

THREE RIVERS SCHOOL DISTRICT
8550 NEW HOPE ROAD
GRANTS PASS, OR 97527

BOARD MEETING

SPECIAL SESSION

April 6, 2010

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Three Rivers School Board of Directors met for a regular session, Tuesday, April 6, 2010 at the Three Rivers District Administration Office, 8550 New Hope Road, Grants Pass, Josephine County, Oregon at 6:30 p.m.

PRESENT: Jim Weaver, Chairperson of the Board, Zone II
Leslie Meier, Vice-Chairperson of the Board, Zone III PRESENT
Dave Strahan, Member of the Board, Zone III
Ron Lengwin, Member of the Board, Zone V
Dan Huber-Kantola, Superintendent-Clerk
Peter Maluk, Director of Elementary Education
John George, Director of Secondary Education

ABSENT: Robert Litak, Member of the Board, Zone I
Doug Ely, Director of Student Services
Debbie Breckner, Director of Human Resources

Also Present: Mark Hazelton, Steve Jones, Karen Schilberg, Camille
McManus, Dan Shilberg, John Jensen, Mike McManus, Judi
Hill, Susan Scheufele, Steve Tetz, Richard Hurley, Jennifer
Hurley, Margaret Quist, Dylan Quist, Chuck LaTourrette, Judith
Franklin, Carol Tetz, Suzanne Bodioga, Nancy Johnston,
Marcy Quist, Jim Stublefield, Brigid Obluda, Susan Stammich,
Cliff Stammich, Debbie Roberts, Fred Labben, Kurt Loeffler,
Betty Morgan Walla, Diane Carlton, Vajra Ma, David Prall,
Janyce Prall, Wolfgang Nebmaier, Jackie Gray, M. Watson,
Susan Ralljo, Diana Feshel, Patti Richter/The Daily Courier,
Lynn Grigsby, Shawn Hardy, William Johan, Jerry King,
DyAnne King, Kriye Morgan, Jennifer Boucher and Shelly
Berry/Recording Secretary. ALSO PRESENT

Chairperson Weaver called the meeting to order at 6:35 p.m. He then outlined the agenda format for the hearing: CALL TO ORDER

- Presentation from Federal Programs Director Peter Maluk regarding the general framework for permitting a charter school.
- Presentation from the applicants for the Sunny Wolf Charter School.
- Public comment period.
- Board questions.
- Closing comments by the applicants.
- Final decision on the charter school to be made in the future, most likely the next scheduled board meeting on April 19, 2010.

Director Maluk stated that at the end of February the district received the application for the Sunny Wolf Charter School. The district responded with a set of questions in the middle of March, and received the response to the questions last week. Today is the hearing. A decision may be rendered at the next board meeting, which is April 19, 2010. If not, the Board has thirty days to make a decision. If accepted the district will negotiate an agreement with the committee. If not, then there is the possibility that the application could be revised and resubmitted; within twenty days a decision would be made.

APPLICANT
PRESENTATION

Susan Scheufele, co-chair of the Sunny Wolf Charter School (SWCS) founding Board thanked the Three Rivers School District (TRSD) Board and staff for their cooperation with the project. She also thanked Lisa Cross for working with the committee on the financial aspects of the project. The SWCS has adopted the TRSD purchasing policies. Ms. Scheufele also thanked Michael McManus, Jackie Gray and Marcy Quist for their efforts in starting this application. She also thanked the members of 'Charter Starters' for assisting with various aspects of the application. She then introduced the other founding Board members:

- Marcy Quist, Board Co-Chair
- Jackie Gray, Board Secretary and Treasurer
- Michael McManus
- Nancy Johnston
- Richard Hurley
- Jennifer Hurley
- Suzanne Bodioga
- Jim Stublefield

She then introduced Mark Hazleton and Lou Favro from Charter Starters who have helped and assisted the board with the application process.

Ms. Scheufele presented a handout to the School Board members. The SWCS Mission is "Working together to ignite a life-long love of learning". It is all about the kids and the kids are the future. The school's community focus is supported by:

- A strong curriculum;
- A project-based approach;
- A place-based learning; and
- A committed board, teachers, administrators and staff.

The vision statement for the organization talks about what we value and what we value in terms of the kids, which is summed up in the last phrase, "Looking for happy, respectful, well-balanced students, community pride is the key phrase; poised beyond their years and the opportunity to exercise that voice in a community setting; which gets back to service-based learning, willingness to communicate their ideas and an opportunity to do so".

Marcy Quist and Margaret Quist attended a week-long charter school conference, sponsored by the National Association of Charter Schools. Some of the SWCS members attended Oregon Department of Education (ODE) trainings, some of them optional and some mandatory. They had to do with incentive grants to start a charter school, how you start a charter school, what a charter school is, what makes it different from a public school, how to do it, and what it involves.

The group filed for a dissemination grant. There are incentive grants and dissemination grants available. The difference between the two is that the dissemination grant was a one-time opportunity and they collapsed the allowed amount of time to expend the money down to about six months. The incentive grant usually gives you 18 months to expend the funds. They believed that working with the community, they could spend the money in a way to be establishing a solid foundation for the process to move forward. The grants have very specific requirements and very specific things in which you can and cannot spend the money on.

There have been three community meetings. The last community meeting was in January 2010. Mr. Hazleton and Mr. Favro from Charter Starters explained to the community that attended the meeting what a charter school is. They received a lot of

good feedback from the community. The ODE awarded the group the dissemination grant in December 2009. They requested TRSD to be the fiscal agent in January 2010, and submitted the 250 page charter school proposal to the district in February 2010.

APPLICANT
PRESENTATION
(CON'T)

Ms. Scheufele then explained the difference between a charter school and public school:

- A charter school is a public school. It is called a public charter school.
- Both are subject to appropriate state and federal laws.
- No discrimination.
- Must comply with No Child Left Behind.
- Must meet average yearly progress (AYP) standards.
- Must comply with all state and federal testing.
- Recordkeeping—the same as a regular school district.
- Have to be secular.
- Must be non-profit.
- Have to provide Special Education (through the home district).

How a charter school is different:

- Must increase the choices of learning opportunities for students.
- Must create new professional opportunities for teachers.
- Must provide opportunities in small learning environments for flexibility and innovation; which may be applied, if proven effective, to other public schools.
- Exempt from district rules and policies.
- No students are assigned to the school. Any student residing in the district can attend a charter school.
- Operates under a charter (a performance agreement with TRSD).
- Independent board.
- Sponsored by a school district.
- 50% of teachers must be licensed; 100% highly qualified.
- Service-based learning. Incorporating on a daily basis into the curriculum.
- Place-based learning. Take the place you live and incorporate that into the curriculum. It becomes part of everything you study.
- Project-based learning. Develop a project, organize it, carry it through, analyze the results and report back and see what you learned.

Financial:

- The elementary school building. SWCS proposed to take over the responsibility for the maintenance, repairs, facility, and improvements to the building.
- Reimbursement for services; TRSD will be paid by SWCS for any services it provides.
- Average Daily Membership (ADM): up to 20% of ADM may be retained by the district.
- Recapture of students who live in TRSD but are attending schools outside the district. The establishment of the charter school creates the opportunity to recapture these students and a portion of the ADM.
- Opportunity to attract and secure funding for activities and programs benefiting all of the students in TRSD.
- Incentive grant funds: Year 1 = \$125,000 + \$1,000/student up to \$225,000 for purchase of curriculum, outreach, making the facility up to compliance, materials, equipment and supplies. None of these expenses will be incurred by the district. That grant lasts for two years. It is reduced in year 2 to \$100,000 + \$1,000/student.

Transportation:

- Proposing to add two routes. There are two options to pay for this: 1) Line of credit; 2) Requesting TRSD front money and SWCS will repay the district.

APPLICANT
PRESENTATION (CON'T)

- Eventually would like to have their own buses.

Ms. Scheufele summarized by stating that this whole project is about the kids. Everybody in the room is interested in doing the very best for the kids. They believe they have a unique and very creative opportunity to take the best they all have, recognizing there will be sacrifices on the part of the school district and a lot of hard work and sacrifices on the people who take on the responsibility of running the school. She believes there is a unique opportunity to do something together that neither one can accomplish alone.

Board Chair Weaver stated he has spoken with Mr. Maluk about the proposal and he has been assured that it has been responsive to all of the things required on the application. The application is considered complete.

PUBLIC COMMENTS

Board Chair Weaver opened up the meeting for public comment. The following patrons spoke in support of the Sunny Wolf Charter School:

- Camille McManus—Board of Directors, Sunny Wolf CRT.
- Judy Hill—Board of Directors, Sunny Wolf CRT. Offered to help with Public and community relations.
- John Jensen—Wolf Creek Fire Chief.
- Margaret Quist—Wolf Creek Inn. Offered the possibility of Inn to provide meals to students.
- Steve Tess—VP Lions Club/Wolf Creek Chapter. Lions Club and volunteer fire department have set up one work day to work at the school. Wants to work on garden to increase from 25x50 to 60x100 so classes can go out and learn.
- Chuck Lockerette.
- Marcy Quist—Thanked everyone for attending and their support. Read four page speech in support of SWCS.
- Bridgette Abluda—Executive Director/teacher, Oregon Parent Center.
- Karen Scheilberg— Secretary/Treasurer, Wolf Creek Civic Association.
- Dillon Quist—Student.
- Suzanne Bodioga—Parent.
- Dianne King—Retired teacher.
- Cliff Stamich—Sunny Wolf CRT Board.
- Crea Morgan—Parent.

Many other parents supported the opening of the charter school and expressed the difficulty in transferring to another school.

Community member Wolfgang Nebmeier stated that he was for giving the kids of Wolf Creek a fair chance for education, but feels that there is a large percentage of the population who are not part of this. The one thing that bothered him was the misrepresentation of numbers without context. He presented a support letters breakdown and stated that of the 27 letters, there are so many that actually come from the same entity (same family, same group of people); in reality it is 13 or 14 entities. Requested accountability; "wants the community and not just the choir behind that. Needs more community involvement and not just the crem-de-la-crem". Mr. Nebmeier feels he has been stone-walled from getting answers.

Bajra Ma agreed that Wolf Creek needs a charter school and was a past teacher for forty years. Requested that the school board make sure that there is an outreach to the people who are not stepping forward with their children.

Member Strahan brought up the transportation issue and the talk of a credit line, which is way out of the realm of how a school district usually operates; what is the staff's reaction? Director Maluk responded that the district is responsible for providing transportation, based on our existing transportation lines. Mr. Maluk recommends that SWCS secure funding on their own. He does not think it is in the district's best interest to float the loan due to the economic situation.

BOARD QUESTIONS

Member Strahan asked if the district has "crunched the numbers"; do we have a bottom line of the financial effect to the district? Director Maluk responded that there were three scenarios that were presented in the application. The most anticipated one is about 75-80 students. He recommends that it is better to start small and grow. The possibility of starting too large can create problems for a growing school and can impact the district's enrollment figures. He has not yet seen registration forms or doesn't know how strong the commitments are. SWCS Secretary Jackie Grey stated that community had meetings and had students pre-enroll for the charter school. Ms. Grey presented a handout that represents where their pre-enrollment numbers came from:

- 8 Out of District
- 21 Returning from Glendale
- 31 In-District
- 0 Home Schooled

For a total of 60 students, kindergarten through eighth grade.

Member Meier stated that the community has done a tremendous job and supports small rural schools. It does come down to dollars and cents in the district and what it does to the quality of other students education in our district.

Member Meier commented on the busing, she does not see how, given the current financial situation in our district, how we can be floating a loan. Ms. Meier also asked what the legal requirements are of running their own buses? Superintendent Huber-Kantola responded they would be under the same obligations as were are by being inspected, etc. She then asked if there has been any preliminary work done in terms of their staff? Are there candidates and what can they offer in terms of compensation packages? Marcy Quist responded that they have received many inquiries from teachers for opportunities to teach at the charter school. Jackie Grey stated four different teachers have approached her and are interested in applying.

Board Chair Weaver asked if the prospective teachers are aware of what they are proposing in terms of salaries? Ms. Grey responded they have not yet seen the proposal, but she has told some of them that it would be around \$30,000.

Board Chair Weaver asked regarding their health care proposal, if they would be required to enter the Oregon pool? They responded that they are not allowed to enter the Oregon pool, they would purchase outside of that pool and have found another source.

Member Meier asked about the educational program; will the district be monitoring the testing? Director Maluk responded that the ORS states that the district will evaluate the testing at least once a year. Mr. Maluk has already spoken with our curriculum staff and would like to visit the school on a more frequent basis. Mr. Maluk commented that it is an ambitious curriculum which requires very skilled teaching, especially with two to three grade levels per classroom. It is, in Mr. Maluk's opinion, a big leap of faith if the board says yes, but would be personally supportive. There are just a lot of potential red flags. It is not an easy challenge ahead. Mr. Maluk also stated that, in doing his research, there are presently 101 charters in the state. Over the history of the last several years, 25% have failed.

BOARD QUESTIONS
(CONTINUED)

Board Chair Weaver asked Superintendent Huber-Kantola if he has run any scenarios regarding the cost to the district? Superintendent Huber-Kantola responded that he has some preliminary numbers.

Superintendent Huber-Kantola thanked the community for the outpouring of support. He commented that there are more people present to talk about the charter school than there were people here to talk about the closure of the school, which says a lot. He also appreciates the efforts to truly make this a charter school; the application meets the spirit of the law. The one challenge with the curriculum aspect comes in the 6th through 8th grade category. In comparing the situation to Applegate; Applegate has two of the most exceptional teachers in our district trying to deliver the full 6th through 8th curriculum, especially in mathematics and language arts and it is difficult for them to do that given the wide range required between grades 6 and 8. It seems a lot for one teacher to take on the challenge, when the two at Applegate struggle to do the same. Would like to talk about starting a K-5 school and then moving up gradually from there.

Superintendent Huber-Kantola presented rough numbers, assuming the recapture rate is correct on the 21 kids, assuming that there are eight students that transfer out of district, into the district, assuming the 31 kids that are currently enrolled in a district program go in to the charter school for a total of 60 students, the net deficit to the district would be around \$80,000. That is without knowing a couple of things; we would have to take a look at Manzanita and see if any of these numbers did go to the charter school, would have any impact to the number of teachers required at Manzanita. The recommendation to close the school was financially for two reasons: 1) the potential savings in staff, etc., and 2) was the condition of the building. The charter school has taken at least one of those two things off the table in their proposal to maintain the building.

Superintendent Huber-Kantola presented the question that if the board was willing to assume some loss, but they wanted to negotiate with the charter on the number of kids it would enroll, etc., to make the loss bearable. Is there any room for negotiation on the numbers? There was a miscommunication on the numbers when it came to the 50. The district was thinking 50 total and the charter was thinking 50 in-district kids. Ms. Scheufele responded that they are willing to work with the district to negotiate in any way possible.

Member Lengwin stated that he did not have a whole lot of questions, but did have a question on the amount they are looking at for the busing. Was there an amount that they were trying to get for the busing? Ms. Scheufele responded the amount was \$80,000 for two buses, contracting with First Student.

Member Meier asked a question about the kindergarten. The proposal stated that the school is based on three teachers, but there was hope to get an additional kindergarten teacher. Marcy Quist responded that the budget is based on four teachers, one of which would be kindergarten, and three split between the other grades. Ms. Quist stated if that is one of the concerns, may they could make a K-2 and take the other teacher and out them with the 6-8 grades. They are willing to negotiate to address the district's concerns as well as do what's best for the kids.

Member Meier asked why the decision was made to do a kindergarten through 8th grade? Was it to have a bigger pool of kids or to serve certain students in the community? Ms. Quist responded that it was for the community. There were three public community meetings held for the potential charter school. The curriculum was based on what the founding board believes is serving the needs and wants of the community.

BOARD QUESTIONS
(CONTINUED)

Member Weaver asked for an explanation of the Director position. Mark Hazleton explained that the charter school is actually more complicated than running a district building. Someone that understands the business aspect to things and understands the running a non-profit organization like that is very important to have,

Superintendent Huber-Kantola explained the financials. There is 31 kids in the district that will be going to the charter school. Assuming all 31 of those kids stayed in the district, and kindergarten kids count as half, you get 26 kids for ADMw.

26 ADMw \$173,290 to TRSD

Taking the total kids, counting kindergarten as half

54 ADMw \$ 68,000 Charter school income

The difference between the two is approximately \$105,000. You can make the assumption that not all ten of the kindergarten kids listed in district would actually come. If half of those kids go to Glendale, the district loses another approximately \$20,000. That is how we get to the \$85,000 cost to the district. We are losing approximately \$126,000 at this time by the students attending Glendale.

Member Meier asked how the district will handle Special Education. Mr. Maluk responded that the district will have to provide Special Education, at an additional cost to the district, and we will have to determine what the needs are once the district knows the population. We will have to assign a case manager to the school and it depends on their staffing how directly we need to service them.

Member Strahan asked for clarification regarding the comment that was made about the district servicing Special Education needs of students in our district attending Glendale. Superintendent Huber-Kantola stated that charter school law requires that the home school district is obligated to provide support for Special Education students that live within the boundaries of the district. He also added that test scores for Special Education students attending a charter school outside of the district also belong to the home district.

In closing, Marcy Quist asked the board to consider what has been said here tonight in the sense of looking at the impact of the education for children that currently attend Manzanita, and how opening this charter school could negatively affect them. Please consider, that by closing the Wolf Creek Elementary school, the negative affect it had on those children's education by moving them. By opening this school back up, the district will have a positive affect on those kids.

ADJOURN

Meeting adjourned at 9:00 p.m.

Jim Weaver
Chairperson of the Board
THREE RIVERS SCHOOL DISTRICT

Dan Huber-Kantola
Superintendent-Clerk
THREE RIVERS SCHOOL DISTRICT