



Board of Directors Meeting January 19, 2010

Board Members: Board Chair Scott Pillar, Vice-Chair Terry Rahmsdorff, Directors Ron Gallinat, Cathy Miller, Robert Moore, Carol Moorehead, Scott Reynolds and Mark Severson

HDES Staff: Dr. Dennis Dempsey, Superintendent, Greg Munn, Director of Fiscal Services and Shelley Knutz, Executive Assistant

Call to Order: Board Chair Scott Pillar called the meeting to order with a quorum of eight at 5:33 pm.

PRESENTATIONS AND REPORTS

Fiscal Report

Greg Munn presented the Finance Report for December 2009

☞ Finance Report Included:

- ✓ Review of the General Fund, Operations, Fund Balance/Reserves, Revenue and Expenditures
- ✓ Special Revenue Fund
- ✓ PERS UAL Debt Service Fund
- ✓ Building Construction Fund
- ✓ Facilities Maintenance Fund
- ✓ Budget Report – All Funds – Bob inquired about migrant enrollment numbers because he has heard numbers in the region are declining. Dr. Dempsey said our numbers have increased slightly and he offered to have Anita Hasart present this information at a future board meeting.

Economic Issues & Strategies

- ☞ Interest Income – Forecasting interest income will be \$70,000 short of \$100,000 budget.
- ☞ Stimulus Money Cliff – Need strategy to transition away from federal support.
- ☞ Health Insurance Rates and Cap – Future cost increases will likely continue to outpace inflation.
- ☞ Staffing Cost Increases – COLAs, Step Increases, Health Insurance Cap, PERS costs - Question regarding the number of employees affected by step increases.
- ☞ Oregon Economic Forecast – If reserve level not met it could mean a \$500K revenue reduction for the HDES next year compared to original \$6.0B state forecast or \$200K reduction from 2009-10 revenue.
- ☞ Oregon Revenue Policy in the Wake of the Great Recession – Greg highlighted points from the OASBO presentation.

Greg reported that we will begin the budget process at the next board meeting by declaring budget committee vacancies and approving the budget calendar. Cathy Miller asked that each budget consideration clearly explain what the impact will be to the programs so the board members can prioritize their decisions. She also would like to know much HDES funding is coming from federal, state or other funding sources. Dr. Dempsey noted that with the decrease in funding, programs are expected to make adjustments to operate within their budgets. He emphasized that a primary responsibility of HDES during these difficult financial times is to find ways to support our constituent districts.

Dr. Dempsey is hopeful these Economic Issues & Strategies presentations have provided the Board with adequate financial information to help make informed decisions in the future. After the financial summit meeting on February 8th, we have an idea of how each district will be impacted by future funding issues. The Board thanked Greg for his excellent research, the broad context and thorough presentations.

ACTION ITEMS

Second Reading Board Policy GCAB – Personal Communication Devices and Social Media

- **Mark Severson moved and Cathy Miller seconded a motion to approve Policy GCAB – Personal Communication Devices and Social Media - as presented. Motion carried 8-0.**

Local Service Plan

Dr. Dempsey reviewed the 2010-2011 Local Service Plan that he is presenting to the districts. It lists the HDES direct services, government grants, contracts and entrepreneurial services. When asked how our menu of services compares to other ESDs, Dennis said that our menu is more thorough but allows us the option to add a service if a district makes a special request.

- **Scott Reynolds moved and Carol Moorehead seconded a motion to approve the Local Service Plan for 2010-2011. Motion carried 8-0.**

Consent Agenda

- **Cathy Miller moved and Bob Moore seconded a motion to approve the consent agenda as presented. Motion carried 8-0.**

Bob Moore asked for an update on the policy review. OSBA completed a policy audit for the HDES in March 2009. Shelley is going through the policy audit to compare their recommendations with current policy or create a policy draft as appropriate. Dennis and Shelley will work through each section of the policy manual and bring proposed policies and policy changes to the Board for review/revision/ approval.

Superintendent Report

- ✓ Dr. Dempsey thanked Greg for his help with the Financial Summit.
- ✓ Regional Service Committee – 3rd meeting. Will use Chalkboard funds to study regional efficiencies. Hope to have this study in place by April. OAESD is going to begin taking on issues such as one student information service for the entire state/costs/training. How can we identify efficiencies on a statewide basis?
- ✓ Online Schools Discussion – Is it feasible to create one or two online schools for the state? There are several online charter schools which can enroll students from anywhere in the state. Scott Reynolds noted that the goal is to keep online education in the state.
- ✓ Met with Zone C superintendents and they will be moving forward with regionalization study.
- ✓ Scheduling a meeting with Deschutes County superintendents, board chairs and vice-chairs to look at other governance issues.
- ✓ ODE has asked that we extend our OVSD contract with them.
- ✓ WESD audit is expected to be published within the next two weeks.
- ✓ Alyce Hatch concrete work is complete and the playground equipment will be installed within the next few weeks.
- ✓ Facilities Committee is reviewing the long range facilities plan. Bob Martin will be presenting this plan with the Board at the February meeting.
- ✓ Update on the EBS license. We are working on a grant that has \$4.7B available for rural broadband projects.

Scott Reynolds reported on the OSBA meeting. The focus was online education. The OSBA Board Members expressed their appreciation to Scott Pillar for his dedicated service on the OSBA Board.

Adjourn

The January 19, 2010, High Desert Education Service District Board of Directors meeting adjourned at 7:10 pm.

Scott Pillar, Board Chair

Shelley Knutz, Executive Assistant