



145 SE Salmon Avenue, Redmond, Oregon 97756 / P 541.693.5600 F 541.693.5601 www.hdesd.org

Board of Directors Board Minutes October 16, 2012

Board Members Board Chair Bob Moore, Vice-Chair Scott Reynolds, Directors Cathy Miller, Carol Moorehead, Jenni Newby, Ron Radabaugh, Terry Rahmsdorff, and John Sundell

HDESD Staff John Rexford, Superintendent, Dr. Paul Andrews, Deputy Superintendent, Jayel Hayden, Executive Director of Human Resources, Greg Munn, Director of Fiscal Services, Diane Tipton Director of Early Childhood and Shelley Knutz, Executive Assistant

Guests Diane Meyers, HDEA President

Call to Order and Introductions

Bob Moore called the meeting to order at 5:35 pm.

Early Childhood Program Update

Diane Tipton began her presentation by explaining the difference between Early Intervention (EI) and Early Childhood Special Education (ECSE). Early Intervention focuses on children birth through age 2 with developmental delays, disabilities or who are at serious risk of delay due to a known medical condition. Early Childhood Special Education provide individualized specialized instruction to children age 3 to kindergarten entry with developmental delays/disabilities. Children qualify for these services through standardized assessments and physician statement if needed. Diane works with physicians and local daycare providers to get the information out about the services provided (the process of getting the word out and evaluating children is called "Childfind").

EI/ECSE program utilizes highly qualified staff to run the program. Last year the range of students contact days around the state were 155-178 days. High Desert ESD offered 155 days but has been able to increase the number to 168 days this year. This is slightly higher than the state average. There was discussion about the amount of facilities fees that come out of the program budget. Cathy Miller noted the potential PERS increases. If we were somehow able to mitigate the facility cost, the PERS impact to the programs would not be as devastating.

Measuring school readiness through outcomes focuses on three areas:

1. Positive Social-Emotional Skills
2. Acquisition and Use of Knowledge and Skills
3. Use of Appropriate to Behaviors to Meet Needs

Compared to state data, High Desert ESD ranks first in the state in two of the three areas and second in the state for the third. These data are very impressive considering the EI service levels declined by an average of 57% from 2004-2010, and ECSE service levels have declined by an average of 34% during the same time frame.

Bob Moore noted we have been having ongoing conversations about how ESDs can continue to provide these vital services into the future. How should we position ourselves to provide the most consistency and funding stability for these programs? We must be effective and relevant. Our main charge is education, and the governor is pushing for coordination of services Prenatal through age 20. Diane agreed that there needs to be a way to bridge the gap between Pre-K and Kindergarten. Statistics show the bottom third of kindergarten students are the ones most likely to drop out of high school. Paul complimented Diane. She does an incredible job running these programs, and she understands and values outcomes. Her leadership is apparent, by being able to obtain these outcomes with decreased days and funding.

Finance Update

Greg reported the auditors have finished their work, and the audit went very smoothly. He credited the excellent preparatory work by the Business Office staff. The auditors are scheduled to present their findings at the November board meeting. He will try to schedule a meeting of the Finance Committee. The GASB 45 valuation will be complete by the end of the week. The results of the study will allow the auditors to issue clean opinions on this issue for both of the last two fiscal years. It is likely we will qualify to be community rated, so a formal actuarial valuation will not be required in the future. The fund balance at end of year is estimated at \$529,000.

The PERS Board released district-specific rates the end of September. The ESD's average increase will be approximately 6.62 percentage points (which is more than a 25% increase). This will cost the ESD an additional \$586,000 per year beginning in 2012-13. This additional cost represents 2.5% of the entire ESD operating budget and will be one of our major budgetary issues next year, and for many years to come. Without other programmatic cost reductions or revenue increases, one of the few options to balance the budget is to reduce days. Scott Reynolds asked if districts are considering refinancing the PERS/JAL with bonds. Superintendent Rexford has not heard of anyone currently pursuing this option so he will bring it up at the next PERS group meeting.

Superintendent Rexford gave an update on PERS reform. OSBA is working to finalize PERS reform concepts based on input from many public employers. There have been several meetings the past four months to come up with ideas for modifying the cost curve, so we do not have a 6.6 percentage point increase. He thanked Cathy Miller for taking the time to testify before the PERS Board. She will go back to speak to the Oregon Business Council on December 3. PERS appointed a legislative advisory committee. Bend-LaPine board member Cheri Helt is among the appointees. There is a lot of interest in resolving this issue.

Teach Oregon/Culture of Higher Ed

Paul Andrews updated the Board on the progress of the Teach Oregon and the Culture of Higher Ed projects. Teach Oregon is focusing on teacher preparation and relationships with the districts through education, mentoring and student teachers. It is important for us to be an organization focused on P-20 with birth-5 and higher education. The Culture of Higher Education project focuses on creating an environment where more students go to college. Paul referenced the article "Channeling Change: Making Collective Impact Work", and he showed an example of moving from isolation to collective impact. We received \$20,000 from the Oregon Community Foundation to perform a gap analysis in the spring. OCF has set aside another \$50,000 for the next phase with three more possible payouts. If we do intend to move on to the next phase, they have asked High Desert ESD to be the backbone organization of the collective impact model because we are seen as neutral. Multnomah County has a statewide model of how to focus on cradle to career. Their Foundation, All Hands Raised, is willing to come and present on their program.

Paul asked if the Board would support the ESD serving as the backbone organization. There should be zero impact on the general fund. Jenni Newby asked about our contribution for this project. Are we committing our time as a match? Paul indicated his and others time was being considered as an in-kind match. Paul explained the initial \$20,000 was for planning and the additional payment would be for implementation. Cathy Miller thanked Paul for keeping the board members informed. She would like to know if this project is worthy of the man hours being impacted. Terry Rahmsdorff asked for an idea of how much of Paul's time has been spent on this project. He will work on figuring this out. Scott Reynolds asked Paul to give another update in January.

DISCUSSION ITEMS

Superintendent Report and Legislative Update

Superintendent Rexford complimented Paul for the networking he has been doing around the region. Superintendent Rexford has been working with our colleagues in the region and in rural ESDs. He is encouraged by the progress we are making. The OAESD proposal provided to Rudy Crew closely resembles the request for proposal that we received. There hasn't been a response, but Superintendent Rexford plans to continue being involved with efforts in the region and around the state. He is concerned the children with the highest needs have the greatest potential for being impacted by proposed funding shifts. He has been emphasizing this to the K-12 districts because ultimately they are charged with providing the services to students with high needs. Paul Andrews and Superintendent Rexford are meeting with Dr. Robin Henderson, with the Central Oregon Health Council. High Desert ESD is slated to be the education representative on the Operations Committee.

Superintendent Rexford would like to have the Legislative Committee meet to create some talking points prior to the OSBA meeting. Shelley will work on scheduling this meeting.

An invitation has been sent to the union membership asking for representatives on the Achievement Compact Advisory Committee. The Achievement Compact committee recommendation will be presented at the November board meeting.

ESD Pilot Governance Model Expiration

Superintendent Rexford distributed a memo from our legal staff regarding the pilot governance model expiration. Considering the impending changes for ESDs in the coming year, he plans to consult with Jim Mabbott and Ozzie Rose. With the Board's support, he will ask them to craft legislation to keep things status quo for at least the next two years. Scott Reynolds agreed that it makes sense to push something through as soon as possible. The rest of the board members were in agreement.

Board Chair Report

Bob Moore asked for feedback from the OSBA Fall Regional meeting. Cathy Miller appreciated the new format and the dialogue. She felt well represented by OSBA for the first time in years. Ron Radabaugh found it informative and liked the format. Bob found OSBA's perspective on PERS a little troubling. They believe the governor may not pursue it because those in his party might not support it during an election year.

Bob attended the OAESD Governance Council meeting via video-conference. Scott Reynolds will be the High Desert ESD board representative at the OAESD summit on Thursday, November 8. Other board members are encouraged to attend if they can. Dr. Rudy Crew is scheduled to address the group in the afternoon.

ACTION ITEMS

Consent Agenda

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

Adjourn

The October 16, 2012, High Desert Education Service District Board of Directors Meeting adjourned at 7:30 pm.

Bob Moore, Board Chair

Shelley Knutz, Executive Assistant