

Mr. Lauch reviewed the 2008 and 2009 work plans. He said that many of the projects would likely be completed under budget and remaining funds would be reallocated to other projects on the ongoing list. He explained that Fund 410 represented the capital fund for the bond, Fund 400 was the non-bond capital fund and Fund 450 was the fund for surplus property proceeds, which funded the preventive maintenance program.

Ms. Fahey reminded the committee that the preventive maintenance program was funded for a five-year period and was in its third year. She anticipated that the fund would contain \$8 million at the end of the preventive maintenance program, without the sale of any other surplus property.

Mr. Smith asked if recent bids had reflected any changes in the construction market. Mr. Lauch replied that costs were still high, with the exception of turf and lighting prices for athletic fields, which were coming in at below estimated costs.

Mr. Torrey noted that State highway projects were winding down and that could mean greater availability of contractors and better competition for the district's pavement projects.

C. Budget Implications of *Shaping 4J's Future* Recommendations

Superintendent Russell invited Budget Committee feedback on the recommendations. He said the recommendations were not based on trying to save money; rather, they were related to capacity and trying to maximize the ability to offer strong instructional programs in the future. He said declining enrollments had a significant impact on that ability and recommendations regarding school size were predicated on what was necessary to provide a complementary program for all students.

Ms. Fahey and Mr. Lauch reviewed a summary of the Superintendent's recommendations for *Shaping 4J's Future* and provided a slide presentation that illustrated the projected budget implications for the following:

- Close Harris and redistribute students to Edison and Parker for 2008-09 school year.
- Remodel Harris site to accommodate Charlemagne for the 2009-10 school year.

- Move Meadowlark students to new school at Kinney Loop site in 2011-2012. Buena Vista remains at Meadowlark site. Close Co burg in June 2011 and relocate students to new Kinney Loop school.

- Move Charlemagne to Harris site.

- Move Family School to Arts and Technology Academy.

- Differentiated staffing ratio.

- Limit transfers to secondary schools.

- Regional transportation to alternative schools.

Mr. Forrest expressed concern about safety issues related to students being dropped off and

picked up at Harris. Mr. Lauch said there were no plans to address that issue. Mr. Henry added that a pull-through driveway was not necessarily safer than parents stopping on the street.

In response to questions from the committee, Mr. Lauch said that modular structures would be used for additional classrooms at Harris and Edison. He explained the location of those structures at each school. He said additional parking at Harris would be located below the gym and take up some field space.

Ms. Gerot asked about the capacity assumptions for adding classroom. Mr. Henry said the addition of classroom space was related to limited capacity at Edison, redrawing boundaries and discussions with principals.

Mr. Torrey asked about the life expectancy of portable classroom structures. Mr. Lauch said if they were well-maintained and not moved the structures would last a minimum of 20 years

Following an extensive discussion of the benefits and disadvantages of modular classrooms, Mr. Lauch noted that although Harris was in good shape, it was built in 1949 and scheduled for replacement within a 20-year planning horizon and that was the reason for using modular structures for additional classroom space. He was not certain about Edison but it had significant issues related to accessibility.

Ms. Boyd asked how program costs were addressing achievement issues, given the probable lack of Title I funds at Edison. She cited a variety of statistics related to Parker, Edison and Harris. Mr. Henry said the district's plans included implementation strategies for all non-Title I schools that addressed the needs of low-income students and provided accountability. Superintendent Russell noted that the differentiated staff and resource models would provide additional resources as a school's percentage of higher need students increased.

Ms. Boyd said the district should consider providing consistent support for principals, perhaps through reinvesting in central administration. She did not think there was a common agreement in the community about what constituted an achievement gap. Mr. Henry agreed that schools without Title I funds faced challenges in meeting students' needs.

Superintendent Russell said research indicated a conundrum in that better balance in schools so that no school had more than 50 percent free and reduced lunch meant all students did better, but that also meant a school would not qualify for additional resources through Title I.

Ms. Boyd asserted that the data was misunderstood and all students did worse if the predominant characteristic of a school was poverty but low-income students, regardless of the circumstances, often needed additional support. She cited statistics at several schools to illustrate her point.

Mr. Martinez said the issue was important because it was easy to discuss structural issues and demographics of schools as if they were causal and that should be avoided; in reality there was nothing about a student's socio-economic background or concentration of high versus low SES in a school that should be predictive. He said the question was what was being done from a programmatic perspective to support students in those schools. He said the achievement gap could not be closed by structural changes without addressing what services and programs

students were receiving.

Superintendent Russell asked how costs for new school construction in 2010-11 would compare to the cost of constructing Holt and Chavez. Mr. Lauch said construction of those schools cost approximately \$130 per square foot and current costs would be \$200 per square foot, with an eight percent increase per year for the next three years.

In response to a question from Mr. Lininger, Mr. Lauch estimated that sale of the Charlemagne site would bring \$3-4 million.

Mr. Lininger commented that families in the Harris region had some concerns about greater travel distances and how that could affect distribution of students between Edison and Parker. Mr. Henry replied that there were currently more students in the Edison area than were attending Edison.

Mr. Gribskov asked if Charlemagne could be moved into Edison. Superintendent Russell said that was possible, but would require renovations to accommodate the programs.

Mr. Smith asked if there was a better approach to differentiating than using free and reduced lunch data. Mr. Henry said the educational level of parents could also be used as a predictor of performance. He said the best approach to ascertaining need was the response intervention model that assessed skills deficits regularly and established intervention strategies to address them.

Mr. Torrey asked how funds could be allocated to accommodate that approach. Mr. Henry said the new language arts adoption included significant resources and the intervention model was currently grant funded, but the district would need to consider how to staff schools with intervention specialists when those funds were no longer available. Ms. Fahey added that some funds were allocated to schools on the basis of free and reduced, ELL and special education students.

Ms. Boyd asked if the State funding formula had been disaggregated to determine what impact those factors had on a differentiated staffing model. Ms. Fahey said that had been done to some extent but collecting data had been challenging.

Superintendent Russell reiterated the importance of critical mass in providing strong educational services and programs and locating alternative schools where they were more accessible to assure greater student diversity. He said the committee's comments and questions would be considered along with other input, and he expected there would be revisions to some recommendations to reflect that feedback. He encouraged committee members to email any other comments or suggestions they might have.

IV. Items for Action at This Meeting

A. Provide Direction on Local Option Levy Renewal

Ms. Fahey used a slide presentation to provide an overview of the local option tax levy. She reviewed revenues since approval of the original levy in May 2000 and said the district anticipated \$13.7 million in the current year. She said the local option levy was very valuable because it was excluded from the State school fund formula. She said local option levies were subject to limitations related to Measure 5, percentage of State resources and dollars per student.

Ms. Fahey explained how taxes were calculated on real market value and assessed value and used examples to illustrate the impact on a residential property in a slowing economy and an improving economy. She said the current levy would expire after the 2009-10 school year.

Mr. Martinez left the meeting at 8:30 p.m.

Continuing, Ms. Fahey asked the committee for direction on renewing the local option levy for a five-year period at \$1.50 per \$1,000 of assessed value to maintain school program and staffing levels from 2010-11 through 2014-15. She said there were a number of options for an election date and the double majority requirement applied to all of them except the November 2008 election.

Mr. Torrey, seconded by Ms. Walston, moved to recommend a five-year levy to maintain current school programs and staffing levels to the extent possible at a levy rate of \$1.50 per \$1,000 of assessed value and to place the levy on the November 2008 ballot.

Mr. Torrey said the levy was limited to operations and he saw no other way to provide the resources necessary to meet students' needs. He said the community had a right to make that choice.

The motion passed unanimously.

B. Approve Minutes from February 25, 2008 Budget Committee Meeting

Ms. Walston, seconded by Mr. Smith, moved to approve the February 25, 2008, minutes as submitted. The motion passed unanimously.

V. Items Raised by Members of the Budget Committee

Ms. Clark commented that there was considerable momentum for change as evidenced by the large number of people who had attended meetings about *Shaping 4J's Future*.

Ms. Boyd thanked Mr. Forrest for deciding to complete his term on the Board.

Ms. Gerot announced there would be a presentation at the City Club on February 29 from Susan Castillo, Oregon Department of Education, regarding the new graduation requirements. She encouraged committee members to attend.

Ms. Fahey announced that the next Budget Committee was scheduled for April 28, 2008.

VI. Adjournment

The meeting adjourned at 8:45 p.m.

(Recorded by Lynn Taylor)