MINUTES OF THE REGULAR MEETING OF BOARD OF DIRECTORS
SCHOOL DISTRICT NO. 4J, LANE COUNTY, OREGON

June 21, 2006

Meeting Convened

The Board of Directors of School District No. 4J, Lane County, Eugene, Oregon, held a regular meeting on June 21, 2006, at 7 p.m., at the Education Center, 200 North Monroe Street, Eugene, Oregon. Notice of the meeting was mailed to the media and posted in Education Center on June 16, 2006, and published in The Register-Guard on June 19, 2006.

ROLL CALL

BOARD MEMBERS:
Beth Gerot, Chair
Tom Herrmann, Vice-Chair
Eric Forrest
Charles Martinez, Jr.
Craig Smith
Anette Spickard
Yvette Webber-Davis

STAFF:
Barbara Bellamy, Director, Communications and Intergovernmental Relations
Tom Henry, Deputy Superintendent and Chief Academic Officer
Hillary Kittleson, Director of Financial Services
Jon Lauch, Assistant Director of Facilities Management
Kelly McIver, Communications Coordinator, Communications and Intergovernmental Relations
Susan Fahey, Operations and Reporting Manager

REGULAR BOARD MEETING

CALL TO ORDER, ROLL CALL, AND FLAG SALUTE

Board Chair Beth Gerot called the meeting to order at 7:04 p.m. and led the salute to the flag. She noted that all board members were present.

AGENDA REVIEW

Tom Henry, Deputy Superintendent and Chief Academic Officer, suggested that the Monthly Financial Report (Item VII. 2) be combined with the public hearing and approval of the 2006-07 Budget (Item VIII.1). He also said that the update of the bond projects (Item VII. 3) would be postponed until August.

INTRODUCTION OF GUESTS AND SUPERINTENDENT’S REPORT

Mr. Henry welcomed everyone at the meeting. He noted the following items in the Red Folders:

- Brochures outlining the North Eugene High School Programs
- Corrections to the Consent Agenda
- A letter from Mary Gossett of Planned Parenthood addressing some of the issues from Ed Capell
ITEMS RAISED BY THE AUDIENCE

Les Ditson, 1673 Riverview Street, said that he was the director of Emerald Valley School (EVS). Mr. Stitson explained that the primary focus of the Emerald Valley School was to provide a bridge between home school and public school rather than to actually serve those who home school. He said that he would like to have a third category in the superintendent’s report that described the school contracting with families transitioning from home school. He said that his students refer to themselves as EVS students, not home schooled students.

Mr. Ditson said that EVS had enjoyed a successful six-year relationship with the district. He said that he supported the contract changes and only wanted to recommend a small interpretation change in the contract. He provided the board with a document that clarified the change. He said that he appreciated all that the district did.

Shelly Reed, 5477 Donald Street #16, testified about HomeSource and the importance of this program to her and her two students. She spoke about the great sense of community at HomeSource and the opportunities for hands-on learning. She described it as a haven for children with learning differences. Ms. Reed said that her children had great success through the HomeSource program.

Deanna Hershiser, 1666 Ridgefield Street, described the importance and effectiveness of the HomeSource program for herself and her two children. She said that HomeSource classes had helped her children live and learn in ways that would continue to benefit relationships between people seeking to do what was best for all children.

Dan Porter, 28810 Royal Avenue, said that he was speaking for his family, his wife and three children. He said that he believed that the school board would agree with him that all kids deserved a good education and that not all students flourished in the same type of learning environment. Mr. Porter described how HomeSource had enhanced the education of his children. He said that home schooling with HomeSource resulted in productive adults. He said that HomeSource worked and had a positive impact on children’s education. He urged the board to continue to support HomeSource.

Nora Van Meter, 6010 Rombauer, said that she was speaking as an instructor at HomeSource. She said that she was certified as a secondary language arts teacher and had worked on a grant project Kelly Middle School several years ago. She said that her experiences in teaching had been very diverse. She said that she had a very high opinion of the instruction at HomeSource. She said that there was a lot of parental support, excitement about learning, and a diversity of students. Ms. Van Meter said that the HomeSource program met the needs of students and provided a wealth of possibilities. She encouraged the board to continue to make this program available to students.

Meridith Kidder, 36 W 36th Avenue, thanked the partnership group that worked on the merger of Edgewood Elementary School and Evergreen Alternative School. She thought that the merger provided a wonderful opportunity for both schools. She said that she appreciated the board considering changing the name to Edgewood Community Elementary School. She said that her children were excited about the two schools merging and were looking forward to next year.

Emily Presella, 4089 Normandy, said that she would be a seventh grader at Spencer Butte Middle School and that she had attended Edgewood Elementary School for six years. Ms. Presella expressed her support of the name change to Edgewood Community Elementary
School. She said that she thought that a name was very important and that the new name would express that the school welcomed the community and invited students to learn there. Ms. Priscilla said that Edgewood had been in the community 44 years and that she thought that the name should be kept alive.

Susan Hirata, 1592 Lawrence Street, said that she was president of the HomeSource Board of Directors. Ms. Hirata said that she was serving on the board for the same reasons that 4J board members were serving, to make a difference in the lives of children and families. She said that she agreed with the 4J Board’s assertion that choice was important. She said that her family chose to use HomeSource because it was publicly funded and that therefore no student would be turned away. She said that through HomeSource the district was successfully educating children with autism and ADHD as well as TAG students. She said that HomeSource provided a successful alternative for students for whom a traditional school model did not work; provided an opportunity for the community to be involved in education; and made it possible for parents, students, and siblings to learn together. She thanked the board for its past supported and encouraged the board to continue the relationship.

Paula Praus-Williamson, 1110 Garfield, said that she was one of the founders and the current Executive Officer of Home Source. Ms. Praus-Williamson gave a history of HomeSource and its’ relationship to the district. She asked the board to select Option 1 as described on page 20 of the board packet. She said that Option 1 was a one-year contract with HomeSource for the same hours that were contracted this past year. She said that Option 3 added wording that would tie the hands of the board next year in contracting. She said that HomeSource was currently working to determine if there could be a delay on the reduction of funding and a process for rule-making and public hearings. Ms. Praus-Williamson said that even if the 50 percent reduction of funds to home-schooled students in alternative education programs stood, there was no direction that this amount of funds could not go to home-school students and programs. She said that HomeSource would like to be able to resolve those issues during this year.

Ms. Praus-Williamson said that HomeSource was willing to look at the statements that the district was losing money on alternative education students and publicly agreed to write in a contract that HomeSource would never take more than the amount of money from the general fund that was provided for students. She said that HomeSource would also be glad to look at the over-sight expenses and would be willing to help pay for those.

Ms. Praus-Williamson said that HomeSource had just received notification that it had a contract with the Springfield School District and were told that there were no issues with the Bethel School District. She asked that the board keep the options open for the following year.

Kate Perle, 4740 Wendover, said that she was the Educational Coordinator and Co-Director of Farm School at Full Circle Community Farm. She said that she had been contracting with the district for the last six years to provide instruction to both home-schooled students and referral students. She spoke of the success of Farm School and noted that most of her students had not succeeded in conventional classrooms. She said that the students worked on cooperation, inclusion, respect, and wonder through animal care, gardening and natural science. Ms. Pearly said that most of her students returned to the school district within one year. She said that she understood the financial crisis facing the school district and that she thought that her services she provided for the district went far beyond the $182 amount that the district lost per 1.0 FTE. She said that home-schooled students were a part of the fabric of the youth community. She noted that not all of them were there because of a philosophical position. She asked the board to continue funding her program, Home Source, Emerald Valley, and Impact Arts. She said that
the services provided by those programs were invaluable and met the needs of children not being served by the district. She said that she hoped that the district would continue to work with her program to continue to meet the needs of children.

The following people submitted written testimony to the board: Virgil Bowman, Loretta Wallace, Debbie Overholt, Janelle Stratton, and Charles Coret.

ITEMS FOR INFORMATION

Receive an Update on the Disposition of Santa Clara and Other Surplus Property

Jon Lauch, Assistant Director of Facilities Management, and Sue Prichard gave an update on the Santa Clara property, the disposition process for other surplus property, and responded to questions from the board.

Mr. Lauch briefly reviewed the history of the disposition process for the Santa Clara property. He said that after the board approved the sale of the property in September 2005, the property went to market. The district received a couple of full price offers which were rejected because of the time needed to resolve the contingencies which primarily had to do with land use issues and required zone changes. Mr. Lauch said that in the interim all of the buildings had been removed and that during this process the district was surprised to discover an abandoned oil tank, two septic tanks, and a well. He said that the district had conducted a Phase 1 Environmental Study and that there was no need to do a Phase 2 study.

Ms. Prichard said that the district had been monitoring the Commercial Land Study with the thought that the results might potentially benefit rezoning efforts for the Santa Clara School property. She explained that the study had been delayed in order to correct some flawed data and had taken longer than expected. She added that it was clear that there was no plan from the cities of Eugene and Springfield, or Lane County on what to do with the information from the study. She said that in her opinion there was no longer any benefit to wait for the completion of the study.

Ms. Prichard said that the property had been continually marketed and that she continued to receive inquiries. She said that virtually all of the interested people have the same requirements, to have the zoning in place. She said that since the demolition of the buildings she had revised the marketing materials and distributed them throughout the brokerage community. She said that one of the original persons who had made an offer had again expressed interest in the property, this time without the offer being contingent upon the zone change. She said that she would keep the board apprised and would continue to market the property.

Board Member Anette Spickard asked if the district staff had begun the rezoning process. Mr. Lauch explained that after meetings with City of Eugene staff, it became evident that the City Planning Staff, the Planning Commission, and the Eugene City Councilors wanted to know what was going to be developed on a property before approving a zone change.

Mr. Lauch also gave an update on the Bailey Hill Elementary School deed restriction on the one acre sandwchiched in the property. He noted that that acre had a good portion of the school building on it. He said that the district’s Legal Counsel, Joe Richards, had been working with a genealogist to identify heirs to the property. He said that 24 heirs had been identified and that the district would be working with Mr. Richards on how to proceed with clearing up the deed restriction.
Receive a Monthly Financial Report

This item was combined with the public hearing on the 2006-07 Approved Budget (Items for Action at This Meeting)

Receive an Update on Bond Projects

This item was postponed until a future meeting.

ITEMS FOR ACTION AT THIS MEETING

Conduct a Public Hearing on the 2006-2007 Approved Budget and Approve a Resolution Adopting the 2006-2007 Budget, Making Appropriations, Imposing and Categorizing Taxes

Hillary Kittleson, Director of Financial Services, reviewed the following amendments to the Proposed Budget, which had been unanimously approved by the Budget Committee on May 1, 2006.

- Increase Beginning Working Capital by $1.7 million and appropriate a like amount to a Reserve for Onload of City Levy Services.

- This amendment reflects the additional funds coming to the district as part of the reconciliation of the 2004-05 State School Fund.

- Increase State School Fund Revenue by $1.3 million and appropriate a like amount to a Reserve for Onload of City Services.

This amendment reflected the action of the special session of the State legislature distributing $42 million in Lottery funds to K-12 education; $1.3 million was District 4J’s projected share of these funds.

- Increase Direct Classroom Services by $48,720 for an additional 0.6 FTE to address increased enrollment at South I.H.S. and decrease Contingency by a like amount.

- Increase Support Services by $125,000 to provide Mac platform support to schools and decrease Contingency by a like amount.

- Increase Direct Classroom Services by $20,000 for additional funding for the Regional Technical Education Consortium (RTEC) program and decrease Contingency by a like amount.

Ms. Kittleson said that since the Budget Committee took action, changing circumstances had led her to recommend additional amendments to address four issues. First, the district's projected 2005-06 revenue from the State School Fund was now estimated to be $1.3 million lower than assumed when the Proposed Budget was prepared. That was because the Oregon Department of Education was making its 2005-06 payments based on estimates of local property tax revenues submitted by districts to date. Actual revenues were expected to be higher. Based on information from the Department of Education and from COSA, Ms. Kittleson thought that the district would receive the $1.3 million in 2006-07 as part of the 2005-06 reconciliation of the State School Fund.
Therefore, Ms. Kittleson recommended that the board amend the budget approved by the Budget Committee by reducing Beginning Working Capital (lower expected revenue from 2005-06) and increasing State School Fund revenue (higher expected revenue in 2006-07) by $1.3 million.

Ms. Kittleson said that second, the district needed to address the expected increase in enrollment at Willagillespie, Cal Young and Sheldon schools due to the completion of the Willamette Gardens apartment complex. She recommended that funds be moved from the Unappropriated Ending Fund Balance to the Contingency account at this time. Transactions could then be prepared for the first supplemental budget that would reflect more refined cost estimates and would recognize additional State School Fund revenue for that portion of the costs related to students new to 4J.

Third, Ms. Kittleson recommended that $29,500 be moved from Contingency to the Human Resources Department to fund a market study for members of the Eugene Administrators Association who were not building principals (the market study of principal and assistant principal positions was completed this year). The district made a commitment to conduct this study as part of its agreement with the Eugene Administrators Association. This study was also part of an overall review of the district’s compensation system. To date, the district had completed its survey of building administrators and was currently conducting a comparison of teacher compensation in ten districts. Existing resources would be used to update classified employee job descriptions and refine the district’s compensation philosophy. Market studies of selected classified positions had been conducted each year over the past few years in cooperation with the Oregon School Employees Association.

Finally, Ms. Kittleson said that the district needed to plan for a potential increase in athletics travel costs, given the June 9, 2006 decision by the State Superintendent for Public Instruction that the Oregon School Activities Association did not violate the law when it moved Sheldon and South Eugene high schools into a Class 6A league with Roseburg, Grants Pass, South Medford and North Medford high schools. If those cost increases occurred, she would prepare transactions for the first supplemental budget to increase appropriation authority for athletics travel accounts.

Ms. Kittleson recommended that the following amendments be made to the budget approved by the Budget Committee:

- Increase State School Fund revenue by $1.3 million and decrease Beginning Working Capital by a like amount.
- Increase Support Services in the General Fund by $29,500 and decrease the General Fund Contingency appropriation by a like amount.
- Increase General Fund Contingency by $500,000 and decrease the General Fund Unappropriated Ending Fund Balance by a like amount.

These three transactions recognized revenue in the appropriate year, provided an appropriation for the market study and provided additional cushion in the Contingency account to absorb the increased costs related to serving students from Willamette Gardens and to the OSAA decision. Including these proposed amendments the approved budget totaled $313.7 million, a decrease of $1.3 million—or 0.4%—from the 2005-06 adopted budget. The small decrease was largely the net result of a lower capital budget (reflecting the spend-down of bond proceeds) and a higher operating budget. The General Fund operating budget, excluding reserves, was $134.9 million, an increase of $7.8 million—or 6.1% over the 2005–06 adopted budget. This increase included a $1.1 million transfer to the City Levy Subfund to help cover a projected
revenue shortfall in that fund. General Fund reserves, budgeted as an Unappropriated Ending Fund Balance, amounted to $11.9 million. That amount, along with projected underspending, would allow the district to maintain its current service level over the next biennium, given current revenue and expenditure projections.

The budget for 2006-07 provided limited additional support to students who needed the most help, particularly at the high school level and made modest investments to improve operations. Service level increases totaled $497,826 net of staff reductions related to declining enrollment.

An overview of specific service level changes approved by the Budget Committee and proposed as board amendments was attached.

Superintendent Russell recommended approval of a resolution adopting the 2006-07 budget, making appropriations, and imposing and categorizing taxes.

Ms. Gerot opened the public hearing at 7:50 p.m. Ascertaining that no one wished to testify, Ms. Gerot closed the public hearing at 7:50 p.m.

MOTION: Anette Spickard, seconded by Board Member Eric Forrest, moved approval of a resolution adopting the 2006-07 budget, making appropriations, and imposing and categorizing taxes.

VOTE: All members present voted yes, (7:0).

Conduct a Public Hearing and Approve Supplemental Budget #2

Proposed Supplemental Budget Transactions

Ms. Kittleson said that there were no changes to the transactions proposed to the board at its last meeting. An overview of the transactions was presented below, with a list of specific transactions attached.

Ms. Kittleson noted that there was a transfer resolution under the Consent Calendar that would move some spending authority between Instruction/Supporting Services categories.

Transfer of Appropriations Within the Same Fund

General Fund

Transfers from Contingency. The following transfers were proposed:

1. To fund additional attorney costs through June 30, 2006 related to Oregon School Activities Association (OSAA) litigation. The OSAA had approved a plan that moved Sheldon and South Eugene high schools into a Class 6A league with Roseburg, Grants Pass, South Medford and North Medford high schools. The district appealed that decision. $ 130,000

2. To fund 2005-06 costs related to the move to new buildings at Madison Middle School (Fall 2005 opening) and Cal Young Middle School (Fall 2006 opening) and to the merger of $ 227,750

SCHEDULE B
Edgewood and Evergreen elementary schools. Costs included $108,000 for moving services; the remaining funds covered extended contracts and substitutes for teachers, additional classified time for transition, and transition supplies.

3. To fund two additional special education bus routes. This year the district added two routes to maintain acceptable riding times for students and to serve additional students attending the Child Center and other Springfield area programs. Seventy percent of these costs would be reimbursed to the district in the next fiscal year. $72,393

4. To fund additional special education release time and time for scheduling special education students, as agreed to in the district's agreement with the Eugene Education Association. $56,882

5. To fund compensation costs for employees. Last year, when adopting the 2005-06 budget, the board authorized an addition of $2.5 million to the Contingency account to cover projected costs of employee agreements above what had been budgeted in the proposed 2005-06 Budget. These transactions move the $2.5 million appropriation from Contingency to the appropriate salaries and benefits accounts. $2,500,000

TOTAL $2,987,025

With these transactions, the Contingency balance at year-end would be $1,668,106.

Ms. Gerot opened the public hearing at 7:52 p.m. Ascertaining that no one wished to testify, Mr. Gerot closed the public hearing at 7:52 p.m.

Recommendation

Superintendent Russell recommended approval of the supplemental budget as presented, or as modified as a result of board discussion. A resolution adopting the supplemental budget was included in the board packet. Action requested was adoption of the resolution.

MOTION: Anette Spickard, seconded by Board Member Charles Martinez, moved approval of the resolution adopting Supplemental Budget #2 for fiscal year 2005-06.

VOTE: All members present voted yes, (7:0).

Approve the Merger of Edgewood Elementary and Evergreen Alternative Schools

Edgewood, a neighborhood elementary school, and Evergreen, an alternative elementary school located in the same building, had proposed to merge and begin operating as a new neighborhood school in September 2006. For future state school data reporting purposes, the district had to show that the board approved the merging of Edgewood Elementary and Evergreen Alternative schools.
Jeralynn Beghetto, Principal at Edgewood Elementary School, spoke about the merger. She thanked the school board and the superintendent’s staff for their support and help during the process of merging the two schools. She also recognized the parents and the Partnership Group which worked on the merger.

Ms. Beghetto said that as a result of the feedback that the Partnership Group received from the parent community, the Partnership Group was now submitting for approval a name for the school that was different from the one submitted on June 7, 2006. She said that the group would like for the board to consider the name: Edgewood Community Elementary School.

Ms. Gerot thanked Ms. Beghetto and the entire staff for their hard work.

Superintendent Russell recommended approving the merger of Edgewood Elementary School and Evergreen Alternative School.

**MOTION:** Charles Martinez, seconded by Board Member Craig Smith, moved to approval of the merger of Edgewood Elementary School and Evergreen Alternative School.

Ms. Gerot said that the board was very excited to watch the progress at the school next year. Mr. Forrest agreed with Ms. Gerot’s statement adding that it had been wonderful to hear about all of the involvement from parents and staff in the process.

**VOTE:** All members present voted yes, (7:0).

**Approve a Name for the Merged Edgewood and Evergreen Elementary School and Building**

At the June 7, 2006 board meeting, the board received a recommendation to approve a new school name to reflect the merger of Edgewood and Evergreen elementary schools into a new school. At that time, the name Woodland Community School was recommended by the Edgewood Evergreen Partnership Group (a task force of staff and parent representatives from the two schools).

Over the last two weeks, there had been additional feedback from the school and local community with strong support and commitment to maintaining the original Edgewood name. In response to this feedback, the Partnership Group would now like to submit the name Edgewood Community Elementary School for consideration as the new name for the merged schools.

The Partnership Group believed it was important to maintain the building name of Edgewood. Additionally the group recognized that Evergreen was closing; it was important to staff members that the name be remembered in other ways and not included in the name for the new school. Finally, the theme of the merged schools was community and therefore, the group would like to have it included in the school name.

The new recommendation of Edgewood Community Elementary School was shared with families on Thursday, June 15 and those with concerns were invited to contact the principal, who would bring those comments to the board.

Board Policy FF *Naming of School Buildings* specified that the board would select the names of schools and described three suggested categories: people, places or themes.
Superintendent Russell recommended that the board approve a name for the school and school building.

MOTION: Board Member Yvette Webber-Davis, seconded by Eric Forrest, moved approval of the name, Edgewood Community Elementary School.

VOTE: All members present voted yes, (7:0).

Ms. Gerot said that this had been a good example of collaborative thinking. Mr. Henry thanked Ms. Beghetto and the school community for all of their efforts.

Approve National School Boards Association and Oregon School Boards Association Membership and the OSBA Legal Assistance Trust Dues for Fiscal Year 2006-07

A copy of the March 14, 2006 invoice for the annual dues for NSBA was included in the June 7 packet. Of your Annual National Affiliate Membership dues, $60 per person would be allocated for a one-year subscription to NSBA’s School Board News for the superintendent and each board member. OSBA membership was a requirement of being a NSBA affiliate member.

Also enclosed in the June 7 packet was a copy of the May 11, 2006 memo from OSBA and the annual dues statement. The annual membership fee was based on the number of students in the district and would be $10,823.

Mr. Henry reviewed the following information: Since the June 7 meeting the district also received an invoice from OSBA for the 2006-2007 Legal Assistance Trust Dues for $4,000. For the past few years, the district has been billed at 50% of this amount, or $2,000. However, as a result of the trustees’ vote to continue supporting PERS defense, Legal Assistance Trust dues this year were based on the fee structure adopted in 1991, which was based on the district’s reported ADMr is $4,000. A copy of the memo and invoice dated June 8, 2006 was included in the packet.

Superintendent Russell recommended payment of dues to the National School Boards Association for $7,250 and the Oregon School Boards Association for $10,823, and the Legal Assistance Trust dues to OSBA for $4,000 for the 2006-2007 school year.

Mr. Smith requested that the board bifurcate the vote and segregate the National School Boards Association (NSBA) dues from the Oregon School Boards Association (OSBA) elements.

MOTION: Board Member Tom Herrmann, seconded by Craig Smith, moved approval of the superintendent’s recommendation to pay the dues to the National School Boards Association for $7,250 for the 2006-2007 school year.

Ms. Gerot said that the board recognized the value of membership in the NSBA.

VOTE: All members present voted yes, (7:0).

MOTION: Tom Herrmann, seconded by Eric Forrest, moved approval of the superintendent’s recommendation to pay the dues to the Oregon School Boards Association for $10,823, and the Legal Assistance Trust dues to OSBA for $4,000 for the 2006-2007 school year.

Mr. Smith noted that at this time last year he was President Elect of the OSBA and that he had resigned after the board meeting in June 2005. He said that he continued to have his doubts
about the efficacy of the organization, primarily politically, and the integrity of the organization as it tried to accomplish its legislative process. He said that he also thought that the organization showed weak leadership for school boards throughout the State. He said that he intended to vote no. Ms. Gerot reminded the board members that the district had to be members of OSBA to be eligible to be members of NSBA.

VOTE: The motion passed, 5:2, with Mr. Smith and Ms. Spickard voting no.

CONSENT GROUP - ITEMS FOR ACTION

Mr. Henry pointed out the following amendments to the Consent Group. Copies of the amendments were included in the red folders.

- Grant Approvals – Technology Grant was for $352,000 not $352,000,000.
- Western Bus Sales had been given the contract for the purchase of ten school buses
- Dell had been given the contract for the purchase of personal computers for the IDEAS School at North Eugene High School

MOTION: Charles Martinez, seconded by Eric Forrest, moved to approval of the Consent Group.

VOTE: All members present voted yes, (7:0).

Set the Tuition Rates for the 2006-2007 School Year

Each year a number of students who were not residents of the district paid tuition to attend district schools, or especially in the case of special education students, other school districts contracted with us to provide educational services. The board set tuition rates for students in kindergarten, elementary school, middle school, high school, and special education. The district received no reimbursement for these students from the state. The district proposed a $5 increase for grades K-5, a $25/month increase for grades 6-8 and no increase for grades 9-12. Special education rates represented an average increase of 5.71% for Regional Learning Centers (elementary, middle and high school) due to an increase in the severity of student disability and the intensity of services required to meet their needs. Learning Center rates did not increase.

Rates for Regular Students

<table>
<thead>
<tr>
<th>Kindergarten</th>
<th>$4,905 or $545 per month (nine months)</th>
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<tbody>
<tr>
<td>Grades 1-5</td>
<td>$6,525 or $725 per month (nine months)</td>
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<tr>
<td>Grades 6-8</td>
<td>$6,075 or $675 per month (nine months)</td>
</tr>
<tr>
<td>Grades 9-12</td>
<td>$5,445 or $605 per month (nine months)</td>
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Rates for Special Education Students

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<tr>
<th>Elementary Learning Center</th>
<th>$8,726 plus the cost of related services</th>
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<tr>
<td>Elementary Regional LC</td>
<td>$13,702 plus the cost of related services</td>
</tr>
<tr>
<td>Middle School LC</td>
<td>$9,596 plus the cost of related services</td>
</tr>
<tr>
<td>Middle School Regional LC</td>
<td>$13,851 plus the cost of related services</td>
</tr>
<tr>
<td>High School LC</td>
<td>$9,449 plus the cost of related services</td>
</tr>
<tr>
<td>High School Regional LC</td>
<td>$12,134 plus the cost of related services</td>
</tr>
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</table>
Superintendent Russell recommended approval of the tuition rates as proposed.

Set School Breakfast and Lunch Prices for the 2006-07 School Year

Staff proposed the following price increases for breakfast and lunch:

**Paid Breakfast—Secondary Schools**
An increase of $0.25 from the current price of $1.00 to $1.25. Reduced price breakfast would remain at $0.30. Elementary breakfast would remain at $1.00.

**Paid Lunch—Elementary Level**
An increase of $0.05 from the current price of $1.90 to $1.95. Reduced price elementary lunch would remain at $0.40. Elementary school paid lunch prices were last increased in the 2004-05 school year.

The district obtained current prices for 41 districts in Oregon. Regarding breakfast prices, 32% of the districts charged $1.25 or more for paid secondary breakfast, 53% charged $1.00 and 15% charged under $1.00. Regarding lunch prices, the proposed paid elementary price would put the district in the top 20% of districts surveyed. Other districts with elementary lunch at or above $1.95 included: Beaverton, Lake Oswego, McMinnville, Redmond, Newburg, Tillamook, Tigard-Tualatin, and West Linn. Most of these school districts, like Eugene, had a relatively low percentage of students qualifying for free or reduced meals and thus relied more on revenue from “paid” students. Even with the increase, the proposed paid lunch revenue was below that received for students qualifying for free or reduced price meals, as the chart below showed:

<table>
<thead>
<tr>
<th></th>
<th>2006-07 Federal Subsidy (est.)</th>
<th>Meal Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free</td>
<td>$2.37</td>
<td>$0</td>
<td>$2.37</td>
</tr>
<tr>
<td>Reduced</td>
<td>$1.97</td>
<td>$0.40</td>
<td>$2.37</td>
</tr>
<tr>
<td>Paid (Proposed)</td>
<td>$0.22</td>
<td>$1.95 (proposed)</td>
<td>$2.17</td>
</tr>
</tbody>
</table>

The increases would help offset increases in program costs. The a la carte price for milk would remain at $0.50. Of the 21 districts surveyed, eleven charged $0.50, six charged $0.40 and four charged below $0.40. The milk price applied to paid sales only; milk alone was not offered on a free/reduced price basis.

Staff did not believe that the new prices would have a negative effect on participation.

Superintendent Russell recommended approval of the proposed price increases for breakfast at all levels and elementary lunch.

**Adopt the Board Calendar for the 2006-2007 School Year**

The Board of Directors traditionally met 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 might also be scheduled during the year; board members typically set aside every Wednesday
evening for that purpose. Another copy of the proposed calendar of the regular board meetings for the 2006 – 2007 school year was included in the packet.

Superintendent Russell recommended approval of the proposed 2006 – 2007 calendar of the regular board meetings.

Conduct Routine Business

Appoint Clerk and Deputy Clerks for Fiscal Year 2006 – 07 SCHEDULE D

Statutes required 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.

Superintendent Russell recommended appointment of George Russell as District Clerk and Hillary Kittleson, Barbara Bellamy and Tom Henry as Deputy Clerks for the 2006 – 07 fiscal year. A resolution authorizing them to sign legal documents on behalf of the school district was included in your June 7, 2006 packet.

Appoint Executive Officer and Budget Officer for Fiscal Year 2006 – 07

The state budget law required the Board of Directors to appoint an Executive Officer and a Budget Officer for the school district each fiscal year.

Superintendent Russell recommended that George Russell be appointed as Executive Officer and Hillary Kittleson be appointed as Budget Officer for the 2006 – 07 fiscal year.

Adopt Resolution Authorizing Interfund Borrowing SCHEDULE E

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

Superintendent Russell recommended adoption of the resolution, which was included in the June 7, 2006 packet, authorizing the district to utilize interfund borrowing during the 2006 – 07 school year.

Designate School Depositories for Fiscal Year 2006 – 07 SCHEDULE F

It was necessary for the Board of Directors to designate depositories for the 2006 – 07 fiscal year. A copy of the resolution, which included a list of the depositories, was included in your June 7, 2006 packet.


Appoint Legal Counsel and Auditor for Fiscal Year 2006 – 07

General legal services were being provided for the district by Joe Richards of the law firm Luvaas/Cobb, and Grove, Muller, & Swank, P.C were providing auditing services. The district continued to be satisfied with the services it received from both firms.
Superintendent Russell recommended that Joe Richards be retained as legal counsel for the 2006 – 07 fiscal year. The superintendent further recommended that Grove, Muller, & Swank, P.C. be appointed to conduct the 2005 – 06 annual audit, as required by Oregon statute.

**Approve Expenditures for May 2006**

ORS 332.255 required that the district school board approve all expenditures for funds. A summary of the expenditures for May 2006, totaling $17,602,508.55 was included in the packet.

Superintendent Russell recommended approval of the May 2006 expenditures.

**Award a Contract for Remodel and Painting of Jefferson Middle School**

Bids were received on June 13. Below is a tabulation of the results:

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<tbody>
<tr>
<td></td>
<td>$631,596</td>
<td>$659,221</td>
<td>$680,000</td>
</tr>
<tr>
<td>Alt. 1</td>
<td>$15,490</td>
<td>$13,893</td>
<td>$15,536</td>
</tr>
<tr>
<td>Alt. 2</td>
<td>$25,114</td>
<td>$25,309</td>
<td>$25,136</td>
</tr>
<tr>
<td>Alt. 3</td>
<td>$229,157</td>
<td>$145,258</td>
<td>$233,505</td>
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The Base Bid was to remodel the cafeteria, replace the floor in the kitchen, remodel all the student toilet rooms, install new ceiling surfaces, and paint those areas affected by remodeling work. Alternate 3 was to paint the rest of the interior of the school not affected by the remodel construction.

All the paperwork submitted by Hyland Construction at bid time was in order. At the deadline for submission of the First-Tier Subcontractor Disclosure Form, only Hyland Construction had fulfilled the requirement. Kielty Construction, the apparent low bidder for the base + alternate #3, had left a voice message earlier explaining there was a mistake in its paint bid and informed the district that it would not submit the Disclosure Form.

OAR 137-049-0360(5) stated "Responsiveness. Compliance with the disclosure and submittal requirements of ORS 279C.370 and this rule is a matter of Responsiveness. Bids that are submitted by Bid Closing, but for which the disclosure submittal has not been made by the specified deadline, are not responsive and shall not be considered for Contract Award."

Superintendent Russell recommended that the bid submitted by Kielty Construction not be considered for contract award as required by OAR 137-049-0360(5), and that the contract for the base + alternate #3 be awarded to the responsible bidder, Hyland Construction, submitting the lowest responsive bid of $860,753.

**Approve Grant Descriptions**

**Back out of Tobacco**

Staff in the Instruction Department submitted a $75,000 grant application to the Oregon Department of Human Services, Health. The project would provide a half-time Tobacco
Prevention Coordinator, tobacco prevention curriculum, and released time for professional development for teachers concerning use of the curriculum.

Superintendent Russell recommended approval of the grant application. A copy of the grant description was included in the packet.

**New Technology High School Network**

Staff at North Eugene High School submitted a $344,200 grant application to the New Technology Foundation. This project would enable the new small school at North, IDEAS (School of Invention, Design, Engineering, Art & Science), to participate in a Strategic Alliance in NTH Foundation’s New Technology High School Network. This grant would provide access to the New Tech High Learning System – a Lotus based technology tools that would enable schools to manage the complexities of the project and problem-based learning environment. NTH would provide the software, membership to the network, access to documentation, the school management library, on-site training and support as well as professional development for staff.

Superintendent Russell recommended approval of the grant application. A copy of the grant description was included in the packet.

**Technology Integrated Into Learning and Teaching (TILT)**

Staff in the Instruction Department submitted a $352,000 grant application to the Oregon Department of Education. Eugene School District 4J, along with its partners the Nyssa School District and the University of Oregon, would seek to integrate technology into reading and writing instruction at the elementary and middle school levels. By focusing on the core areas of reading and writing, the Technology Integrated into Learning and Teaching (TILT) Project would strive to have the greatest possible impact on both basic skills and literacy-based content learning. This TILT Project had four goals: (1) improve student academic achievement in reading and writing, (2) increase teacher and student access to technologies that supported and enhanced reading and writing instruction; (3) improve teacher knowledge and skill related to integrating technology into the teaching and learning of reading and writing across the curriculum; and (4) increase teacher and student knowledge and skill in the emerging technologies of reading and writing in electronic environments.

To accomplish these goals, the TILT Project would engage in three major activities: (1) provide a cohort of 32 teachers at 8 schools with ongoing, intensive, and high-quality professional development focused on evidence-based strategies for using technology to improve reading and writing; (2) provide these educators and their schools with technology tools, resources, and equipment to increase and improve students’ use of technology when reading, writing, and studying; and (3) provide teachers and students with instruction and guidance in the emerging technologies of reading and writing in electronic environments.

Superintendent Russell recommended approval of the grant application. A copy of the grant description was included in the packet.

**Grant a Waiver to the Formal Competition Process and Approve Contract with Wellsprings Friends School**

For many years, the district had contracted with Wellsprings Friends School to provide an alternative education program for district resident students referred to the school by the district.
Wellsprings Friends School was a registered alternative education provider, as required by the State of Oregon.

The 2005-06 contract with Wellsprings Friends School was not anticipated to exceed $150,000. However, due to additional student placements, payments were now projected to be approximately $170,000 and a waiver to the formal competition process was requested.

Acting in its’ capacity as the district’s local contract review board, the board could waive the formal competition process for personal services contracts exceeding $150,000, as provided by Board Policy DJCA - Personal Services Contracts. DJCA #7 states: “The district may waive any of the above requirements upon a written finding that it is in the public’s best interest because of an emergency or compelling urgent situation.” In this case, the services had already been provided, creating a compelling urgent situation.

Superintendent Russell recommended granting a waiver to the formal competition process for personal services contracts exceeding $150,000 and approving a contract with Wellsprings Friends School for alternative education services provided to district students for the 2005-06 fiscal year.

Approve Intergovernmental Agreement with Bend-LaPine School District

Bend-LaPine School District (“Bend-LaPine”) and Lane County School District 4J (“district”) agreed to work together in providing student information systems for our respective districts subject to approval by each district’s board. An Intergovernmental Agreement had been jointly prepared by district staffs. Contracts between governmental agencies were exempted from competitive proposal requirements, pursuant to ORS 279A.025 (2) (a). This agreement was very similar to the district’s current intergovernmental agreements with Springfield Public Schools and Coos Bay School District.

With this agreement the district would provide hosting services for Bend-LaPine including system administration, database administration and security services. The district and our other partners would benefit by sharing costs for hardware, software licenses, maintenance and personnel on a per pupil enrollment basis. Bend-LaPine currently provided student information services to the Redmond School District and would continue to do so through this agreement. The district would not provide services directly to Redmond School District. Redmond’s enrollment would be added to Bend-LaPine for costs sharing purposes. For the 2006-07 school year, total expenditures to be shared amongst the partners were estimated to be $494,000. The Bend-LaPine/Redmond enrollment percentage was 38.5% of the partnership, which would result in an estimated payment of $190,000.

Superintendent Russell recommended the approval of the Intergovernmental Agreement with Bend-LaPine School District through June 30, 2009, with the potential of annual renewals thereafter.

Grant Exemption to the Competitive Bidding Process for Sun Microsystems Annual Hardware and Software Support Agreements

The district wished to contract with Tactix, Inc. (Tactix), Sun Microsystems’ Education Market Allowance Program (EMAP) provider for the State of Oregon in order to provide hardware and software support services. The services were estimated to be $29,000 annually. As the result of a competitive procurement, the Oregon Department of Human Services and Department of
Corrections had contracted with Sun Microsystems to provide these services, however, the contract was not available for use by other members of the state procurement cooperative.

The district had a substantial investment in its current Sun Microsystems hardware and related software, which required the support agreements in order to maintain operations. No other vendor had the technical training to provide these services.

Acting in its capacity as the district’s local contract review board, the board could grant an exemption to the competitive bidding process to make a sole-source procurement as provided by ORS 279B.075(2)(a) based on the fact, “that the efficient utilization of existing goods requires the acquisition of compatible goods or services.” As required by OAR 137-047-0275 (2), the district had published a seven (7) day public notice describing this anticipated sole-source contract award.

Superintendent Russell recommended granting an exemption to the competitive bidding process and contracting with Sun Microsystems for annual hardware and software support for a one-year period with four possible one-year extensions.

**Approve Contract for Remote Mobile Video Surveillance System**

Proposals to provide the district with digital cameras and recorders with wireless capability for school buses were opened April 13, 2006. Proposals were received from Seon Design of Coquitlam, BC Canada; GE Infrastructure Security of Salem, Oregon; Honeywell Systems Group of Louisville, Kentucky; and Apollo Video Technology of Bellevue, Washington.

Currently the district school buses had cameras and VCRs. These systems were aging and failing at a substantial rate. The current process was very labor intensive due to the time required to change tapes in the buses, to catalog and store tapes, and to locate requested video clips. A remote mobile video surveillance system using digital technology would provide better quality video and audio recording, digital storage on the buses, ease of retrieval by wireless transmission, and better incident documentation.

The proposals were evaluated on several criteria in addition to pricing, which included the quality of video, amount of disk storage, wireless access to bus recording, ease of searching for and saving required clips, and installation requirements. After careful review of each proposal and taking into consideration the district specifications, a committee comprised of representatives from Transportation and Purchasing evaluated the responses. One vendor, Apollo Video Technology, and their local installation partner, Silke Communications, proposed a system that was better suited to district requirements than the other proposers’ systems and was asked to demonstrate their system on a district bus.

The committee assigned points to each criterion specified in the Request for Proposals based on the proposal and the demonstration. There were 120 possible points on the written proposal and 40 points possible for the demonstration, totaling 160 for vendors that participated in both. The following summarized the average points allocated to each proposer for the written proposal and demonstration:

<table>
<thead>
<tr>
<th>Proposer</th>
<th>Proposal</th>
<th>Demonstration</th>
<th>Total Points</th>
</tr>
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<tbody>
<tr>
<td>Apollo</td>
<td>96.67</td>
<td>31.36</td>
<td>128.03</td>
</tr>
<tr>
<td>GE Security</td>
<td>56.67</td>
<td>NA</td>
<td>56.67</td>
</tr>
<tr>
<td>Honeywell Systems</td>
<td>65</td>
<td>NA</td>
<td>65</td>
</tr>
</tbody>
</table>
The system proposed by Apollo included three cameras per bus, which would record at a high frame per second rate and would provide better surveillance in all sections of the bus, including the outside loading area. Their software would allow remote search, download, and storage of any size video clip, with security encryption to prevent tampering. The cameras would be installed in all eighty-seven district buses over a period of up to three years to accommodate Transportation’s bussing requirements. The purchase would be funded by Transportation’s fleet and equipment dollars and was eligible for the 70% reimbursement by the state.

Superintendent Russell recommended contracting with Apollo Video Technology to provide a Remote Mobile Video Surveillance System for district school buses for approximately $350,000, subject to successful negotiations.

**Award Contract for the Purchase of Ten (10) School Buses**

Proposals to provide the district with seven (7) forty-two passenger school buses, which included one wheelchair position front-engine bus, and three (3) eighty-four passenger rear-engine school buses were opened June 9, 2006. Proposals were received from Brattain International Truck Sales, Inc. of Albany, Oregon; Schetky Northwest Sales, Inc. of Portland, Oregon; and Western Bus Sales, Inc. of Boring, Oregon.

The purchase of the three rear-engine buses was to accommodate anticipated increases in enrollment from the new Willamette Gardens development. The purchase of the front-engine buses would allow the district to replace seven special needs buses that have exceeded the district’s 10-year replacement cycle. The district would be receiving funds from units traded in, which would be credited toward the purchase amount.

A committee consisting of Transportation and Purchasing representatives evaluated the proposals on several criteria in addition to pricing, which included quality of construction, vehicle performance, warranty, customer service, repair, trade-in and delivery. Evaluation was based on the written proposal and demonstration of buses similar to those listed in the specifications. There were 420 points possible.

Superintendent Russell recommended awarding the contract to purchase ten school buses to Western Bus Sales, Inc. of Boring, Oregon.

**Grant Exemption to the Competitive Bidding Process and Approve Contract for the Purchase of Personal Computers for the IDEAS School at North Eugene High School**

North Eugene High School (NEHS) as part of the small schools initiative established the Invention, Design, Engineering, Arts and Sciences school (IDEAS) for the 2006-07 school year. IDEAS received a grant from the New Technology Foundation that required the school have one personal computer for every student. District purchasing staff worked with staff from Computing and information services, IDEAS and NEHS to establish the specifications and quantity of computers.

The State of Oregon had contracts with Dell, Gateway, Hewlett-Packard and IBM for personal computer hardware, installed software, related peripherals and support services. As a member of the state procurement cooperative, the district could establish a contract with any of the vendors.
Acting in its’ capacity as the district’s local contract review board, the board could grant an exemption to the competitive bidding process to make a permissive cooperative procurement as provided for by ORS 279A.215 (1). As required by ORS 279A.215 (2), the district would publish a seven (7) day public notice describing this anticipated cooperative procurement prior to the award of any contract.

Superintendent Russell recommended awarding the contract for new computers to Dell.

**Approve Resolution No. 3, Making Appropriations Resulting from Transfers  SCHEDULE K**

Due to the changing needs of the district since the adoption of the 2005-06 budget, it was necessary to make the following transfers of funds:

**General Fund**
Increase the Transfers appropriation by $1,354,566 and decrease the following appropriations: $649,475 from the Instruction appropriation, $702,232 from the Supporting Services appropriation, and $2,859 from the Enterprise & Community Services appropriation. The purpose of this transaction was to transfer operating budget savings to the Fleet and Equipment Fund to build reserves for the purchase of textbooks and equipment.

Increase the Instruction appropriation by $236,741 in the Instruction appropriation and $7,962 in the Enterprise & Community Services appropriation and decrease the Supporting Services appropriation by $244,703. The purpose of this transaction was to align spending authority with projected expenditures.

**Food Services Fund**
Increase the Supporting Services appropriation by $20,000 and reduce Contingency by a like amount. The purpose of this transaction was to align spending authority with projected expenditures.

Superintendent Russell recommended adoption of Resolution No. 3, which was included in the board packet.

**Make Appropriations Resulting from the Acceptance of Grant Funds  SCHEDULE L**

The district received the following grant funds in addition to funds anticipated at the time the 2005-06 budget was adopted. The district could expend grant funds received for a specific purpose upon enactment of a resolution by the Board.

- Oregon Clean School Bus Grant (through Lane County Air Pollution Authority-LRAPA)
  - $69,724
- Clean Bus USA (through the Environmental Protection Agency-EPA)
  - $150,000
- Youth Transition Program
  - $211,835

Superintendent Russell recommended adoption of Resolution No. 5, which was included in the board packet.
Approve Annual Ratification of a Class of Contracts Including Those Under Certain Dollar Limits, Change Orders, and Purchase Orders

Board policy DI, Delegated Authority for Purchases Under $150,000, stated that "the superintendent and designees are authorized and fully empowered 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 school board policy, subject to annual ratification of the contracts, in general terms, by action of the Board of Directors." Administrative rule established by the superintendent stated that, "By the last board meeting of each fiscal year, the board shall adopt a resolution ratifying all procurement that has occurred under policy DI in the fiscal year. Individual items shall not be listed."

Board Policy DI, Delegated Authority for Purchases Under $150,000, stated that the Superintendent and designees were authorized and fully empowered 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 school board policy, subject to annual ratification of the contracts, in general terms, by action of the Board of Directors, and that the superintendent shall adopt rules for the implementation of this policy."

Pursuant to board policy DI and administrative rule, Superintendent Russell recommended that the board adopt a resolution ratifying all district procurement for under $150,000 per item procured under policy DI, Delegated Authority for Purchases Under $150,000. A copy of the resolution was included in the board packet.

Approve Personnel Items

Superintendent Russell recommended approval of the personnel items included in the packet. These covered employment, resignations, and other routine personnel matters. (SEE ATTACHED)

ITEMS FOR ACTION AT A FUTURE MEETING

Organize the Board of Directors for the 2006-07 School Year

There would not be an organizational meeting in July. Therefore, as the first order of business at the August 2 board meeting, the board would need to take the following action:

Elect Board Officers

Chair: The Board of Directors, as its first order of business on August 2, 2006 should elect the chair for the fiscal year ending June 30, 2007.

Vice Chair: The Board of Directors should then elect the vice chair for the fiscal year ending June 30, 2007.

Authorize the Chair and Vice Chair to Sign for the District During the 2006-2007 Fiscal Year

The names of the newly elected board officers would be added to a resolution at the August 2 meeting.
Superintendent Russell would recommend approval of the resolution authorizing the board officers to sign for the district during the 2006-2007 fiscal year. A copy of the resolution was included in the board packet.

**Approve 2006-07 Contracts with Registered Private Alternative Education Providers Serving Regular Education Students and Registered Home School Students**

Mr. Henry highlighted some of the major points from the following information:

In accordance with ORS 336.6 the Eugene School District contracted with private alternative education providers to provide instruction or instruction combined with counseling for district students. These providers must be registered with the Oregon Department of Education and must meet all the requirements set forth in ORS 336.625, 336.631 and 336.637. Students, upon parent request, could be placed in an alternative education program if the district determined that the placement served the student’s educational needs and interests.

For the last several years, the district had contracted with a number of registered alternative education providers. Students were referred to these providers who then billed the district for their services by reporting student hours spent in their programs. The state determined Average Daily Membership (ADM) according to formulas specified in administrative rules. ORS specified that districts pay providers 80% of General Fund operating expenditures per ADM or actual program costs per ADM, whichever was less.

The district had been including City Levy Subfund expenditures as part of its calculation of operating expenses. For 2005-06, the district anticipated receiving per pupil funding (General Purpose Grant) of $5,571 for students in alternative education placements and paying providers $5,753 ($5,518 from General Fund and $235 from City Levy Subfund). This amounted to a net loss of $182 per student.  

The contracts presented for the board’s consideration at this time include all contracts with alternative education providers, except for Looking Glass and for providers who served special education students only. The board approved contracts with Looking Glass through 2006-07; contracts with special education providers would be brought to the board in August.

Of the nine contracts under consideration at this time, five contracts served district students who were not registered home school students and four contracts served home school students. The discussion and recommendations related to these two types of providers were discussed separately below.

**Contracts Serving District Students Who Are Not Home Schooled**

Superintendent Russell was requesting approval of contracts with the following providers:

- Center for Appropriate Transport

The Center served students ages 12-19 and provided hands-on, “real world” opportunities in bike maintenance and repair, journalism and design, CAD/CAM and industrial sewing. Students ages 16 or older could also study for the GED test. The contract limit was 5.0 ADM. For the

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1 If the transportation grant is included, the net loss is $5; however, the transportation reimbursement is not generated by ADM, but by district expenditures.

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current year, the district was projecting expenses of $15,600 for regular education students and $20,500 for special education students

• Creative Minds

Creative Minds served middle and high school students in a small group setting with hands-on learning and individual attention. The contract limit was 15.0 ADM. For the current year, the district was projecting expenses of $44,200 for regular education students and $51,100 for special education students

• Lane Community College—GED Option

This program provided GED assessment, instruction, and testing for students 16 or older who would benefit from an off-campus program in a community college setting. No contract limit was stated. For the current year, the district was projecting expenses of $18,000 for regular education students and $250 for special education students.

• Northwest Youth Corps

This high school combined a small group classroom setting with field experience. Field projects were designed to provide service learning and were an extension of the classroom experience. No contract limit was stated. For the current year, the district was projecting expenses of $61,000 for regular education students and $23,500 for special education students.

• Wellsprings Friends School

This program served high school students who had the opportunity to participate in a small group setting with a strong sense of community. The contract limit was $150,000. For the current year, the district was projecting expenses of $160,000 for regular education students and $10,000 for special education students.

Recommendation

Superintendent Russell would recommend approval of contracts with Center for Appropriate Transport, Creative Minds, Lane Community College—GED Option, Northwest Youth Corps and Wellsprings Friends School for the 2006-07 school year.

Contracts Serving Students Residing in the District Who Are Home Schooled

For the past several years, the district had contracted with three small providers of services to home school students. These were part-time programs whose students must be registered with Lane ESD as home school students. For the 2005-06 school year, the district also contracted with HomeSource. Changes in interpretation of legislation led the district to claim home school students who resided in the district and attend HomeSource. The district had previously allowed the Bethel School District to claim these students and Bethel, in turn, contracted with HomeSource.

A summary of the current contracts with these four alternative education providers was presented below.

• Emerald Valley School
This program was for students ages five and up who did best in a less structured, multi-age classroom, with a great deal of autonomy. For the current year, the contract limit was 75% of 25 ADM (this is a four-day/week program)—or approximately 13,500 hours of instruction time. The district was projecting expenses of $95,000.

- Full Circle Community Farm

This program provided a small group setting with hands-on experience in science and sustainability. For the current year, the contract limit was 4 ADM—or approximately 2,100 hours of instruction time. The district was projecting expenses of $11,000.

- Impact Arts

This program provided arts based educational curriculum for students ages 5-18. For the current year, the contract limit was 6 ADM—or approximately 4,800 hours of instruction time. The district was projecting expenses of $4,800.

- HomeSource

This program provided a variety of educational resources and classes for students in all grades. For the current year, the contract limit was 90 ADM—or approximately 55,500 hours of instruction time. The district was projecting expenses of $488,000.

During this fiscal year, the Oregon Department of Education issued two Executive Memoranda that address alternative programs serving home-schooled students. These memoranda were attached.

Memorandum No. 04-20005-06, dated September 2005 included the following key provisions:

- It rescinded a June 1995 letter to the Bethel School District that addressed issues related to the HomeSource program (also attached).
- It specified that alternative education programs serving home-schooled students must meet alternative education program requirements, including the need for district policies, and a district referral process for placing these students.
- It specified that districts must claim their resident students.

In response to this memorandum, the Bethel School District released 90 ADM back to the district and the 2005-06 budget was amended to allocate budget authority to pay HomeSource.

Regarding the policy requirement, staff would be bringing draft policy for the board’s consideration in August. The district established a very minimal referral process, essentially granting all requests up to contract caps.

On May 22, 2006 the Oregon Department of Education issued Memorandum No. 022-2005-06 clarifying how to claim state school funds for students who supplemented home or private schooling by attending alternative education programs. The memo stated that the provisions of OAR 581-023-0006(7) did not apply to programs serving home school students. These provisions allowed different billing rates for large group, intermediate group, small group, and tutorial instruction. Instead, these programs must use the large group rate for billing.
The effect of the May 22 memorandum was a lower billing rate for the four programs contracting with the district. The amount of the reduction varies, depending on what the current year’s billing was based on. All programs had billed some or all of their hours at the small group, intermediate group or tutorial rates. For example, Emerald Valley billed entirely at the small group rate. Next year, for the same number of instruction hours, it would receive half the revenue since the large group rate generates half the revenue generated by the small group rate.

**Policy Question**

Given the requirements that these contracts fall under the provisions of ORS relating to alternative education programs, the policy questions were whether the district believed it could meet these requirements and whether it wished to spend funds for the program administration required. Meeting the requirements included a student evaluation and referral process for approximately 300 home school students, about half of which were elementary level students. All other alternative education contracts served secondary students only.

**Options**

1. Approve the contracts, develop a policy and procedures to implement student evaluation and referral.

   Approve the following alternative education contracts at the 2005-06 service level, that is, with instructional hour caps at approximately the same level. These hour caps would generate less revenue to the alternative education providers, given the new rate methodology.
   - Emerald Valley School—capped at 13,500 instructional hours
   - Full Circle Community Farm—capped at 2,100 instructional hours
   - Home Source—capped at 55,500 instructional hours
   - Impact Arts—capped at 4,800 instructional hours

   Direct staff to develop an alternative education policy and procedures for evaluating and referring students to these providers, in accordance with Oregon Department of Education Executive Memorandum No. 04-2005-06.

2. Do not approve contracts.

   Do not approve the above listed contracts and discontinue contracts to fund alternative education services to home school students beginning in 2006-07. This action would not affect home school students who attend 4J schools under our dual enrollment program.

   An alternative education policy would be developed consistent with this direction.

3. **Approve contracts for 2006-07 only; discontinue contracting with providers serving home school students starting in 2007-08.**

   In order to provide the contractors more timely notice, approve the contracts for alternative education services to home school students for 2006-07 only. Direct the superintendent to discontinue contracting for these services thereafter and to develop a policy consistent with this direction. Continue current minimal referral procedures for 2006-07.
**Recommendation**

Superintendent Russell would recommend option 3, based on the following rationale:

- A referral process similar to the one currently in use for other programs would require considerable additional staff time to implement. The district did not receive any additional funding to provide this service.
- Over half of the students in these programs were elementary level students. The district did not use other alternative education providers for its regular education students, given the wide range of elementary school programs already provided in the district.
- Giving the providers one-year notice would result in less disruption to students.

Before the board began its deliberations of the options, Ms. Gerot encouraged the members to express their thinking at this time clearly given the fact that some of the options would have a dramatic impact on home schooled students.

Mr. Smith said that he had reviewed the statutes and regulations and found the following:

- Generally children from ages 5-19 years were required to go to public school
- Parents had the right to decide that was not the appropriate setting for their child and to home school their children
- In order for the district to reassert jurisdiction over the child, the parents must submit the child to the jurisdiction of the district at which point the district would decide the best placement for the child

Mr. Smith explained that what had been occurring for the home schooled community for a while were no significant evaluation of the child and the child’s needs and no considered decision relating to the placement of that child in an alternative education program. He said that Superintendent Russell’s recommendation acknowledged that and proposed that after a year the district discontinue the past practice, which might not be in compliance with State law. Mr. Smith said that he supported the superintendent’s analysis but not his outcome. He said that he thought that if there was a question about whether that was an appropriate use of taxpayer dollars a year from now, it was true now. He said that he did not think that the district should perpetuate something that in his view had significant legal issues associated with it. He said that he would vote for Option 2.

Ms. Spickard asked how, other than going through the charter school process to become a charter school, was the HomeSource program different from a charter school. Mr. Henry said that the charter school process was significantly different in that a charter school came under the auspices of the board. He said that the review process for extending contracts to home school programs was less extensive than the review and evaluation process for charter schools. He said that the only lever that the district had if it was dissatisfied with the service of a home school program was to discontinue the contract. Londa Rochholz, who worked in High School Services coordinating alternative education programs, said that she did an official site visit in the spring to home school programs and communicated throughout the year with program staff. She said that this year the district had gone through Division 22 from the OAR’s Assurances with Programs and was in the process of putting those together at this time.

Dr. Martinez asked Mr. Henry to discuss what it would take to develop a referral process and what resources would be brought to bear in doing that. Mr. Henry said that the referral process for students to alternative education providers that the district used now was rather extensive. He said that the district would try to do interventions and implement programs within the school.
setting that would meet the student’s academic needs. He said that it often involved assessment of a student’s academic, social, and emotional issues. He said that home school students were going directly to HomeSource or one of the other providers without being assessed by the district. He said that setting up a referral process for home school students would take staff time.

Mr. Smith noted that the district did not make referrals for primary children and so a new process would have to be developed. He added that there was a probability that if the district did not make a referral that the parent agreed with, the parent might withdraw the child from the district.

Dr. Webber-Davis asked what level of staffing would be required for a referral process for home school students. Mr. Henry said that his opinion was that it would be difficult to do with the current level of staffing. He said that to add 300 more students needing assessment would require more staff and/or more staff time. He said that he did not know how it would be done efficiently but that the staff could explore that if the board directed it to. He said that he thought that it would also require more staff time for Ms. Rochholz to meet with families.

Ms. Rochholz said that there were examples from the Springfield and Bethel districts of two different ways to refer students. She said that Springfield students were referred from their neighborhood school to Gateways Alternative Learning Services Center for the next step of looking at the student’s needs. She said that Bethel did their referral process centrally with a four part questionnaire to assess student’s needs. She said that historically 4J had based its decisions on determining if a program fit the student’s needs on whether or not there was a history and a commitment to home schooling. She agreed that it would take staff time to determine a process, whether it be like Springfield or Bethel. She added that she thought that the providers would be willing to work on that to reduce the amount of staff time required.

Dr. Martinez said that he thought that the issue of what a referral system would look like would have to address a very different starting point in terms of what families thought might be in the best interest of their child versus the district’s typical model of assessment. The district’s typical model was to try resources within the district first and then, if the child was not responsive to those resources, decide what outside resources needed to be brought to bear. Mr. Henry agreed that working this out would take discussion between the district and the parents.

Mr. Forrest clarified that both Springfield and Bethel districts had voted to approve the contracts with home school providers. Ms. Gerot said that they had but that Pleasant Hill, Junction City, and Fern Ridge had decided not to renew the contracts.

Mr. Forrest said that at this point he was leaning toward Option 1. He said that it was subject to an annual review and that he would hate to throw the contracts out right now without taking a look at what the referral process might look like. He said that it seemed as though these programs had been in place a long time and that there was a lot of good feedback about them.

Mr. Smith said that in his view this was not a legal action. He said that having the parent make the decision about the referral was inconsistent with the law and the regulations. Mr. Forrest said that he agreed that a referral process should be set up that was legal. He said that he was not prepared to say that what the district might create would be either illegal or would not work. He said that he did not have enough information at this time to know if it would be too expensive or time consuming and was not willing to assume that it would not work.
Mr. Herrmann said that he appreciated Mr. Forrest’s optimism. He said that the board owed it to those affected to express their opinions at this time. He said that, obviously, reviewing the written testimony or any new information that could be brought to bear over the next month could change board member’s minds. He said that Mr. Smith’s arguments were convincing to him and that at this point he was inclined to support Option 2.

Dr. Martinez made the following points:

- What the district was currently doing was illegal
- If the district continued the contracts, what would it take to make it legal
- He was hearing from the district that developing a referral system would be complex and could not be done in a week

Dr. Martinez wondered how long it would take to create a referral process that was legal and how much resources would have to go into the process. Mr. Henry said that the staff would need to have a sense of the criteria that the board would want for a referral process. He said that if it would be similar to the current process, it would be complex and would involve people who would review each student and make a referral. He said that on the other hand, if the board determined that the process would have minimal involvement of someone making a judgment based on the referral of parents, it would not take long. He said that his question to the board was what kind of referral process the board wanted.

Ms. Spickard said that her basic understanding of people who wanted their children home schooled was that they wanted to opt out of the public education system and wanted to educate in their way. Mr. Henry said that in some cases that was true and pointed out that some parents had testified that their children were not doing well in the public schools and wanted an alternative. Ms. Spickard noted that home school programs were now being treated more and more like other alternative education options. She was curious how parents would react if the district had a stricter contract with home school providers and played a bigger role in deciding what was best for students. She wondered if that was going to work philosophically for those parents. She asked people to email board members with their opinions on this. She added that if parents were not willing to give the district the authority to place their students as in other alternative education programs, she did not know if she could support continuing the contracts.

Mr. Henry added that in addition to the reasons pointed out for parents making the choice to home school their child was that in some cases the home school providers were offering something very unique and different that what was offered in the public schools. Ms. Spickard responded by saying that other alternative education providers also offered unique programs but were treated differently and did not just get to have parents sign their children up without a referral from the district. Mr. Henry agreed that this was the fundamental difference.

Mr. Henry pointed out that HomeSource, Emerald Valley School, and the Farm School had all indicated that they wanted to work with the district to reach an arrangement that would work for them as well as the district. He said that also indicated that they knew that the rules had changed and that they wanted to come into compliance with those rules. Ms. Spickard said that she knew the directors felt that way, but still wondered how the parents felt.

Dr. Webber-Davis said that if she had to vote tonight, she would have to vote on the side of the legal issue and say that it would be inappropriate for the district to continue its current practice with regard to home school providers. She said that since there was some time before a decision had to be made, she would like to have some additional information because she was struggling with the potential disruption to the students. She said that because of the timing, she
thought that it would be in everyone’s interest (particularly the students’) to determine if there was a legal and expeditious way to do referrals. Mr. Henry said that it would depend on the kind of referral process and how stringent the district wanted it to be.

Mr. Smith said that the district had an alternative education referral process in place now with some structure based on what he presumed were laws and regulations issued by ODE. He said that it seemed to him that the district could not vary from that. He said that a referral policy should be based on different classes of students and should apply to all students. He said that in order to not have a disruption of students, a policy would have to be adopted and in place by September, 2006.

Mr. Smith noted that the oral testimony did not go to the issues that the board was discussing or had to consider. He said that he did not know if the written testimony would be any different.

Dr. Martinez repeated his point that to look at home schooling as a school choice was a real fundamental change in how it had looked at alternative education in the past. He added that it would take substantial resources from the district to do that. He said that it was not as simple for him as creating a stream-lined referral process because it was much more fundamental about the district’s thinking about what it could not support and what would happen when the district met its’ limits in supporting the needs of kids.

Mr. Forrest again mentioned that Springfield and Bethel districts had referral policies and wondered if there was something that the district could use from them.

Mr. Forrest pointed out that the district did not have a referral process for elementary kids and wondered why the district did not develop one. He said that he was amazed at how quickly the district, which was a process oriented district, was considering disrupting a program.

In response to a question from Mr. Henry, Ms. Rochholz said that there had been a few referrals of elementary students and that the referral process for older students had been adapted. She said that the process for elementary students was usually done with a building principal rather than an SST.

Ms. Rochholz pointed out that there was a May 19, 2006 memorandum from ODE which gave direction on how to fund these programs. She said that the memorandum said that there would be administrative rule making following public testimony.

Ms. Gerot asked if the district made referrals to Emerald Valley and Full Circle and if those students cycled back into the public school system. She asked the same questions of the HomeSource program. Mr. Henry said that about 10 percent of the students in the Emerald Valley School had been referral from the district. He said that their contract said that the school could either take home school students or get them on referral. He said that the Full Circle program had the same stipulation in its contract but that the district had not yet made referrals there. Mr. Henry said that the director of the Emerald Valley School had data that showed that students did cycle into public schools. Ms. Rochholz said that there had been some referral of 4J students to HomeSource who were part time at 4J and part time at HomeSource. She said that in all cases the programs were willing to work with the district. Mr. Henry noted that it was correct that the HomeSource contract did not include the referral clause. Ms. Gerot said that it would seem that the same kind of referral process, because it was already being used for some students, would need to be made for home school students. Mr. Henry agreed saying that there was a referral process and that it would have to be determined how to implement it or change it or adapt it to meet the district’s needs.
Ms. Spickard asked if there had been any discussion about only referring middle and high school students to HomeSource instead of trying to develop an elementary referral process. Mr. Henry said that it had not been discussed and that it could be an option. Ms. Spickard clarified that if that happened and elementary students attended HomeSource, the district would not be paying the ADM for those elementary students. Mr. Smith referred back to a point made by Dr. Martinez and said that it would be a different referral process because the starting point was very different. He said that as a matter of policy he would provide the presumption that the best choice for the child was the neighborhood school just as it would be for all students. Dr. Martinez agreed saying that the starting point of the assessment was that the neighborhood school was the right initial place for students. If that system failed them in terms of interventions provided, then the district would contemplate what it would mean to provide other educational environment for those students. He said that if the starting point for parents of home school students was that they had determined that participation in the neighborhood school was not in the best interest of their child, then it would set up the assessment/evaluation process to be at odds with the wishes of a family. He said that this could potentially put a lot of energy into a process that would result in a decision that might be unacceptable to the parents. He asked what the value of an intense process would be in that case.

Ms. Gerot encouraged anyone interested in this topic to email board members with their thoughts and opinions. She said that the board would make a decision in August.

COMMENTS AND COMMITTEE REPORTS BY INDIVIDUAL BOARD MEMBERS

Dr. Webber-Davis said that she attended the Eugene Administrators Association social and met many of the district’s building administrators. She said that it was a wonderful event and that she was glad to have the opportunity to attend.

Ms. Spickard said that she attended both the North Eugene Alternative School and the North Eugene High School graduations which were both fabulous events. She said that this was her favorite part of the year and added that she was sad that it would be her chance to participate in graduations.

Ms. Gerot said that she attended the end-of-the year celebration for the Literacy Initiative at River Road Elementary School. She reminded the board that River Road was an academy school and had used the additional funding provided to it to focus on reading as its core mission. She said that the test results of the students were absolutely incredible. She said that this success was a sign of what happened when teachers had that focus and had additional time and money to collaborate together and do what they knew they needed to do. She said that one of the teachers commented to her that this was the most exciting year of teaching she had in twenty years of teaching in the district. The teacher added that she was totally exhausted and could not wait to come back next year.

Mr. Gerot noted the Portrait of a Graduate Study that was provided to board members. She said that she was sure that this would be a part of continuing conversations around high schools.
ADJOURN

Ms. Gerot adjourned the meeting at 9:55 p.m.

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George Russell                Beth Gerot
District Clerk                 Board Chair

(Recorded by Elise Self)
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