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Board of Directors Board Minutes

November 19, 2019

Board Members Scott Reynolds, Board Chair, Seana Barry, Vice-Chair, Directors: Kathy Biles, Gwen Carr, John Lang, Peggy Kinkade and Bob Moore

HDESD Staff Paul Andrews, Superintendent, Rochelle Friend, Chief Financial Officer, Jayel Hayden, Director of Human Resources, Anna Higgins, Executive Director of Innovation, Diane Tipton, Director of Early Childhood Programs, Rachel Wente-Chaney, Chief Information Officer and Shelley Knutz, Executive Assistant

Call to Order Scott Reynolds called the November 19, 2019 meeting to order at 5:30 pm

Changes to the Agenda

An action item will be added for Real Property Transactions to designate a representative.

REPORTS

2018-19 Goals and Outcomes

Sandy Bishop presented the Goals and Outcomes from HDESD programs and departments for the 2018-19 year. Sandy enjoyed the process of gathering the goals/outcomes agency wide. For many years, she focused primarily on Regional Programs. Seeing the agency-wide growth has been inspiring. Sandy reviewed the highlights page and explained why each of the highlighted goals were significant. Sandy noted we met 77% of our goals that shows programs are stretching to meet the goals they have set.

Sandy mentioned how proud we are of these outcomes. Scott asked if there is historical data from past years. Superintendent Andrews confirmed we can pull any programs that have the longitudinal data to gage progress from year to year. Not every program uses the same goals each year.

Early Intervention/Early Childhood Special Education Update

Early Intervention/Early Childhood Special Education (EI/ECSE) serves children from birth-5 years old who qualify for special education services. It is a seamless system for children in Oregon through age 21. They serve children in Deschutes, Crook and Jefferson counties including the Confederated Tribes of Warm Springs and contract with Harney County and North Central ESD. High Desert EI/ECSE is currently staffed by 81 employees.

House Bill 3427 promises an additional \$2B per biennium for education in Oregon. The Early Learning programs expect to receive 20% of this. Diane shared her plan for the Student Success Act and gave examples of Adequate Service Level by need.

Audit Report

Auditor Pete Bejarano with Pauly Rogers and Co., PC joined the meeting via Skype to present the 2018-19 audit and financial report. Mr. Bejarano was pleased to report there were no significant deficiencies and reviewed the audit findings and recommendations with the Board. Mr. Bejarano noted High Desert ESD was given a clean opinion with no reservations. All state minimum standards were met without concern and there were no issues of non-compliance. He encouraged the board members to use them as a resource throughout the year, not just for the audit.

Rochelle noted this is the third year HDESD has been working with Pauly, Rogers and Co. PC. She said they have the technical knowledge to administer a thorough audit. She did want the board member to be aware this is not an internal control audit.

Fiscal Report

Rochelle reported the general fund balance is up 40% for a total of \$1,691,234. This is significantly ahead of where we have been in years past. Year to date expenses are coming in at 28% of budget.

There has been a lot of activity in the special revenue fund from grants and awards we have received. We just received word there will be additional funding through the Regional Promise Grant that we were not expecting. We receive prepayment for our four largest contracts and will now begin spending down those funds. This is the primary reason there is a large variance in revenue and expenditures compared to budget.

Facilities Report

Rochelle referenced the facility report in the board packet. Of note, this is the first year we are bringing in more income at Skyliner than we are spending on expenses. The Lodge is already booked throughout the year with weddings and other events. We have started negotiations with the Forest Service for a potential renewal of the Skyliner lease.

DISCUSSION ITEMS

First Reading – Board Policy GBEC – Drug Free Workplace

Superintendent Andrews presented Board Policy GBEC – Drug Free Workplace for review. We found that our existing policy was outdated and did not align with some of our current practices. Jayel has discussed the OSBA version with our attorneys and made some slight changes.

Peggy confirmed that Marijuana is covered as a controlled substance. Jayel noted that tobacco and vaping are covered under a separate policy, GBK/KGC. Superintendent Andrews asked the board members to let him know if they have any questions regarding this update. It will be presented for a vote at the December meeting.

PERS Incentive Fund

The Oregon State legislature created the PERS Employer Incentive Fund (EIF) in 2018 to help provide PERS rate relief by matching up to 25% of an employer's investment in the fund. Match dollars are provided on a first come first serve basis, borrowed funds are not allowed.

Rochelle explained HDESD has an opportunity to invest our PERS reserves into the EIF to take advantage of the State's match. Investments made by 12/31/2019 will provide a rate offset beginning July 1, 2021.

Rochelle reviewed three options with the Finance Committee: Contributing \$750,000, contributing \$500,000 or manage rates with existing reserves. John questioned the rate of return and if that is the best way to invest the reserve dollars. Scott recommended Option 2 contributing \$500,000 so we would have some cash on hand should we need to front load our costs for ODE funds.

Superintendent Report

- ✓ Superintendent Andrews reported Sandy is HDESD's liaison for the Student Success Act (SSA). Region superintendents will be meeting here on 11/21 to discuss their plans for the SSA.
- ✓ We are thrilled to have Shay Mikalson joining the HDESD in July as our Chief Student Success Officer.
- ✓ He met with The Bulletin's new Editor, Gerry O'Brien. It was an encouraging meeting and Gerry would like to meet with all of the superintendents. There have been several positive stories and editorials in the last few weeks.
- ✓ Superintendent Andrews met with Superintendent Johnson to discuss the Prineville Education Center agreement with Crook County School District. He has talked with attorney Peter Christoff to consider our options.
- ✓ He wanted the Board to know there was inaccurate information in a Bulletin article last month. One of our substitutes was injured walking to her car. SAIF denied coverage of the claim. The Bulletin reported HDESD denied the claim. Jayel is working with SAIF on coverage options for substitute employees.
- ✓ Superintendent Andrews met with Representative Vikki Breese-Iverson. They had a great conversation regarding education and he offered to help her in any way. He has now met with all of our new representatives.
- ✓ He thanked Peggy for joining him for a visit to the EI/ECSE program in La Pine. He invited all board members to join him on his program visits if they are interested.
- ✓ Superintendent Andrews is proud to announce our CIO, Rachel Wenthe-Chaney, won the EduPoint Partners for Life Award. He introduced the video EduPoint created to announce this award. Rachel shared this honor with the Beaverton School District CIO. She was excited to report she received a \$10,000 award that will be presented as a scholarship to a Redmond SD student.
- ✓ He congratulated Rachel for passing her exam to become Computer Information Systems Security Professional (CISSP) certified.

Board Chair Report

- ✓ OSBA Fall Regional Meeting - Seana said it included a lot of great information. It was a good opportunity to introduce our collaborative relationships with the districts in our region.
- ✓ OAESD Summit – Bob reported the meeting was largely focused on the SSA and how ODE is planning to implement it. Legal Services and Rachel Wenthe-Chaney led round table sessions at the conference. Superintendent Andrews attended Katie Condit's presentation on Youth Career Connect.
- ✓ For the first time in a number of years, all 19 ESDs were represented in the room. The mood and the collegiality in the room was very positive.
- ✓ Bob attended the OSBA sessions on youth suicide prevention and the break out on autism.

ACTION ITEMS

PERS Incentive Fund

- **Bob Moore made and Kathy Biles seconded a motion to invest \$500,000 of the current PERS reserve into the State's Employer Investment Fund as presented. Motion carried 7-1 with John Lang opposed.**

OSBA Legislative Policy Committee Election

- **Carol Moorehead made and Seana Barry seconded a motion to approve Courtney Snead as the Central Region Legislative Policy Committee representative. Motion carried 8-0**

Real Property Transactions

Considering High Desert ESD's long-term space needs, it would be helpful for Superintendent Paul Andrews to be officially designated by the Board to negotiate real property transactions before bringing them to the Board for consideration. Additionally, for the Board to conduct confidential discussions around real property transactions, it can clearly do so if the board is meeting in executive session with the person they have designated to negotiate those transactions.

- **Gwen Carr made and John Lang seconded a motion to designate Superintendent Paul Andrews to negotiate real property transactions for consideration and possible action by the Board. Motion carried 8-0**

Consent Agenda

- **Bob Moore made and Kathy Biles seconded a motion to approve the Consent Agenda as presented. Motion carried 8-0.**
 - Personnel Changes – October 2019
 - Board Minutes – September 17, 2019

The November 19, 2019, High Desert ESD Board of Directors Meeting adjourned at 7:40 pm.

Scott Reynolds, Board Chair

Shelley Knutz, Executive Assistant