

**Meeting of the School Board
David Douglas School District No. 40
December 2, 2010**

A regular meeting of the David Douglas School Board was held on Thursday, December 2, 2010, at 7:00pm in the Board Room of the David Douglas School District Administration Building, located at 1500 SE 130th Avenue, Portland, Oregon 97233.

School Board Members present were:

	Dawn Barberis, Board Chair	
Mike Centoni		Annette Mattson
Frieda Christopher		Mike Price
Donn Gardner		Cheryl Scarcelli Ancheta

Also present were Don Grotting, Superintendent/Clerk; Natalie Osburn, Assistant Superintendent; and Gail Hunter, Board Secretary.

The agenda included consideration of the following:

Call to Order / Flag Salute

Board Member Reports – Cheryl Scarcelli Ancheta reported that she attended the OSBA convention, which she found valuable and informative. She thanked Annette Mattson for her service to OSBA, and congratulated her on receiving a national service award from NSBA. Frieda Christopher particularly appreciated a presentation she attended on poverty at the conference, remarking that organizations need to make deep changes in order to address diversity issues. Ms. Christopher attended the legislative reception at Mt. Hood Community College, met with East Portland Action Plan’s civic engagement group, and discussed fundraising with fellow members of the Educational Foundation. The Foundation wants to earmark this year’s fundraising to support a specific need of the District’s. Ms. Mattson was pleased to meet new members of the legislature at the Mt. Hood reception, where she said the facilitators did an outstanding job framing the discussion. She attended an OSBA conference session on legal rights and requirements for GLBT youth, and another on poverty. As part of the development of the Portland Plan, she said a series of experts will be speaking on issues. Last night she heard Dr. Robert Oglesby speak on designing healthy cities, along with panelists including a representative from IRCO. East Portland, 122nd Avenue and David Douglas School District came up numerous times regarding needed zoning changes. Ms. Mattson has been appointed to the budget advisory committee for the City’s Bureau of Planning and Sustainability. Mr. Centoni requested information from Ms. Mattson on the session on legal issues / GLBT youth.

Student Body President’s Report – ASB President Katherine Westmoreland reported that two basketball teams from Australia have been visiting our high school and will attend classes for a couple of days. A holiday canned food drive is underway, with a goal of 6,000 cans to benefit Snow Cap and the Celtic Heart. Applications for this spring’s Rose Festival have been made available. Planning is underway for the Winter Formal, and a holiday assembly will be held December 17. The Dance Team competes this Saturday, and the annual holiday bazaar will be held this weekend. The high school choir and orchestra were recorded today, and the recording will be played on local radio this season. The musical, “Oklahoma!” opens tonight, and various musical performances are coming up as well. Leadership students are working on a campaign focusing on harassment. Ms. Scarcelli Ancheta said she attended a session on student mediators at the OSBA conference, and she asked if we have that program at our high school. Ms. Westmoreland said a peer mediation program is in place at DDHS.

Superintendent's Report – Superintendent Grotting reported that, among many meetings this month, he and representatives from the Children's Institute attended a meeting with the head funder of Meyer Memorial Trust to discuss the "Wee Initiative" preschool project. He said the project is getting major attention from national funders, and has the Chalkboard Project's interest as well. Mr. Grotting said he enjoyed meeting with the high school leadership class for a lively discussion. He remarked that ASB president Katherine Westmoreland is dedicated, involved, and will go far in life. He attended the high school's "Night with the Scots" and anticipates an exciting basketball season. The superintendent said the Mayor's Education Cabinet and Leaders' Roundtable are being discontinued and the Portland Schools Foundation will be taking that work over, coordinating what will become a county-wide effort instead of city-wide, and collaborating with business, community, higher education, and Head Start to look at the entire educational system instead of K-12. The foundation will be renamed to reflect their new, expanded mission. Mr. Grotting said he believes there is a new emphasis from both the City and County regarding equity for East Portland and East Multnomah County.

Business Report – Janice Essenberg presented a financial report for the period ending November 30, reviewing general fund revenue which included the property tax collection, as well as expenditures. She announced that Jodi Taylor will be making some capital expenditures for new refrigeration units for seven schools, which will increase energy efficiency. All expenditures will be coming from Nutrition Services revenue, which is a self-supporting program. The auditors are drafting their report and will be invited to make a presentation at the January board meeting. The state revenue forecast was issued November 19, and was up slightly for the current biennium due to payroll tax revenue, but the state expects to be down an additional \$266m for the next biennium. While we are not likely to receive further funding reductions this school year, the negative forecast will impact our 2011-13 budget. The Deardorff property will be marketed shortly for rent by our property management company after cleanup work is completed.

Ms. Essenberg reviewed a general obligation bond levy rate analysis. On December 1, the district paid off Series 2001 bonds. 2002 bonds will be paid off in June 2012. The 2005 series will be paid in 2019. She reviewed projected bond rates over the next few years. A future bond could generate \$53.8m while maintaining the same tax rate for district patrons. \$15m in Qualified School Construction bonds are being offered through the federal government without interest. Oregon has about \$75m available total, on a first come, first served basis. A bond could be put before voters in the May election. If the board wants to retain this option, we would apply to the state in January with a letter of intent. Superintendent Grotting said that as we are going to be experiencing challenging economic times, there won't be money for ongoing maintenance of our buildings. He said he sees this as a good opportunity to ask for our community's help without raising their taxes. He said he doesn't expect to see significant increases in state funding for at least the next seven years, and that it would be prudent to get our hat in the ring in Salem, in case we want to pursue a bond in the future.

Ms. Essenberg said bonds can now be used for technology and textbooks, as long as we tie repayment to the useful life of those items. The Board's consensus was to provide Salem with a letter of intent, in order to keep that option open as discussions continue. Ms. Essenberg also reviewed our tax rates as compared with other area districts, noting that at present we're about average. She said we could craft the sale to meet our needs, and have the option to defer the interest until the next bond is paid off in 2012. Superintendent Grotting said that Operations Manager David Callaway put together a list of some of the building maintenance issues that could be

met if a bond were approved by voters, as well as a wish list of projects around the district, including such items as covered play areas for the remaining elementary schools without them; continuing the roof replacement schedule; and control and HVAC upgrades for better efficiency. There are also maintenance needs at the swimming pool. Dr. Osburn remarked that a major upgrade of the pool including the addition of two lanes would allow us to host big events and attract area competitions. Superintendent Grotting noted that with the 1.2-1.5% growth we've been experiencing every year, there will be eventual facilities needs at the high school to help students fulfill the additional science requirements. The superintendent said this is not an inclusive list of potential projects, but serves to begin the discussion. If the board elects to go out for a bond, further discussion would clarify priorities and provide a specific list of what the public would expect for their investment. If we don't pass a bond in May, we could revisit the option in November. Mr. Centoni thanked Ms. Essenberg for her timely and detailed monthly reports.

Superintendent Grotting said that as the administration prepares next year's budget, it will be his recommendation that we base our budget on state education funding of \$5.7billion. He asked for the Board's endorsement to use \$5.7b as the most realistic figure at this time. He also requested the Board's consensus regarding what funds, if any, they are willing to use to balance the budget for next school year. The \$1.9m stabilization fund was set aside for a potential new elementary school. The Early Retirement funds have a balance of approximately \$10m. That obligation is not funded fully, and we spend about \$1m per year to meet our obligations to retired staff members. We are estimating about a 5% contingency at the end of this year. Superintendent Grotting asked that once these decisions are made, that the Board remain firm in their decision as we need to be very consistent as we go forward.

Mr. Centoni said he wants to maintain a 5% ending fund balance. Ms. Christopher said she is willing to spend the stabilization fund, but noted that this would only be a one year reprieve. She said she wants to keep the Early Retirement funds as they are, since we have that liability going forward. She also supported maintaining a 5% contingency. Superintendent Grotting said we are looking at cutting between \$11-13m from our 2011-12 budget. A reduction of 90-100 staff members only gets us to about \$5.5m. Mr. Gardner said he supports using the stabilization fund, and that he is willing to take \$1.1m from Early Retirement, one time only, to help cushion this blow. The superintendent recommended letting the administration work to bring the Board their recommendations regarding reductions, as a starting point. He said the number of expected layoffs will have many groups coming before this board pleading their case. Using the \$3m under discussion, we would still be spending \$3m more than we have coming in. Chair Barberis supported starting with \$5.7b, using the stabilization fund, and tapping a portion of Early Retirement to infuse next years' budget with \$3m total. Mr. Price said he supports maintaining a 5% contingency, using the \$5.7b figure, using the \$1.9 stabilization fund, and using \$2m from Early Retirement funds to arrive at a \$3.9m total. Ms. Mattson supported a contingency of absolutely no lower than 5%, the \$5.7b funding figure, and using the stabilization fund, but said she has serious questions about early retirement funds, noting that this is money we owe our staff. She said she is open to a compromise of \$1m of that. Ms. Scarcelli Ancheta supported maintaining the early retirement funds untouched, but was supportive of using the stabilization fund; she said she is open to a 3% ending fund balance. The Board Chair reiterated that the Board can't waffle on the decisions made tonight.

Mr. Centoni presented a motion to maintain an ending fund balance of 5%, seconded by Ms. Mattson. The motion carried in a vote of 6-1 (in favor: Barberis, Centoni, Christopher, Gardner, Mattson, Price; opposed: Scarcelli Ancheta)

Ms. Mattson made a motion to use the \$1.9 stabilization fund to balance the 2011-12 budget, seconded by Mr. Gardner. The motion carried in a unanimous vote.

Mr. Centoni made a motion to use up to \$1.1m from the Early Retirement stipend and or benefit fund, seconded by Mr. Gardner. The motion carried in a vote of 5-2 (in favor: Barberis, Centoni, Gardner, Mattson, Price; opposed: Christopher, Scarcelli Ancheta)

Audience Participation / Break – Chair Barberis opened the meeting for public comment.

Mike Ewald, district patron – remarked that he hasn't received a raise in two years. He said, from his perspective in the private sector, as the district goes into collective bargaining our employees should count themselves lucky to have jobs and be satisfied by their wages. As a member of the EPAP grant committee, he reported that the group awarded grants totaling \$152,000 to 17 organizations, the bulk of which serve the David Douglas community.

As there were no further remarks from the audience, the chair declared a brief recess. The meeting was reconvened.

Student Achievement Update – Brooke O'Neill updated the Board on the work of our Professional Learning Teams, and presented the next segment in the video training series which is be made available to staff. Beginning in January, some of the school teams will come to the board meeting to report directly on their work. Derek Edens reviewed the first round of OAKS assessment scores for tests taken on or before 11/30/10. Elementary math scores are significantly lower than reading, as the state just bumped up passing scores in math. Students have three opportunities to take the OAKS assessment. Superintendent Grotting noted the great gains of our African American and Hispanic high school students passing the assessment, compared with last year.

Middle and High School Scheduling – Superintendent Grotting said Dr. Osburn and former Deputy Superintendent Mike Stout have been working with middle and high school administrators to research possible schedule changes, in an effort to improve student achievement.

Dr. Osburn said the groups started meeting to evaluate our current schedule models and to see what's out there to optimize student achievement. Their goal was to develop recommendations to share with the Board and staff ahead of forecasting. Middle school principals focused on seeing students every day for core classes (reading, writing, math, science). While either a 6- or 7-period day could work, the staff is making good use of the block schedule, and are working on interventions, achievement, and providing extra help for students needing that extra support. At this point, principals would prefer to continue with these efforts within the current schedule model.

DDHS Principal John Bier said the high school admin team has been on a mission this year to look at schedules as they relate to student achievement, under the direction of Dr. Osburn and Mike Stout. He said he has appreciated having Mr. Stout's expertise on this project, and hopes that Mr. Stout will continue working with the high school as they move forward to apply what they are learning from their research. They looked at models including a trimester schedule, a traditional 7 period day, and a hybrid schedule with some block time. As a committee they narrowed options down to a couple of schedules. They met with department chairs to let them know they were exploring different schedule options, and met with the staff last week asking for feedback. He said the high school staff is very committed to the mission of student achievement.

Mr. Stout said that after considering four schedule types, the committee narrowed their focus to a traditional 7-period day and a hybrid of three 7-period days and two days of a block schedule. They

also reviewed staff feedback. Changing the schedule would reduce the number of credits students could earn. The amount of passing time required for the switch to a 7-period day for a population of our size was also a concern. There was also an issue with setting up science labs. Some classes are more effectively taught in the block schedule format.

Mr. Stout said there was also another concern. The committee went into this work with achievement as the focus. As there are going to be staff reductions for next school year, he said moving to a 7-period day and then implementing staff reductions could create trust issues with our staff. The high school staff wants to implement Freshmen Academy next year, as well as additional interventions. The committee's recommendation is to hold off on changing the current schedule for at least another year in light of all the other changes occurring. The administration will continue to gather data and continue to monitor academic progress.

Dr. Osburn said that middle school students have 1.5 years of electives. Principals recommend that if a student is not meeting OAKS benchmark, they lose an elective and are required to take an intervention. They would also like to offer an elective enrichment opportunity in order to meet the needs of students from advanced to remedial. They recommend keeping the current block schedule with the adjustments as outlined. We are also reviewing our ELL and Special Education programs and practices in an effort to support and improve student achievement for these populations. Next year these populations combined will make up about 35% of our student population. It is imperative that these students have the necessary support and interventions to be successful.

Mr. Bier said that students are seeing their pre-algebra or algebra teachers every day. He said that by bringing in targeted math interventions for students, they could have a lot of success in a block schedule. He is also excited about implementing a Freshman Academy, a concept where teachers share students in a team teaching approach. He said that in the research his team has done on ninth grade academies, and at national conferences, they heard that nearly every high school with significant growth in student achievement had Freshmen Academies.

Superintendent Grotting said he fully supports these recommendations, but that we will carefully study student achievement data both this year and next to monitor our progress. He said he feels comfortable with the proposed interventions, but is concerned that we still need to reduce staff and electives. We also need to be sure that the block schedule is being used to maximum effectiveness. He thanked all staff members involved in offering feedback and especially those committee members led by Assistant Superintendent Natalie Osburn, DDHS Principal John Bier, and the volunteer work of former Deputy Superintendent Mike Stout.

Resolution Opting Out of the Tax Supervisory Conservation Commission (TSCC) Oversight –

Ms. Essenberg reported that the Tax Supervisory Conservation Commission (TSCC) provides budget oversight to our district, reviews and certifies our annual budget, and holds budget hearings. The way the TSCC is funded has changed, and school districts are now required to pay half of our share, which for David Douglas is \$1,938. Several districts have opted out, so the remaining districts may eventually foot a greater bill. She said she wanted to give the Board the option to take advantage of that small savings if they choose. The decision to opt out would be effective for three years, at which point we could opt back in. Mr. Gardner made a motion to approve the resolution to opt out of TSCC oversight, seconded by Ms. Scarcelli Ancheta. The motion carried in a unanimous vote.

Floyd Light Middle School Seismic Upgrade GMP & Bid Award – Ms. Essenberg reviewed the competitive bid process undertaken by Fortis construction for the Floyd Light Middle School seismic upgrade project. After reviewing and scoring three proposals, Fortis recommends that the Board

award the bid to McDonald & Wetle. This project will be funded nearly entirely from a grant awarded by the State of Oregon, Office of Emergency Management. Fortis has established a GMP for the project of \$1,487,116, which is just under the grant award of \$1,489,766 and includes a 5% contingency. Work is scheduled to begin in June at the end of the school year, and will be completed before the staff returns in August. Mr. Centoni made a motion to approve the bid award and GMP as outlined, seconded by Mr. Gardner. The motion carried in a vote of 7-0.

Menlo Park Elementary School Controls Upgrade Bid Award – Ms. Essenberg said Senate Bill 1149 supports energy efficiency efforts in school districts and ESDs. David Douglas has taken full advantage of this program, which has funded lighting upgrades throughout the district, and will allow us to upgrade building energy control systems for greater efficiency. The district has received a bid from the only company authorized to install the system our district uses, Clima-Tech, for upgrade of controls at Menlo Park. This project qualifies for 100% SB 1149 reimbursement. Ms. Essenberg recommended taking action now in order for the district to be fully reimbursed this fiscal year. Mr. Gardner so moved, seconded by Mr. Centoni. The motion carried in a unanimous vote.

OSBA Election – Ms. Mattson reviewed the items being placed before OSBA member boards for election, which included two OSBA Board vacancies and three resolutions related to collection of dues, housekeeping items, and adoption of OSBA Legislative Policies and Priorities. She said the resolutions are the result of input from boards across the state.

OSBA Board Position 17: MS&C to elect Tim Cook, Centennial School District
OSBA Board Position 19: MS&C to elect James Woods, Parkrose School District
MS&C to approve Resolutions 1, 2, and 3 as presented

Consent Agenda – Mr. Centoni moved approval of the following consent agenda items, seconded by Mr. Price. The motion carried in a vote of 7-0.

- **Adoption of Budget Calendar for 2011-12**
- **Approval of November Board Meeting Minutes**

Other Business / Future Agenda Items – Mr. Centoni suggested it would be appropriate to have a formal resolution regarding the next renewal of OSBA membership and payment of annual dues. Mr. Gardner remarked that our audience saw how the Board struggled to come to consensus tonight; he said this process is only going to get tougher. Superintendent Grotting said board members set some important parameters this evening; there are more difficult decisions to come.

Adjournment – There being no other business, Board Chair Barberis declared the regular meeting adjourned.



Dawn Barberis, Board Chair



Don Grotting, Superintendent / Clerk