

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

Three Rivers School Board of Directors met for a special session, Wednesday, January 5, 2011 at the Three Rivers District Administration Office, 8550 New Hope, Grants Pass, Josephine County, Oregon at 6:30 p.m.

PRESENT: Bob Litak, Vice-Chairperson of the Board, Zone I
Jim Weaver, Member of the Board, Zone II PRESENT
Leslie Meier, Member of the Board, Zone III
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
Peter Maluk, Director of Elementary Education

ABSENT: Dave Strahan, Chairperson of the Board, Zone IV
John George, Director of Secondary Education

Also Present: Jim Kriz, Claire Anderson, Pamela Schaefer, Sharri Schreiner, Wensdae Davis, Sara Scott, Richard Ziff, Debbie Yerby, Shauna Kenealey, Joan Kenealey, Dave DeRolf, Liz Baum, Heidi Hayriya Hansen, Janie Burstain, P. Montague, Timothy Maior, Nicole Maior, Allison Parkin, Samantha Osborne, Joanne Wardle, Peter Gauss, Greg Baker, Leah Robinson, Tyler Walter, Sarah Parker, Kari Rein, Jesse McNamara, Rachel McNamara, Sue Cook, Kara Olmo, Shanti Miranda, Heather Carey, Cyndi Ogden, Jessica Harris, Andrea McLaughlin, Stephanie Allen/Applegate School Principal, Laure Dain, Alison Huber, Yarrow Sylvan, Cedar Grey, WM Spain, James Kalfas, Sena Cech Oliver, Kevin Marr, Alloe Jones, Jono Brock, David Kennedy, Paul Shesen, Linda Kappen, Kathi Kali, Suzan Schraeder, Robert Wardle, Tobias Hatfield, Robin Terranova, Michael Johnson, Dernot Rush, Angela Pratt, Beate Foil, Shavana Fineberg, Jerry Cook, Jim Bickers, Matthew Geier, Charles and Heather Saunders, Ben Yamai, Mike Merg, Rob Saunders, Ben & Christina Olinghouse, Gretchen and Adam Hopper, Dianne Windson Martin, James Kalfas, Michelle Bienick and Shelly Berry/Recording Secretary. ALSO PRESENT

Acting Board Chair Litak called the meeting to order at 6:40 PM and led the audience in the Pledge of Allegiance. He then outlined the format for the hearing: CALL TO ORDER

- Presentation from Charter Representatives (30 minutes)
- Public Comments (30 minutes)
- Board Questions/Concerns (30 minutes)

Stacey Denton, Project Coordinator for the Woodland Charter School, thanked the members of the Board, the directors and all of the audience members that came out to be a part of the community process. WOODLAND CHARTER SCHOOL PRESENTATION

Ms. Denton moved forward with a video presentation for the Woodland Charter School (WCS). She explained that charter schools are non-sectarian public schools of choice. The charter is a performance contract detailing the school's mission, curricular program, goals, students served, methods of assessment and ways to

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measure success. The charter contract requires academic, fiscal and legal accountability. Parents and teachers choose charter schools primarily for educational reasons: High academic standards; small class sizes; innovative approaches or educational philosophies in line with their own.

The Oregon State Legislature passed a charter school law in 1999. As of January 2011, there are 108 charter schools that are operating in this state. In the state of Oregon there are three Waldorf-methods charter schools.

Why choose charter schools?

- Choice: Charter schools offer parents a choice from the traditional public school system that in many cases may not be meeting the needs of their children.
- Innovation: Charter school leaders can develop more efficient and effective instructional programs due to greater flexibility and selecting their teaching and learning methods. Staffing, scheduling and class sizes.
- Accountability: In exchange for their increased autonomy, charter schools must meet accountability requirements.

Community needs that Woodland Charter School would be fulfilling:

- There is a long-standing local interest in an alternative education option. In particular, a holistic educational model. They have collected over 250 letters of support.
- There is a large home-schooling population using Waldorf methods. Many students are seeking Waldorf methods education outside of the school district. Many families from outside of the area are considering relocating to this valley for the Woodland Charter School and provided letters of support from people in other parts of Oregon that are interested in moving here for the Woodland Charter School if it comes to pass.
- There are no non-sectarian private schools in Three Rivers School District boundaries.
- There are parents interested in the Waldorf methods K-8 school on the same campus.
- People are drawn to innovative educational approaches for their students; especially those not responding to traditional methods. This is their target population.

Waldorf Education:

- Is arts integrated and nature-based.
- A teacher in the Waldorf classroom loops with their children. Ideally the main lesson teacher takes his/her class through grades one through eight, and special subject teachers vary, but looping provides continuity that enhances children's learning experience.
- There is an integration of the head, the heart and the hands, and this is the holistic educational approach that differentiates the program. Students create their own textbooks (some examples were provided).
- Is thematic and innovative. As an example, while studying ancient Greek civilization in the fifth grade curriculum, students might paint the coliseum, practice javelin and discus throwing, learn Greek folk music and recite Greek poetry, all while studying history, math, geography, and philosophy of ancient Greece.
- The curriculum delivery methods of Waldorf education address multiple intelligences. Waldorf education excels at reaching students that might otherwise fall through the cracks.

A survey was conducted to assess the local interest in educational options. They surveyed families in the area with children between the ages of one month and ten years. These were people that came to their outreach events or home-school families that they knew personally or families who heard about the Woodland Charter School project. Eight-five people responded to the survey and most of the families surveyed prefer a Waldorf education. 76 of the 85 respondents (89%) designated a Waldorf charter school as their first or second choice. 62 of those respondents designated public school as their last choice.

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The organization of the Woodland Charter School project began in May 2009. The group consists of twenty plus active parent and community members. An Oregon nonprofit was formed in December 2009 and are currently awaiting 501(c)(3) designation. Woodland Charter School was awarded a state incentive grant in July of 2010 for \$56,000 to plan for the opening of Woodland Charter School. The Oregon Department of Education reviewed the financial documents and curriculum proposal and decided the project was worth funding.

Alignment with Three Rivers School District Philosophy:

- Providing a quality education in a motivating environment.
- Upholding rigorous academic standards.
- Helping students demonstrate achievement.
- Facilitating parental and community involvement.
- Preparing students for an ever-changing world.
- Developing core ethical values.
- Equipping students to pursue the future of their choice.

Ms. Denton passed out some samples of student artwork to the Board and audience from Waldorf methods children.

Ms. Denton explained the principle difference, as looking at the alignment with the Three Rivers School District philosophy, is that between the two the Woodland Charter School looks to provide a balanced education of the head, the heart and the hands. Waldorf is a holistic educational philosophy in which you can see the difference in the student work samples provided.

The new “Three R’s” as described by the Gates Foundation:

- Rigor—the opportunity to face challenging academic content and succeed.
- Relevance—Course or project content that sparks student interest and directly relates to their lives.
- Relationships—Adult and peer mentors inspire students to achieve.

Ms. Denton explained that this is important because the Gates Foundation funds these priorities. In 2007 they funded the first Waldorf public charter high school in the Sacramento Unified School District. There was a study done by Dr. Ida Oberman done in 2007 on the relevance of Waldorf education for urban public school reform. In the study she reported what teachers and funders are seeing in the Waldorf classroom:

- Rigor—a focus on capacity-building in the early grades, not test-taking, and that leads to student achievement.
- Relevance—academic subjects relate to one another. Students see connections and find meaning.
- Relationships—students feel trust and continuity with their teachers and classmates due to the looping.

Ms. Denton stated that the charter design will begin with a kindergarten, a blended 1/2, blended 3/4 and blended 5/6 in the first year of operation and then plan to add a new

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grade every year until the school reaches grade 8. They are looking at a maximum of 100 students in the first year and want to increase to 135 students at full enrollment in the fourth year of operation. Five years for the term of the charter and renewable by joint agreement between the Woodland Charter School and Three Rivers School District, and would like to start the charter in September of 2011.

With the proposal there are three areas of accountability:

- Academic
- Financial
- Legal and regulatory

Ms. Denton reported that further information related to academic and legal and regulatory accountability can be found in the provided written proposal.

Ms. Denton moved forward to address the financial accountability portion of the proposal. Start up funds were received from the Oregon Department of Education and will be eligible for additional funding. In phase I of the charter school incentive grant, which was awarded on July 23, 2010, they received \$56,000. There is a phase II portion of that program in which the award will be available when an agreement is secured with the school district. The amount that is pending is for \$225,000. There is a third phase, pending Federal approval, for an additional \$225,000. The organization is looking to rely on operating funds from the state school fund, based on the ADM award. This is the funding that the state gives for each student, and will be looking to other sources of funding including fundraising and looking to private foundations for grants, specifically those that support Waldorf education and additional funding through state and federal grants.

Ms. Denton stated they have collected 51 pre-enrollment forms (section 3 of handout) from students that would like to be a part of the Woodland Charter School. Thirty of those students are currently home-school students. Seven of those students are currently Three Rivers School District students and fourteen of those students are currently attending out-of-district private or public schools.

Ms. Denton presented three different scenarios regarding the financial impact of Woodland Charter School on Three Rivers School District. Projected enrollment figures demonstrate a net revenue gain for Three Rivers School District. With the proposed targeted maximum enrollment of 100 students in year five; a revenue increase for Three Rivers School District of \$60,000 the first year and a net revenue gain in year five of \$81,000.

The second scenario is focused on pre-enrollment figures collected to date. Present pre-enrollment figures also demonstrate a net revenue gain for Three Rivers School District. In year one there will be a revenue increase of \$23,452 and year five a revenue increase of \$61,579.

In the final scenario Three Rivers School District will have 150 students less in the district next year, but the district is still able to report to ODE the projections for next year's student populations based on this year's population. Her understanding is that Three Rivers School District will then receive funding from the state that consists of an ADM award for those 150 lost students. It is Ms. Denton's understanding that the Woodland Charter School proposal for 100 students will draw away from the 150 student cushion in the Three Rivers School District budget. Ms. Denton stated that Superintendent Huber-Kantola and Federal Programs Director Peter Maluk expressed that Woodland Charter School will need to show that they can pay back the initial out-of-pocket start up expenses. Considering declining enrollment in the district, repaying

Three Rivers School District out-of-pocket expenses from year one of start up, revenue lost from Three Rivers School District students transferring to Woodland Charter School and the half ADM rate for kindergarteners they have determined that Three Rivers School District will break even on out-of-pocket expenses by year five, and Three Rivers School District will show a net revenue gain of \$38,128 by year six. There are detailed spreadsheets provided in section three of the handout.

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Ms. Denton reported that there is a Site Committee reviewing perspective sites for the school in Williams and the Applegate Valley. They are currently discussing site options with two private parties. Woodland Charter School will have an ADA accessible, permanent facility ready for their student population within the timeframe specified by charter law.

Ms. Denton stated to the Board that they will need to weigh the pros and cons of the Woodland Charter School proposal and will refer to the evaluation criteria suggested in the Oregon Charter School law. Key decision-making from that law include:

- A demonstration of sustainable support from teachers, parents, students, and other community members. Ms. Denton stated that there is a long history of parents seeking alternative educational options in Applegate and Williams valley.
- A demonstration of financial sustainability and sound fiscal management.
- A capability to provide comprehensive instructional programs.
- A capability to provide comprehensive instructional programs to academically low achieving students.
- Are proposal requirements complete?
- Are there arrangements for special education and for children with disabilities?
- Are there alternative arrangements for students and teachers who choose not to attend or be employed by the public charter school? Ms. Denton noted that Williams and Applegate schools offer strong educational programs and employment opportunities. It is not the intention of Woodland Charter School to undermine existing public schools and the current pre-enrollment numbers demonstrate a small number of Three Rivers School District students that want to switch over.
- Is the value of the charter school outweighed by any directly identifiable significant and adverse impact? Ms. Denton stated that they believe Woodland Charter School could be a win-win situation for the target population and the entire Three Rivers School District. They strongly believe in collaborating with the existing schools and have spoken with the principal of Williams and Applegate about concrete ideas for future collaborations. The potential exists to offer things for students that might not otherwise be possible without working together. Examples include: orchestra, expanded athletic programs and a community-wide after school program.

Ms. Denton stated that these are challenging economic times for our country and public schools. There are tough choices to make about the financial management about the district. She reported that Three Rivers School District representatives have said that the start-up of the charter school would be a financial challenge and that in the coming year four school days would have to be cut district-wide to start-up the Woodland Charter School. Although those four days might be lost, 139 days would be gained at Woodland Charter School. Ms. Denton stated that while it is of economic advantage to the district to receive funding for 150 phantom students, doesn't it make more sense to educate 100 real students? Three Rivers School District is troubled by declining enrollment. Woodland Charter School proposes an innovative and attractive educational program that shows the promise of growth. Three Rivers School District strives to have parents and community involvement. Woodland Charter School is fueled by active involvement by parents and community members, and this involvement will ripple out to effect wider support for Three Rivers School District. Ms. Denton stated that given these considerations she made the case that sponsorship of Woodland Charter School is a good choice for the district.

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Ms. Denton reported that they have received 250 letters of support. Families are attracted to Waldorf methods education, and those families are coming from the home-school, private and charter school sectors. Williams, Applegate, Ruch, Provolt, Murphy and Grants Pass residents who pay taxes care about public schools and want to see options in Three Rivers School District are the supporters of Woodland Charter School; as are Waldorf educators, business owners and the non-profit sector.

Ms. Denton thanked the Board for their time, service to the community, and thoughtful consideration of the proposal on behalf of the Woodland Charter School.

Ms. Denton concluded that Woodland Charter School is about choice, innovation, and change. Waldorf education is the fastest growing independent education movement in the world and Three Rivers School District has the opportunity to be at the forefront of the changing landscape of public education. She asked to work together to make this a reality.

Acting Board Chair Litak thanked Ms. Denton for her very effective presentation and acknowledged that there is a group of folks that are very dedicated and passionate about the Woodland Charter School.

PUBLIC COMMENTS

Acting Board Chair Litak opened up the meeting for public comment. Due to the large number of requests to address the board and the limited amount of time, he requested that comments be limited to a couple of minutes and refrain from reiterating things that have already been mentioned, and to avoid being redundant. The following patrons spoke in support of the Woodland Charter School:

- Matthew Geier—Williams resident and has three children (one school aged) currently participating in home-school group with a Waldorf teacher.
- Shawn Schreiner
- Shavana Fineberg, PhD—psychologist in Grants Pass specializing in child development.
- Jesse McNamara—Has two children; one that attends Siskiyou school in Ashland.
- Alana Aquino—Resident of Williams and has attended Siskiyou school in Ashland for almost seven years.
- Tobias Hatfield—Business owner in Williams. Has six year old daughter that currently attends Madrone Trail charter school in Medford.
- Beate Foil—Williams resident.
- Mike Merg—Williams resident and business owner. No children in the district at this time.
- Heidi Hayriya Hansen—Resident of Williams with three children. Sons home-schooled and attended Sugarloaf Community school. The daughter at home is currently home-schooled.
- Wensdae Davis—Williams resident. Currently home-schools her son.
- Pamela Schaefer—Grants Pass resident for two years. Previously home-schooled children when living in Denver, utilizing Waldorf methods. Children currently attend Jerome Prairie.
- Ben Yohai—Jacksonville resident. Has a daughter currently attending second grade at Madrone Trail.
- Shanti Miranda—Williams resident and kindergarten teacher at Sugarloaf Association.
- Yarrow Sylvan—Williams resident.
- Peter Paulmonte—Has a child at Hidden Valley High School that attended Williams elementary.
- Richard Ziff—Williams resident. Expects cross-over between both schools

to meet the needs of all students in the area.

- Diane Windsong-Martin—Previously taught at Sugarloaf Community Center.

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Other comments included:

- Linda DuBose—asked about the \$185,000 a year remote school funding received due to the location of Williams elementary and if it would be effected by having a charter school within the boundary? Superintendent Huber-Kantola responded that is something we would have to research. Ms. DuBose then asked if a charter school is a part of Three Rivers School District will they have to adhere to the OAKS and Dibbels testing? Director Maluk responded that they would.
- Rob Saunders—Attended Williams elementary and currently has children attending Williams elementary; is also a teacher of Three Rivers School District. Praised Williams elementary staff and resources available to the students. Concerned that the charter school could place a financial burden on Three Rivers School District and put Williams elementary at serious risk of closure.
- Joanne Wardle—Teacher at Williams elementary. Requested to know the start up cost to the district. Superintendent Huber-Kantola responded that as proposed at 100 students, it would cost the district approximately \$548,000 next year. Ms. Wardle expressed concern due to the current financial state the district is in now, and having to cut 15 days this year. Ms. Wardle then asked about the statement that was made during the proposal that it would benefit the district financially, but doesn't see that and asked for clarification. Richard Ziff responded that will be clarified during the question and answer portion of the meeting.
- Liz Tree—Provolt resident and business owner, Has a fifth grader at Williams elementary. Prior to this year did Waldorf-inspired home schooling. Now proud to be part of Williams elementary school. Would like to see a collaboration between the two groups to offer more opportunities and more choices.
- Kara Olmo asked if Three Rivers School District would be required to provide transportation for the students attending Woodland Charter School. Director Maluk responded that we do not. If there are existing routes and it's convenient to drop students off, we could do that; but we wouldn't create new routes or add additional cost to the district for transportation. The charter law states that the district does not provide transportation.

Board Member Weaver asked for clarification regarding the start-up costs and delay in funding from the state for student enrollment. Superintendent Huber-Kantola explained that the law provides for funding for school districts based on the number of students referred to as ADM (Average Daily Membership). The state offers two ways for districts to get paid based on the ADM. The first way is if you have a district that is increasing in enrollment, for example 5000 kids this year and projecting 5100 next year, the state allows you to get paid on the projected 5100 kids. Conversely, If we are a district that is in declining enrollment, which we are, at 4850 kids the following year, the state recognizes that the district needs time to catch up. Next year they would still fund us at 5000 students, even though our current enrollment was only 4850 kids. We are losing about 150 kids between this year and next year. So the proposal for Woodlands, is that they would add 100 additional kids to the schools enrollment (ADM); it's not 100 because about 9-14% are coming from existing Three Rivers School District schools. Assume it's 100 brand new kids next year. Now, we are up to an enrollment next year of 4950 kids; still less than the 5000 that we were going to be paid on. So, the funding doesn't change for that particular year. We are going to get 5000 students worth of dollars regardless if we get the additional 100 kids that year. It is, in a sense, an up-front cost to Three Rivers

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County to sponsor a charter school. We sponsored Sunny Wolf last year and they had approximately 43 kids and, again, we are in declining enrollment and we did have to pay Sunny Wolf approximately \$212,000 to start their school. In response to the earlier question of how does it bring in money? Superintendent Huber-Kantola stated that you could argue that the additional 100 kids means that the next year your enrollment doesn't possibly decline as much as it might have because you have an additional 100 students in the system. At 90% it would show that in about five to six years at 100 students there is a break even point for that money that was put up front and from that point on it does bring additional revenue in to the district.

Richard Ziff added that in Section three of the proposal there is an example of what the numbers look like over a six year period. They looked at the full Three Rivers School District revenue of \$530,155 and ran the numbers off the current pre-enrollment numbers (51 students). Then brought in what would be lost each year from the Three Rivers School District students and estimated that starting at seven and then increasing more students coming over, with a total loss of students of a \$210,610 impact. Net revenue gain, subtracting the \$530,155 from the loss of the \$210,610 equals \$319,546. The next line item, which is the Three Rivers School District out-of-pocket on the 51 students equals \$281,418. They also subtracted that of the total amount of revenue and year six is a positive gain of \$38,128. It does take time, and difficult to swallow in a tight budget scenario that we are in, to take that \$281,000—where's that coming from and who is going to be affected by taking that out of the budget? The reality of the situation is that those dollars are already there because they have been given in the form of the 150 students. Somehow we need to work together and see that eventually there will be a gain.

Acting Board Chair Litak stated that one of these that was confusing is on the slide that showed the net revenue gain to the district of \$60,000 the first year. Mr. Ziff responded that is through 'their lens'. They didn't know the difficulty the district was going through until district personnel made them aware of the current financial situation, and realized they had to look at things completely different.

Member Meier asked if the \$61,000 figure accounts for the loss of the Three Rivers School District students? Mr. Ziff responded that it does not, it was just fully loaded on the 100; that applies to the cumulative numbers of the five years as well—assuming the district doesn't lose any students.

Ms. Denton brought forward again, the concept of the up-front \$548,000 start-up costs and although it is a complicated scenario to understand, what she sees is that Three Rivers School District has this luxury of being able to estimate it's projected enrollment for next year, based on this years numbers and receive funds for students that aren't a part of the Three Rivers School District. She was really trying to make the point during her presentation that she would choose to educate 100 real students as opposed to making the choice about the 150 'phantom student' budget. It's one of the judgments to consider and it's one of the places where maybe it can be looked at through their eyes.

Acting Board Chair Litak responded that it isn't really a choice of educating 100 real students or some phantom students. We have another 4900 students that we are trying to educate also and that money is going to come out of their pockets.

Ms. Denton recognized that this gets back to the potential for four additional days cut in the district and understands that it's a difficult choice to have to make. She encouraged the board to see the prospect of bringing in new students and bringing in students that are going to be a part of an education movement that's growing, which will help to grow the school district.

Member Meier stated that personally, for her, this is probably the most difficult thing she's had to deal with because she lives in the Applegate and became involved in the school district because of her passion for small communities and for Applegate and Williams schools. She sees an unbelievably committed, passionate group of parents on wanting to get the education they want for their kids and applaud everything they have done. The presentation was fantastic. It is difficult to bring it all together because it will impact Three Rivers School District as a whole, by having to cut days to fund the start-up. She would love to be able to see all of the schools exist and thrive. The numbers at Williams and Applegate are so close, and adding the charter would possibly threaten the viability of Applegate and/or Williams. Three to seven students may not seem like a lot, but it is when we are looking at their numbers.

Mr. Ziff responded that the big impact is the out-of-pocket in the first year, and it does feed into the second year, but by the third year the numbers will create an increase of the projections that you give to the state level.

Member Meier stated that is a different subject because we're not looking at increasing the enrollment necessarily to Applegate and Williams in those five years. Her concern is that if we took away those options to our communities as well.

Superintendent Huber-Kantola shared the history of Williams elementary in that it has already been on the short list of schools that could potentially be closed. There is a number when a school becomes unviable once it gets to a certain number of kids. One of the fears that we have to deal with is what's the number that Applegate becomes unviable; what's the number that Williams elementary school becomes unviable and are those numbers impacted by adding a third school in those communities?

Dr. Susan Inman introduced herself as the current director of Madrone Trail Public Charter School and has worked with nine charter schools that have been start-up charter schools. She added that the state of Oregon and the Federal government has been extremely financially supportive of charter schools. We have had other situations throughout the state where there are huge questions; this is not a unique issue and it has little to do with charter schools, it has more to do with the funding levels of education at the state and federal levels. There is just not enough to go around. She reiterated that the state and federal government have been extremely financially supportive of charter schools, and she brought this question specifically to Margaret Bates who is the director at the state level and asked her, because there was a school charter loan program that actually just ended on the 31st of December of last year. That would have tided over this school district in the start up cost as far as a loan, and they are very favorable types of loan. There has only been two districts that have taken of advantage of that loan program. They are looking for great founding members, supportive community members and interested board members with districts that would like to create a viable charter school. There are hundreds of millions of dollars being put into charter schools. The state has shown her in every single case that she has worked with that they are very interested in supporting charter schools in conjunction with supportive districts. When we have a situation where this is the only issue she truly believes that we can look at the state and the \$5.35 million that they have allocated currently for charter schools annually in the state of Oregon to look for some answers. Dr. Inman stated she doesn't believe they will 'leave us out in the cold' if we have a viable charter school option. She believes we should work together to try to make sure that we can create a financially stable environment for the charter school to exist. There are very few situations where the state hasn't been able to come in and offer some options for charter schools and districts that are viable to make sure these options happen for the students.

Member Meier asked Dr. Inman to share some examples of what types of options she

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was referring to. Dr. Inman responded that when she was working with Prospect School, finances was their primary reason to convert from a public to a charter district. When they initially applied to the state they didn't have the numbers to make it work. So, the state projected their numbers for them so that they would have enough numbers to have it fiscally make sense. They have done a K-12 conversion with state help and support and they were able to bridge the gap. In a couple of other districts she has worked with, there have been questions about facilities and there is no facility support in the charter school system. However, the state has assisted in providing options and funding through grants for facilities that provide options for charter schools. So, while the state can't pay for charter schools, they can open avenues. So her recommendation is going to the state as a team saying we support the idea and the concept, but are struggling with the finances, she believes the state would offer assistance.

Member Weaver asked what her experience has been at Madrone Trail in regards to applications versus student slots available and the trends; how many students have to be turned away? Dr. Inman responded that they currently have a waiting list of 45-50 students.

Acting Board Chair Litak asked for further clarification regarding the state funding. It appears she was suggesting that if we don't have the money, and would like to move forward with the charter school, we could go to the state and they would provide assistance. Dr. Inman replied that she doesn't believe that the state would kick it in, but would provide us some avenues and options.

Director Breckner reminded the Board, and others that may be unaware, that the additional four days needed to front the \$545,000, not only represents a reduction to the other 4900 students in our district, but our staff as well, who we have already had to cut fifteen days this year and combined with last years' cut days equals almost a month.

Director Maluk reported that the state mandates a minimum number of instructional hours per year and as a result of the days we have cut this year, we're not in compliance from grade four on up. The timing for the charter school is horrible. Director Maluk agrees it is great to have choice, but we have to look at all of these students and schools.

A patron asked even if the charter school was fully funded, how many students would Williams elementary be able to lose to keep the school viable. Numerous members of the board responded "not very many". Director Breckner added that every teacher at Williams is teaching more than one grade level; unfortunately the enrollment numbers in the lower grades are very small.

Richard Ziff added that the idea of coming together and meeting with ODE could only be a benefit for both parties. Right now we're really focused on the lack of declining enrollment. He feels they can bring in the prosperity and bring in the increase that the school district's going to need in five to six years if the declining enrollment continues to happen.

Member Meier stated we are talking about two very small rural communities and she passionately believes that we need to keep schools in those communities which needs to be addressed some how—and it hasn't been to her satisfaction. Mr. Ziff responded that there is a way to address it if we come together and work together. Member Meier sees success for students in what they are doing, but wanted to express her concerns.

Member Weaver asked if there have been any discussions about the concept of a

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school within a school; such as a charter school a part of Williams school? Ms. Denton responded that there have. She stated they approached both Michelle Sesock and Stephanie Allen-Hart about a year and one-half ago to talk about that potential and talked about it with Director Maluk and Superintendent Huber-Kantola as well. Last year when the principals were approached, they were told that they were in a situation of having increased enrollment at their schools and they could not share the campuses because of the growth at their own schools. Director Breckner responded that part of it had to do with capacity of the school, in terms of vacant and empty rooms. Although there may not be actual classes going on, some of the additional spaces are used for additional programs, counseling, music, and after school programs. It also brings up the question of if you have two schools operating within a school there would be issues just in terms of order and rules that vary between the two different schools.

Principal Stephanie Allen-Hart added that her recollection of the conversation that took place over a year ago was if they were talking about bringing in pre-school, which Applegate does not offer, that would be an obvious addition. The thought of trying to have two K-8's running simultaneously within the same campus with completely different philosophies and how that would the students benefit from that. It is a huge issue sorting through how that would work.

Member Lengwin asked how they came up with a number for their fundraising in their proposal? Mr. Ziff responded the projection comes out of the historicals from the funds that have already been raised for a charter school that isn't a charter yet. They extrapolated the funds that have already been raised and realized once they do get the support from the school district how much would be able to be raised at that time. Mr. Ziff believes the financial support would increase if a charter agreement was reached as it would enable them to contact organizations with an agreement in place. It is very difficult to raise funds when there in not yet a school in place.

Superintendent Huber-Kantola stated that in regards to facilities, charter school law states within sixty days of opening you would have to have a fully operational functioning facility. He asked the group to speak on potential facilities in the Williams/Applegate area that they are currently looking at and the potential of those facilities. Dr. Inman responded that finding a facility has really been difficult. Perhaps a district collaboration could work very well. As far as additional facilities, that will come into play once the they have the charter and talking about negotiations. You have to have the entity before moving forward. There are some options out there, and once the charter has been approved, they would be happy to talk about facilities. Richard Ziff stated there has been \$2,400 budgeted for the lease of buildings, which is an estimate. They would like to have the location as close to the student population as possible.

A patron named Heather stated that she knows several people who have wanted to move to this area, but has not done so because there is not any alternative schooling available.

Acting Board Chair Litak stated he thought he heard Ms. Denton say something about 139 days, and does not recall seeing that in the proposal. Ms. Denton responded that is the proposed length of the school calendar. Member Litak asked if that meets the state minimum requirements? Ms. Denton replied that it does, the school day is longer.

Acting Board Chair Litak asked about the difference in the proposal which indicates a 90% pass-through in the budget numbers presented, but in the supplement provided today it refers to an 80% pass-through. Are the budget numbers going to work on an 80% pass-through? Richard Ziff responded that they do. The example that was presented today with the 51 students was pre-enrollment as of this date, and we will

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have to get together and see what works. Mr. Ziff placed emphasis on the length of the contract as there are more investment opportunities available to them with a five year agreement as opposed to a one year agreement.

Acting Board Chair Litak stated that in the proposal it states the staffing of main teachers of three FTE, a specialty teacher of one FTE, a kindergarten .7 FTE, kindergarten assistant, school administrator and support staff. He asked for clarification on how the teacher staffing would work? Mr. Ziff responded that for year one they are looking at the Kindergarten teacher plus the assistant, then a teacher each for a 1/2 split, 3/4 split and a 5/6 split. With the 100 student scenario the class sizes would be 25 per teacher. Teacher salaries would start at \$32,000 and then increase annually. It would also depend on qualifications. Dr. Inman stated that one of the real draws to a grant-funded charter school is that there is \$225,000, and a lot of it will need to be spent on professional development. In the field of education that is a real draw for teachers. There have been seven teachers already express their interest in teaching at the charter school. Ms. Denton added that time is of the essence, and if we are looking at the school trying to open in September of this year, they need to work with the district now to figure out how to make it possible so they can begin to advertise for perspective teachers and be able to offer them a potential employment option.

Acting Board Chair Litak stated that the Board is required to render a decision within thirty days of the public hearing. Our next regularly scheduled Board meeting is next Wednesday, January 12th and there is also a Board meeting scheduled on February 7th, which is just over thirty days. Mr. Litak asked if the Woodland Charter group would be amenable to the Board postponing the decision until the February meeting because the January Board meeting is next week, and doesn't give the Board a lot of time to consider everything. Ms. Denton responded that a commitment could not be made today as they had to bring it back to their Board of Directors to make a decision. They would let the Board know on Monday, if not sooner.

Director Maluk stated that the vote would be taken at the designated meeting and then contract negotiations would begin. If the Board said no, reasons would be given and the charter would have the opportunity to come back with a revised proposal. Twenty days after we receive that, another meeting would be held and a decision would be made either again to say yes at that time or to say no again. At that time the charter could go to the state for mediation between the district and the charter and that may be the time where we can see if the state had some solutions that would be amenable to everyone. Also, in the interim, between now and the vote, the district could also ask the state for a waiver on this whole timeline and that we may get a rendering of a decision whether we could have up until May maybe to make a decision because of the financial situation. If we have that by the time the meeting is held on February 6th that would give us some direction. If we didn't we would still have to go ahead and make a vote—yes or no.

Dr. Inman suggests that if we have two agreeable groups, that we talk to the state before we get to a mediation type of situation. If they went to the state for sponsorship because we were not able to work out the differences, that would mean the flow-through dollars would be 90% and would cut Three Rivers out of the financial picture. She would like to entertain discussions at the state level as to how this could work in a timely manner and not wait everything out. It will take compromise from both sides and the state needs to know that Three Rivers is interested in sponsoring the charter school and the charter school has displayed a great interest and a great willingness to work with the Board and with Three Rivers School District to create this opportunity for students.

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Member Meier expressed concern that the charter group would not be able to get back with answers to questions by next Wednesday, and feels more time is needed. She would prefer to come to a vote when all of the information had been provided to make the Board feel more comfortable in making an educated vote.

Superintendent Huber-Kantola thanked everyone for coming. It was a great presentation and excellent questions. In regards to the timeline, Dave Strahan, who is the Chairman of the Board, was not able to be here this evening and it will be somewhat difficult to get Board Chair Strahan up to speed by Wednesday. With the timeline, the thirty days expires February 3rd. Monday, February 7th is the Board meeting—it doesn't seem like that much of an unreasonable delay, understanding the decision is up to the council.

Superintendent Huber-Kantola stated that the facilities are a concern. He asked Mr. Ziff if he had, within the planning grants, money set aside to take land and put portables, or looking to renovate, rent something in existence, all the above or what? Mr. Ziff responded all of the above. They are looking at private land holdings that have existing buildings that could be renovated, private land holdings that they could bring in prefab, and also looked at building new on private land. There is negotiation happening, but they need the charter in order to finalize a negotiation. Ms. Denton added there is the potential of up to \$50,000 in the grant that can go towards facility renovations. Mr. Ziff stated there is a Site Committee and they have addressed questions and concerns.

Mr. Ziff stated that as far as addressing the issue of the three-day extension, that is seen as a reasonable request. They will call a council meeting and have an answer back to the district by Friday. Mr. Ziff sees how having added time would allow more time to look at issues and concerns more closely.

Superintendent Huber-Kantola stated a week is too quick, and he would like to have an opportunity to speak with Margaret Bates at the state. If an agreement is not made to extend the decision to the February 7th Board meeting, a special meeting date will need to be set. It was agreed that for legal reasons, the Woodland Charter Proposal would be put on the Board agenda for next week, but it can be taken off. We will also let Patti at the Daily Courier know of the change so that she can make people aware prior to the meeting.

Superintendent Huber-Kantola recapped the issues:

- Funding—not just the money, but the impact it has on the 4800 other students and employees.
- Impact on the other two schools in the valley—Williams and Applegate.
- Community Support? All of Josephine county is part of the community, it's not just the local Williams and Applegate area. Is there support beyond the Applegate Williams area?
- Facilities—would like more knowledge on what we are looking at facility-wise.

Director Maluk added that he has received e-mails from teachers, and from Site Councils discussing the charter proposal at their meetings. Input is coming in that will be shared as it is received, which will offer a different perspective on the charter and concerns about the impact. Member Litak agreed it would definitely be beneficial to get that input and perspective, which would be hard to do by next week.

Acting Board Chair Litak reiterated the issues he is concerned with are the start-up costs which is money that will effect the other 4800 students. We don't even have enough in our ending fund balance for this endeavor. The other issue is the effect on

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the schools. Williams is not that big of a community and can it realistically support two elementary schools? Ms. Denton responded that the key is that although you have heard from a lot of Williams residents, that there are people outside of Williams and outside of the district that are interested in the school. There is no requirement for inter-district transfers, so because of that children from other places in the area can attend the school.

Superintendent Huber-Kantola referred back to an earlier question asked by Ms. DuBose regarding the effect of opening a charter school may have on the remote school funding received by Williams, which is about \$185,000. We need to research this issue further to see if the charter school impacts the additional funding.

Mr. Ziff requested a formal e-mail from the Board stating the issues and questions that need to be answered. Then set a time to sit down and go through the numbers together and look at the options.

Director Maluk stated that we will wait for the e-mail regarding the request for a delay first.

Acting Board Chair Litak stated how much he appreciates everyone coming out to participate in the discussion. He reiterated that for now, the Woodland Charter proposal will be on the Board agenda for next Wednesday; in the mean time the district will wait to hear from the charter group by Friday.

Adjourn at 9:20

Robert Litak
Acting Chairperson of the Board
THREE RIVERS SCHOOL DISTRICT

Dan Huber-Kantola
Superintendent-Clerk
THREE RIVERS SCHOOL DISTRICT