

**SHERMAN COUNTY SCHOOL DISTRICT
REGULAR SCHOOL BOARD MEETING MINUTES
February 25, 2016**

The Board of Directors of Sherman County School District met in the Sherman County Public/School Library Meeting Room in Moro, Oregon on February 25, 2016. The following were present: Chair, Bill Martin; Vice Chair, Angie Thompson; Directors: Kyle Blagg, Jim Macnab, Merrie von Borstel (by Phone); Superintendent, Wes Owens; TOSA Cindie King; Business Manager, Kim McKinney; Board Secretary, Jeanie Pehlke; Staff Members: Gerald Casper, Kalie Rolfe; Visitors: Gary Peterson, Eric Harrison, Jonathan Rolfe, Liz Cranston, Brad Lohrey, Rob Myers

SUMMARY OF ACTIONS TAKEN

Motion by Director Kyle Blagg with second from Director, Jim Macnab to approve the agenda for February 25, 2016 as presented. **Vote:** 5 in Favor (Blagg, Macnab, Martin, Thompson, von Borstel) **Action:** The motion carried unanimously.

Motion by Director, Merrie von Borstel with second from Director, Angie Thompson to reconvene at 7:30 a.m. on Monday, February 29, 2016. **Vote:** 5 in Favor (Blagg, Macnab, Martin, Thompson, von Borstel); The motion carried unanimously.

CALL TO ORDER

Chair, Bill Martin opened the meeting with the Pledge of Allegiance to the American Flag at 6:00 p.m. Merrie von Borstel was contacted by telephone.

Approve Board Meeting Agenda

Board Members were given an opportunity to make changes to the Agenda for this February 25, 2016 meeting. No changes were made.

Motion by Director Kyle Blagg with second from Director, Jim Macnab to approve the agenda for February 25, 2016 as presented. **Vote:** 5 in Favor (Blagg, Macnab, Martin, Thompson, von Borstel) **Action:** The motion carried unanimously.

COMMENTS FROM VISITORS RELATED TO AGENDA ITEMS

Superintendent Owens thanked everyone for coming. It was noted that Rob Myers had signed up to speak to the Board.

Mr. Myers stated that he is here on behalf of Frontier Telenet. He made a point to note that he is not here on behalf of the North Central ESD. He shared some history about himself stating that he had served on the Gilliam County ESD before Gilliam merged with Sherman and Wheeler and mentioned that he had been the Chair of the North Central Transition Committee and had also been the Chair of the North Central ESD board. For historical content he wanted the board to understand that North Central ESD is the brainchild of Dale Coles. He stated that when Mr. Coles was the superintendent of the Gilliam County ESD, Mr. Coles found a backfill loophole that allowed them to adopt Wheeler County's tax rate, combined the three (3) ESDs to

become North Central ESD, and paid the new combined ESD \$3.7 million for 6 or 7 years. That money was portioned out to the schools, based on each school's ADMw. Mr. Myers stated that he would be remiss and feel badly because Dale Coles, as far as he is concerned, "is one of the finest men who ever walked the face of the earth" and deserves some recognition for the fact that North Central ESD even exists. That doesn't mean that it is important today, but he thinks it's important historically to understand where it all started. The same thing happened with Frontier Telenet, which is a partnership between Gilliam County, Wheeler County, Sherman County and North Central ESD. He stated that it started with Frontier Learning Network and, at that time, North Central ESD couldn't deliver enough bandwidth to the school districts to support the two-way interactive instruction methodology that Frontier Learning Network employed. So the three counties and North Central ESD developed Frontier Telenet as a partnership that was funded originally with \$2.1 million from the three counties to build the infrastructure. He noted that Frontier Telenet's footprint is now 21,000 square miles. He also stated that Frontier Network's primary goal, since day one and still their primary goal today, is to provide bandwidth for K-12. He reiterated that this information is strictly for historical content and he feels that it is important to understand what a pivotal role Dale Coles played in all this.

Director Macnab asked how Frontier Network is funded. Mr. Myers stated that the initial funding was \$2.1 million that developed very quickly because each of the three counties were contracting out their 911 dispatch services at a cost of \$58,000 per year through Morrow County. He explained that the difference between the \$58,000 they paid to Morrow County and the amount they received in 911 excise tax from the state accrued over a period of approximately 14 years in a bank account and became the \$2.1 million dollars. The three counties decided to use that money to put in the infrastructure so that they would be able to provide bandwidth for K-12 and deliver Frontier Learning Network. At that time, he noted that it was called advanced telecommunication services, and now it is called broadband access. The counties ran into a lot of trouble with the legislature, so by the time they were done it had increased to \$2.5 million. So that was the basis for the original network. Then in 2004, 2005 and 2006 they began providing law enforcement, public safety and public health communications with bandwidth. He stated that this was with a different pile of money other than the funds coming in to support the K-12 bandwidth. He said that they wrote about \$5 million in state homeland security program (SHSP) grants that increased the size and upgraded the network at that time. That is when there was still pass-through money coming from the federal government to the state for SHSP grant funds. As the provider of bandwidth to the schools, Frontier Telenet then responded to RFPs from the North Central ESD that allowed them to receive the eRate reimbursements that reimburse the cost of bandwidth provisions from the provider to the school districts at a rate that is based on the districts' free and reduced lunch rate. The highest Mr. Myers believes the free and reduced lunch rate ever was 84%. Mr. Myers then gave an example that if the cost of providing bandwidth to all 6 schools was \$500,000 (he acknowledged that the actual cost to provide internet service to ESD schools is approximately \$567,000, as Mr. Owens had stated in an earlier meeting) and if the average free and reduced lunch rate between and among all the six schools was 80%, then the reimbursement to Frontier Telenet was \$400,000. At that time, Frontier Telenet's primary purpose was to provide K-12 bandwidth provisions strictly to the school districts. He explained that since then, they have expanded. He further explained that the original core network, that remains today, is a licensed

microwave network that operates at a 155 meg capacity. He projected that Frontier Telenet will spend about \$500,000 this year to upgrade the core network from the 155 megs to about 600 megs. That will have a positive effect on all of the counties, primarily Sherman County, because the main “chokes” are between the air base outside of Condon and the Frontier Telenet hub at Arlington. Mr. Myers was very clear to state that bandwidth is separate and apart from the discussions that are going on around fiber availability to Sherman County School District. He noted that won’t affect the bandwidth to Sherman County. He stated that, “This has nothing to do with the resolution services or the IT services provided by the North Central ESD”.

Chair Martin thanked Mr. Myers for his comments.

UNFINISHED BUSINESS

Action on whether to withdraw from the North Central Education Service District in accordance with ORS 334.015

Superintendent Owens thanked Mr. Myers for speaking and acknowledged his own admiration and respect for the late Dale Coles. He stated that he and Mr. Coles had many conversations related to services and efficiencies for kids and asked that this be the focus of the meeting tonight. He noted that there has been a lot of research, input and thoughtful conversations in regard to what we can do for kids and staff and how we can save money in our school district.

Superintendent Owens then introduced Gary Peterson from Columbia Gorge Education Service District who, he noted has a great deal of familiarity with opt out discussions and has had conversations with other school districts related to this subject.

As Mr. Peterson prepared to give a PowerPoint presentation, that is attached and made part of these minutes, he stated that he has been an administrator or superintendent for the last 25 years and has been involved with at least five different ESDs. He noted that the presentation that he is giving had been prepared for Hood River County School District and North Wasco School District when they were having the same conversations that we are having tonight back in 2013. He noted that he also attended South Wasco’s regular school board meeting last month and gave their board the ESD historical portion of his presentation.

During his presentation, he explained ESD background, history, services, laws and how ESDs are funded. A few points Mr. Peterson emphasis are listed below:

- In 2005 the legislature prescribed that ESDs must provide services in four areas: children with special needs, technology support, school improvement and administrative support. ESDs were permitted to come up with their own individual models within this state requirement. The model North Central ESDs employs is what Mr. Peterson described as a “buffet model”. Which is a model that offers all required services to all districts it serves, but if a district does not need or use a service, then they leave it and the funds associated with that service behind.
- The opportunity for districts to use a “menu model” came about in 2011 when school districts in Multnomah ESD (Portland); NW Regional ESD (including Beaverton and Hillsboro); Willamette ESD (including Salem) and Baker County ESD did not like the

buffet model. These districts lobbied and Senate Bill 250 passed. It allowed their specific school districts to opt out of their ESDs and receive 90% of their state school funds based on enrollment to purchase services using whatever sources best served their students. Mr. Peterson defined the “menu model” as a customer driven model that allowed districts to choose from a menu of services or even choose cash in lieu of service, if a service is not available.

- In 2013 the legislature determined that it was such a good idea that they made the ESD opt out opportunity available to all school districts statewide. That is when the Columbia Gorge ESD transitioned to the menu model to better serve its school districts.
- In order for a district to opt out of an ESD, an affirmative vote of 2/3 of the board members must agree before March 1st.
- Mr. Peterson read the following two provisions that were created to protect ESD employees when a school district chooses to opt out of their ESD: ORS 236.605 services assumed/acquired by another public employer require transfer of employees if new employees will be required and ORS 334.017 Requires local districts to interview ESD employees affected by withdrawal for any vacant position for 12 months.
- If a district chooses to withdraw from their ESD they can by November 1st of the year prior, vote to rejoin their ESD.

It was clarified for Director Macnab that there would be no change in the local property taxes if the school district decides to opt out of the ESD.

Director Macnab then asked Rob Myers about the hub at Arlington. Mr. Myers clarified that the hub in Arlington is Frontier Telenet not the ESD. Mr. Macnab then asked how the bandwidth is “beamed” to the school. Mr. Myers explained how the internet is routed over licensed microwaves from various locations. Mr. Macnab stated that this is valuable information for a decision on the ESD opt out.

Superintendent Owens thanked Mr. Peterson for his presentation and shared with the board a synopsis of his research, investigation and conversations that he has been involved in since October when the board voted to initiate the intent to withdraw from the North Central ESD. He recalled various discussions going back to as early as 2006 with Dale Coles related to efficiencies and services for students in our district.

One concern Superintendent Owens addressed with both Robert Waltenburg and Mike Carroll was how a decision by Sherman County School District to opt out may affect the students in other districts that are served by the North Central ESD. He did not want this potential decision to have any negative impact on partner schools. Both gentlemen assured Superintendent Owens that there would be no adverse effect to the students in other districts.

Superintendent Owens reiterated that services and efficiencies are the priority. He then distributed two (2) handouts. Attached and made part of these minutes. The first handout shows allocations and percentages distributed to districts served by North Central ESD. It was noted that while Sherman is the largest district in our region, it only received 20.47% of the North Central ESD allocations in 2015-16 and Fossil received 27.44%.

Superintendent Owens pointed out that if the board chooses to opt out there is plenty of time to contract back with the ESD for various services or contract with other entities that can best serve the needs of our students. He stressed that some of the money from our resolution services in our current model goes to services that we don't use. He gave the example that our district pays for Frontier Learning Network (FLN), but we don't use it. It was clarified that the reason the district doesn't use FLN is a lot of classes are now being offered through online learning and our courses offered through Columbia Gorge Community College. He noted that the last time FLN was used was around 4-5 years ago when a student took an emergency services class that was taught in Condon and beamed to Sherman. The problem with FLN is that classes taught remotely don't always coordinate with our students' schedules. He stated that 15 years ago the FLN was a great option, but now we have flexible online options that serve the students better.

Superintendent Owens then went over a handout that shows North Central ESD's current resolution services numbers on the left side and 2016-17 projected resolution service numbers in the middle column. He pointed out the example of this year's \$8,752 that was allocated by the ESD on our behalf toward FLN and next year's allocation of \$12,901 for this service that, if we stay in, we will fund but our students will not use. He then went over services and allocations that are provided by the North Central ESD. He clarified that the district is very comfortable with some of the services that we receive from the North Central ESD, but there are some services that he feels we can find some efficiencies with.

He then asked the board to look at the potential contractor column on the right column that shows projections if the district chooses to opt out. Noting that in this scenario, it is very possible that the district would contract with various ESDs for some services. If the district opts out it would receive \$214,503 plus an additional \$50,000 would flow to the district for the IDEA funds for a total for \$264,503. After projected costs, the district may have a potential of \$32,410 left to provide additional services. Superintendent Owens explained that there may also be additional funds discovered in the areas of technology and school improvement if we opt out.

It was clarified that North Central ESD does not offer a menu option and that if we opt out it would allow us an opportunity to talk to vendors and put out RFPs to get better services for kids and provide more efficiencies for students.

Director von Borstel asked for clarification on the 2013 legislative change. Mr. Peterson stated that after 2013 most ESDs moved to the menu model because the districts didn't want to pay for services they weren't getting or don't need. He explained that North Central ESD is still on the buffet model.

Questions were asked related to what the ESD is using the FLN funds for. No one in the meeting could answer the question, but it was made clear that Sherman is not utilizing their allocation.

Business Manager, Kim McKinney addressed a question about the IDEA fund. She stated that it is money from the federal government for special education that is currently spent on our behalf by the North Central ESD. If we opt out, we would receive the entire \$50,000.

Director Macnab asked how technology services would be delivered to the school. Superintendent Owens stated that if we choose to opt out there are multiple possibilities for vendors. The process would involve the district going out for request for proposals with various companies. Superintendent Owens stated that he feels very strongly that we can find options that could provide better internet services and better technical support through other vendors.

Director von Borstel asked if technology services will be brought in through fiber optics that is coming to the school. Superintendent Owens stated that it could be, but there are still a lot of questions that have not been answered in regard to how the fiber optic could be provided, connected, and filtered to the district. He said that it is an option, but we don't know if it would be feasible at this point. One of the issues is that our bandwidth is very limited. Proposals from vendors would need to be looked at to increase bandwidth and provide technical support.

Chair Martin acknowledged that the district has issues with the quality of the current internet service, and asked Superintendent Owens if he believes the district can get better support from a different vendor. Superintendent Owens stated that he feels very confident that the district can get better technical support and increase the bandwidth and do it all for a better "bang for the buck".

Director Macnab asked how much bandwidth the district currently receives. Superintendent Owens referred the question to Gerald Casper who is the district's technology specialist. Mr. Casper stated that while 45 megabits sounds good, it is shared with all five school districts, adding that at times its speed is equivalent to the old dial up. Director Macnab called upon Sheriff Brad Lohrey to add to that answer.

Chair Martin stopped the meeting for a moment and stated that out of respect for everyone's time he would like to ask the board members if they would like to allow audience members to speak at this time. After a brief discussion, it was agreed that audience members who would like to speak would be given three (3) minutes each.

Sheriff Lohrey stated that he represents Frontier Regional 911 and he also serves on the board for Frontier Telenet. He stated that one of the district's vendor options is the county, who is putting in a fiber line throughout the county. He acknowledged that he is aware that the district is considering opting out of the ESD and he stated that he doesn't care about that. He said that because he sits on those boards he knows what the county level discussions are and he can say with confidence that if the district is looking for other vendors, then the county will not run a fiber line to the high school. He reasoned that if the district is not going to use Frontier Telenet's fiber, then there is no reason for them to pay to bring fiber out here. He further said that he has had discussions with at least two (2) commissioners and it doesn't make any sense to them, or Frontier Telenet or Sherman County to bring fiber to the high school if the district is going to go with another vendor. He stated that he is hoping that a decision can be made soon

because they are hoping to have the fiber completed this year. Sheriff Lohrey cautioned the board that the district should work with the county to bring fiber to the school, because it won't come if the district goes with another vendor. Chair Martin asked if any other provider can use that fiber line and Sheriff Lohrey answered no, only Frontier Telenet. Sheriff Lohrey stated that the county is making a huge investment for our kids and that's why the fiber is coming, adding that it's also for the citizens. He repeated that if the district doesn't want fiber, then the county won't run it there. Chair Martin thanked Sheriff Lohrey for his comments. It was clarified that the county is a partner in the fiber line.

Jonathan Rolfe asked if the district opts out of North Central ESD and opts in to another ESD will the district lose the IDEA funds. It was clarified that the district cannot join another ESD, but if the district opts out of NCESD it can use those dollars to contract with a different ESD or service provider. Angie Thompson explained that the board will be voting to opt out or not opt out of North Central ESD, she clarified that the board will not be voting to join another ESD, but by opting out the district will be able to contract services through other vendors, ESDs or possibly provide services ourselves.

Eric Harrison from Multnomah ESD was given an opportunity to speak. Mr. Harrison stated that he provides ISP technology services to about half of the students in the state of Oregon, so he has a very good idea about bandwidth requirements. He stressed that the district's bandwidth vendor is North Central ESD and the fiber line is a totally separate conversation than what is being evaluated right now. He then shared his calculations for bandwidth requirements for the district and said that right now to match the average of other students across the state of Oregon; the district would need 20 megabits per second. He noted that right now the district is only receiving 10 megabits per second. In addition, the average growth rate for networks throughout the state doubles each year, so to keep up with the rest of the state; SCSD will need 40 megabits by next year and 60 the year after.

Superintendent Owens stated that we have had lots of conversations since October; he thanked everyone and stated that we always have to bring it back to services for our kids and efficiencies for our school district. He shared his hope that he has provided factual information so the board can make an informed decision and do what is best for kids.

Chair Martin asked the board for further discussion. Director Macnab stated that he feels we are part of something that was built over 15 years ago. He added that if we need to improve it, then we need to go to their board and demand our services. Director Macnab said this is something we own ourselves and control ourselves. Vice Chair Thompson stated that she will be abstaining from the vote, but wanted to remind the board to always make decisions based on what is best for kids and efficiencies are important. Director Blagg said that he really does believe that opting out is what is best for kids. He noted that it is only a one year deal and we can get back in if we feel we have made a mistake. He added that if the board opts out he would like to see a proposal from Frontier Telenet and a quote to bring the fiber to the school from the installing contractor. Director von Borstel asked if the board would consider tabling the decision until Monday. Chair Martin asked what additional information would be needed to make a decision on Monday. He asked someone to tell him why opting out for one year

wouldn't be a good option for our district? Director von Borstel expressed her concern that if the district opts out, the school will not receive the fiber line. Chair Martin reiterated that the district can opt out and get back in if it is not best for our kids. He suggested trying it to see what happens, stating it will give the district more choices. Chair Martin reasoned that the district has the option of using Frontier Telenet and that might be the best choice, but opting out gives options to have a menu model. Director Macnab said that we are part of something, we built together. Chair Martin asked if the district is willing to sacrifice what is best for our kids just so we can stay in something because that is what we have done for the last 15 years?

Director von Borstel expressed concern about opting out and then opting in again and missing the fiber. It was determined that the drop dead date for the fiber is December 31, 2016. There was a discussion related to the RFP process for internet provider and technical support. It was reiterated that if the board chooses to opt out they may choose to do exactly what they are doing and hook up to the fiber, but opting out gives the district more choices on how they can receive those services and moves to a consumer driven model. Director von Borstel asked how the district could receive better internet. Superintendent Owens answered by saying that the district would send out requests for proposals and see what they receive. He followed up this statement by saying that he wouldn't make the recommendation to opt out if he didn't feel confident that we can come up with something better for our technical support and better for our internet service. Superintendent Owens reminded the board that technology is only one part of the resolution services that are provided by the North Central ESD. Director Blagg suggested that Director von Borstel's question was how the internet could be delivered physically. It was clarified that it could be beamed from Goldendale or The Dalles in the same manner it is received from Condon. Chair Martin repeated that the internet provider is only one piece of the services we are receiving from the ESD. Chair Martin spoke in favor of opting out as a way of allowing the district to find options that work better for us.

Director von Borstel asked if the North Central ESD has tried to change anything since they received the intent to withdraw letter from the district. Superintendent Owens stated that he met numerous times with the ESD superintendents; he said that he asked for certain options that would help our students and staff but they were not able to provide a menu opportunity scenario. Also, he discussed internet and it was determined that because of their current infrastructure; it would be very difficult for them to provide the internet services at a level we currently need.

A discussion related to postponing a decision until Monday took place. Vice Chair Thompson requested a decision be made tonight. She added that she thinks board members may be confusing the option of technology and the fiber as a possible vendor vs. what Superintendent Owens is presenting tonight which are services including Special Ed, school improvement, etc. and that is the decision that needs to be made tonight. Director Blagg suggested that there may be some value in staying with the ESD for technology and the fiber, and assuming that they don't come in higher than their projected costs there is still a savings of \$12,000 that can be captured if the district chooses to opt out.

It was clarified that with Vice Chair Thompson abstaining from the vote, the other 4 board members would have to all vote yes to pass this vote.

Gerald Casper asked if the board members understand that the ESD is not the provider of the fiber optic line and wondered if they stayed with the resolution services at the ESD if they can even get on the fiber optics line.

The discussion related to postponing a decision until Monday took place. Director Blagg pointed out that because of the affirmative vote; if anyone is adamantly opposed to opting out of the ESD then the board would be wasting their time coming back in on Monday. Chair Martin agreed with Director Blagg. Vice Chair Thompson stated that she realizes that it is difficult for Director von Borstel to be attending this meeting by telephone. She also expressed her frustration that the fiber optics topic got really intertwined in the discussion and that is not what we are talking about tonight. She expressed her hope that on Monday the board could come back together, separate the two issues and focus on whether to opt out of the ESD or not.

Motion by Director, Merrie von Borstel with second from Director, Angie Thompson to reconvene at 7:30 a.m. on Monday, February 29, 2016. **Vote:** 5 in Favor (Blagg, Macnab, Martin, Thompson, von Borstel); The motion carried unanimously.

COMMENTS FROM VISITORS

No were comments received.

ADJOURNMENT

There being no further business, Chair Martin declared the meeting adjourned at 7:50 p.m.

Chair, Bill Martin

Board Secretary, Jeanie Pehlke

What's an ESD?

- Education Service Agencies - ESA
- 45 States (all except Nevada, Oklahoma, Tennessee, Maine and Rhode Island)

Education Service Agencies - ESA

- BOCES – Board of Cooperative Educ. Services (Colorado, New York)
- ESC - Education Service Center/Cooperative (Indiana, Ohio)
- ISD – Intermediate School District (Michigan)
- ESD – Education Service District (Oregon, Washington)

History of Regional Services in Oregon

1872-1944



County Unit in charge of curriculum, textbooks, facilities, teachers and distribution of funds.

1945-1962

Rural School Districts:
(less than 1000 students)



- Equalization of operating costs
- Focus on special education services

1963-1976

“intermediate education districts”
(IEDs)

“to provide maximum excellence in education and as nearly equal educational opportunities for all the children of this state as is feasible under local control”

1963 – Intermediate Education Districts

- Levying of property taxes returned to local districts
- **IED retained previous tax base**
- Resolution process established

1977

Name changed to “education service districts” (ESDs)

- Significant focus on special education

1993 – ESD Reorganization Act

Consolidation of ESDs from 29 and six remaining County Units into 21 ESDs

- There are now 19
- North Central, then Region 19, formed from Sherman, Gilliam and Wheeler Counties

**2001 – Primary Mission of ESDs
ORS 334.005**

The mission of education service districts is to assist school districts and the Department of Education in achieving Oregon's educational goals by providing equitable, high quality, cost-effective and locally responsive educational services at a regional level

2001 – ESD Funding

- *5 percent of State School Fund (SSF)*
- *Equalization across the state*
- *\$1,000,000 base for Harney, Lake, North Central, Grant and Wallowa ESDs (2003)*

Current ESD Funding

- *ESDs receive 4.50 percent of the total of the annual State School Fund (SSF)*
- *These funds are distributed to each of the 19 ESDs on a weighted enrollment basis (total enrollment of all districts in the ESD)*

Current ESD Funding

- *\$1,165,000 base for Harney, Lake, North Central, Grant and Wallowa ESDs (2015)*
- *90 % of base funding must go to services to districts*

\$1,048,500

2005 – Local Service Plans

- Children with special needs
- Technology support
- School improvement
- Administrative support

Local Service Plan

- *Resolution Services*
- *Approved by the Boards of two-thirds of local districts with over 50 percent of the students*
- *Approval by March 1*

LSP Models

- *“Buffet” model = All Identified Services Available to all districts*
 - *Use them or lose them*

LSP Models

- “Menu” model = Usage of specific services
 - Based on District need
 - Assumes needed services are available
 - Often combined with cash in lieu of services if needed services are not available

2011 – SB 250

- Local school districts within Multnomah ESD, Northwest Regional ESD, Willamette ESD or Baker County may choose to withdraw from the ESD
- The withdrawn district shall receive 90 percent of the ESD SSF dollars generated by that district’s ADMw.

2013 – SB 529 (ORS 334.015)

- Any local district may withdraw (“opt-out”) from their ESD
- The withdrawn district shall receive 90 percent of the ESD SSF dollars generated by that district’s ADMw.

2013 – SB 529 (ORS 334.015)

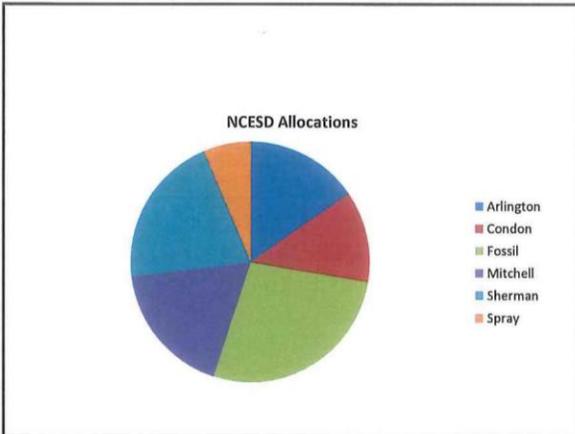
- The school districts would no longer be part of the ESD or receive ESD services unless provided for by contract.
- Such districts would no longer be part of the local service plan approval process.

ORS 334.015

- Requires affirmative vote of two-thirds of local district board members
- Intent to withdraw provided to ESD by November 1
- Notice of withdrawal to ESD Board by March 1

NCESD Allocations 2015-16

• Arlington	\$160,829
• Condon	\$128,945
• Fossil	\$287,711
• Mitchell	\$188,978
• Sherman	\$214,597
• Spray	\$67,440
Total	\$1,048,500



Transfer of Employees

- ORS 236.605
 - Services assumed/acquired by another public employer require transfer of employees if new employees will be required

- ORS 334.017
 - Requires local districts interview ESD employees affected by withdrawal for any vacant position for 12 months

Rejoining with ESD

- Requires affirmative vote of two-thirds of local district board members

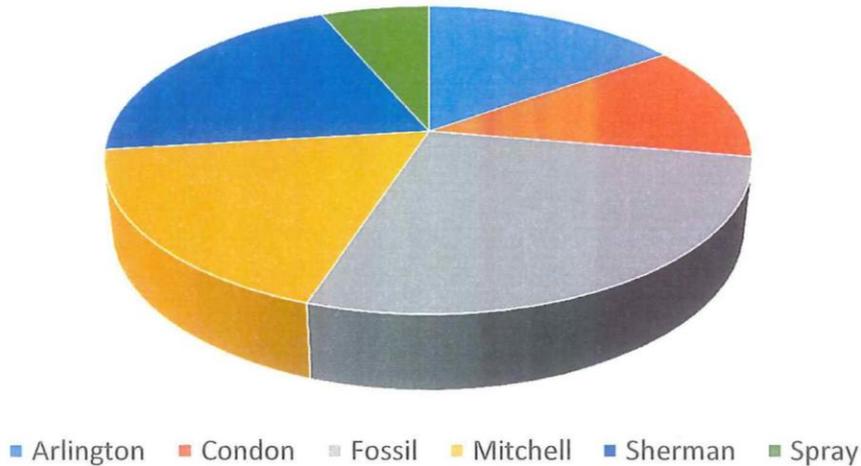
- Vote to rejoin must occur by November 1 of year prior to rejoin

- Becomes effective on July 1

Handout #1

NCESD Allocations 2015-16 Projected			
District	ADMw	Percent	Amount
Arlington	296.19	15.34%	\$ 160,829
Condon	237.47	12.30%	\$ 128,945
Fossil	529.86	27.44%	\$ 287,711
Mitchell	348.03	18.02%	\$ 188,978
Sherman	395.21	20.47%	\$ 214,597
Spray	124.20	6.43%	\$ 67,440
TOTALS	1,930.96	100.00%	\$ 1,048,500

NCESD Projected Allocations by ADMw



Year	Sherman ADMw %	Amount
2010-11	33.28%	\$ 299,529
2011-12	30.96%	\$ 278,658
2012-13	27.63%	\$ 248,670
2013-14	25.04%	\$ 225,360
2014-15	25.21%	\$ 226,890
2015-16	20.47%	\$ 214,597

Sherman County School District				
2016-17 Projected Expenditures and Revenues for Potential Opt-Out				
Currently in Resolution Services with North Central ESD	2015-16 Resolution Service Amount spent on behalf of SCSD per North Central ESD	Projected 2016-17 Resolution Service Amount per North Central ESD per ADMw **	Projected 2016-17 Expenditures if Opt-Out	Potential Contractor
FLN Services	\$ 8,752	\$ 12,901	\$ -	N/A
Special Education Services (including PT and OT)	106,093	74,512	106,093	Sherman County School District or Contracted Services
Speech Services	86,176	34,537	76,000	Sherman County School District or Contracted Services
Early Intervention/Early Childhood Special Education	1,100	3,275	5,000	High Desert ESD
School Improvement	9,444	15,626	-	Sherman County School District. Additional support allocated in School District Budget during 2015-16 \$16,000
Certified Librarian Services	2,267	2,771	-	Contracted Services
Legislative Services	4,267	5,322	-	N/A
Technology Services	52,726	61,568	42,000	Multiple Possible Vendors, Additional support being spent by the School District for 2015-16 \$26,767
Administration & Support	10,732	3,990	3,000	Sherman County School District and potentially contract with Willamette ESD for eRate
	\$ 281,558	\$ 214,503	\$ 232,093	
Opt out amount to be received from North Central ESD (Projected)			\$ 214,503	
IDEA to be received (projected)			50,000	
Amount of revenue available for services			264,503	
Projected costs from above			(232,093)	
Potential funds available for additional services			\$ 32,410	
** Per Resolution Services 2016-17 NCESD				