets with higher amounts budgeted in the general fund than the previous year need to be questioned.
- Ms. Rodeman explained that the District's ranking as third from the bottom in receiving local sources of revenue (at \$171 per student) stems from a decade of being under Measure 5. Albany, fifth from the bottom (at \$213 per student), under equalization began receiving more funding than previously and accumulated ending fund balances, saving them for a rainy day while the Corvallis district under equalization was receiving less funding than previously and was spending their liquid assets. She briefly explained the various extra funding sources (youth activities levies and local option levies returning twice what Corvallis receives) and agreed that it was a real eye opener. It stems from the incongruent property tax system, which values property at one level and assesses it at another.
- Districts categorize expenditures differently and each has its own circumstances. Examples of this lie in special education expenditures and, in Albany's instance, a very high-cost student that skews their overall special education costs under instruction. Some districts in the metro areas receive a lot of support from their local ESDs. Districts might also choose to vary the ratio of certified and classified support as evidenced in the special education category in the report.
- The report is based on 2002-03 actual spending and 2003-04 budgets. Whether or not a district budgeted for passage of Measure 30, which failed, did not make that much difference in terms of ranking.

Superintendent Ford stated he had some changes and recommendations based on the committee's report. He announced some administrative changes and stated other recommendations would be announced at the next Board meeting regarding areas such as special education, maintenance, technology and use of ESD services.

In making reductions in the central office he will be eliminating the Assistant to the Superintendent position. Ms. Holmes, who currently has that position, will become the Director of Human Resources. She will retain some of her communication duties. Assistant Superintendent Corbell had overseen the Department of Human Resources in recent years.

Teaching and Learning Director Dawn Tarzian will replace Assistant Superintendent Corbell, who has retired. She will retain many of her teaching and learning duties and Superintendent Ford will increase the assistant superintendent duties to align with the District Improvement Plan. This will necessitate an increased compensation package. The District's current compensation for Assistant Superintendent is the least among comparative districts. He added the District was last among the comparative districts in spending in building administration (school leadership).

The directorship for the department of teaching and learning will be eliminated. The central office reorganization will save about \$40,000.

Dr. Ford also will eliminate the dean of student positions at the high schools. Savings gained from these changes will enable each high school to employ a second assistant principal. This will enable:

- Administrative coverage of the heavy after school activities schedules, such as sporting events, musical performances, school plays, and statewide competitions. He said there are no other high schools of comparable size in the state managing with two administrators (one principal and one vice principal, as the District's high schools have been doing).
- More staff to supervise teachers, supporting the Board goal of all staff being regularly evaluated. With a 40% turnover rate expected in the next four years, this becomes increasingly important.
- More supervision of programs.
- Increased administrative knowledge of special education practices in the mainstream environment.
- Increased attention to the CIM, CAM, and other reforms (Certificate of Initial Mastery and Certificate of Advanced Mastery).
- Increased ability to assist departments as department heads were eliminated years ago.
- Increased opportunities for principal training.

At the invitation of Director Johnson, task force committee members Laura King and Mark Volmert shared their suggested Board priorities. Ms. King stated that she had been impressed with the staff interviews regarding what they are doing to "keep their house in order." She encouraged continuation of their accountability and focus on fiscal responsibility, trying to drive costs down. Her concern lies in the District being out of line with other districts in terms of under spending as well as overspending, citing direct classroom instruction. She added the return on the District's lack of investment would catch up with them. She later commented that the Early Retirement Incentive was a conversation at every one of their meetings and needs to be addressed.

Mr. Volmert opined that heroic efforts have been made by all involved and that policy decisions need to be made to deal with the severe budget cuts now and in the future. He noted that recommending seven areas in the report for fiscal efficiencies does not imply that they are the only things that need to be considered for reductions or redistributions.

Director Rieck requested strategies for bringing District spending in line with other Districts whose spending is significantly higher than Corvallis'. She added that she was not excited about the District ranking tenth in transportation as there are a lot of students spending a lot of time on the bus.

Director Gelser stated she felt it would be important that cuts are made equally across all populations. Although she advocates for special education students to receive appropriate education, she does not necessarily want that subgroup held above other education. She said the reason Maintenance of Effort standards were made was to ensure that during good budgetary times the amount of funding for special education students remained; it did not consider the hard times districts now have. Regarding the decreased special education caseload per employee the District has comparatively, she noted that the District has fewer complaints and due process issues because the District tends to do a better job of serving students. A balance needs to be sought between advocating for sound fiscal policy and educational realities.

Superintendent Ford stated that many qualifiers are needed to knowledgably interpret the report because of how the State requires Districts to place certain funding in certain categories. Citing an example: the District rates third in spending for guidance/attendance (counseling) but the District has very few counselors. The category counts deans of students and behavior specialists as counselors, which they are not. It's very tricky to get into specific explanations with the report's chart. Ms. King suggested that further study be done due to the many inherent variables.

Director Johnson departed the meeting at 9:00 p.m.

Chair Gable proposed that Superintendent Ford address every recommendation in the task force report, stating how follow-up would be achieved for each and what timeline he would recommend. She asked that the Board receive his written report prior to its presentation at a Board meeting. The Board could then respond to his recommendations and a possible communication plan could be formulated.

Chair Gable stated that all members of the task force are very talented individuals and that the District appreciated their time assisting the District.

IX. CONSOLIDATED ACTION

Chair Gable asked that the "Superintendent's Licensed Personnel Recommendations" be held for discussion.

Motion #46: Director Gelser moved to approve the remaining Consolidated Action Items. Director Baldwin seconded the motion and it passed unanimously. (Director Johnson did not cast a vote, as he had previously exited the meeting.)

A. APPROVAL OF MINUTES

The minutes of January 26, 2004 and February 9, 2004 were approved as presented.

B. SUPPORT SERVICE ITEMS

1. SUPERINTENDENT’S LICENSED PERSONNEL RECOMMENDATIONS

Held for Discussion: Chair Gable stated the reason she requested the item be held for discussion was to provide the opportunity to explain that approving or not approving certified contracts is a state-required mandate. Though it appears that every single teacher contract listed is being renewed it does not really reflect the entire picture of what transpires throughout the year in the District. She stated several employees have been counseled out of the profession this past year. She added the District is not averse to not renewing contracts of those who are not performing but the District always tries to counsel initially.

Motion #47: Chair Gable moved to approve the Superintendent’s Licensed Personnel Recommendations. Director Rieck seconded the motion and it passed unanimously. (Director Johnson did not cast a vote, as he had previously exited the meeting.) (Filed as Supplemental Item #IV-26 of the Official 2003-04 Board Minutes.)

2. RESOLUTION NO. 04-0301 - TRANSFER OF APPROPRIATIONS IN GRANTS FUND

The Board approved this resolution, which transfers \$48,000 in appropriations from the Support Services Fund to the Community Services Fund to be accessed for grant expenditures. (Filed as Supplemental Item #III-12 of the Official 2003-04 Board Minutes.)

3. IN-KIND DONATIONS

The Board accepted the donations. (Filed as Supplemental Item #X-27 of the Official 2003-04 Board Minutes.)

X. CONSOLIDATED INFORMATION

A. CORRESPONDENCE

Filed in Section V of the Official 2003-04 Board Minutes.

B. EDUCATIONAL SERVICES ITEMS

1. INTERDISTRICT TRANSFER INFORMATION

The Board received information on nine interdistrict transfers.

2. EXTENDED FIELD TRIPS

The Board received information on five extended field trips. (Filed as Supplemental Item #IV-27 of the Official 2003-04 Board Minutes.)

C. SUPPORT SERVICES ITEMS

1. NON-LICENSED PERSONNEL INFORMATION

(Filed as Supplemental Item #IV-28 in the Official 2003-04 Board Minutes.)

2. UNAUDITED FINANCIAL STATEMENTS

The Board received the unaudited statements of revenues, expenditures, and fund balances of the various funds of the District for the period ending January 31, 2004. (Filed as Supplemental Item #X-28 in the Official 2003-04 Board Minutes.)

3. CHECK REGISTER

The detailed check distribution ledger is on file in the Business Services Office and is available for information during business hours. (Filed as Supplemental Item #X-29 in the Official 2003-04 Board Minutes.)

XI. OTHER DISTRICT BUSINESS

There was no other District business.

XII. EXECUTIVE SESSION

The Board met earlier in the evening in Executive Session under ORS 192.660 (1) (e) – Real Estate Transactions and ORS 192.660 (1) (d) – Labor Negotiations.

XIII. ADJOURNMENT

There being no further business before the Board, Chair Gable adjourned the meeting at 9:10 p.m.

Cyrel Gable, Chair

Jim Ford, Superintendent