

MINUTES

Work Session of the

BOARD OF DIRECTORS

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

I. CALL TO ORDER AND ROLL CALL

Chair Gable called the meeting to order at 7:08 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
 Nell O'Malley, Vice Chair
 Robert Baldwin, Member
 Sara Gelser, Member
 Kari Rieck, Member
 Bob Johnson, Member
 Joan Demarest, Member

EXECUTIVE STAFF PRESENT

Jim Ford, Superintendent
 Dawn Tarzian, Assistant Superintendent
 Kathy Rodeman, Business Services Director
 Debbie Bell, Accounting Supervisor
 Linda Martin, Budget Analyst
 Jeanne Holmes, Human Resources Director

STUDENT REPRESENTATIVES PRESENT

Marcus Annis, Crescent Valley High School

CITIZEN BUDGET COMMITTEE MEMBERSPRESENT

Karyle Butcher
 Simona Boucek
 Mark Yeager
 Julie Manning
 Sid Elliott
 Charlie Tomlinson
 Leanne Giordono
 Laura King (alumni member)

A quorum was present and due notice had been published.

At Chair Gable's request, Citizen Budget Committee members, continuing and newly appointed, introduced themselves and provided a brief personal background in order to get acquainted.

Director Demarest departed the meeting at 7:14 p.m.

II. ANALYSIS OF ELECTION RESULTS

Chair Gable introduced the topic by stating that she saw the evening's short discussion of this topic to be more of a brainstorming session on what possibly could have influenced the close failed election as opposed to a final analysis.

Board and Citizen Budget Committee Members came up with the following possibilities for the levy failure:

- General lack of trust in government and in the District
- Carryover from the loss of Kids! campaign
- Perceived lack of budget transparency
- More organized opposition of those who think the money is not needed
- Not addressing opposition's criticisms directly which goes hand in hand with communication and lack of trust
- Raising the levy amount versus a replacement levy
- Slow start on "Yes" campaign, not enough time to be successful
- Lack of specificity in how funds would be used
- Fewer volunteers due to perceived likelihood of success, burnout, or working on presidential election
- Voter support burnout and confusion as District has asked for money in each of last three years
- Possibly increased demographic change to more citizens whose children are done with school and need stronger reasons to contribute
- District has been able to keep programs like highly visible athletics that had been considered for cuts so citizens do not see District as "broken"
- Levy listed at end of ballot
- Many parents contribute financially to schools so a higher levy might be too much
- Citizens are losing jobs and benefits
- Successful construction bond levy had highly tangible exchange for dollars contributed while this last levy was for operating costs
- On-going contentious teacher contract negotiations

Director Gelser commented that the levy failure was actually a credit to District staff. Chair Gable added that the drop out rate has been declining and scores are high.

Director Demarest rejoined the meeting at 7:36 p.m.

III. JOINT BOARD/BUDGET COMMITTEE WORK SESSION

Budget Analyst Linda Martin distributed a four-page document to those present that provided a history and forecast of enrollment, interdistrict transfers, general fund

resources and expenditures for 2004-05 and for the next 15 years forecasted along with a proposal for the upcoming budget process. (See Supplemental Item #VI-3 in the Official 2004-05 Board Minutes.)

A. MULTI-YEAR ENROLLMENT FORECAST

It was noted that the population figures are tracking trend-wise with predictions made by Portland State University though they are about 500 students less than their mid-level projection. The prediction and actual figures show continued declining enrollment through 2010. At this time, more students are transferring into the District from surrounding districts than out. Superintendent Ford stated that most of the incoming are from Albany while most of the outgoing are to Philomath.

B. CURRENT REVENUES/EXPENDITURES AND FORECASTS

Business Services Director Kathy Rodeman stated the predicted gap between resources and expenditures over the next fifteen years, as graphed in the distributed documents, does not provide a rosy picture. (The deficit as shown over the next fifteen years ranges from \$1,650,000 in 2005-06 to \$26,549,000 in 2018-19 assuming health insurance is provided at the 10% per level. If health insurance were at 5%, then the deficit would reach \$18,990,000 in 2018-19. Due to on-going teacher negotiations that contribution is not known at this time.) The budget assumes that materials and supplies funding is flat so parent organizations would need to pick up the difference.

Ms. Rodeman said the disparity is not just part of a cyclical trend and she does not expect to see any improvement in school revenue until at least 2010.

Given the dismal picture Ms. Rodeman stated that structural changes are needed such as outsourcing, reducing the number of schools in operation, and reviewing some of the District's mandated services such as transportation from home to school.

C. DISCUSSION OF NEXT YEAR'S BUDGET PROCESS

Suggestions for assisting budget members were to view the entire budget, including the roughly 10% outside of the general operating funds which are inflexible so they can understand and answer more fully to the public; having an orientation which would define terminology used and the history of cuts and what was suggested and not cut in the past; and knowing educational service district contributions.

It was noted that the District's guiding principles at this time are federal and state mandates, District policies, and the District Improvement Plan.

Superintendent Ford reported that he had discussed with other regional board chairs and

superintendents the regulations that restrict them in restructuring and that he and Albany Superintendent Pat Bedore had provided a list of those regulations to the new legislators. Superintendent Ford added that whole systems need to be considered as well as things outside of the operating budget such as what parents and the Corvallis Public Schools Foundation can contribute. Chair Gable stated that some of the restructuring might be tied to the upcoming boundary conversation.

Members discussed the proposed budget process that suggested soliciting more public involvement and similar cuts across same levels. Ms. Manning stated that, because the budget is likely intimidating to citizens due to its enormous complexity, a primer or adjunct document could be prepared to assist them.

IV. ADJOURNMENT

Being no further business, Chair Gable adjourned the meeting at 9:20 p.m.

Cyrel Gable, Chair

Jim Ford, Superintendent

Prepared by: Jolene Shute

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