



Hillsboro School District 1J

April 14, 2020

Board Meeting

Board of Directors

Lisa Allen • Martin Granum • See Eun Kim • Erika Lopez • Yadira Martinez • Jaci Spross • Mark Watson

Student Representatives to the Board of Directors

Danny Adzima • Maria Isabel Aguilar Alvarado • Andrew Goodwin

HILLSBORO SCHOOL DISTRICT 1J BOARD OF DIRECTORS
Virtual Meeting

Board Meeting Agenda
April 14, 2020
5:15 PM

Please note that in light of current public health concerns related to COVID-19, this meeting will be a virtual meeting. Additional information regarding meeting access is available on www.hsd.k12.or.us. The estimated times listed below for specific agenda items are subject to change.

1. 5:15 PM - Executive Session

- A. ORS 192.660(2)(i)—Evaluation of the Superintendent
Time: 5:15 PM, 30 minutes
- B. Recess Executive Session
Time: 5:45 PM

2. 5:45 PM - Work Session

- A. COVID-19 Update 4
Presenter: Mike Scott
Time: 5:45 PM, 30 minutes
- B. Budget and Student Investment Account Update 5
Presenter: Michelle Morrison / Travis Reiman / Mike Scott
Time: 6:15 PM, 30 minutes
- C. **ACTION ITEM:** Adopt Revised Planning Calendar for the 2020-21 Budget 6
Sample motion: I move that the Board of Directors adopt the revised planning calendar for the 2020-21 budget.
Presenter: Michelle Morrison
Time: 6:45 PM, 10 minutes
- D. Corporate Activity Tax Update 8
Presenter: Adam Stewart
Time: 6:55 PM, 10 minutes
- E. Award Contracts for Hillsboro High School Parking Lot Improvements 11
Sample motions: (two separate motions)
1. I move that the Board of Directors award the base bid contract for Hillsboro High School parking lot improvements to Baker Rock in the amount of \$298,355.
2. I move that the Board of Directors award Bid Alternate #1 to Baker Rock in the amount of \$61,200.
Presenter: Adam Stewart
Time: 7:05 PM, 5 minutes
- F. Early Learning Partnership Report 13
Presenter: Olga Acuña / Kelly Purdy
Time: 7:10 PM, 20 minutes
- G. Student Representative Selection Process 14
Presenter: Erika Lopez / Mike Scott
Time: 7:30 PM, 10 minutes
- H. School Health Center Expansion Grant Update 15

- Presenter: Beth Graser
Time: 7:40 PM, 15 minutes
- I. Alternate Education Revisioning 16
Presenter: Dayle Spitzer
Time: 7:55 PM, 15 minutes
- J. Facilities Naming Process 17
Presenter: Casey Waletich
Time: 8:10 PM, 15 minutes
- K. **ACTION ITEM:** Language Arts Adoption Approval 18
Sample motion: I move that the Board of Directors approve the Language Arts Adoption.
Presenter: Travis Reiman
Time: 8:25 PM, 10 minutes
- L. **ACTION ITEM:** Approve Purchase of Language Arts Adoption Curriculum and 19
Materials from McGraw Hill
Sample motion: (all in one motion)
I move that the Board of Directors:
1. Approve McGraw Hill as a sole source provider of curriculum, digital resources, teacher materials, and textbooks per ORS 279B.075;
2. Accelerate access to professional development, curriculum, digital resources, teacher materials, and textbooks; and
3. Approve potential single or multi-year financing options not to exceed \$2,470,000, for devices, textbooks, teachers' editions, multi-year licenses, and other related costs.
Presenter: Michelle Morrison / Adam Stewart
Time: 8:35 PM, 10 minutes
- M. Discussion Time
Time: 8:45 PM, 10 minutes
- N. Adjourn Regular Session
Time: 8:55 PM
- O. Next Meetings of the Board of Directors
• April 28, 2020, Regular session
• May 12, 2020, Work Session

The complete Board meeting packet may be downloaded from the District website at: <https://www.hsd.k12.or.us/board>.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
COVID-19 UPDATE

SITUATION

The Board of Directors will receive an update on the District's COVID-19 plan.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to report and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
BUDGET AND STUDENT INVESTMENT ACT UPDATE

SITUATION

Per the 2020-21 Budget Development Calendar, Staff will present information to the Budget Committee regarding the current financial position of the District and outlook for the upcoming year. This is an effort to inform and engage key communicators regarding resource use and budgetary impacts based on current information. The presentation will include an update on the District's Student Investment Account (SIA) Application and potential impacts to funding in light of the COVID 19 state of emergency.

RECOMMENDATION

The Superintendent recommends that the Budget Committee listen to this report and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
ADOPT REVISED PLANNING CALENDAR FOR THE 2020-21 BUDGET

SITUATION

Each year, the Board of Directors adopts a budget planning calendar for the upcoming year, in accordance with ORS 294.305 – 294.565 and Board policy DBC. Key dates on the calendar include:

- The 2020-21 Proposed Budget originally scheduled be presented on April 28, 2020, at the Budget Committee meeting has been revised to May 12, 2020.
- Additional Budget Committee meetings are scheduled for May 19 and 26, 2020, if needed.
- The Public Hearing for Budget Adoption remains unchanged for the June 23, 2020, Board meeting.

RECOMMENDATION

The Superintendent recommends that the Board of Directors take action on the following motion:

I move that the Board of Directors adopt the revised planning calendar for the 2020-21 budget.

Budget Planning Calendar

Hillsboro School District Budget Development activities are listed in the table below. The items may be modified as relevant information becomes available. Please watch for new information on the Budget Matters website.

Date	Activity
June 11, 2019	Appoint Budget Officer
October 29, 2019	Appoint Budget Committee Members to Vacant Positions
December 10, 2019	Budget Planning Calendar Approved
January 28, 2020	Budget update during Board Work Session
February 25, 2020	Budget update during Board Work Session
April 14, 2020	Budget update during Board Work Session
April 28, 2020 May 12, 2020	Budget Committee Meeting: Committee reviews proposed budget document, receive Budget Message, and may approve the budget for Hearing.
May 19 and 26, 2020	Additional Budget Committee Meeting (if needed)
June 23, 2020	Budget Hearing: Board Adopts Budget, Makes Appropriations, Declares the Levy.
July 15, 2020	Levy Certified to Assessor, and Adopted Budgets distributed per Local Budget Law and district best practice.

Publications:

Per local budget law (ORS 294.305 – 294.565), the Notice of Budget Meeting will be published in the Hillsboro Tribune twice; the first time not more than 30 days prior to the meeting date and the second time not less than 5 days prior to the meeting (with a minimum of 7 days in between publications).

The Notice of Budget Hearing and Budget Summary will be published once not more than 25 days or less than 5 days prior to the Budget Hearing date.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
CORPORATE ACTIVITY TAX

SITUATION

Oregon passed a new Corporate Activity Tax (CAT) that went into effect on January 1, 2020, which is the funding mechanism for the Student Success Act. The Bill calls for a 0.57% tax on all Commercial activity performed by business with corporate activity in Oregon in excess of \$1 million per year.

For contracts signed after January 1, 2020, contractors will include the CAT in their base bid as part of their cost of doing business. However, there are four major projects, Glencoe, Hilhi, Brookwood and the new Satellite Transportation Center where contracts were signed in early 2019 and did not anticipate this new tax. Work on these projects will extend well into 2020, which means that any work performed after January 1st will be subject to the CAT. The CM/GC contractors for these projects are requesting to include this new tax in their invoicing as a new cost of business. This type of change to the contract is fairly standard. For instance, early last year there was concern that federal tariffs might trigger an increase in our costs. The challenge for the District with this new tax is language in the bill that specifically exempts public state and local government entities, including public school districts.

Staff have been trying to determine how the CAT impacts construction projects. Swift clarification is needed as the first quarterly tax payment for contractors is due at the end of April. Three questions require answers regarding the CAT:

Question 1: Does the exemption included in the law mean that the District is exempt from the CAT for any commercial activity it performs or does it mean we are exempt from paying the CAT that is passed through from our vendors as a cost of doing business? Staff have collected information other Oregon school districts, OSBA, COSA and our District legal counsel, Drake Hood with Brisbee & Stockton. There is no consensus as to how Districts are dealing with this issue, some are paying it as a change order to the construction contract and others are citing the exemption and not paying. Attorney Drake Hood opines that districts choosing not to pay will end up in court and will likely lose and end of having to pay the tax (plus attorney fees, plus interest). For this reason, staff recommends that the District ask contractors to prepare a change order to the contract for the CAT.

Question 2: Assuming the recommendation above is accepted, how to calculate the amount of the CAT? The law includes a formula for calculating the amount of the CAT owed by each business and includes Gross Activity less the greater of 35% of cost inputs (supplies and materials) or 35% of labor inputs X 0.57%. The challenge for construction projects is that this tax applies not only to the CM/GC contractor, but also to any sub-contractors to whom the tax applies. This may create “stacking” effect where the

sub-contractor CAT, along with the CM/GC CAT. One way to simplify this process would be to establish a fixed % that would apply to all contractor pay applications for work performed after January 1st. An analysis was conducted on a project completed in 2019, prior to inclusion of the Student Success Act, to determine the fixed % to apply to work after January 1, 2020. The project was approximately \$2.5M in value and was used as a “test bed” to have all vendors update their pricing to include the Corporate Activity Tax. The analysis illustrates the true effect of “stacking” in the tax.

The results were that “stacking” of costs can be minimized by negotiating a quick and fair change order to the subcontractor in exchange for their efforts to minimize price increases. All subcontractors were responsive to the offer, and held vendors to prior price agreements wherever possible. Items such as concrete, drywall, wiring etc. have remained at their prior price. A few vendors did not agree to holding prices, so a small amount of stacking could not be fixed.

Most vendors are in the 0.40% - 0.50% range for their own direct cost as a business. The basic math of the change order is as follows:

0.40%	CM/GC direct cost
0.40 - 0.50%	Subcontractor direct cost (all should be <0.57%)
<u>0.10 - 0.20%</u>	Stacking costs of materials
0.90%-1.1%	Total

The approach is effective by “liquidating” this issue into a change order, negotiating an overall reduced cost to the District. If the CM/GC contractor is not able to move quickly on change orders to subs, they will be left negotiating the matter later into the year, increasing the likelihood that subs, suppliers, and vendors may increase change order prices over time.

Based on this analysis, staff recommends that the District negotiate a flat 1.0% CAT change order to apply to all work performed after January 1, 2020.

Question 3: What would the impact be to HSD construction projects? As of January 1, 2020 the following amounts remained on these four major project contracts:

Projects	Contract \$	1.0% CAT
Brookwood (CM/GC-Pence Construction)	\$18,875,795	\$188,758
Hilhi (CM/GC-Pence Construction)	\$ 7,845,048	\$ 78,450
Glencoe (CM/GC-Pence Construction)	\$15,077,268	\$150,773
<u>Transportation (CM/GC-Robinson Construction)</u>	<u>\$ 8,285,000</u>	<u>\$ 82,850</u>

Total estimated impact: \$500,831

Based on the opinion from our attorney that we will likely end up paying the CAT, the certainty for the District and our contractors of a fixed cost for the CAT, and the fact that

our Bond Premium allows us to cover this additional cost without having to impact the scope of these projects, staff recommends that the District contract with all contractors for a flat 1.0% CAT change order with Pence Construction and Robinson Construction to go into effect once the CAT is fully implemented. Additionally, we will include language in the contractor agreement stating that if, after the District has paid any of this 1% cost, the CAT tax is delayed or changed in any way that results in the contractor obligation being reduced, the District will be reimbursed what we have paid.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to the report and respond to staff recommendation regarding District implementation of the Construction Activity Tax.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2019
AWARD CONTRACTS FOR HILLSBORO HIGH SCHOOL
PARKING LOT IMPROVEMENTS

SITUATION

One of the projects included in the Hillsboro School District's 2017 Bond Program is the improvements to the Hillsboro High School parking lots.

On March 19, 2020 the District posted an Invitation to Bid for a General Contractor for these improvements projects. A mandatory pre-bid meeting was held at Hillsboro High School on March 31, 2020. On April 8, 2020 the District received bids from 5 General Contractors to perform this work. Construction Management staff recommends that the contract for Hillsboro High School parking lot improvements be awarded to Baker Rock for the base bid amount of \$298,355. In addition the Construction Management staff recommends that we also award bid alternate #1 (over-excavate and rebuild southwest corner of bus lane near turf field) to Baker Rock in the amount of \$61,200.

A copy of the Construction Documents and Bid Results are attached to this situation page.

RECOMMENDATION

The Superintendent recommends that the Board of Directors award the base bid contract for Hillsboro High School parking lot improvements to Baker Rock in the amount of \$298,355 and to award Bid Alternate #1 to Baker Rock in the amount of \$61,200.

I move that the Board of Directors award the base bid contract for Hillsboro High School parking lot improvements to Baker Rock in the amount of \$298,355.

I move that the Board of Directors award Bid Alternate #1 to Baker Rock in the amount of \$61,200.



BID TABULATION FORM

Hilhi Parking Lot Project						
OPEN: April 7, 2020 @ 2:00pm						
BID PROVIDER	Signed	Addendum 1 - 2 Ack.	Bid Bond	1st Tier Disclosure	Alt #1	BASIC QUOTE
Baker Rock	yes	yes	yes		61800 ⁰⁰	298,355 ⁰⁰
Brix Paving NW., Inc.	yes	yes	yes	yes	80000 ⁰⁰	355,000 ⁰⁰
Eagle-Elsner Inc.	yes	yes	yes	yes	72,720 ⁰⁰	333,507 ⁰⁰
Kodiak Pacific Const.	yes	yes	yes	yes	57,100 ⁰⁰	357,400 ⁰⁰
TFT Construction, Inc.	yes	yes	yes	yes	55,860 ⁰⁰	316,100 ⁰⁰

[Signature]

OWNER Representative:

Sharon McElarty

WITNESS:

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
EARLY LEARNING PARTNERSHIP REPORT

SITUATION

This report will include information regarding the partnership between Hillsboro School District and community organizations in Washington County, working together to create a coordinated, effective early learning system for students and establish a strong foundation for their future success.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to this report and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
STUDENT REPRESENTATIVE SELECTION PROCESS

SITUATION

Because the Board values the input of students on matters that are important to them, Board members established a position of “Student Representative to the Board,” beginning with the 2018-19 school year.

It was determined that up to three students would be appointed each year, to serve from September through June, and no school would be represented by more than one position. The opportunity to serve as a student representative would rotate between schools on an annual basis, with students from Liberty High School, Century High School, and the Hillsboro Online Academy having the opportunity to participate in 2020-21; and students from Glencoe High School, Hillsboro High School, and the Miller Education Center having the opportunity to participate the following year.

During the February 11 work session, Board members agreed upon the following timeline for selecting Student Representatives to serve during the 2020-21 school year:

- February 17 – Recruitment begins
- April 3 – Applications due
- April 14 – Board selects applicants to interview, finalizes the interview questions, and identifies the interview subcommittee (at least two Board members and at least one current Student Representative)
- April 16 – Students are invited to interview and receive the interview questions
- Week of April 20 – Interviews are conducted
- April 28 – The interview committee presents its recommendation to the Board for approval
- May 1 – Students are notified of the Board’s decision
- June 23 - Students are appointed
- Last week of July – Students participate in orientation

RECOMMENDATION

The Superintendent recommends that the Board of Directors select applicants to interview, finalize the interview questions, and identify the interview subcommittee.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
SCHOOL HEALTH EXPANSION GRANT UPDATE

SITUATION

The District received a \$35,000 School Health Expansion Grant from the Oregon Health Authority in the fall of 2019. The purpose of the grant was to explore the need for expansion of school-based health services in the form of a school-based health center or the implementation of a school nursing model. At the end of the needs assessment, grantees are welcome to apply for a phase 2 feasibility/implementation grant for the 2020-21 school year.

The District contracted with Lacey Beaty and Deb Healey to conduct the needs assessment and to write up the findings, respectively. The final report was to be due in May 2020; however, because of the COVID-19 crisis, the timeline has been pushed to an as-yet-unknown date (likely sometime in the summer).

Regardless, staff and the contractors would appreciate the opportunity to share the results of the needs assessment and the preliminary recommendations at this point.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to the needs assessment findings and preliminary recommendation and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
ALTERNATIVE EDUCATION REVISIONING

SITUATION

After the Board's approval to proceed with the Pathways Center, we are providing an update on the process of the physical building as well as the enhancement and expansion of alternative options. We will share steps we have taken regarding our plans moving forward to build strong options for students.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listens to the presentation and asks any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
FACILITY NAMING UPDATE

SITUATION

This spring, the District was prepared to begin the naming process of ES 28 by convening a committee to work through the process. Due to the impact of COVID-19, this will need to be done differently. There are two options to consider. The District could move forward with convening the committee through virtual means or the process could be pushed back into the summer. Both options come with benefits and a few challenges that need to be discussed.

RECOMMENDATION

The Superintendent recommends that the Board of Directors provide input and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
LANGUAGE ARTS ADOPTION PROCESS UPDATE

SITUATION

In accordance with policy IIA-AR, the Office for School Performance facilitates teams of teachers, students, parents, community members, and administrators to improve instructional programs, develop curriculum, and make recommendations to the Board regarding the adoption of instructional materials within each academic content area.

Last meeting, the Language Arts Study Team presented a recommendation for Board approval for our Language Arts Adoption. During tonight's work session, the Board will be asked to approve the plan.

RECOMMENDATION

The Superintendent recommends that the Board of Directors vote to adopt the Language Arts Adoption.

I move that the Board of Directors approve the Language Arts Adoption.

HILLSBORO SCHOOL DISTRICT 1J
April 14, 2020
APPROVE PURCHASE OF LANGUAGE ARTS ADOPTION
CURRICULUM AND MATERIALS FROM MCGRAW HILL

SITUATION

District staff have developed a financial plan to accelerate the purchase of the 2020 Language Arts Adoption for grades Kindergarten through 6th Grade as recommended by the CCAC and District Staff. The following steps are required to accommodate expedited access to the teacher editions and digital components of the adoption in response to the COVID-19 school closure:

1. Approve McGraw Hill as a sole source provider of curriculum, digital resources, teacher materials, and textbooks per ORS 279B.075.
2. Accelerate access to professional development, curriculum, digital resources, teacher materials, and textbooks.
3. Approve potential single or multi-year financing options not to exceed \$2,470,000, as described below for devices, textbooks, teachers' editions, multi-year licenses, and other related costs.
 - Partial or full funding from COVID-19 related sources (Distance Learning for All initiative)
 - Partial or full funding from 2019-20 fiscal year operational savings
 - Partial or full funding from Student Investment Act
 - Partial or full financing from McGraw Hill
 - Partial or full funding from appropriation of 2017 Bond Funds as allowed under the Ballot Title as part of the investment in Learning Environments under "classroom and technology upgrades"

Many teachers have been piloting the new curriculum and are ready to implement immediately. Teachers will have the opportunity to opt-in for training. Classified support staff will also have training available to support the new curriculum. The remainder of staff will access training over the summer months and implement during the 2020-21 school year as planned prior to the COVID-19 closure.

RECOMMENDATION

The Superintendent recommends the Board of Directors take the following actions to approve the purchase of Language Arts Adoption Curriculum and Materials from McGraw Hill:

(all in one motion) I move that the Board of Directors:

- 1. Approve McGraw Hill as a sole source provider of curriculum , digital resources, teacher materials, and textbooks per ORS 279B.075;*
- 2. Accelerate access to professional development, curriculum, digital resources, teacher materials, and textbooks; and*
- 3. Approve potential single or multi-year financing options not to exceed \$2,470,000, for devices, textbooks, teachers' editions, multi-year licenses, and other related costs.*