

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

BOARD MEETING

REGULAR SESSION

March 7, 2011

Page 1

Three Rivers School Board of Directors met for a regular session, Wednesday, March 7, 2011 at the Three Rivers District Administration Office, 8550 New Hope, Grants Pass, Josephine County, Oregon at 7:00 p.m.

PRESENT: Dave Strahan, Chairperson of the Board, Zone IV  
Bob Litak, Vice-Chairperson of the Board, Zone I  
Ron Lengwin, Member of the Board, Zone V  
Dan Huber-Kantola, Superintendent-Clerk  
Debbie Breckner, Director of Human Resources  
Doug Ely, Director of Student Services  
John George, Director of Secondary Education  
Peter Maluk, Director of Elementary Education

PRESENT

ABSENT: Jim Weaver, Member of the Board, Zone II  
Leslie Meier, Member of the Board, Zone III

Also Present: Damian Crowson/Lorna Byrne Middle School Principal, Carlie Wolter, Dale Toler, Shane Jimerfield, Vivian Strahan, Heidi Hansen, Robin Gossett, Kathy Kali, Matt Stern, Teena Jo Neal, Steve Jones, Kimberly Watson, Claire Anderson, Nancy Johnston, Bonnie Cameron, Devon Dorn, Claudia Beausoleil, Van Granger, Kim Williams, Lisa Kramer, Darcy Wallace, Dave Bracken, Dave Marks, Heidi Marks, Lisa Cross/District Accountant, Kari O'Brien, Phil Biencourt, Shauna Kenealey, Peter Gauss, Wensdae Davis, Madrone Frankfort, Cedar Frankfort, Stacey Denton, Hannah Denton-Gauss, Lily Gauss, Renee Hults, Ashley Carmack, Mike Merg, Michelle Schlien, Sandi Garoutte, Paul Sherer, Angela Sherer, Tatyana Zayteseva, Sherry Zottola, Yarrow Sylvan, Amy Rhine, Jim Early, Wanda Reynolds, Sally Clements, Jeff Weiss/North Valley High School Principal, and Shelly Berry/Recording Secretary.

ALSO PRESENT

Board Chair Strahan called the meeting to order at 7:10 PM and led the audience in the Pledge of Allegiance.

CALL TO ORDER

Board Chair Strahan announced that it was *Classified Employee Recognition Week* March 7-11, 2011 and read a Board resolution recognizing the wonderful classified employees for their great work and dedication to the students in our district.

CLASSIFIED EMPLOYEE  
RECOGNITION—  
RESOLUTION

Superintendent Huber-Kantola stated that the district is looking into why we lose high school students as the year goes on. Data wise, we know for instance, from one school we have lost about 109 kids throughout the course of the year; 20+ of those kids have transferred to another district, a few have graduated with a GED and a few of those kids have moved out of state. There's enough kids that leave our high schools that we're curious as to where those kids go. We are looking into where they are going. So far, the most intriguing thing that we have found is that we're becoming a district that has a transient population—even in the high school level. If you look at North Valley High School, we have 109 kids who have left since the beginning of the school year. We have 79 kids who have come since the beginning of the school year. Out of the 500+ kids, one-third of them have moved in or out; meaning that one-third

SUPERINTENDENT'S  
REPORT

SUPERINTENDENT'S  
REPORT (CONTINUED)

of our population is transient, which is very different than what we have experienced in the past. We had a hypothesis, which has proven to be wrong. We thought that perhaps our most intellectually gifted, highest GPA kids were going elsewhere. The data says that's not true. Our highest GPA kids, our most gifted kids, are staying at home; but we still have a number of kids who are leaving us. The next step will be to determine why they are leaving us. Are they leaving us for economic reasons or something else? That's where we're going next—is to find out why they are leaving us.

Superintendent Huber-Kantola announced we do some things really well in Three Rivers School District. We do a great job with the Book Fair and the Battle of the Books; we do a great job with the Science Fair. The District Science Fair was held the first week in March, and there were 168 student projects entered; 62 elementary projects, 106 middle schools projects and 19 of those 168 projects earned "*Gold Level*" awards. Superintendent Huber-Kantola then read the names of the 19 *Gold Level* projects.

## FINANCIAL REPORTS

District Accountant Lisa Cross reported that the current ending fund balance is at \$910,000. We will continue to keep a really close eye on the escalating fuel costs for transportation.

Member Litak asked for confirmation that there was nothing left in 'Contingency' at this point? Ms. Cross said it was decided that we will not be needing it at this point, so it was moved over.

CONSENT AGENDA  
APPROVED

Member Litak moved to approve the Consent Agenda as submitted. Member Lengwin seconded and the motion carried unanimously.

COMMUNITY  
COMMENTS

Sandy Garoutte stated she was here to represent Applegate School. She has served on many committees for the schools, as well as the Rightsizing Committee and participated in this year's Sustainability workshops. She acknowledged we are facing horrible cuts in our schools. Ms. Garoutte expressed concerned about the Waldorf school taking a portion of our students and our money when there is none to be had, and believes the timing is wrong. She asks that the Board would consider the school maybe somewhere down the road, but this is not the right time.

Michelle Schlien stated she is an Applegate parent, and has the same concerns as Ms. Garoutte regarding the charter school proposal, especially with where our budget is right now. She has been substantially involved with the schools for the past eleven years. Ms. Schlien agrees that maybe down the road would be a better time, but for now with the budget the way it is, and the tough challenges we are facing, does not believe it is the right time.

Stacey Denton stated she is the Project Coordinator for the Woodland Charter School and thanked Three Rivers School District for the thoughtful consideration given to their proposal thus far. They have had a really positive experience communicating in the work sessions and their Council appreciates that. Ms. Denton stated that she believes that many feel the merit in the Woodland Charter School proposal. She commented that Mr. Maluk left out of his school board meeting report a description of the advantages of their proposal. Ms. Denton added that that she wanted to briefly touch on what they were. Woodland Charter would offer a Waldorf methods public education option in a time when Waldorf education is the fastest growing independent education movement in the world. Three Rivers School District (TRSD) has an opportunity to be at the forefront of the change in landscape of public education in our country. Also, Woodland would bring a new student population into TRSD. These are children that are currently home-schooling, residing in the district and leaving the district to attend schools elsewhere or they are students that would be moving to the area to attend

Woodland Charter. Woodland would provide an innovative educational option for students not responding to traditional methods. It is no small coincidence that special education instructors within the public sector are familiar with and enthusiastic about the Waldorf approach to education. Of the 56 students that have pre-registered for the Woodland Charter School, only nine of those students would be coming from existing TRSD schools. This means that Woodland's student population would, by in large, consist of a population group new to TRSD. This new student population would be a new revenue source for TRSD. In a time when TRSD is looking at a budget deficit they have the opportunity with Woodland to realize a new income stream. Woodland Charter offers TRSD the opportunity to be both forward thinking and pro-active. It would provide them a means to both increased enrollment and revenue at a critical time when they are lacking both and relying upon the extended ADM weighted to float the budget. TRSD could use the Woodland students to help get closer to truth, when the enrollment estimates to ODE are made and may experience less of a drop down and will need to report the actual enrollment numbers to ODE. Lastly, and most importantly, the sponsorship of Woodland Charter is an investment in students from underserved populations in the Applegate Valley and Grants Pass area. Ms. Denton recognized the district has difficult financial decisions to make regarding the operation of the Three Rivers School District, but ultimately believes it is important that we all remember that the public school system is created for the children. Several of the children that want to be a part of Woodland Charter are in the audience tonight. These are not ghost children, these are real kids that would greatly benefit from a Waldorf public school option and they are kids that would be denied if the Board chooses to vote down their proposal tonight to preserve the budget cushion the district derives from the ADM weighted. The Board's vote tonight could resolve the situation at the local level. The next step in the legislative process is that if the Board denies their vote, they will then be in a process of mediation and should mediation prove unsuccessful, their group will seek State sponsorship. They have remained committed in fostering a good working relationship with the district and hope that the Board will act in good faith to create a win-win solution for both the Woodland Charter School and the Three Rivers School District.

COMMUNITY  
COMMENTS  
(CONTINUED)

Peter Gauss stated he lives in Williams and his oldest daughter is currently home-schooled and his youngest daughter is nearing school age. Mr. Gauss presented a few letters from people that live out of the area that have expressed their interest in the Woodland Charter School to the extent of saying they would move here for that reason. Mr. Gauss read one of the letters from someone living in Tarragon, Oregon stating they would relocate to the Applegate Valley to attend the proposed charter school. Mr. Gauss added that regardless of the arguments of why folks may chose to keep their kids out of the standard public school system, the fact is there is a very real and significant population of folks that do just that. This charter school presents an opportunity to bring in an otherwise alienated population from near and far. If this doesn't pass, this opportunity may not come again. If this school has garnered interest at this stage without even yet existing, imagine the interest it would garner if it did exist. He then presented the letters to the Board for the record (there were three).

Wensdae Davis stated she is a founding member of the proposed Woodland Charter School. She understands there is a difficult decision to made but asked to share some of the reasons why she believes Woodland Charter School is a benefit for the Three Rivers School District. At present there is at least thirty publicly funded Waldorf schools in the United States, some which operate in the public sector and others which are charter schools. The very first U.S. public charter school in Milwaukee began using Waldorf methods in 1992. Since switching to those methods the school has shown an increase in parental involvement, reduction of suspensions, improvement in standardized test scores in both reading and writing and that is counter to the district trend in Milwaukee. Oregon has 93 charter schools serving about 13,600 children statewide, This number represents enormous growth in charter schools over the past seven years. In 2000 there were only

COMMUNITY COMMENTS  
(CONTINUED)

eleven operational charter schools. The Oregon Department of Education supports charter schools; as charter schools have proven time and again to have a beneficial impact on not only the students but also the families who chose this option. They strongly believe that the Woodland Charter School will be a benefit to the families and children in the greater Applegate area. She believes that the Three Rivers School District long-term financial viability lies in creating a school for these families who currently choose other schooling options. Many of the families here tonight are families that will continue other options, even if the Woodland Charter School does not exist. This charter school option can bring new vitality to the struggling financial aspect of the school district right now. The long-term financial benefit of Woodland cannot be denied. Bringing in new home-school students will equal more revenue, which is exactly what is seems like the district needs right now. Ms. Davis stated she believes in this project, as do the families who are here tonight and will fight for what she believes in. The Woodland Charter is strong, the proposal is strong and their support is strong and they will do what it takes to make their school vision a reality. They sincerely want to work with the school district and want it to be a beneficial process for all, but please know that they will follow all of the steps that are needed to meet their ends to make the Woodland Charter School happen.

Claire Anderson stated she lives on North Applegate Road with her husband and six year-old son. They are a home-schooling family and supporters of the Woodland Charter School. She is here tonight to urge the Board to seize this moment and take advantage of the opportunity to show leadership in supporting an innovative method of education. It is strongly desired by numerous constituents here in the Applegate and Williams valleys. They all understand that the budget is tight and that initially the Woodland Charter School appears to be an added expense. She asked to urge the perspective from short-term to longer term and view this proposal from what it is—an investment. Ms. Anderson stated she thinks that bears repeating—allocating funds for this innovative, educational prospect is an investment. A financial one that will benefit the district and also a social one that will aid in growth and development of the school system, the children, and the community. Additional students will be enrolled in the district which would bring more financial support from the federal and state levels; greater diversity in educational opportunities, the creation of new jobs within the district and for established teachers the opportunity to become Waldorf certified. Finally, a new population of highly motivated, involved parents participating in the district. Whereas both the Applegate and Williams elementary schools have been suffering declining enrollment year after year, the Woodland Charter School offers the opportunity for revitalization and growth within the district. Without even being officially sanctioned as a school, 56 students to date have been pre-enrolled in the Woodland Charter School. The parental and community support has been demonstrated. The need and desire for this type of school is very well documented, and the success of charter schools well established, it's time to seize this opportunity.

Shawn Schreiner came to express his support for the Woodland Charter School. He stated there are two issues which hold up this charter, lack of funds and the possible negative impact on the Applegate and Williams schools. Mr. Schreiner stated that opportunity rarely has perfect timing. The Board has been presented with a polished presentation from the charter organizers and the support of the parents. All of this came about from the efforts of parents who are so concerned, so involved and so dedicated to their children's education they put their time, energy and their hearts into making this school a reality. There is an opportunity to bring these parents and their children in to the district. Funding is a challenge, but not a new one. It's a matter of short-term pain for long-term gain. Waldorf charter schools have a proven track record. Mr. Schreiner believes that there is no question that once the start-up costs are approved, the school will become a source of revenue for the district. The tough issue

is the impact on Williams and Applegate schools. He understands it is an emotionally charged issue; Board Member Leslie Meier is his neighbor. His heart goes out to Leslie and all those who love these schools. But, he does not think Woodland represents a threat—it is an opportunity. There are families interested in moving in to the area to attend the proposed charter school. Mr. Schreiner recognized that there will be some children that will opt to leave Williams and Applegate schools, but believes there will be some incoming children that will find Waldorf not to be the right fit and opt to attend the established schools. The fact that the school choice exists in the area will enhance the whole valley. He asked the district to find a way to make the charter school come to pass for the good of Three Rivers School District and the children of Williams and Applegate valley.

COMMUNITY  
COMMENTS  
(CONTINUED)

Shane Drummerfield stated he lives on Murphy Creek Road and a father who lends his support to the Woodland Charter School. He has nothing against the established schools here—it's just a model that he is not convinced is right for his child and supports the Waldorf model and believes it would be a huge asset to the area. In the few years that he has lived in the area he has seen several families move out of the district because they didn't believe that the schools that were here were right for their child. This would reverse that trend and actually not just keep families but attract additional families to move to the area. He recognized that finances are tight, but believes that this is an investment opportunity and the timing is right for that. The energy that has been put into the Woodland Charter School proposal to make it happen may or may not be here in a few years if finances turn around. The time is now to do this and hope that we can work together to figure out how to make it happen.

Kathy Kali expressed her support for the charter school project and wants to be a voice for a win-win solution between the established schools and charter school. Her step-son went to Williams elementary and had a great experience. Her family loves Williams elementary and feels that the established education is doing a great service for kids. For her younger children, she would like to see the Waldorf school thrive. She likes the emphasis on arts and crafts and feels that's really important for our culture as a whole right now. Ms. Kali doesn't believe it has to be one alternative or the other—both schools could be great assets to the community at large. She would like to see joint projects happen for the charter school and Williams elementary and Applegate schools. Programs might include orchestra or music and sports programs, where they could pool their resources.

Hyreiah Hansen stated she was involved with the initial project to get a charter school in Williams. The difficulty for her as a parent is that she has had two kids who did REED (?) and Sugarloaf, and worked really hard to get that charter through and she is 8-10 years later she is hearing the same thing that she experienced ten years ago. She home-schooled her kids for a long time, then went with the public school. She is currently home-schooling her daughter and will not send her to a public school. Ms. Hansen stated she believes the district is losing a lot of people in Williams and surrounding areas. She has seen countless people in Williams move to Ashland. She would like to see Three Rivers expand to include a charter school.

Steve Vincent, Oregon Regional Manager with Avista Utilities, introduced Ben Taylor, who attends Fleming and Colby Taylor who attends Manzanita Elementary, who assisted with presenting checks to Three Rivers School District from Avista Utilities. Mr. Vincent presented the first check in the name of North Valley High School in the amount of \$24,098 and a check in the amount of \$13,539 in the name of Fleming Middle School. Mr. Vincent explained the checks represent a partnership between Avista and Three Rivers School District for energy conservation incentives for the boiler replacements at the two schools. Every year Fleming Middle School will save more than \$4,000 a year in utility costs and every year North Valley High School will save more than \$7,000 a year in utility costs. Mr. Vincent stated that these are probably two of the largest incentives they will give in the State of Oregon inside 2011. He thanked everyone in the district for partnering with Avista to accomplish that.

ENERGY  
CONSERVATION  
REBATE

## SAFETY AWARDS

Student Services Director Doug Ely had the Board draw the names of the three safety award winners for the month of February. The selected recipients will each receive \$25. The names selected were: Dianna Hall, Sandra Brown and Dayle Powell.

OPEN SCHOOL BOARD  
POSITIONS

Board Chair Strahan announced that there two School Board positions up for election this year. They include Zone IV, currently held by Board Chair Strahan which is part of the North Valley area and Jim Weaver's position which is Zone II, which is part of the Hidden Valley attendance area. The purpose of bringing this up is to let the public know that there are two seats open and the filing deadline is March 17th. Filing packets are available from the Board Secretary, Shelly Berry. Board Chair Strahan announced that he will be running again as well as Member Weaver.

SUNNY WOLF CHARTER  
SCHOOL

Sunny Wolf Charter School administrator Dave Toler stated that normally they would be giving an annual report to the Board that's due by the end of January for the Charter school. However, since they have not operated for a full year that will start next year. Mr. Toler wanted to give an update as to how the new charter school is doing in the first six months of operation. The curriculum is aligned with the Oregon State content standards. There were some technical difficulties with some of their assessment tools in getting the students on computer system, but most of the challenges have been met and have completed their first round of OAKS testing. They would still like to utilize MAPS, but so far have been unable to get that system fired up. Proof of Insurance has been submitted as required under the Charter. Because the school started as late as it did, the Board adopted the majority of Three River's policies and he has been updating and revising them to make them more pertinent to Sunny Wolf. The Board has approved policies in the area of governance/administration, facility use, emergency preparation and student behavior. There are many more policies that need to be revised, and anticipates that will go into next school year to get that done. Mr. Toler has developed a behavior policy and practices for the school; it is a policy for behavior that's based very much on the positive behavior that Three Rivers uses. They have just recently implemented an incentive program for the kids for positive behaviors. To date there have been no student expulsions or suspensions. Student attendance has averaged 92% and they intend on trying to increase that for the rest of the year to a goal of 95%. Twenty percent of the students at Sunny Wolf are transients. Twenty percent of the students that started in September are gone now. Most have been replaced by other students, but it does give you the picture of how revolving the population is in Josephine County.

Mr. Toler reported that the facility was constructed about 1954. It's is going on about 57 years old now and has very many original parts that are in it. With the age of that facility some updates that may have been done ordinarily during those last five years were put on the back shelf, and then the school was closed in 2008. Facility upgrades are a real issue the school is facing. He is currently writing grants for a new roof and hopes to be getting those dollars this year and have the roof replaced in this calendar year. The current kitchen has very little equipment. They have purchased some new equipment for the kitchen and still need to get some more, and working on grants for that as well. They have a great relationship with the Wolf Creek Inn. They prepare the meals for the students and bring them over, which is working out very well. Hopefully next year then can actually utilize the kitchen at the school to prepare the meals. The heating system is the original boiler. It is still functioning; there have been some breakdowns which required repair. They are very hopeful that they will get funding to replace that heating system for next year as well.

Mr. Toler stated that Sunny Wolf Charter School receives 80% of the ADM, and with the aging facility issues and intermittent enrollment has dealt some fiscal challenges to the school, but was happy to report they are in good fiscal shape and anticipate that they

should squeak by with a small surplus by the end of the fiscal year. This has been accomplished by extremely frugal practices that are embedded at the school. It has been a great first year so far. There are some Montessori based practices in their strategies in the school and has proven to be very popular with a lot of the parents. The closure of the Wolf Creek School was a tough decision for the District and a wound for the community. By the district allowing the charter to open that school back up has really been a tremendous deal for that community and thanked the Board for doing that. Mr. Toler believes, that in the end we're all going to see that it's going to benefit the District as well as the kids. What was a true liability for the district has now become an asset.

SUNNY WOLF CHARTER  
SCHOOL (CONTINUED)

Mr. Toler thanked the Board for the great partnership and will come back with a more conclusive report next year.

Board Chair Strahan stated it was nice to hear that the school is a success. As a long-term board member, the toughest thing we ever had to do was close Wolf Creek Elementary school.

Member Litak asked Mr. Toler to elaborate on the difficulty in keeping the enrollment up to the budget numbers. Mr. Toler responded that in January the enrollment was 42/43, By early February it was 48, and now it is down to 42 again. It is averaging in the mid-40's, which is what was budgeted so they are very close to that budget, but would like to expand on that.

Federal Programs Director Peter Maluk reported that on February 16th the District received Woodland Charter's revised proposal. The initial proposal called for an enrollment projection of 100 students. The revised proposal offered 85 students as their target. At the time of the original proposal the recommendation was for 90% flow-through. They came back with 85% flow-through. Essentially, that sums up the revision. Based on the previous meeting and the District's current financial situation, Mr. Maluk proposes that we not approve the revised proposal.

WOODLAND CHARTER  
SCHOOL REVISED  
PROPOSAL

Board Chair Strahan asked what the revised proposal changed in terms of the up-front costs? Mr. Maluk responded that the cost now would be \$404,000—the original proposal was \$480,000.

Member Litak moved to approve the revised Woodland Charter School Proposal and Member Lengwin seconded.

Member Litak stated that he appreciated all of the folks that have come out to support the school and is very impressed with the well-articulated arguments both for and against the Woodland Charter School. He also expressed his appreciation to the school Site Councils for their input. He is sympathetic to the proposal and can see where an institution like this would be attractive to a lot of folks and have a positive impact overall in the community. Having said that, the Board is charged to make sure that anything they do does not adversely impact the students in the district and we have to worry about the other 4800 kids as well. Each one of them counts just as much as the 50-60 kids that would be in the Woodland Charter School. The revised proposal is not a lot different, and Member Litak stated he was a bit disappointed as it doesn't strike him as being terribly serious because it really backtracks from some of the options that were discussed informally. He does not see any way that we can do this. We are still talking about either closing the entire district for roughly three additional days or laying off 5-6 teachers in order to get the charter school going next year. It may well be that in the long run it would break even or possibly even get us a little bit ahead; a year from now he may look at it differently, but at this point he cannot support it.

WOODLAND CHARTER  
SCHOOL REVISED  
PROPOSAL (CONTINUED)

Member Lengwin agreed with Member Litak. If we had extra funds, we could give everyone a choice, but right now our hands are tied.

Board Chair Strahan reported that Member Weaver is absent tonight but asked that his written statement be written into the record. It states "I have read the Woodland Charter School proposal as revised and I still like the idea but the revisions do little to reduce outlays in the district in the 2011-2012 school year and for that reason I cannot support the proposal."

Board Chair Strahan stated that Member Weaver's comments reflect his as well. He very much appreciates what they are trying to do, and appreciates the effort, time and energy that they have put in to what they have tried to do. The timing just does not work. We have 4800 other students in this district that he could not look in the eye and say that we gave almost one-half million dollars to a charter school when we just told them that we're going to take eleven of their instructional days away from them. We have hundreds of employees that he can't look in the eye and say we're going to come up with this money for a charter school, but we've taken fifteen days out of their contract. We have asked them to sacrifice for the district, and they have. Board Chair Strahan stated he will not be able to support this as well.

Board Chair Strahan commented that in a correspondence that the Board received over the weekend from Stacey Denton, and she eluded to it tonight, she states "if you do not approve this you will be denying 85 real students a public education". Board Chair Strahan stated that it is important that people understand that this is not true. Our school district's doors are opened to their children every day of the school year. We want your children, we would embrace your children and would love to have them in our district. Please don't say that we would be denying anyone a public education.

MOTION FAILED

Board Chair Strahan called for a vote on the revised Woodland Charter School proposal. The motion failed 0-3 (Strahan, Litak and Lengwin opposing).

Stacey Denton responded that she clearly understands and the next step in the legislative process is mediation. ODE will send out a mediator from Salem to help us try to resolve our differences. The Board's 'no' vote tonight clearly demonstrates that the Board has clarity about the desire to see no net revenue loss from the Woodland Charter School which leads her to believe that mediation really isn't going to get us any further, and doesn't seem to offer the prospect of further progress. Mediation will require a lot of time and money, which she feels neither parties want to waste. In the interest of saving taxpayer dollars and expenses to the Charter School incentive grant program she respectfully requested that we forego mediation. Their Charter Council has agreed to waive the mediation process and they would like to ask the District to waive it as well.

Superintendent Huber-Kantola responded that the district would not want to skip that step. We have had a cooperative relationship for the most part and would like to at least attempt some mediation, but it is ultimately the Board's decision. The proposal didn't change a lot from the first one to the second one, and he is curious to see if there is any room beyond that. The district talked with Margaret Bates (ODE) about where charter school grants are going. She eluded to the fact that there may be an opportunity for a continuation into the next year—would like to hear if that's still possible or not. There would be an opportunity in mediation to talk about those things.

Director Maluk also does not think we should waive mediation at this time, until we have consulted with our district's attorney, before we make a decision on waiving mediation.



Ms. Denton responded that the Board has said to them that they want to see no net revenue loss to the district on the Woodland Charter School proposal. They have talked in work sessions about their willingness to compromise on their numbers. But, if there is no net revenue loss, which this Board will allow, then even the minimum amount of students needed to operate a charter school of 25 will impact the district financially to some degree. She believes it is really important that we not waste each other's time. If he (Dan) really believes that the Board is going to change their position about the no net revenue loss then mediation makes sense—but that's not what she is hearing.

Member Litak responded that the Board has not taken a position that there be no net revenue loss. Some Board members have expressed that, but not all have expressed that position quite that starkly.

Ms. Denton stated that if the Board honestly believes that there is room to progress in mediation then they would happily undergo that process and requested that if the Board is unable to waive mediation at this meeting that we set dates for mediation within a week from tonight—by Monday, March 14th.

Board Chair Strahan responded he is not familiar enough with the process and the law to give a solid answer. We need a little time to learn what that involves.

Director Maluk responded that the applicant files for mediation, and then ODE sets up the mediation. We can't control when that will happen.

Ms. Denton stated she will call ODE in the morning and her understanding is that they have a team that's going to be in Southern Oregon at the beginning of next week and perhaps they can initiate a process within less than a week to start mediation.

Director Maluk stated that if the district were to forego mediation, it would go directly to ODE and they have a hearing. At the meeting they either rule with the Board and it's rejected or if they feel the project should go on, they become the sponsor—but the district still pays 90%.

Richard Ziff added that there is a \$30 million ADM budget that we are dealing with, and the \$404,000 represents 1.356% of the overall budget. They have learned to understand that the ADM is actually by and for the students—so that is why they are actually referring to the fact that the money it is not actually out of anyone's pockets.

Human Resources Director Debbie Breckner stated that previously when the district has applied for E-Rate, which is done on an annual basis, we have primarily applied for funding for Priority One items such as telecommunication systems. The district is refunded dollars on a monthly basis for the cost of our telephones and some of our fiber connections. In looking at how other districts are using E-Rate it is our belief that we are underutilizing what we could be qualifying for. Given the poverty level at the district in applying for what is considered Priority Two level of funding, we believe we could be bringing in an additional \$350,000-\$500,000 in funding to the district. The offset of that is that E-Rate pays 90% of the cost and the district pays 10%, which as indicated in the proposal would be covered by special revenue grant funds. Due to the change in the E-Rate rules Superintendent Huber-Kantola would have to sign the contract with the vendor a year before we know whether we would have funding or not. We have to bid the services out and then wait a year to see whether we're funded or not.

Member Litak asked if we don't get funded are we on the hook for the whole thing? Director Breckner responded that no it does not, we just don't do the project. Some of the equipment listed in the proposal are things that we replace anyway if they go bad. There

E-RATE PROJECT  
APPROVAL

is a possibility to get some of the costs of things we regularly have to purchase shifted to another revenue source.

Member Litak asked for an explanation of E-Rate. District Account Lisa Cross explained that the Schools and Libraries Division, which is funded by the Federal government pays a portion of all of our telephone and internet connections which is automatically guaranteed every year and has been for about fifteen years. It depends on the poverty level; it's a ratio that we have to apply every year. Outside of the Priority One connections they have internal connections. We have had success in the past with the fiber cable from Illinois Valley that went underground to Lorna Byrne, which was funded. The fiber from Madrona to the District Office which allowed us to make the loop was funded with the Priority Two. They don't fund everything in Priority Two, so you have to have a pretty high poverty factor to allow those things to happen. They have also come up with a new rule where you can only apply twice in a five-year period for Priority Two. The good part about that is if we apply for items in our highest poverty schools and get them approved, and keep them there for three to four years and then rotate them out and apply again. We are requesting that Board give permission for Superintendent Huber-Kantola to approve this ahead of the actual RFP being received.

APPROVED

Member Litak moved to approve the E-Rate proposal. Member Lengwin seconded and the motion carried unanimously.

MAINTENANCE REPORT

Mr. Bracken stated that in addition to his written report that about one week prior the North Valley High School Commons area was about half under water. A valve stuck on the HVAC unit. There was a lot of steam in the attic and the ceiling and a lot of water in the kitchen; sheet rock and insulation were on the ground. The custodian got a hold of maintenance and Ric Ross, Jeff Warren and Jeff Sage got the whole Commons cleaned up in time for a play that night and ready for staff and students to return on Monday.

FOOD SERVICE REPORT

Michael Morris was not present, but had his written report submitted to the Board.

ADJOURN

Adjourn at 8:30 PM

---

Dave Strahan  
Chairperson of the Board  
THREE RIVERS SCHOOL DISTRICT

---

Dan Huber-Kantola  
Superintendent-Clerk  
THREE RIVERS SCHOOL DISTRICT