

REGULAR MEETING

The Regular Meeting of the School Board of School District 24J, Marion County, Salem, Oregon, was held Tuesday, February 10, 2009, in Room 2, at Support Services Center, 2575 Commercial Street SE, Salem, Oregon, with Chairperson Steve Chambers presiding.

BOARD MEMBERS PRESENT: Steve Chambers, Chair
Ron Jones, Vice Chair
Krina Lemons, Director
Bob Mink, Director
Rick Kimball, Director
Hanten Day, Director
Chuck Lee, Director

ABSENT: Krina Lemons, Director

EXECUTIVE CABINET PRESENT: Sandy Husk, Superintendent-Clerk; Glenn Gelbrich, Deputy Superintendent; Rich Goward, Chief Financial Officer; Mary Cadez, Assistant Superintendent for Human Resources; Salam Noor, Assistant Superintendent for Research and Development; Mary Paulson, Chief of Staff, Executive Administration; and Jay Remy, Director, Communications and Community Relations.

ALSO PRESENT: Paul Dakopolos, Attorney for the District

Representing the Statesman Journal: Mackenzie Ryan

Representing the KeizerTimes: Herb Swett

SECRETARY TO THE SCHOOL BOARD
Debra Garrigues

Chairperson Chambers called the meeting to order at 6:03 p.m.

ANNOUNCEMENTS/AGENDA MODIFICATIONS

Chairperson Chambers made the following agenda modifications/announcements:

Added *Report on Update of Budget (being presented before the other scheduled reports)*

SPOTLIGHT ON SUCCESS

Superintendent Husk, Chairperson Chambers, and various Cabinet members shared recognition of individuals and/or groups for their outstanding work and/or contributions to the School District (see Attachment A for details).

(See Spotlight on Success, **Attachment A.**)

COMMUNICATIONS ~ AUDIENCE

(Subjects related to agenda items)

The following citizens addressed the Board (see Sign-Up Sheet for further information):

Darlene Andrus, no address provided.

Jane Killefer, president, Salem-Keizer Education Association.

Janet Sanders, president, Salem-Keizer Association of Classified Employees.

Sam Miller, 920 NW Orchard View Avenue, Salem.

Lauren Clinton, Kinglet? (inaudible), Keizer.

Superintendent Husk commented on her willingness to meet with anyone who would like to go over exit interviews with her as related to those who made comments about the subject, and thanked the associations' representatives for their comments and willingness to work cooperatively with the District.

ADOPTION OF CONSENT CALENDAR

All items on the Consent Calendar may be adopted as a group
by a single motion unless pulled for special consideration.

DIRECTOR KIMBALL MOVED ADOPTION OF THE CONSENT CALENDAR AS PRESENTED. SECONDED
BY DIRECTOR LEE.

BY VOICE VOTE, MOTION CARRIED UNANIMOUSLY. Director Lemons was absent.

- 4.a.(1) Minutes of Meetings held on January 13, 2009.
- 4.b.(1) Resolutions for Funding of Special Programs through Willamette Education Service District.
- 4.b.(2) Adoption and Appropriation of Grant Project Budgets.
- 4.c.(1) Hiring of a Licensed Supervisor.
- 4.c.(2) Personnel Actions.

(For Adopted Items, see **Attachment B.**)

READING ON ADOPTION OF SCHOOL DISTRICT LONG-TERM FACILITY PLAN

Background

The Salem-Keizer School District current facility plan was last adopted in August of 2001. Since that time, the District has completed the 1998 construction bond program, grown by over 3,500 students, analyzed the condition of its existing facilities, analyzed the facilities to accommodate the educational program needs and projected growth, prepared and passed a 2008 construction bond measure, and identified other funding to address capital needs. A new facility plan is now needed that addresses these identified needs and funding sources. A long-term facilities plan, for the period of 2008 to 2015, has been prepared and is being presented for first reading by the School Board.

Staff recommends adoption of the Long-term Facilities Plan: 2008 to 2015, as submitted. The Long-Term Facilities Plan: 2008 to 2015 is being presented to the School Board for first reading and will be returned for action at the March 10, 2009, business meeting.

Superintendent Husk provided an overview regarding the need for a new facilities plan.

(See Reading on School District Long-Term Facility Plan, **Attachment C.**)

REPORT ON BUDGET UPDATE

Superintendent Husk provided the following highlights regarding current and future budget concerns and realities (see handout provided for details: Attachment E – Superintendent's Budget Update of February 10, 2009:

- Current budget projections from the Legislature are disturbing with the most recent revenue reduction projection being \$330 to \$650 million for the current year.
- This year, expected funding cuts are from \$3.5-\$5 million to a worst case scenario of \$23 million.
- The District has responded to these first stage projections by freezing major purchases regarding technology, buses and textbook adoptions; freezing hiring of non-mission-critical positions asking the associations to come back to the bargaining table; and asking Cabinet-level administrators to forgo the COLA (Cost of Living Adjustment) increases, if necessary.

- The District wants to minimize the impact on students, minimize the impact on staff, position the District for next year and beyond (in budget and student achievement), and move forward in a way that brings the District and community closer.
- An example of what school districts throughout Oregon are facing is a scenario of a 5% across-the-board cut (the same as State agencies), which would mean a cut of \$18.3 million dollars for Salem-Keizer Public Schools.
- The Legislature received a report that indicates the 2009-11 shortfall in State revenue will most likely be over \$1 billion.
- It is likely that the funding picture for K-12 education will further deteriorate.
- As with the current fiscal year, the Legislature will grapple with the use of the State's Rainy Day Fund and Education Stability Fund as well as potential Federal Stimulus Dollars, which creates a situation where the District will be unable to predict funding for next year's budget with any reliability.
- Some "next steps" are to open dialogue with the associations to set the stage for action this year; maintain open dialogue when entering negotiations next year; and continuing to monitor funding forecasts; begin communicating to reduce confusion.

Report on Budget Update (continued)

- The next revenue forecast will be February 20, 2009.

Director Mink said the state economist's latest reports show the projected shortfalls being much higher than the figures mentioned above, that things will get worse before they get better, that the District is in for extremely difficult times, and that the later the District waits to respond—the harder it will be. Director Jones commented that the District could not legally use the recently-passed bond measure money for operational costs.

(See Report on Superintendent's Budget Update, **Attachment D.**)

MONITORING REPORT: EL-9 – FINANCIAL ADMINISTRATION

Background

Executive Limitation 8: Financial Administration

With respect to the actual, ongoing condition of the District's financial health, the Superintendent shall not cause or allow:

- *A material deviation from the annual budget or budget policy adopted by the Board;*
- *Any fiscal condition that is inconsistent with achieving the Board's Results, or*
- *Any fiscal condition that places the long-term fiscal stability of the District at risk.*

The Superintendent shall not:

1. Expend more funds than have been budgeted in the fiscal year unless authorized by the Board.

Evidence of compliance:

Our audited Comprehensive Annual Financial Report for 2007-08 showed that no over expenditures occurred in any funds. The General Fund Statement of Revenue, Expenditures and Changes in Fund

Balance can be found on page 70 of the report. In addition, the current budget (2008-09) has not been over expended.

Evidence of non-compliance:

None

2. Expend funds in a manner that materially changes the intent of the adopted budget unless the change is authorized by the Board.

Evidence of compliance:

The expenditures for the 2008-09 budget have not been materially changed and are within the intent set by the Board. Cabinet and program managers monitor and evaluate program expenditures on an ongoing basis to ensure program integrity is maintained. In addition, as per public budgeting law, a transfer that would change the original appropriations of the adopted budget must have Board approval. Through January 2009, no such transfers have been requested.

Evidence of non-compliance:

None.

Monitoring Report: EL-9 (continued)

3. Materially indebt the organization unless authorized by the Board.

Evidence of compliance:

On May 13th, 2008 the Board approved a loan, through Marquette Bank, for the financing of school busses. There have been no other material loans since the last report.

Evidence of non-compliance:

None.

4. Fail to operate within state and federal statutes regarding public budget law.

Evidence of compliance:

Copies of the district budget document, public notices for hearings, board motion and resolution as well as other forms required by local budget law are submitted to the Oregon Department of Revenue, County Assessors and Oregon Department of Education. We have received no feedback from any agency indicating non-compliance with statutory requirements and are not aware of any material violations of any kind. Additionally, staff monitors requirements of all components of ORS 294 to ensure district actions are in compliance.

Area of Concern:

As noted on page 52 of the Comprehensive Annual Financial Report, expenditures exceeded appropriations in the Support Services section of Captiol-Net and Grants although Grants remained well within the aggregate budget and neither resulted in a negative ending balance.

Evidence of non-compliance:

None.

5. Fail to operate within the State of Oregon's public contracting laws.

Evidence of compliance:

The district is not aware of any material violation of Oregon's public contracting law.

Evidence of non-compliance:

The district's purchasing department monitors approximately 13,600 school and department procurements annually to ensure compliance with public contracting laws. As part of this monitoring, they became aware of two transactions (.015% of all transactions) which failed to obtain the required quotes. The larger of the two transactions was \$7,500 and appropriate corrective actions were taken with the supervisors of the involved schools.

6. Fail to provide quarterly budget reports that include a recap of the current and previous years' budget and changes to revenue or enrollment.

Evidence of compliance:

The District has provided quarterly reports, for each quarter, to the school board and has posted them on the district web-site. The reports have discussed current and previous year's budgets, changes in enrollment, and the outlook for next year.

Evidence of non-compliance:

None.

Monitoring Report: EL-9 (continued)

7. Fail to file reports or filings required by any state or federal agency accurately and on time.

Evidence of compliance:

The district budget, Comprehensive Annual Financial Report and all associated forms have been filed with regulatory agencies in a timely manner and we have received no adverse feedback concerning their submission. We have no evidence to indicate that any or our required financial reports or filings have missed a filing deadline.

Evidence of non-compliance:

None.

8. Fail to arrange for the annual external audit of all district funds and accounts following the close of the fiscal year.

Evidence of compliance:

The District's Comprehensive Annual Financial Report for 2007-08 was audited by Grove, Mueller & Swank, PC, who are licensed CPAs and municipal auditors. The School Board received a copy of the report and it has been made available to the public.

Evidence of non-compliance:

None.

9. Fail to keep complete and accurate financial records by funds and accounts that conforms to both Generally Accepted Accounting Principles (GAAP) adopted by the Government Accounting and Standards Board (GASB) and Oregon local government budget law.

Evidence of compliance:

In the 2007-08 Comprehensive Annual Financial Report, on page 14 the auditors state that the district financial statements fairly present the district's financial position in accordance with GAAP. The auditors conducted tests of transactions, assessments of internal controls and other analysis in forming an unqualified opinion of our financial statements.

Evidence of non-compliance:

None.

10. Fail to issue a Comprehensive Annual Financial Report.

Evidence of compliance:

Our Comprehensive Annual Financial Report for 2007-08 was issued, in a timely manner, and distributed to the School Board and is available for the public. The 2006-07 Comprehensive Annual Financial Report received the Association of School Business "Certificate of Excellence in Financial Reporting" award and the Government Finance Officers' "Certificate of Achievement for Excellence in Financial Reporting" award.

Evidence of non-compliance:

None.

Superintendent Husk reviewed the evidence of compliance/non-compliance (see Background information above) and stated that the District was in compliance with Executive Limitation 9. The Board, by general consensus, agreed that the District was in overall compliance with EL-9 as evidenced.

(See Monitoring Report: EL-9 – Financial Administration, **Attachment E.**)

STRATEGIC PLAN UPDATE: IMPLEMENT EXTERNAL PUBLIC ENGAGEMENT PLAN AND DEVELOP A PLAN FOR INTERNAL ENGAGEMENT FOR STAFF AND PARENTS

Background

The month's report is in reference to the goal: *Implement external communications plan and develop a plan and tools for internal engagement for staff and parents.*

Discussion:

The School Board and District administration have identified public engagement as a top priority and have taken specific actions and set in motion several activities to engage internal and external stakeholders.

Public engagement related to facilities needs

- Board members, the superintendent and members of her cabinet made presentations throughout the fall to groups throughout the community regarding facilities needs. These were two-way communication events.
- The Communications Department developed and produced written and electronic materials to help provide information to the public regarding the proposed bond.
- We have hired a communications coordinator (funded 80 percent by the bond and 20 percent by the Communications Department) to help our schools, district-level administrators and Board members to maintain and improve upon the internal and external communication channels that we have opened with the community as we move through the implementation of the bond measure.

Understanding Community Needs to Help Define District Success:

- We have conducted two major community surveys this year regarding district performance and facilities needs.
- We held the 2nd annual School Talk Summit in February, using keypad technology and open mic discussions to elicit feedback from our community. We have also moved up the Summit on our yearly improvement cycle, so we held the 3rd annual Summit in October. We plan to keep it in October next year and beyond.
- We have conducted smaller electronic surveys using the Internet to reach people who were not part of other events/surveys.

The Board Accountability Process:

- The Board conducted Listening Sessions for each month of last school year which involved various stakeholders who came to discuss key issues related to public trust in the school district.
- We will provide a summary of what the Board has heard throughout the year during these sessions.
- We will continue to work with the Board to develop opportunities for members to interact with the public at community events.

Community Understanding the Schools and District:

- The Citizens Budget Committee now meets monthly and receives more in-depth presentations and dialogue about budget areas.
- The Communications office has constructed a new district Web site and new employee newsletter. These electronic communications are more interactive and capable of using video and other technologies that the old site/newsletter could not accommodate.
- The Communications office is working on a video that can be taken out to service clubs, senior centers, community centers and other meetings to help the community understand the people, programs and places that are important to our mission.

Strategic Plan Update: Public Engagement/Internal Engagement (continued)

- We have partnered with a local donor to bring "Student Stories" a new publication in the Statesman Journal featuring the stories of our students in their own words. This has been popular with readers. The newspaper and the school district are getting good feedback.
- We have developed a Salem-Keizer group on Facebook (a common social networking Web site) to help connect more members of our community in support of public schools. Through this technology we can provide more opportunities for sharing positive stories about Salem-Keizer, facts, statistics and open more dialogs.
- We highlight a different aspect of our school district on KBZY radio each month during a half-hour talk show.

Business Partnerships:

- The communications coordinator position I mentioned above will be coordinating our Business Partnerships program in addition to working on the bond implementation. We have many great partnerships, but we believe we can do much more to optimize existing partnerships and create new ones.

Board Members as Strategic Communicators:

- The Board and Administrators went out into the community to share information about the District's Strategic Plan and respond to the community's questions, particularly as it pertains to facilities needs.
- The Board will interface with bond implementation committees, the citizens' budget committee and other groups during bond implementation.

Internal and External Public Engagement Planning for Schools

- The Communications Department is working with all high schools and middle schools to develop and implement public engagement plans. High schools are in year two, so they have moved into implementation. Middle schools are in year one, so they are still in the development phases of their plans. We know from survey research and in-district feedback that our own employees in the school and department level are the most important messengers to the community. Internal engagement is therefore critical to our success.
- We continue to offer and conduct communication trainings (30-minute presentations) for district staff. Currently, most of our support services departments are scheduled for one or more presentations, such as "Staff as School Ambassadors," "Parental Involvement" and "Budget 101." This is an effort to help our "most-trusted" community resources (our staff) become even better communicators about Salem-Keizer.

Public engagement is essential to building and maintaining confidence in the school district. The issues and activities outlined in this report represent the hard work of the School Board, the Community Relations and Communications Department, and many other staff. The activities are just the beginning of a multi-year plan that will improve our ability to systematically listen to our community, respond with the appropriate actions, and become even more transparent with critical information that is important to our community.

Superintendent Husk shared how well the District is doing in this subject area because of Mr. Remy's (Jay Remy, Director of Communications and Community Relations) and his staff's hard work.

Mr. Remy, provided an overview (see Background information above for details) of the District's efforts in implementing a public engagement plan within the community and in beginning development of a plan for internally engaging staff and parents within the District (see Attachment F for details of plans; also provided during the presentation was Attachment G – Salem-Keizer School Board Listening Sessions for School Year 2007-2008 Summary).

The Board, by general consensus, agreed that this report showed that the District was right on target in this area of focus.

(See Strategic Plan Update: Implement External Public Engagement Plan, **Attachment F.**)
(School Board Listening Session for School Year 2007-08 Summary, **Attachment G.**)

UPDATE ON PROCESS RELATED TO THE CONSTRUCTION EXCISE TAX

Superintendent Husk shared the following highlights related to the Construction Excise Tax:

- The School Board previously directed staff to research the specifics on the Construction Excise Tax and its possible revenue benefits for the District.
- Staff is still in the process of securing intergovernmental agreements from all applicable entities.
- Staff will bring the completed information back to the Board in the near future.

Director Lee commented that any revenue generated by the tax could not be used for operational costs. He said that when the Board first asked about looking into this, the economy was not in the critical state that it is now and said he would question doing it at this point given the bleak economic forecast. Director Jones reminded that he had asked for information to be provided to the Board regarding what other districts are doing

regarding this particular tax, and Superintendent Husk said they had that information and would be providing it to the Board in the near future.

FUTURE WORK SESSIONS OF THE SCHOOL BOARD

(See **Attachment H.**)

MONTHLY BUDGET COMMITTEE MEETINGS SCHEDULE

(See **Attachment I.**)

ADDITIONAL AUDIENCE COMMUNICATION

(Subjects not related to agenda items)

The following citizens addressed the Board (see Sign-Up Sheet for more information):

Willie Richardson, 4742 Liberty Road S., #267, Salem.

Greg Peterson, 2485 Brown Road, Salem (representing NAACP).

Analivia Palazzo-Angulo, no address provided.

Brenda Ellison, no address provided.

SCHOOL BOARD REPORTS AND HIGHLIGHTS

Board Directors highlighted their recent activities, such as attending school, District, and community functions, conferences and seminars, and other community or local government meetings and events; and provided updates on other areas of participation or attendance.

SUPERINTENDENT'S COMMENTS

Superintendent Husk commented on the following:

- This community is a great place to be in this tough economic time for many, many reasons.

NO FURTHER BUSINESS BEING PRESENTED AT THIS TIME, CHAIRPERSON CHAMBERS ADJOURNED THIS MEETING AT 7:15 P.M.

CONSENT CALENDAR

4.a.(2)

March 10, 2009

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Regular Meeting

February 10, 2009

Chairperson

Superintendent-Clerk