



1 regarding this Stipulation and Final Order and has been fully advised with regard to his rights  
2 thereto, or waives any and all rights to consult with an attorney prior to entering into this  
3 Stipulation and Final Order and issuance and entry of the Stipulated Final Order below.

#### 4 **STIPULATION OF FACTS**

- 5 1. The Commission has licensed Mr. Schumacher since November 24, 1978. Mr.  
6 Schumacher currently holds a Standard Teaching License, with an endorsement in  
7 Basic Advanced Mathematics, issued November 18, 2004 and valid through November  
8 17, 2010. Mr. Schumacher also held a Standard Administrative License, with Standard  
9 Administrator and Standard Superintendent endorsements. This administrative license  
10 was effective September 13, 2002 to November 17, 2007 and is now expired.
- 11 2. From 1997 to 2004, Mr. Schumacher was the Superintendent for the UBESD. As  
12 Superintendent, Mr. Schumacher was responsible for the general operation of the  
13 UBESD. On or around 2004, there was an investigation of various UBESD business  
14 practices, including: travel reimbursements; reporting of Average Daily Membership  
15 (ADM) procedures; and public contracting. The information uncovered in the  
16 investigation of the UBESD practices indicates that he failed to properly manage the  
17 UBESD in several respects, more specifically as follows.
- 18 3. While under the management of Mr. Schumacher, the UBESD was responsible for  
19 providing alternative education services to 41 school districts. The UBESD was  
20 responsible for tracking student attendance and calculating ADM for students attending  
21 the UBESD programs. Between the 1999-2000 and 2003-2004 school years, the  
22 UBESD, through various employees, submitted false or erroneous ADM data to school  
23 districts served by the UBESD. The ADM data was submitted to school districts to bill  
24 school districts for services provided by the UBESD. In turn, those districts provided the  
25 false or erroneous ADM information to the Oregon Department of Education to receive  
26 funding from the State School Fund (SSF). The submission of false or erroneous ADM

1 information resulted in the school districts improperly claiming approximately 626 ADM,  
2 and receiving approximately \$3.4 million dollars from the SSF to which the districts were  
3 not entitled.

- 4 4. While under the management of Mr. Schumacher, the UBESD paid for multiple inappropriate  
5 reimbursement/expenses of various employees. This included allowing reimbursements for  
6 many trips for which there was no supporting documentation; allowing mileage reimbursement  
7 for trips and use of the UBESD credit card without verification of business purpose; and  
8 bypassing district purchasing procedures and allowing reimbursement through travel  
9 reimbursement forms for thousands of dollars of miscellaneous UBESD purchases. In allowing  
10 these reimbursements, Mr. Schumacher acknowledges that he did not have complete control  
11 over the UBESD and had difficulty overriding employees Lenny Williams and Lyle Mann.
- 12 5. While under the management of Mr. Schumacher, the UBESD, between June 30, 2002 and  
13 June 30, 2003 and fiscal year of 2004, failed to comply with public contracting laws under ORS  
14 Chapter 279 and UBESD policy in multiple instances, including: not obtaining quotes for multiple  
15 construction projects; hiring non-licensed contractors; paying one contractor using four different  
16 names to avoid garnishments; and failing to use proper procedures when renovating a facility  
17 owned by an employee.

18 IT IS SO STIPULATED:

19 Edward H. Schumacher  
20 Edward H. Schumacher  
21

10-9-09  
Date

22 Victoria Chamberlain  
23 Victoria Chamberlain, Executive Director  
24 Teacher Standards and Practices Commission  
25

9-28-09  
Date

26 III

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1 **CONCLUSION OF LAW**

2 Mr. Schumacher's conduct of allowing false or erroneous ADM information to be reported by  
3 UBESD employees as described in paragraphs 2 and 3 above constitutes gross neglect of duty under  
4 ORS 342.175(1)(b); OAR 584-020-0040(4)(n) as it incorporates OAR 584-020-0025(3)(a) (*Leadership*  
5 *skills in managing the school, its students, staff, and programs...*) and OAR 584-020-0010(5) (*Use*  
6 *professional judgment*); OAR 584-020-0040(4)(o) as it incorporates OAR 584-020-0035(2)(b) (*Conduct*  
7 *professional business, including grievances, through established lawful and reasonable procedures*).

8 Mr. Schumacher's conduct of allowing inappropriate reimbursements as described in paragraph  
9 4 above constitutes gross neglect of duty under ORS 342.175(1)(b); OAR 584-020-0040(4)(n) as it  
10 incorporates OAR 584-020-0025(3)(a) (*Leadership skills in managing the school, its students, staff,*  
11 *and programs...*) and OAR 584-020-0010(5) (*Use professional judgment*); OAR 584-020-0040(4)(o) as  
12 it incorporates OAR 584-020-0035(2)(b) (*Conduct professional business, including grievances, through*  
13 *established lawful and reasonable procedures*).

14 Mr. Schumacher's conduct of allowing the UBESD to fail to comply with public contracting laws  
15 as described in paragraph 5 above constitutes gross neglect of duty under ORS 342.175(1)(b); OAR  
16 584-020-0040(4)(n) as it incorporates OAR 584-020-0025(3)(a) (*Leadership skills in managing the*  
17 *school, its students, staff, and programs...*) and OAR 584-020-0010(5) (*Use professional judgment*);  
18 OAR 584-020-0040(4)(o) as it incorporates OAR 584-020-0035(2)(b) (*Conduct professional business,*  
19 *including grievances, through established lawful and reasonable procedures*).

20 **ORDER**

21 The Commission adopts and incorporates herein the above findings of fact and  
22 conclusions of law, and based thereon, suspends Mr. Edward H. Schumacher's Standard  
23 Teaching License and his right to apply to reinstate his Standard Administrative License for a  
24 period of ninety (90) days.

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Issued and dated this 9<sup>th</sup> day of November, 2009.

TEACHER STANDARDS AND PRACTICES COMMISSION

By:   
Victoria Chamberlain, Executive Director

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Approved as to form:

  
Rebekah Cook OSB# 063024  
Attorney for Edward H. Schumacher