MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
SCHOOL DISTRICT 4J, LANE COUNTY, OREGON

June 17, 2009

The Board of Directors of School District No. 4J, Lane County, Eugene, Oregon, held a regular board meeting at 7 p.m. followed by an executive session on June 17, 2009, at the Education Center, 200 North Monroe Street, Eugene, Oregon. Notice of the meeting was mailed to the media and posted in the Education Center on June 12, 2009, and published in the Register-Guard on June 15, 2009.

ROLL CALL

BOARD MEMBERS:
Charles Martinez, Jr., Chair
Eric Forrest
Beth Gerot
Alicia Hays
Craig Smith
Jim Torrey

STAFF:
George Russell, Superintendent of Schools and District Clerk
Barbara Bellamy, Chief of Staff and Communications Director
Yvonne Curtis, Director of Student Achievement
Celia Freres-Johnson, Director of Human Resources
Tom Henry, Deputy Superintendent and Chief Academic Officer
Carl Hermanns, Assistant Superintendent/Chief Operating Officer
Kay Mehas, Director of School Services
Les Moore, Director of Computing and Information Services
Laurie Moses, Director of High School Services
Larry Sullivan, Director of Educational Support Services
Caroline Passerotti, Financial Analysis Manager
Christine Nesbit, Associate Director, Human Resources
Jeralynn Beghetto, Administrator, Human Resources
Chad Williams, Director, Food Services
Rick Sherman, Incoming Director, Food Services
Kim Ketterer, Instructional Technology Coordinator
Marilyn Williams, Technology and Learning Specialist
Janis Swan, Federal Programs Coordinator

STUDENT REPRESENTATIVES:
None.

OTHERS:
Paul Duchin, Co-President, Eugene Education Association
Merri Steele, Co-President, Eugene Education Association
Jennifer Geller, board member-elect

MEDIA:
KRVM
CALL TO ORDER, ROLL CALL, AND FLAG SALUTE

Board Chair Charles Martinez called the meeting of the School District 4J Board of Directors to order at 7:04 p.m. and led those present in the Pledge of Allegiance.

AGENDA REVIEW

There were no changes to the agenda.

INTRODUCTION OF GUESTS AND SUPERINTENDENT’S REPORT

Outgoing Board Members

Superintendent George Russell noted that the previous evening, the district had had a function to recognize outgoing board members and retiring staff members. He stated that it was always sad to see board members leave the board. He noted that Board Member Eric Forrest had not been present, and had missed Superintendent Russell's comments about him, which included that the district had been pleased to have him on the board and were going to miss him. He stated that the district felt the same way about Dr. Martinez. He stated that both board members had brought significant contributions to the board and had made a real difference for the students in the district, for the board and for the community. He noted that while the district would welcome new board members Jennifer Geller and Anne Marie Levis, it was sad to see Mr. Forrest and Dr. Martinez leave them.

He stated that he had presented Dr. Martinez with a going-away gift at the function the previous evening, and presented a gift to Mr. Forrest for his service to the district. He noted that Mr. Forrest's directness and forthrightness would be missed.

Graduating Students

Superintendent Russell stated that this time of year was a time of departures at the district, with students graduating and with board members leaving the board. He noted the absence of all student representatives at the meeting, and stated that the district had not expected them to attend, due to the fact that the last of the district's high school graduations had taken place the previous evening.

He noted that the district wanted to extend their congratulations to all graduates, both in the 4J district and at other districts. He stated that he hoped that the district had prepared them well, and that whatever their next steps, they knew that the district sent their best wishes and wished them the greatest success. He noted that most graduates had started at the district 13 years ago, and hoped that the district had provided them with the best education possible.

Summer Break

Superintendent Russell noted that June 17 was the last day of school, and wished students a good summer break before returning in the fall.
Thanks to Teachers and Staff

Superintendent Russell extended the district's thanks to all of the teachers and staff that had made valuable contributions and differences in the lives of students during the past year. He noted that while the district had had some trials and tribulations along the way, teachers and staff had not forgotten why they were there, and had continued to put students first. He expressed the district's appreciation, love and care for all teachers and staff, and stated that the district looked forward to having as many of them back as possible in the fall.

Thanks to Retiring and Departing Staff

Superintendent Russell thanked Tom Henry, Deputy Superintendent and Chief Academic Officer, and Yvonne Curtis, Director of Student Achievement, for their contributions to the district over the years. He also thanked other retiring and departing teachers and staff.

Board Member Craig Smith thanked Mr. Forrest and Dr. Martinez for the service to the board. He presented a card to each.

Board Member Beth Gerot agreed with Mr. Smith and stated she was honored to work with Dr. Martinez and Mr. Forrest. She expressed her desire to remain connected to them both personally and as a board.

Board Member Jim Torrey thanked Dr. Martinez and Mr. Forrest, noting that while he had not always agreed with them, their passion for students was palpable. He also noted that he and Board Member Alicia Hays had attended the Churchill Alternative High School graduation. He noted that he was impressed by the district's support of students who wanted to complete their education with an alternative model.

Ms. Hays noted that she would miss Dr. Martinez and Mr. Forrest and thanked them for all they had given to the district and to her in her growth as a board member.

Ms. Gerot thanked Mr. Henry, Ms. Curtis and Chad Williams, Director of Food Services, for their service. Mr. Williams introduced Rick Sherman, the district's new Director of Food Services.

Mr. Forrest stated that Mr. Henry, Mr. Williams and Ms. Curtis would be missed. He noted that he had enjoyed attending two graduations this year, noting the inspiration he gained watching seniors graduate. He thanked the district for the opportunity to serve on the board, and noted his belief that he had taken more than he had given. He explained that he was also inspired by the community's and the district's care for students, as well as the diversity of opinion he had been exposed to as a board member.

Mr. Smith thanked Mr. Henry and Ms. Curtis for their service to the district. He also thanked Mr. Williams.

Dr. Martinez stated that he shared the sentiment about the significance of the district's loss in losing Mr. Henry, Mr. Curtis and Mr. Williams. He thanked them each for their service, adding that the effectiveness and robustness of the district started with the superintendent. He noted that the leadership of the board and the superintendent made the district a place where people wanted to work. He noted that he also appreciated the opportunity to serve on the board, and noted that in his years as a board member, he had never thought his service to the board was not worth doing. He stated that while members of the district community had different opinions
on how to best support students, the community was always unified in their desire to do what was best for them. He thanked board members, teachers and staff for the gift of what they had taught him. He stated that he would miss the board and the staff, but would not cease his involvement in the district.

ITEMS RAISED BY THE AUDIENCE

**Mary Bauer**, 33 Sunset Dr., Eugene, OR 97403, introduced herself and noted that she had taught in the district for 25 years as a teacher in grades Kindergarten through 8th grade. She explained that eight years ago, she was one of the charter founders of Ridgeline Montessori Charter School. She noted that she had taught in the inaugural classroom with a trained Montessorian as a coach teacher. She explained that she stepped away from the school for a few years and had returned as a board member. She stated that since that time, she had retired and only saw students in her home. She explained that the school was in the process of bargaining. She stated that Ridgeline employees were represented by the American Federation of Teachers (AFT) and that the negotiations were in a good place. She stated that she felt that the school was being guided by two competent consultants, and that the negotiations were a process that she thought would have a positive result. She explained that they had had a good site visit with Caroline Passerotti, Financial Analysis Manager, and others. She asked that if people had questions, that they contact her or the school.

**Jen Wyld**, 65 W. 35th Pl., Eugene, OR 97405, introduced herself as a middle school teacher at Ridgeline Montessori, in her sixth year of teaching. She explained that in the fall, Ridgeline employees had organized and become part of AFT to protect themselves from unfair treatment and discipline from the Ridgeline Montessori board of directors. She noted that the unionization was also meant to protect the Montessori pedagogy that took place in their classrooms and to provide a stronger voice for the teachers through collective bargaining. She noted that the board of directors had spent between $10,000 and $30,000 to attempt to prevent the organization of employees and to prevent the implementation and negotiation of the teachers' first contract. She expressed her thankfulness to hear Ms. Bauer speak, noting that the board had been unwilling to agree to current employee conditions the original contract was based on, the current staff handbook and the contracts that had been offered before the unionization process started, including binding arbitration in case of disputes. She explained that the board had also refused the idea of a fair share agreement. She explained that the teachers' original bargaining was not about money, but was about pedagogy and equity around hiring and firing policies as well as due process agreements. She asked that the 4J district request that the Ridgeline school bargain with teachers in good faith so that the two groups could reach a good contract and focus on providing a good education to Ridgeline students.

**Patrick McMullen**, 2190 Garfield St., Eugene, OR 97405, noted that he was there to speak as a parent of Ridgeline Montessori students. He noted that he was also a 4J district employee and taught at North Eugene International High School. He explained that, for the most part, he had a lot of trust in the unionization process and the board and the teachers being able to come to an agreement through the bargaining process. He stated that his experience told him that as long as parties negotiate in good faith, a fair contract that worked for everyone, most importantly students, would result. He stated that he was fearful of the sticking place it seemed the board and the union were in. He explained that Ridgeline was experiencing difficult financial times, as were all other organizations. He noted that the issues teachers had that brought about the unionization process were getting in the way of the two parties coming to an agreement. He noted that teachers did not feel supported or trusted in their work at Ridgeline. As a teacher, a parent and as a spouse of an instructional aide at Ridgeline, this issue concerned him because
if he did not feel empowered in his own work, he did not do the best work possible. He stated that the evaluation and disciplining process was not clear for teachers. He explained that he felt good to be represented by a union in his own workplace, and that the union system worked in an efficient way in the 4J district. He stated that there was a lot he could not see as a parent and as a spouse, but that he did know that Ridgeline teachers did not feel supported. He stated that he worried about attrition of teachers and staff, and that making Ridgeline a place where people wanted to work was the most important thing the Ridgeline board needed to do. He stated that he hoped the 4J board would encourage the Ridgeline board to do so.

**COMMENTS BY EMPLOYEE GROUPS**

Paul Duchin and Meri Steele, Co-Presidents of the Eugene Education Association (EEA), introduced themselves.

Ms. Steele thanked Dr. Martinez and Mr. Forrest for their time on the board. She stated that the EEA had appreciated their comments and enthusiasm on the board, and were sorry to see them leave. She also thanked the rest of the board members for their service, including board members-elect Jennifer Geller and Anne Marie Levis.

Mr. Duchin thanked Mr. Henry and Ms. Curtis for their efforts in the district, and noted that Mr. Henry was the only non-EEA board member ever presented with a tie-dye EEA shirt.

Ms. Steele noted that she and Mr. Duchin wanted to talk about the other district staff and teachers leaving the district who did not desire to do so. She stated that there was an element of sadness for many in the district who had counted on remaining, but would not be because of layoffs. She stated that Jeralynn Beghetto, Human Resources Administrator, and Molly Lucas, Human Resources Specialist, had done a miraculous job to diminish the number of people laid off as well as the number of people displaced. She explained that before the Reduction in Force (RIF) began, there were 58 teachers displaced. She stated that 38 teachers had received letters that stated they might be laid off. She explained that, in the end, about 12 FTE had been lost, which affected many more than 12 people. She stated that 63 temporary employees had not had their contracts renewed. She stated that some of those affected would have to work in as many as four different sites, which would affect school schedules. She noted that some of the laid off teachers had been with the district as long as five years.

Mr. Duchin stated that seven teachers had been told that they no longer had jobs. He noted that the layoffs had affected secondary schools and Spanish classes particularly hard. He stated that the EEA was concerned because the district had said that they wanted to have equity and to encourage a multicultural view. He explained that cutting Spanish classes seemed counterproductive and counterintuitive to what the district was trying to accomplish. He stated that the EEA believed that the 12 FTE lost could be added back at a lower cost because many existing employees who could potentially fill parts of the 12 FTE were already being paid benefits. He stated that the seven teachers who had lost their jobs could be added back if the district was strategic and targeted about how they added back positions. He encouraged the district to examine this option. He noted that through the work performed by Ms. Beghetto and Ms. Lucas, the impact on teachers could be smaller.
ITEMS FOR INFORMATION

Receive a Report on High School Credit for Algebra I Taken at the Middle School Level

Janis Swan, Federal Programs Coordinator, shared a short, inspirational video clip. Some of the district’s Algebra I students in district middle schools will be getting Algebra I high school credit this year. A copy of the Algebra credit proposal was included in the board packet. Ms. Swan shared some of the history, processes and criteria of the High School Credit for Algebra I Taken at the Middle School Level project. She noted that the main part of the project that would make a difference were the teachers, administrators, board, Instruction Department, community and students. She also noted that failure in mathematics was almost a badge of honor in U.S. culture, and she wanted to change this attitude. She reviewed the document in the board packet titled Proposal to Provide High School Algebra I Credit Taken at the Middle School.

In response to a question from Superintendent Russell, Ms. Swan explained that if a student did not complete at least 80% of the assessments, they would not meet the overall course requirements. She further explained that in order to receive an incomplete, the student would still need to complete at least 75% of the assessments. She stated that if a student did not complete at least 75% of the assessments, they would have to take the class over again, or whatever course the school had designed for that student to receive Algebra I credit.

In response to another question from Superintendent Russell, Ms. Swan further explained that the student would not receive the credit, and would not have the opportunity to take the course again within a year. She further explained that the program was designed for those students who were very close to meeting all of the requirements.

In response to a question from Ms. Gerot regarding what percentage of students fell into that category, and of that number, the number that would take part in the summer course, Ms. Swan explained that she did not have that data, but could share that when she conducted a needs assessment in order to plan the Summer Institute, there were approximately 30 middle school students who would receive incompletes. She stated that the district felt good about this low number. She noted the optimism felt about the program, especially from middle school students who learned they would receive high school credit.

Dr. Martinez asked a question regarding the number of students who did not complete the requirements, asking what number of those students was accounted for by students who were not taking the assessments and what number was accounted for by students who were taking the assessments and failing. Ms. Swan explained that she did not know, since she had not yet had a chance to evaluate the whole system. She explained that at the eighth grade level, the district still had students who were not taking the high-school equivalent Algebra course, although this was the goal. She stated that the majority of eighth graders who had taken the course had succeeded.

Dr. Martinez noted that he thought it was a big issue, because if the failure rate was accounted for by non-completion of the assessments, this was a different phenomenon than a rate accounted for by students failing the assessments. He noted that if students had the experience of taking the assessment and failing, it created a potential learning burden. He noted that different students were affected differently by the experience of failure in mathematics. He stated that if a student was given a number of opportunities and failed, it could set up a negative dynamic for some students that could reduce their motivation to
succeed. He noted that this phenomenon disproportionally affected students who did not yet have the experience of failure.

Ms. Swan explained that multiple chances were given to practice and to take the assessments in order to ensure students would eventually succeed at a high level. He encouraged Ms. Swan to disaggregate the data by student demographics in order to ensure disproportionality did not occur.

In response to a question from Mr. Torrey, Ms. Swan stated that she did not know the number of students who did not participate in the program. She stated that she would get that data to the board.

In response to another question from Mr. Torrey, Ms. Swan explained that the district started to prepare students for Algebra I at the eighth grade level during elementary school, through assessments to identify student needs and intervention needs. She explained that pre-teaching and double-dosing were utilized.

In response to a question from Mr. Torrey related to students who had gotten to the ninth grade level without taking Algebra I or assessments, Ms. Swan explained that some students would take Algebra I in ninth grade, and would have the same opportunities to receive the credit and take assessments that eighth graders did. She stated that students who did not receive the credit and who did not take the assessments needed to work with their school to identify their needs for success.

In response to a question from Mr. Forrest, Ms. Swan explained that the assessment tests the students were required to take were part of their course work and received grades. She explained that if a teacher wanted to administer further tests, they would become part of the assessment piece of the program. She stated that the program worked to ensure that students were not tested repeatedly on the same concepts (through different tests) if they were passing the assessments and tests.

Mr. Smith asked if the district's decision to delay the math curriculum implementation because of budgetary concerns affected the program. When Ms. Swan answered that they were affecting the program, he asked her to describe the effects.

Ms. Swan explained that budgetary constraints greatly impacted the program because district mathematics materials were very old and did not meet the requirements to teach to the standards. She explained that the process of finding what was missing from the old curriculum took time and money, and that huge gaps were discovered. As a result, she continued, the district had to find supplemental material, which they did not have. She noted that plugging curricular holes took time, energy and work. She stated that the district was therefore depending on the capital and the experience of teachers to fill those holes, and hoped to do a good job “cutting and pasting.” She stated that when a district wanted students to succeed in Algebra I by eighth grade without providing materials, the success of the endeavor was greatly affected.

In response to a question from Mr. Smith, Ms. Swan highly recommended that during the next budget cycle, the district prioritize dialog around curriculum and materials necessary to achieve this goal.
Receive a Report on the 2008-09 4J Technology Integration Phase (TIP) Project

Kim Ketterer, Instructional Technology Coordinator, introduced herself. She explained that her responsibility was to take the district's students and teachers into the 21st century in terms of technology use and ability. She noted that a problem had been discovered in the district wherein site-based decisions around technology were disparate, which resulted in inequity in technology advancement and availability between schools.

As Ms. Ketterer spoke, Marilyn Williams, Technology and Learning Specialist, presented a PowerPoint presentation called Eugene School District 4J Instructional Technology Initiative K-12.

In response to a question from Mr. Smith, Ms. Ketterer explained that the program had gone to each school to perform a technology assessment. She stated that a disparity was present, and that some schools had inadequate technology. She explained that she had met with all of the principals, and had shared with each principal where their school fell on the scale. She stated that many schools were not aware that they were so far behind in terms of technology.

She explained that during the 2008-09 school year, all K-12 schools sent a team of teachers to participate in a systemic project aimed at increasing the integration of technology across all curricular areas. The teachers received equipment and ongoing professional development and coaching to support the change needed in their daily methods and strategies for teaching the 21st Century student.

Ms. Williams explained that additionally, this group of 150 teachers spent time working on a K-12 scope and sequence of technology skills and concepts for district students that incorporate the Essential Skills for the Oregon Diploma, the National Educational Technology Standards (NETS), and the ODE Instructional Technology Standards. Ms. Williams explained that the professional development teachers received help to ensure their ability to teach students how to use new technologies to solve real problems, and how to use the technology in their teaching. Results showed that teachers felt more confident using technology after receiving the professional development.

Ms. Williams showed a video that depicted teachers sharing their thoughts about the professional development they had received. Ms. Ketterer thanked those who had helped the TIP project.

In response to a question from Ms. Gerot, Ms. Ketterer explained that the project was funded by general fund monies. She stated that each school and department had their own pot of money for technological advancement. She explained that the project had decided to pool the money to go toward making technological improvements and equity systemic.

Mr. Henry explained that different sources of funding were taken from various departments, and that fleet funds had been used to purchase equipment.

In response to a question from Dr. Martinez, Ms. Ketterer explained that the project's goal was to get each school to Phase I.

In response to another question from Dr. Martinez, Ms. Ketterer stated that yes, schools with lower levels of technological advancement were prioritized over schools that had higher levels.
In response to a question from Dr. Martinez, Ms. Ketterer explained that the ultimate goal of the project was to get all schools to a Phase I level. She explained that a 4:1 ratio of child access to equipment, and the skills to teach with the technology was a realistic Phase I goal, but that the project did not want to penalize more technologically advanced schools.

In response to a question from Mr. Forrest, Ms. Ketterer stated that the results of the technology assessment for each school would be gathered and a new list would be put out outlining where each school stood technologically.

In response to another question from Mr. Forrest, Ms. Ketterer noted that sometimes elementary schools had more technological resources than middle schools and high schools, and when students moved on to middle school, parents would request access to more technology resources for their children.

Ms. Ketterer explained that the district had provided a Computer on Wheels (COW) for every school in the district (middle and high schools got two each) when the Oregon Department of Education (ODE) put out the mandate for online testing. Therefore, the technology was available and teachers were being trained on the technology. However, now teachers were being taken away from the training for assessment, which was an issue.

Dr. Martinez noted that the on-site technical support needs estimates seemed to underestimate the amount of technical support needed at schools. Ms. Ketterer noted that this was a huge issue and that often there was no technical support available in certain school buildings.

Les Moore, Director of Computing and Information Services (CIS), noted that the district was developing a new procedure for re-imaging machines that would allow technical support staff to spend more time helping teachers use the equipment. He noted that the district was also in the process of employing technology coaches who would be available to provide coaching, training and support exclusively.

In response to a question from Mr. Torrey, Ms. Ketterer noted that the issue was not the capacity of the community to provide the skilled workers to provide technical support, but was funding. She noted that some parents felt that their students had technology at home, and did not need it at school, which made funding Instructional Technology more challenging at certain schools. She further explained that while many students did have access to technology at home, they did not necessarily know how to learn the district's curriculum and material with the technology without assistance from technologically-trained teachers.

In response to another question from Mr. Torrey, Ms. Ketterer noted that his idea of soliciting technological support and training services from a knowledgeable group in the community was a possibility. She explained that she and Mr. Moore had put together plans for a number of scenarios, including regional teams of technical support staff people who could be dispatched to schools as needed.

Mr. Moore noted that some funds were needed to move from one model to another model in order to create a more equitable system.

Ms. Ketterer noted that schools were required to purchase three-year maintenance contracts with each computer purchased in order to offset some of the technical support needs.
Mr. Smith noted the short life cycle of computers, and asked about forecasting replacement funding.

Ms. Ketterer noted that this was also an issue, and the district had discussed creating a more centralized purchasing system in order to more efficiently and cost-effectively replace and support technology.

Receive a Legislative Report

Barbara Bellamy, Chief of Staff and Director of Communications, briefed the board about legislative issues and board and staff communications with legislators.

Ms. Bellamy mentioned that the revenue measures that had passed through the legislature were not yet on the governor's desk for signing. She explained that there was still conversation about the $6 billion that the state had proposed for the school system and how it would be funded. She explained that the takeaway at the district level was the amount decided upon by the legislature did not make much difference, as the district would budget conservatively regardless.

Ms. Bellamy mentioned that Senate Bill 767, which proposed a moratorium on virtual charter schools, had not yet moved.

In response to a question from Ms. Gerot regarding the transportation bill, Ms. Bellamy explained that the bill was still being worked on, and that the district had conveyed their concern to the legislature about the proposed change in the funding formula.

ITEMS FOR ACTION AT THIS MEETING

Approve a Resolution Adopting the 2009-10 Budget, Making Appropriations, Imposing and Categorizing Taxes

Ms. Passerotti explained that Oregon law requires the board to adopt the budget for the ensuing year by June 30. On May 18, 2009 the Budget Committee unanimously approved the proposed budget as presented by the superintendent.

She noted that there was one change to the proposed budget since the June 3 meeting, which proposed to add 7.8 teacher FTEs and 15.5 classified staff FTEs. She noted that this change did not mean a change in dollars from the approved budget to the adopted budget.

She explained that the approved budget totals $290.4 million, a decrease of $29.3 million or 9.2% from the 2008-09 adopted budget. This represents significant declines in budgets for the general fund, capital projects fund, fleet and equipment fund and district retirement fund. She noted that the general fund budget was down $20 million from the previous year's adopted budget. She explained that in the budget, the district had reduced FTE by 36 licensed staff and employee groups had conceded $2.9 million from their contracts.

Offsetting the decreases is an increase in the federal, state and local programs fund due to American Recovery and Reinvestment Act funding.
General Fund

The approved general fund operating budget of $143.8 million (excluding contingency and unappropriated ending fund balance) has decreased by $11.7 million—or by 7.6%. This decrease from 2008–09 reflects a decline in State School Fund, property tax, and interest revenues due to the current recession. Reserves including contingency funds have decreased $8.3 million from last year’s adopted budget as the district draws down reserves to fund services and plan for additional sustainable reductions. The specific list of service level changes approved by the Budget Committee was found on pages 16 and 17 of the 2009-10 Proposed Budget. Changes include $600,000 in continued funding for certain pilot programs, after school programs, and essential support for schools. Budget reduction areas consist of using $12 million of reserves as a short term strategy plus ongoing reductions of $2.9 million in central office and administration, $2.8 million in school-based staffing, and $900,000 in athletic transportation costs and district retirement reductions. These reductions are in addition to $2.9 million in savings realized by changes to employee contracts for the 2009-10 fiscal year. As a result of a change to the staffing ratio, the impact of declining enrollment, and reductions in physical education and the staffing pool, the total number of licensed FTE is reduced overall by 36.36. The number of individual teachers affected by the FTE reduction will be substantially larger due to displacement, bumping and layoff procedures. The greatest impacts will be seen at the secondary level.

This budget was developed assuming a $5.6 billion 2009-11 state K-12 education funding level. At this time, the legislature had not adopted a 2009-11 budget, however the Ways and Means Committee co-chairs’ budget had proposed funding K-12 at $6.0 billion, with $400 million held in reserve pending changes in the state’s economic situation and any proposed revenue measures that might be adopted. Under the proposed state budget, the 2009-10 state school fund would be appropriated at 49% of the $6.0 billion biennium amount. If this occurs, the budget committee has approved that the UEFB Reserve be restored to the board policy level of 5%, the contingency reserve be restored to the board policy level of 2%, and the $1 million transfer to the PERS reserve be restored. If the higher level of funding is secured, staff will present a supplemental budget for the board's approval during 2009-10.

As in prior years, Susan Fahey, Chief Financial Officer, recommended changes regarding school Targeted Funding FTE. Each year schools receive a staffing allocation and a “discretionary budget” for materials and services. Part of that discretionary budget is a “targeted funding allocation” that can be used for either staff or materials and services. Much of the targeted funding, which includes $2.7 million in literacy funding, is used to fund teachers and instructional assistants. Prior to 2007-08, these funds were budgeted as dollars only because staffing plans were not reconciled until after the budget was adopted.

Beginning with the 2007-08 budget, staff reconciled the plans in time to include FTE funded through “targeted funding” in the adopted budget. For the adopted budget, the district proposed to capture those funds as licensed FTE at 7.82 and classified FTE at 15.45 to more accurately reflect staffing funded through “targeted funding.” Final staffing may differ from these numbers, but as noted at the last meeting, the amount appropriated will not change.

The superintendent recommended approval of a resolution adopting the 2009-10 budget, making appropriations, and imposing and categorizing taxes. A copy of the resolution was included in the board packet.

Superintendent Russell stated that he had had a good meeting with the governor's chief policy advisor. He explained that the advisor had stated that the $5.6 billion number was a good one to use to plan the district budget, and that the chance of the number reaching $6 billion was probably very slim.
He noted that he had asked the Instructional Leadership Team (ILT) to generate a list of projects to restore, add to or invest in should extra dollars become available, the reserve was back at 5%, the contingency at 2%, and the PERS had been restored. He asked that the list include projects to add back to keep in line with board goals, and that the list generated was useful. Unfortunately, he stated, the apprehension about the budget the superintendent observed in the governor’s office made him feel less optimistic.

He referred to documents in the board packet titled Personnel Action Item List and Summary of Licensed Displaced Reductions Report. He noted that the reductions in FTE would mean considerable chaos within the district, especially considering teachers who would have to report to multiple sites. He noted that some of the chaos could be avoided if the district could get the proposed 2.66 FTE licensed staff layoff out of the way.

The superintendent asked that the board approve the budget, but authorize him to spend up to $500,000 next year to avoid the reduction of the 2.66 FTE. He noted that he wanted some flexibility in this number to be able to stay on track. He noted that if the budget came in at $6 billion, it would leave $2.4 million in reserve the district could use for special education. He stated that there was some risk involved, and that there was risk involved in basing the budget on $5.6 billion as well, noting the upcoming February election and the September forecast. He stated that the district had originally discussed taking the reserve down to 4.1 or 4.2% if necessary, and that he thought the district could do this and still safely keep the reserve at at least 5%, meet other goals and have money to work with if additional reductions needed to be made.

Dr. Martinez asked if a motion to approve the budget with a clear provision in it in terms of the additional resource the superintendent was asking for was needed.

Ms. Passerotti proposed adopting the budget as stated, and having a separate motion to address the superintendent's request.

**MOTION:** Mr. Torrey, seconded by Mr. Smith, moved to approve the 2009-10 budget as proposed.

**VOTE:** The motion passed unanimously; 6:0.

Dr. Martinez and Superintendent Russell thanked everyone for their hard work in putting together the budget.

**MOTION:** Mr. Torrey, seconded by Ms. Hays, moved to give the superintendent the authority to spend up to $500,000 to mitigate the impacts of layoffs and not have to lay off the 2.66 FTE licensed staff.

Ms. Passerotti clarified that this would be resolved in the supplemental budget next year.

In response to a question from Mr. Forrest, Superintendent Russell explained that the proposal was about eliminating some of the disruption caused by laying off 2.66 FTE, and was about creating more teaching time.

Mr. Forrest expressed concern about setting instructional calendars and the date by which this had to be completed.
Ms. Beghetto explained that the proposal would not eliminate all issues. She explained that there were 58 employees who were still displaced and 60 employees who were given new assignments. Therefore, the scheduling factor was intensified, although the superintendent’s proposal did mitigate some of the scheduling issues significantly.

Mr. Forrest explained that the board and the district had imposed a deadline for setting instructional calendars. He stated that he supported the motion.

Ms. Beghetto explained that when the proposal was on paper, it looked far more simple than it actually was. She stated that once building plans came in, they were analyzed by Human Resources. She noted that the number of teachers displaced and their licensures were then analyzed and put into open positions or vacancies. She explained that after these steps were taken, there were still a number of employees who needed work because they were owed job rights within their licensure and endorsement areas. Human Resources then looked to see if they could combine assignments or find other instructional space for these teachers. Once these teachers were placed, the seniority system was observed and the most senior teachers displaced were placed accordingly by looking at the least senior teachers in that teacher’s specific licensure area. She explained that then, the least senior teacher’s license was observed to see if they have other endorsements, and many of them do, especially at the secondary level. Human Resources then made sure they could place these teachers in positions within their endorsement areas. She noted that this process was then repeated for each teacher down the line affected by the layoff, which caused a domino effect. She stated that the process was not quite as simple as it appeared on paper.

Superintendent Russell explained that the district would have been better off if they had made the decision not to cut the ratio much earlier. Because the district waited so long, therefore, the time period in which Human Resources had to work was much more compressed.

In response to a question from Mr. Forrest, Ms. Beghetto explained that instructional availability for certain subjects was based on a school’s building plan, since the district was site-based.

Mr. Torrey noted that one of the issues the district and the board would be faced with in the coming year would be credibility and transparency with the public. He stated that the district needed to be transparent with the public about the ways the district's budget and budget decisions were based on decisions made within the Oregon legislature. He noted that he had read a report that stated that Oregon was not projected to reach 2008 employment levels again until 2014. He noted that the situation would have been better had the district started anticipating the budget issues earlier, although that had been impossible. He stated that he supported the motion.

Dr. Martinez noted that part of the challenge was that the district had to have real positions and real decisions made at the site level in order to do what had occurred since the Budget Committee met. He stated that it would have been very hard to predict the current situation. He stated that the process was hard to explain, but that the district had to be transparent regardless. He strongly recommended a very direct and immediate communication with the Budget Committee about this motion. He stated that the board needed to communicate and be transparent with the Budget Committee and with the community.

Superintendent Russell agreed with Mr. Torrey and Dr. Martinez.
Ms. Hays also agreed with Mr. Torrey and Dr. Martinez. She noted that some of her son's best teachers were no longer with the district, and that the situation was horrific.

**VOTE:** The motion passed unanimously; 6:0.

**CONSENT GROUP – ITEMS FOR ACTION**

Set the Tuition Rates for the 2009-10 School Year

Each year a number of non-resident students pay tuition to attend district schools and other districts contract with the district to provide regular and special educational services. The board sets tuition rates for students in kindergarten, elementary school, middle school, high school, and special education. The district receives no reimbursement for these students from the state. The district are proposed a $5/month increase for Kindergarten, a $10/month increase for grades 1-5, a $10/month increase for grades 6-8, and a $10/month increase for grades 9-12. The special education rates for both the Regional Learning Centers (elementary, middle and high school) and for Learning Centers are increased less than one percent.

**Rates for Regular Students**

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten</td>
<td>$5,445 or $605 per month (nine months)</td>
</tr>
<tr>
<td>Grades 1-5</td>
<td>$7,515 or $835 per month (nine months)</td>
</tr>
<tr>
<td>Grades 6-8</td>
<td>$7,110 or $790 per month (nine months)</td>
</tr>
<tr>
<td>Grades 9-12</td>
<td>$6,570 or $730 per month (nine months)</td>
</tr>
</tbody>
</table>

**Rates for Special Education Students**

<table>
<thead>
<tr>
<th>Learning Center</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Learning Center</td>
<td>$9,498 plus the cost of related services</td>
</tr>
<tr>
<td>Elementary Regional LC</td>
<td>$14,807 plus the cost of related services</td>
</tr>
<tr>
<td>Middle School LC</td>
<td>$10,386 plus the cost of related services</td>
</tr>
<tr>
<td>Middle School Regional LC</td>
<td>$14,644 plus the cost of related services</td>
</tr>
<tr>
<td>High School LC</td>
<td>$9,617 plus the cost of related services</td>
</tr>
<tr>
<td>High School Regional LC</td>
<td>$13,889 plus the cost of related services</td>
</tr>
</tbody>
</table>

The superintendent recommended approval of the tuition rates as proposed.

Set School Breakfast and Lunch Prices for the 2009-10 School Year

Nutrition Services continued their efforts to implement healthier meals which includes a focus on whole grain products and fresh and local products. In addition, changes have also been made to the a la carte program as required by the district’s wellness policy and House Bill 2650. The second phase of the house bill which places caloric, fat content and serving size limits on district prepared a la carte items, begins July 1. These improvements combined with rising food and compensation costs have resulted in higher program expenses which have exceeded the increase in revenues. To help offset program cost increases, staff is proposing the following price increases for breakfast and lunch:
Paid Breakfast

<table>
<thead>
<tr>
<th>Level</th>
<th>Proposed Price 2009-10</th>
<th>2008-09 Price</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>$1.20</td>
<td>$1.15</td>
<td>$0.05</td>
</tr>
<tr>
<td>Middle</td>
<td>$1.35</td>
<td>$1.30</td>
<td>$0.05</td>
</tr>
<tr>
<td>High</td>
<td>$1.55</td>
<td>$1.50</td>
<td>$0.05</td>
</tr>
</tbody>
</table>

Reduced price breakfast would remain at $0.30.

Paid Lunch

<table>
<thead>
<tr>
<th>Level</th>
<th>Proposed Price 2009-10</th>
<th>2008-09 Price</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>$2.15</td>
<td>$2.10</td>
<td>$0.05</td>
</tr>
<tr>
<td>Middle</td>
<td>$2.50</td>
<td>$2.40</td>
<td>$0.10</td>
</tr>
<tr>
<td>High</td>
<td>$2.60</td>
<td>$2.50</td>
<td>$0.10</td>
</tr>
</tbody>
</table>

Reduced price lunch would remain at $0.40, and the a la carte price for milk will remain at $0.50.

Even with the increase, the proposed paid elementary lunch revenue is below that received for students qualifying for free or reduced price meals, as the chart below shows:

Elementary Lunch Revenue by Level of Subsidy

<table>
<thead>
<tr>
<th>Level</th>
<th>2009-10 Federal Subsidy (projected)</th>
<th>Meal Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free</td>
<td>$2.65</td>
<td>$0.00</td>
<td>$2.65</td>
</tr>
<tr>
<td>Reduced</td>
<td>$2.25</td>
<td>$0.40</td>
<td>$2.65</td>
</tr>
<tr>
<td>Paid</td>
<td>$0.24</td>
<td>$2.15 (proposed)</td>
<td>$2.39</td>
</tr>
</tbody>
</table>

Nutrition Services obtained current or proposed prices for 45 districts in Oregon. Regarding breakfast prices, 27% of elementary schools charge over $1.20. Regarding lunch prices, the proposed paid elementary price would put the district in the top 24% of districts surveyed. Other districts with elementary lunch at or above $2.15 include: Ashland, Banks, Beaverton, McMinnville, Redmond, Newburg, Tillamook, Tigard-Tualatin, and West Linn. Most of these school districts, like Eugene, have a relatively low percentage of students qualifying for free or reduced meals and rely more on revenue from “paid” students.

Staff did not believe that the new prices will have a negative effect on participation. The superintendent recommended approval of the proposed price increases.

Conduct Routine Business

a. Appoint Clerk and Deputy Clerks for Fiscal Year 2009-10

Statutes require the board of directors to designate persons to serve as custodians of school funds and to officially sign contracts and other legal documents on behalf of the district.
The superintendent recommended appointment of George Russell as District Clerk and Barbara Bellamy, Susan Fahey, and Carl Hermanns as Deputy Clerks for the 2009-10 fiscal year. A resolution authorizing them to sign legal documents on behalf of the school district was included in the board packet.

b. Appoint Executive Officer and Budget Officer for Fiscal Year 2009-10

The state budget law requires the board of directors to appoint an Executive Officer and a Budget Officer for the school district each fiscal year.

The superintendent recommended that George Russell be appointed as Executive Officer and Susan Fahey be appointed as Budget Officer for the 2009-10 fiscal year.

c. Adopt Resolution Authorizing Interfund Borrowing

From time to time, receipts for specific budgeted fund categories are not received as expected; for example, grant funds may not arrive on time or food services receipts may be delayed. Oregon law allows loans to be made from one fund to another, so long as loans are repaid no later than the end of the ensuing year.

The superintendent recommended adoption of the resolution, included in the board packet, authorizing the district to utilize interfund borrowing during the 2009-10 school year.

d. Designate School Depositories for Fiscal Year 2009-10

It was necessary for the board of directors to designate depositories for the 2009-10 fiscal year. A copy of the resolution designating depositories for School District 4J, effective July 1, 2009 through June 30, 2010, was included in the board packet.

The superintendent recommended adoption of the resolution designating depositories for School District 4J, effective July 1, 2009 through June 30, 2010.

e. Appoint Legal Counsel and Auditor for Fiscal Year 2009-10

General legal services have been provided for the district by the law firm of Luvaas Cobb. Financial auditing services have been provided by the accounting firm of Grove, Mueller & Swank, P.C.

The district continued to be satisfied with the services we receive from both firms. The superintendent recommended that Luvaas Cobb be retained as legal counsel for the 2009-10 fiscal year. The superintendent further recommended that Grove, Mueller & Swank, P.C. be appointed to conduct the 2008-09 annual audit, during the 2009-10 fiscal year, as required by Oregon statute.

Make Appropriations Resulting from the Acceptance of Grant Funds

The district has received the following grant funds in addition to funds anticipated at the time the 2008-09 budget was adopted. The district may expend grant funds received for a specific purpose upon enactment of a resolution by the board.
The superintendent recommended adoption of Resolution No. 2, a copy of which was included in the board packet.

**Approve Annual Ratification of a Class of Contracts Under a Certain Dollar Amount, Including Purchase Orders, Contract Amendments and Change Orders**

Board Policy DI - Financial Management Policies and Board Policy DJCA - Personal Services Contracts provide for Delegated Authority for Purchases Under $150,000, which authorizes and fully empowers the superintendent and designees to award and execute all contracts, except for contracts for public improvements (including but not limited to purchase orders), and contract amendments, and change orders for all contracts under $150,000, pursuant to all applicable public procurement rules and board policy, subject to annual ratification of the contracts, in general terms, by action of the board.

Board Policy DI - Financial Management Policies and Board Policy DJCA - Personal Services Contracts also authorize and fully empower the superintendent and designees to award and execute all contracts for public improvements (including but not limited to purchase orders), and contract amendments, and change orders for all contracts under $100,000, pursuant to all applicable public procurement rules and board policy, subject to annual ratification of the contracts, in general terms, by action of the board.

Based on this authority, the superintendent recommended that the board adopt a resolution ratifying all district procurements under $150,000 per item procured under policies DI and DJCA, "Delegated Authority for Purchases Under $150,000," for the fiscal year 2008-09. A copy of the resolution was included in the board packet.

**Approve Expenditures for May 2009**

A summary of the district’s expenditures for May 2009, totaling $66,966,178.48 was included in the board packet.

The superintendent recommended approval of the May 2009 expenditures.
Approve Resolution No. 3 Making Appropriations Resulting from Transfers

Due to the changing needs of the district since the adoption of the 2008-09 budget, it was necessary to make the following transfers of funds:

General Fund
Increase the Instruction appropriation by $1,400,000 and decrease the Transfers appropriation by $900,000 and the Special Education Operating Contingency by $500,000. The purpose of this transaction is to establish sufficient spending authority and align budget appropriations with projected expenditures.

Increase the Transfers appropriation by $1,856,037 and decrease appropriations for Instruction by $522,047 and for Supporting Services by $1,333,990, to create authority to transfer potential budget savings to the Fleet and Equipment Fund for reserves to purchase textbooks and equipment.

Nutrition Services Fund
Increase the Supporting Services appropriation by $25,000 and decrease appropriations in the Operating Contingency by $18,885 and in the Enterprise and Community Services appropriation by $6,115 to establish spending authority sufficient to cover projected expenditures.

District Retirement Fund
Increase the Supporting Services appropriation by $300,000 and decrease the Operating Contingency appropriation by the same amount to create spending authority to cover early retirement incentives paid during the fiscal year.

The superintendent recommended adoption of Resolution No. 3 making appropriations resulting from transfers.

Approve Contract for Additional Electronic Storage and Equipment Maintenance

Proposals to provide additional electronic storage and system maintenance were opened May 4, 2009 in response to a Request for Proposals (RFP) issued by the district. The RFP was issued to address the ongoing electronic storage and equipment maintenance needs of the district. Currently, the district is using NetApp equipment to electronically store data. Storage capacity will need to be increased incrementally over the next few years due to increasing demand.

The RFP was posted on the Oregon Procurement Information Network (ORPIN) and sent directly to five vendors. Proposers were requested to respond to district specifications and to submit information regarding their company, pricing discounts and references. Information from ORPIN indicated that seventeen interested vendors downloaded the RFP. Despite this level of vendor interest, only one proposal was received from Incentra, LLC of Portland, Oregon.

Purchasing and Computing and Information Services (CIS) staff reviewed and evaluated the proposal. The result of the review was that Incentra, LLC was determined to fully meet the requirements of the district.

The value of the proposed contract over a three year period is estimated to be over $150,000. This includes annual maintenance of approximately $35,000 per year, or $105,000. The annual
maintenance charges are recurring and currently budgeted as an ongoing cost in the CIS operating budget.

Currently, no purchases of equipment were scheduled, however, it was anticipated that some equipment will be needed during the contract term. The district could purchase NetApp equipment using the federal U.S. General Services Administration contract (GSA), however contracting with Incentra, LLC at this time assures that the district will realize at least a 15% discount from the GSA list price, subject to final negotiations.

The superintendent recommended contracting with Incentra, LLC for the ongoing maintenance of the district’s storage systems and the purchase of NetApp equipment for a period of one (1) year with the possibility of two (2) one-year extensions.

**Approve Memorandum of Agreement with the Eugene Education Association Concerning District Contributions to Tax Sheltered Annuity When TSA Provider Leaves Market**

Teachers of the district receive Tax Sheltered Annuity (TSA) contributions paid by the district as part of their compensation package. In 2008, several TSA providers left the market, causing a disruption in the contributions by the district to TSA accounts. Current contract language does not address whether an employee may be enrolled with the default TSA provider or the district's obligation to make retroactive payment in these circumstances. This memorandum provides specific guidelines to follow in the future as to the district payments and enrolling employees with the default TSA provider. In addition, this memorandum disposes of the grievance filed by Eugene Education Association on the same subject.

The superintendent recommended approval of the Memorandum of Agreement, a copy of which was included in the board packet.

**Approve Board Meeting Minutes**

The superintendent recommended approval of the minutes from the May 20, 2009 regular board meeting. A copy of the minutes was included in the board packet.

**Approve Personnel Items**

The superintendent recommended approval of the personnel items included in the board packet. These cover employment, resignations, and other routine personnel matters.

**MOTION:** Mr. Forrest, seconded by Ms. Gerot, moved to approve the consent items.

**VOTE:** The motion passed unanimously; 6:0.

**ITEMS FOR ACTION AT A FUTURE MEETING**

**Administer the Oaths of Office**

The superintendent explained that he will administer the oaths of office to Anne Marie Levis (Position 2), Beth Gerot (Position 3), and Jennifer Geller (Position 6) for the term July 1, 2009 through June 20, 2013.
Organize the Board of Directors for the 2009-10 School Year

As the first order of business at the July 1, 2009 board meeting, the board will need to take the following action:

a. Elect Board Officers

(1) **Chair:** The Board of Directors, as its first order of business on July 1, 2009 should elect the chair for the fiscal year ending June 30, 2010.

(2) **Vice-Chair:** The Board of Directors should then elect the vice chair for the fiscal year ending June 30, 2010.

b. Authorize the Chair and Vice Chair to Sign for the District During the 2009-10 Fiscal Year

The names of the newly elected board officers will be added to a resolution at the July 1 meeting.

The superintendent will recommend approval of the resolution authorizing the board officers to sign for the district during the 2009-10 fiscal year. A copy of the resolution was included in the packet.

Adopt the Board Calendar for the 2009-10 School Year

The Board of Directors traditionally meet on the first and third Wednesday of the month, with the agenda and materials related to the agenda items being provided to the board on the Friday preceding the Wednesday meeting. Special board meetings and board work sessions may also be scheduled during the year; board members typically set aside every Wednesday evening for that purpose.

A copy of the proposed calendar of the regular board meetings for the 2009-10 school year was included in the packet. The superintendent has reviewed the proposed calendar and noted that it does not interfere with major holidays and the winter break schedule.

The superintendent will recommend approval of the proposed 2009-10 calendar of the regular board meetings.

**COMMENTS AND COMMITTEE REPORTS BY INDIVIDUAL BOARD MEMBERS**

Ms. Gerot explained that she had attended the Opportunity Center graduation, and she had noted the relationship between the teachers and the students at that school. She stated that it was clear that the teachers knew every student and had developed relationships with each one.

Mr. Torrey thanked Mr. Henry and Ms. Curtis for their service.

Mr. Forrest reiterated his thanks for the opportunity to serve on the board, and wished everyone the best.
Dr. Martinez thanked everyone for their work, and stated that it had been an honor to serve on the board.

**ADJOURN**

Dr. Martinez adjourned the regular meeting at 9:27 p.m.

**EXECUTIVE SESSION:** Under provisions of ORS 192.610 – 192.690, Open Meeting Laws, the Board of Directors conducted an Executive Session for the following purpose:

To conduct the Annual Evaluation of the Superintendent to review and evaluate pursuant to standards, criteria, and policy directives adopted by the governing body, the employment-related performance of the executive officer pursuant to ORS 192.660 (2) (i).

_____________________________   _____________________________
George Russell     Charles Martinez, Jr.
District Clerk      Board Chair
(Recorded by Katie Dettman)

**Attachments to Official Minutes:**

1. Proposal to Provide High School Algebra I Credit Taken at the Middle School Level
2. Resolution No. 4 Adopting the Budget, Making Appropriations, and Imposing and Categorizing Taxes for the 2009-10 Fiscal Year
3. Personnel Action Items Related to Reduction in Force
4. Resolution Authorizing Clerk and Deputy Clerks to Sign as Legally Qualified Officers
5. Resolution Authorizing Interfund Borrowing for the 2009-10 Fiscal Year
6. Resolution Designating Depositories for School Funds for the 2009-10 Fiscal Year
7. Resolution No. 2 Making Appropriations Resulting from Acceptance of Grant Funds
8. Resolution Ratifying Procurements Under a Certain Dollar Amount for the 2008-09 Fiscal Year
10. Resolution No. 3 Making Appropriations Resulting from Transfers in the 2008-09 Fiscal Year
12. Personnel Action Items