

MINUTES

School District 4J Budget Committee
Education Center—200 North Monroe Street—Eugene, Oregon

February 22, 2010
7 p.m.

PRESENT: Jennifer Geller, Chair; Carla Gary, Vice Chair; Betsy Boyd, Shirley Clark, Tim Gleason, Pete Gribskov, Alicia Hays, Wendy Laing, Craig Smith, Jim Torrey, Mary Walston, members; George Russell, Superintendent of Schools; Carl Hermanns, Barb Bellamy, Susan Fahey, Caroline Passerotti, Celia Feres-Johnson, Christine Nesbit, Larry Sullivan, Les Moore, Laurie Moses, Jon Lauch, Sara Cramer, John Ewing, Jeralyn Beghetto, Carmen Urbina, School District 4J staff.

ABSENT: Debra Smith, Beth Gerot, Anne Marie Levis, members.

I. Roll Call

Ms. Geller called the roll. She noted that Ms. Smith and Ms. Gerot were out of town and Ms. Levis was home with an ill child.

II. Items Raised by the Audience

Marshall Peter, chair of the Equity Committee, expressed concern regarding the achievement gap and the opportunity gap that existed in the school district. He asked the Budget Committee to keep in mind during the budget process that the statistics in mathematics were a snapshot of a larger picture. He said when they surveyed the outcomes that African-American, Latino, and Native American students had across the district, they were substantially worse than the outcomes that Caucasian and Asian-American students were experiencing. He said the Equity Committee believed that as the School Board and Budget Committee looked across the schools and students in the district when assigning finite resources, it was incumbent upon them to provide the greatest possible opportunity to students that were experiencing the most significant challenges in terms of their learning. In closing, he thanked the board, the committee, the Superintendent and all of the district's staff for their work. He understood that, as a group, these issues were important to them.

III. Items for Information and Discussion

A. Receive Information on Math Textbook Adoption Process

Assistant Superintendent Carl Hermanns provided a power point presentation on the textbook adoption process. He explained that there were two types of curricula for math, inquiry-based and fluency-based. He said the latter meant using calculations and not dealing with the basics of math. It reminded him of the conflicts in reading curricula in the past, when people argued about decoding versus whole language. He averred that of course they needed to do both. He said inquiry-based curriculum provided the essential skills that were needed and fluency-based enabled students to use those skills, and they needed both approaches. He recalled that the math curriculum had not been previously adopted for budgetary reasons.

Mr. Hermanns stated that teachers had, in essence, to create their own curricula with the present system and this, along with the statistics that demonstrated that students were struggling with math, pointed to the need to adopt the curriculum for the district. He said the curriculum, from a company called Pearson, would be customized and would provide both inquiry-based and fluency instruction. He noted that teams of teachers had worked with Janis Swan and Marna Knoer to align the curriculum to the new standards. He stated that the cost was estimated to be \$1.2 to \$1.5 million, based upon the cost of the language arts curriculum the district had invested in earlier.

Mr. Hermanns discussed some of the concerns expressed about the adoption of the new curriculum. He said they were looking at the last draft of the national math standards and they were certain that the curriculum met the 8th grade standards “dead on.” He noted that the standards were probably not aligned with the Kindergarten standards, but this was because it was their sense that they were not appropriate for that age level. Concerns expressed about the cost in the face of potential layoffs were considerable. He said the thinking was that when looking at where the students were and what needed to be done, it was in the classroom where the learning occurred and the instructional core was the relationship between the student and teacher in the presence of content. He underscored the critical necessity of having a curriculum that met standards so that teachers’ workloads were not exacerbated by having to go out and look for these types of resources. He averred that teachers had been doing a “herculean job” of trying to pull together curricula, and it was not working.

Mr. Hermanns foresaw that the budget implications of the coming years would preempt the possibility of adoption of the math curriculum and encouraged the School Board and Budget Committee to consider adopting it for the present budget year. He believed it would save money in the long run and effectively facilitate students’ ability to meet the national math standards.

In response to a question from Ms. Geller, Mr. Hermanns affirmed that the curriculum included teaching algebra by the 8th grade. He said the three credits required at high school had to be algebra I and above.

Ms. Geller asked if the cost of the curriculum included materials and professional development. Mr. Hermanns responded that it did.

Mr. Torrey related that he had spoken to a number of high school math teachers who had brought up the question of the consistency of the math vocabulary. He understood the program was K through 8th grade and asked if they could assume that high school instruction would use the same vocabulary that the 8th graders would be coming into the schools with. Mr. Hermanns confirmed that it would be.

Mr. Torrey asked what the chances were for the legislature “kicking the can down the road again” regarding graduation requirements. Ms. Bellamy responded that she could not hazard a guess at present. She added that it had not come up during the legislature’s special session, and she had not heard any discussion of this topic being put on the docket for the next session.

Mr. Torrey reiterated his concern that it be the position of the board that, regardless of what the State of Oregon did, these were reasonable and responsible graduation requirements and they ought to push for them. He asked if the district had experienced measurable improvements as a result of the new language arts curriculum. Mr. Hermanns understood the answer to be in the affirmative. Ms. Cramer confirmed that the district schools had seen measurable improvement, particularly in the younger grades. She said in conjunction with progress monitoring, they were able to monitor individual progress and intervene where necessary for a student who was not making progress.

Mr. Gleason ascertained that the cost was a one-time budgetary expenditure. He asked what the shelf life of the curriculum would be. Mr. Hermanns responded that the state adoption cycle was approximately

seven years, though with things moving more and more into the direction of electronic aids he felt it likely that they would no longer be using text books in four years or so.

Mr. Gleason asked for context for the trend lines that had been provided to the committee. He also wondered what other districts were doing and why the district was faced with purchasing a more “customized curriculum” given that the standards were statewide. Mr. Hermanns replied that the need was statewide, and he understood that School District 4J was getting calls from around the state in regard to this curriculum. In regard to national trends, he agreed that the achievement gap was a huge issue everywhere and math was a particularly big issue nationwide.

Ms. Boyd asked why staff thought this curriculum would be more effective than another curriculum in addressing the achievement gap. Mr. Hermanns responded that he would have to defer to the math teachers for a more specific answer. He said the reason it worked for the district better than other curricula was because there had been conflict between the inquiry-based and fluency-based instruction. He noted that inquiry-based instruction had come from the National Science Foundation and there had been a national trend toward this approach. He averred that the students also needed fluency, likening this approach to the need to learn scales before one could play Chopin on the piano.

Ms. Boyd said she could see that the curriculum was better than the ones that had been in use, but there was no clear evidence that it would address the achievement gap. Mr. Hermanns offered to have Ms. Swan and Ms. Knoer provide more specific information on this for the committee.

Ms. Clark asked if there were curricular choices that students were making between the 8th and 10th grade that were different. She wondered if there were differences in course-taking patterns among groups by ethnicity. Mr. Hermanns said with regard to K through 8th grade he did not think so.

Ms. Moses stated that there was a fairly traditional sequence that math courses were taken in from pre-algebra on, and the sequence began differently for different students. She said one of the focus areas was to encourage that all students be able to access algebra prior to high school.

Ms. Clark remarked that math was particularly sensitive in testing to the course work that students had taken. She thought a student taking the SAT was probably best advantaged by taking a lot of math and doing so in close proximity to the date of the SAT test.

Mr. Hermanns reiterated his belief that having a standardized curriculum for the whole district would really help out. Ms. Clark concurred. Mr. Hermanns was confident that the district would see the same results as the language arts curriculum, where it caught students who were falling behind and helped them.

Mr. Torrey echoed Ms. Boyd’s concern, that the new curriculum would “raise all the boats equally.” He asked if the language arts curriculum was shared with the volunteers, such as those who participated in the Start Making A Reader Today (SMART) program. He thought it would benefit the program to do so, especially if they could bring communities in to work with like communities in order to reduce the gap.

Mr. Hermanns commented that there were a lot of ways to accomplish this and one of them was what they had to be responsible for, such as monitoring progress and engaging in intervention when needed. He agreed that it was hugely important to determine how they could engage the families and volunteers in helping with this as well.

Ms. Clark asked what potential the Pearson curriculum had for assisting teachers with the interventions needed for a struggling student. Mr. Hermanns understood that the Pearson curriculum was good in this regard.

Ms. Walston found the statistics that indicated that all of the students' math performance dropped off after the 8th grade to be disturbing. She noted that the curriculum went from K through 8th grade and asked what was planned after that. Ms. Moses responded that there was a strong desire, after the curriculum for the K through 8th grade was purchased and implemented, to be sure that the curriculum beyond algebra would be purchased and implemented. She observed that the drop in math scores was a national trend and a monumental challenge.

Superintendent Russell commented that he had heard enough to believe that a lot of students make a decision by 8th grade about whether or not they were good at math or liked the subject and whether or not they would want to continue taking it through high school. He averred that believing they were good at math was very important to student performance.

IV. Items for Action at this Meeting

A. Provide Feedback on Budget Reduction Scenarios

Ms. Fahey stated that the financial forecast update had not changed much and a \$5.9 million deficit was still projected for the next year, assuming that the full \$200 million was released from state reserves. She said the details of it had changed some in that they had heard from the state that the teacher experience had dropped below state average, on which part of the funding was based. She explained that this would cause a \$400,000 adjustment to the 2008-2009 payment that would carry forward to 2010, which then would cause an \$800,000 hit to the forecast. She related that this meant they would have less general fund reserves to draw down before it would hit the five percent threshold dictated by board policy.

Ms. Fahey explained that implementation of the budget reduction scenarios would eliminate the deficit for 2010-2011, but would increase the deficit for subsequent years because some of the strategies used were one-time and not ongoing. She said the district had still not received news regarding whether the full amount of money would be released by the legislature, though sources indicated that this most likely would happen, and she had also prepared another scenario that reflected the possibility that only \$120 million in state reserves would be released. She outlined the further cuts.

Ms. Fahey outlined the history of staffing cuts. She noted that special education staffing had been increased but not nearly at the same rate that the population of special needs students had increased.

Ms. Geller noted that the budget reduction scenario included the elimination of 9.6 full time equivalent (FTE) employees for the licensed staffing pool. She asked what the pool had been used for. Ms. Fahey replied that the pool had been used for a variety of things over the years. She said it began as a pool of 20 and had been reduced before. She explained that the 9.6 in the present year was allocated for 1.0 FTE elementary, 2.6 FTE for middle school, including 1.6 for algebra intervention, and 6.0 FTE at the high school level. She said 1.0 FTE at the middle school level and 5.0 FTE at the high school level were used for stability for declining enrollment. Ms. Geller ascertained from Ms. Fahey that this cut would eliminate the staffing pool.

Ms. Geller observed that the cuts in physical education FTE put the district in the same place it was before the institution of the wellness policy and wondered about the implications. Ms. Fahey responded that each site would decide how much time they would be able to allocate to physical education.

Ms. Walston asked if the push for physical education would just go away then. Ms. Fahey reiterated that it would be a site-based decision.

Ms. Boyd asked if staff had evaluated how the allocation of staff funds had played out in the life of a school. She noted that her children's school had received stabilization for one year and the enrollment had bounced back. The stabilization funding prevented disruptions to the school community by doing what the state formula did, which was to give the better of two years. She wondered if the district would be losing anything by helping to even out the vagaries in enrollment and if they were seeing corrections as a result of this. Ms. Fahey replied that they had not analyzed the data to that degree. She understood, however, that Ms. Boyd's children's school was potentially an anomaly and, generally, if enrollment was declining it continued to decline for a few years before stabilizing.

Superintendent Russell said at this point he assumed they would not be faced with the second scenario, which was based upon the state only releasing \$120 million in reserves. He observed that the full state funding scenario did not suggest a change in the staffing ratio, but he thought it was important to understand that while there was no suggested change, it would be misleading for people to think that schools would not experience what would feel like significant staffing reductions. He stated that with the enrollment decline, the loss of the 9.6 FTE staffing pool, and with the elimination of physical education staffing, schools would experience what for them would be traumatic staffing issues. He did not want people to go away thinking that schools were not going to be hit. He believed that the schools would perceive a big hit. He cited the physical education element in particular, which was a reduction in the face of a focus by the First Lady Michelle Obama on the promotion of childhood wellness and the reduction of childhood obesity.

Continuing, Superintendent Russell also wanted to point out that any changes in employee compensation strategies would require conversation and negotiation with employee organizations.

Superintendent Russell noted that when looking at the difference between 1990-1991, which was before the reductions brought about by Ballot Measure 5 and the changes that had occurred over the past two-plus decades, it was important to recognize that the district had closed a number of schools at the elementary level, along with some alternative schools.

Mr. Torrey asked staff to elaborate on the hit the district had to take because of the teacher experience level. Ms. Fahey responded that part of the school funding formula was based on the average teacher experience and how it related to the statewide average, meaning the length of time a teacher had been teaching. Mr. Torrey then asked if the district had "shot [itself] in the foot" by encouraging early retirement last year. Ms. Fahey replied that they had not compensated for the early retirement to any further degree than they already had with the \$400,000 adjustment. She added that the retirement rate had not been that much greater than it would be in a typical year.

Ms. Walston asked if the adoption of the math curriculum would be in addition to the impacts they were considering. Ms. Fahey replied that staff was assuming that it would be funded with fleet and equipment reserves.

Superintendent Russell stated that staff was looking for feedback on whether the district was heading in the right direction with its budget reduction scenarios. He said if the committee had some concern with the second scenario, staff hoped to gain feedback from the public at the two public forums, planned for February 24 and March 1, on whether the strategies made sense. He noted that in the previous year they had discussed when and under what circumstances the district should look at the staffing ratio and said at this point he believed it did not need to change. Nonetheless, he would want to know if this was something that merited further consideration. He remained hopeful that the word from the legislature that the full \$200 million would be released was true. He thought that at some point they would need to think about what they were facing in the next few years, should the projected deficit continue to grow as

predicted.

Mr. Smith had focused on the reserve strategy, and it had struck him that a 5% reserve was dangerously low considering the coming couple of years. He remarked that the year after next was projected to be “dismal.” He was also concerned about the level of Public Employee Retirement System (PERS) reserves.

Mr. Torrey commented that both of Mr. Smith’s points were well-taken. He had shared an article from the *New York Times* with his colleagues on the board that indicated that the country was going into recovery, but Oregon was not following suit. He said Lane County and Oregon would be going into a jobless recovery. He stated that the only real effort that was put out by the Governor and Stand for Children had been through the rainy day fund. He pointed out that this resource would have to be replenished. He was concerned about the staffing level dropping further and wanted to keep in mind what would be in the best interests of the students in terms of sustainable funding. He ascertained from staff that a one percent drop in the budget would be approximately \$1.4 million. He was worried about the sustainability of the funding for the district into the future. He urged them to look at making some very tough choices. He could not see any way they could change the PERS situation, noting that it could not be done legally and was contractually owed. He declared that there would be a lot of shared sacrifices that would have to be made.

Ms. Laing wondered whether, in the face of the depletion of the reserve fund down to the 5 percent board level, they should be looking into the numbers behind closing a school and what it could mean to the district. She recalled that they had discussed this in the last budget session. She understood that a school closure did not mean that the budget would immediately experience a bounce. The specter of the \$12.4 million deficit projected for 2011-2012 was daunting. She wondered if the committee should get more information about what those numbers would mean. Ms. Fahey said staff could provide some numbers for the next meeting.

Mr. Hermanns advised the committee that when they discussed this, the conversation should not be constrained to only money. He said what it came down to for staff was that they were struggling with how to provide a good program for the students. He observed that as staffing was reduced it reached “a tipping point” and it could get to a point where it became very challenging for staff to provide kids with a good program.

Mr. Smith remarked that he had been involved in seven or eight school closures. He said it would be late to consider a closure for the next year, but it could be a strategy for the following budget year. He underscored that he would not say that they should not do so.

Ms. Boyd said she hoped they would consider looking at a high school consolidation, noting that the argument could be made that Eugene had one too many high schools.

Mr. Gribskov stated that he had served on the Budget Committee for three years. He noted that the 2011-2012 budget deficit was not news. He suggested that the committee should engage in an exercise to figure out what recommendations they would give staff to address a \$12.4 million deficit.

Mr. Smith recalled that they had done some thinking along the lines of Ms. Boyd’s suggestion. He recalled that in looking at the number of kids that would have to move, they determined that it would cause capital expenditures.

Mr. Gleason expressed appreciation for staff’s effort to try to figure out how to manage the present year with a minimum amount of pain. He added that he did not have a sense of how they were looking to the future with an eye on what longer-term more sustainable strategy would address the realities of funding projections. He wanted to find a way to have that conversation.

Ms. Boyd commented that if she had to choose between cutting 14 teachers and adopting a math curriculum, she would choose to save the 14 teaching positions. She acknowledged that they had this conversation in the last budget process. While she worried about the “cliff next year,” she would rather bet on the capacity of existing staff to manage with resources they already had than to lose 14 teaching positions and adopt a new math curriculum knowing that they were creating a disruption in the schools by changing it.

Mr. Torrey agreed with Mr. Gleason that it would be helpful for everyone leaving the meeting to consider what would happen if “the cliff” was coming tomorrow. He thought it important to identify every bucket of potential dollars that were out there to deal with some of the issues they faced in the next couple of weeks. He sensed that public sentiment would likely fall along the lines of believing that the school district was “sandbagging” them and had the money hidden somewhere. He wanted to make sure that the public input sessions were preceded by a thorough briefing on the budget. He declared that the more transparent they could be with the public, the better off they would be. He added his agreement that they would eventually have to deal with another school closure.

Mr. Hermanns commented that while Ms. Boyd made a good point about cutting positions versus adding curriculum, he would want to point out that the money for the math curriculum was one-time funding from the fleet reserve and would not affect teaching positions.

Mr. Smith agreed that the math curriculum was very important, given that teachers were now “just piecing things together.” He said they had money that they had dedicated to capital, primarily arising from the sale of property. He noted that part of the money had been used to maintain facilities. He felt that maintenance was an expense that the district “did not deal with well.” He thought as part of the discussion on sustainable budgeting, they should discuss what it would cost to sustain the facilities. He wanted the discussion not to focus on income only.

Mr. Torrey echoed this. He remarked that every family and business in the community knew that it was not prudent management of facilities to not set aside money to fix the roof when water was leaking in. He wanted to make sure they fully explained how they were allocating what money the district had to the members of the public at the public input sessions.

Ms. Geller ascertained from staff that the feedback had been adequate. Superintendent Russell said he would try to come up with some data on possible school closures and the budgetary implications this would have in two years. He also intended to make sure that the Budget Committee was aware of all of the “pots of money” that were out there that could conceivably be repurposed for other kinds of things. He commented that the discussion was a good warm-up for the questions that would likely arise at the public forums.

B. Provide Feedback on Budget Forum Agenda and Questions

Ms. Bellamy circulated the draft agendas for the budget forums. She said every principal had been invited to send two or three members of site councils to the forums. She conveyed staff’s hope that the Budget Committee members would also attend one or both of the forums. She highlighted the *Budget Forum Agenda* for the committee. She underscored that the direct objective would be to provide a high level picture of the budget for the participants. She asked members of the Budget Committee to share anything they might perceive to be missing from the discussion via email.

Ms. Geller passed around a signup sheet for Budget Committee members to attend one or both forums.

Mr. Smith commented that the Save Civic Stadium people had come to the previous board meeting to encourage them to spend a significant amount of money on the stadium. He thought it would benefit the discussion to bring this type of information to them.

C. Approve Minutes from the December 14, 2009, and January 11, 2010, Budget Committee Meetings

Mr. Smith, seconded by Ms. Clark, moved to approve the minutes from the School District 4J Budget Committee meetings held on December 14, 2009, and January 11, 2010, as written. The motion passed unanimously, 11:0.

D. Set Date for Next Budget Committee Meeting

Ms. Walston, seconded by Mr. Smith, moved to set the next meeting of the School District 4J Budget Committee for March 15, 2010. The motion passed unanimously, 11:0.

V. Items Raised by Members of the Budget Committee

There were no other items raised by members.

VI. Adjournment

Ms. Geller adjourned the meeting at 8:37 p.m.

(Recorded by Ruth Atcherson)