

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 7:00 p.m. in 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
Robert Baldwin, Member
Sara Gelser, Member
Robert Johnson, Member
Nell O'Malley

BOARD MEMBERS EXCUSED

Ron Miller, Vice Chair
Joan Demarest, Member

PRINCIPALS PRESENT

None

STUDENT REPRESENTATIVES PRESENT

Ashleigh Campi, Crescent Valley High School
Andrew Grill, Corvallis High School

EXECUTIVE STAFF PRESENT

Jim Ford, Superintendent
Ron Corbell, Assistant Superintendent
Jeanne Holmes, Assistant to the Superintendent
Kathy Rodeman, Business Services Director
Kim Finch, Student Services Director
Michael Ann McIlvenny, Administrator of
Special Programs
Duane Jager, Information Services Manager
Linda Martin, Budget Analyst
Dawn Tarzian, Teaching and Learning Director
Julie Catala, Board Secretary

BUDGET COMMITTEE MEMBERS PRESENT

Mark Volmert, Chair
Julie Manning
Kari Rieck

A quorum was present and due notice had been published.

Chair Gable announced that the Oregon School Boards Association (OSBA), the Confederation of Oregon School Administrators (COSA), and the Coalition for School Funding Now! would like to have meetings arranged with local candidates for public office. She requested a volunteer to coordinate the meetings. A participant could then make a summary of the meeting.

Chair Gable exercised her prerogative to change the order of the agenda, and moved Special Education Advisory Committee Annual Report to precede Budget Updates.

II. SPECIAL EDUCATION ADVISORY COMMITTEE (SEAC) ANNUAL REPORT

Bonnie Forbes, SEAC chair, introduced committee members present. She summarized the committee's 2001-02 Goals and Services as outlined in its annual report. (Filed as Supplemental Item #VII-4 in the Official 2002-03 Board Minutes.) She reported that over 130 people came to one of SEAC's 1½day workshops, which in the past has yielded only 45 attendees. Ms. Forbes opined that the increase was due to the support of the District and the fact that the workshops were held on an in-service day. Surveys returned by staff and family participants stated the workshop was a benefit to them. She summarized additional workshops held during the year for different age groups.

Ms. Forbes announced that during the last year their web site was improved, they provided input on the Harding Charter, collaborated with Laidlaw Bus Company, established a Board liaison and streamlined expenses.

She outlined goals for this coming year including continued work on communication, the extension of an invitation to the Board and the superintendent to attend one SEAC meeting, arranging for school principals to meet with SEAC, and the continuing education of the committee by providing guest speakers.

Ms. Forbes reviewed SEAC's recommendations to the Corvallis School District for the 2002-03 school year.

Ms. Forbes announced that Portland State University and University of Oregon are developing plans to match state assessments. Administrator for Special Programs Michael Ann McIlvenny stated that the District could then fold their assessments into those plans.

It was noted that very few general educators attended the 1½day workshop, possibly because their arrangements had already been made when the workshop was announced.

Superintendent Ford offered that perhaps at the Board's October 10 retreat the subject could be broached as to how to include SEAC's recommendations with staff development. Student Services Director Kim Finch added that SEAC has done a nice job with their recommendations that fit well with the district plan. It is about general educators' training.

III. BUDGET UPDATES

Linda Martin, district Budget Analyst, presented an enrollment update, referring to the corresponding packet of materials provided to the Board. (Filed as Supplemental Item #VI-6 in the official 2002-03 Board Minutes.) She stated the district continues to be a declining enrollment district; though the kindergarten class was larger than predicted. On the 9th day of

2002 enrollment was down by 147 from the 9th day of 2000, to 7,170. Actual enrollment for 2002 came within 0.4% of projection. Private school enrollment in the state has declined as well as in the Corvallis area, though Santiam Christian did show a 2% increase since last year. A constant since last year is the home school population and that less than 10% of students residing in the Corvallis district attend private schools. Interdistrict transfers have shown a shift. In 2000, nearly twice as many transferred into the district as out while nearly equal numbers transferred in as out in 2002. Of the 102 transferring out in 2002, 81 went to the Philomath district.

Business Services Director Kathy Rodeman led the remaining budget update. She began with the good news that voters passed the Education Stability Fund, Measure 19, providing state K-12 schools with \$150 million and in the 5th session school potential liability was cut, though official notice had not yet been received. If the income tax surcharge measure fails in January, schools would face a \$95 million cut, which is less than its portion of the state budget.

Ms. Rodeman again shared possible ideas for cuts and related that the State would possibly grant a one-year waiver if districts decided to reduce days of the school year.

There is controversy over the state's suggested "Bump and Borrow" method, allowing districts to accrue up to 9.1% of next year's revenue to offset current expenses. It is against suggested accounting practices and if viewed negatively could result in a lower financial rating for the district, affecting district interest rates. Her inclination, though she is not personally for it, is to accrue, as it would be hard to explain to parents why the district is making cuts when it doesn't have to.

Included in the packet was a 15-year general fund forecast, a best-case scenario. At the end of fifteen years, benefits will outweigh salaries if medical expenses continue to rise at 15% per year. Supplemental retirement will see improvement as the district has been phasing down guaranteed retirement and Public Employees Retirement System (PERS) benefits. The utilities expenses (increasing 5-10% each year) should decrease substantially if new buildings are constructed as is proposed in this November's bond measure. The revenues, shown increasing 3% per year per student, represent an optimistic picture per Ms. Rodeman. In the year 2015-16, revenues are predicted to be over \$64 million while operating expenditures are predicted to be \$94.5 million. The district cannot have a negative budget so every year the difference has to be dealt with in some way. Ms. Rodeman provided yearly figures for dealing with the deficit on a one-time or cumulative basis. The last item in the packet showed the affect on taxpayers of current taxes and current and proposed school bonds.

Discussion ensued to gain more information and seek remedies. Health plans and restructuring of the work force were topics touched upon as well as obtaining community input. Budget Committee Member and Samaritan Health Services spokesperson Julie Manning shed light on predictions for health care costs. She stated there is a tremendous shortage of health-care workers, which is expected to worsen as the baby-boomers age, needing increased services from a relatively smaller workforce. Health care, like education, is very labor intensive. A shortage

of workers will drive salaries, and therefore health-care costs, up, regardless if the district offered HMO or PPO health plans.

IV. DISTRICT PLAN

Jeanne Holmes, Assistant to the Superintendent, led the discussion of the latest draft of the district's improvement plan. Parent Teacher Organizations, Key Communicators, the Leadership Team and staff have provided input since the Board's last review. Each goal was given attention in turn and slight alterations suggested. Concerns were mentioned over:

- Goals for "all," that all students might not have the ability to reach,
- Students attending Linn Benton Community College or enrolling in "e" courses and the impact to district funding,
- Process oriented as opposed to outcome oriented.

The plan is expected to be brought before the Board again at the October 7, 2002, meeting for approval.

V. ADJOURNMENT

Being no further business, Chair Gable adjourned the meeting at 8:55 p.m.

Cyrel Gable, Chair

Jim Ford, Superintendent