The Board of Directors of School District No. 4J, Lane County, Eugene, Oregon, held a regular board meeting at 7 p.m. on May 21, 2008, 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 May 16, 2008, and published in The Register-Guard on May 19, 2008.

ROLL CALL

BOARD MEMBERS:
Charles Martinez, Jr., Chair
Beth Gerot, Vice Chair
Eric Forrest
Craig Smith
Alicia Hays
Jim Torrey
Yvette Webber-Davis

STAFF:
George Russell, Superintendent of Schools and District Clerk
Tom Henry, Deputy Superintendent and Chief Academic Officer
Barbara Bellamy, Chief of Staff and Communications Director
Susan Fahey, Chief Financial Officer
Caroline Passerotti, Financial Analysis Manager
Jon Lauch, Director of Facilities Management
Ted Heid, Director of Labor Relations
Kay Mehas, Director of School Services
Laurie Moses, Director of High School Services
Yvonne Curtis, Director of Student Achievement
Sara Cramer, Resource Principal, Cal Young Middle School
Carmen Urbina, Parent, Family and Community Coordinator
Kelly McIver, Communications Coordinator

STUDENT REPRESENTATIVES:
Katie Melton, Sheldon High School
Natalie Harrison, Churchill High School
Noah Henry-Darwish, South Eugene High School
Vivek Patel, North Eugene High School

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. He noted that Board Member Jim Torrey would be arriving later in the meeting.

Dr. Martinez led those present in the Pledge of Allegiance.
AGENDA REVIEW

Dr. Martinez determined that board members and staff had no changes to make to the agenda.

Carmen Urbina, Parent, Family and Community Coordinator, explained the technology that would be used to simultaneously translate the meeting into Spanish.

INTRODUCTION OF GUESTS AND SUPERINTENDENT’S COMMENTS

Student Board Representative Recognition

Superintendent George Russell recognized the contributions of the student board representatives on the occasion of their last meeting. He read a certificate of appreciation. Dr. Martinez presented a certificate of appreciation to each of the student representatives.

COMMENTS BY STUDENT REPRESENTATIVES

Katie Melton, Sheldon High School, reported that AP and IB testing had been completed. The junior class would elect class officers on May 23 and SpringFest was occurring next week. She said a group from Northern Ireland was visiting the school on May 23 to discuss conflict in the region. She plans to attend the University of Washington in Seattle to study journalism.

Natalie Harrison, Churchill High School, also reported that AP and IB testing had been completed and SpringFest would be held next week. She plans to attend either Point Loma University or Santa Clara University in California. She wants to study nutrition.

Noah Henry-Darwish, South Eugene High School, said students were pleased to have completed IB and AP testing. He said the prom was scheduled for next weekend. He intends to attend Whitman College.

Vivek Patel, North Eugene High School, said the Academy of Arts program had received commendations for its activities and a Small Schools grant to continue funding for the program had been submitted. He said a freshman class had been studying the Holocaust and had created a museum. He will be attending the University of Oregon on a full scholarship.

ITEMS RAISED BY THE AUDIENCE

Paco Furlan, Principal at River Road/El Camino del Rio, stated there was full support for a Spanish dual immersion program at River Road/El Camino del Rio Elementary School from the site council, staff and leadership team. He said dual immersion had been studied for the last four years and the school was ready to move forward. He said the pairing with Howard Elementary School would provide two great opportunities for students in the attendance areas. He acknowledged that there were details to be worked out and any arrangement would need to strengthen programs at both schools. He said there was already an information waiting list for the dual immersion program.

Beth Counts, 740 Sunview Street, drew the board’s attention to safety concerns with parking at Yujin Gakuen Elementary School. She thanked the board for sending engineers to examine the
problem after her last testimony, but there were still problems that placed students at risk and she hoped they would not be overlooked as the district dealt with other issues.

Susan Dworkin, 941 Polk Street, read a letter from Linda Carrasquullo, a River Road home owner, business woman and parent, in support of a Spanish dual immersion program.

Andrea Garcia, 885 Willow, stated her family spoke both Spanish and English in the home and lived in the River Road area. She said her children attended River Road because of the diversity of the school culture. She supported a Spanish dual immersion program and the important cultural benefits it would provide to students.

Carrie Dzienis, Coburg, said as a classroom teacher she supported the Spanish dual immersion program and the benefits that it would bring, but was there to speak about transportation concerns. She said the state paid for 70 percent of transportation costs and with Howard and River Road as the catchment area for dual immersion, extra costs would be minimal since the schools were only 1.4 miles apart. She said transportation could be provided to send children to their family’s school of choice with little additional cost to the district, which would be repaid by the benefits of closing the achievement gap.

Imelda Cortez, 1405 Santa Rosa, asked parents with children between the ages of three and four to stand. She said many of those students would fail in the district if problems were not addressed now. She said a Spanish dual immersion program would help students' success.

Karen Davis, 2285 Snelling, speaking as the parent of a future student and a teacher, stressed the need to make a choice. She said current immersion programs did not provide transportation, which limited the population that could benefit from them. She described the importance of dual immersion programs and the benefits they provided to students. She said more of the same meant very little service to students with special needs because they tended to drop out instead of competing for services.

Alice Williamson, 324 Downing Street, said she was the Title I and student achievement coordinator at River Road/El Camino de Rio Elementary School and used test scores to determine students’ need for academic intervention. She was concerned about the progress of English Language Learners (ELL), who were still struggling despite the best available interventions. She said the district’s report card over the last five years indicated that a very high percentage of students with limited English proficiency had not met benchmark levels. She strongly supported creation of a dual language program to combat the problem.

Jesica DeLao, 3397 Bentley, a Churchill High School graduate and University of Oregon graduating senior described her challenges as a Mexican elementary student trying to fit into an English language school environment. She said a Spanish dual immersion program would encourage children of mixed heritage, such as herself, to celebrate their language and culture and she strongly supported it.

Chris Tofte, 3397 Bentley, an ELL and Spanish teacher in the district, stated she was in full support of the Spanish dual immersion program because research had demonstrated its benefits to ELL and Latino students achieving higher academic success, as well as enhancing their pride and self-esteem. She said the intent was to eradicate the achievement gap through content learning in both languages. She used statistics to illustrate that conventional strategies had not been successful in that effort.
Dan Herbert, 1913 Potter Street, distributed materials to the board supporting his comments regarding the district’s lack of success in addressing the achievement gap. He said that housing patterns and demographics in the district had a significant impact on schools and were an important public issue. Decisions about the impact should be discussed by the full board.

Amy Samson, 3055 Madison Street, said she was the parent of two preschool children in the Churchill region, which was the only 4J region without an immersion program. She said the district’s immersion programs were unique and essential and emphasized the value of a Chinese immersion program, urging the board’s support.

Joy Marshall, Eugene, thanked the board for considering the local option levy for referral to the ballot. She spoke to the importance of levy revenue, which represented 10 percent of the district’s budget, to the educational experience of students.

Ana Flores, Eugene, said she was a product of bilingual education in the San Francisco area and spoke in support of a Spanish dual immersion program. She described the dropout rate of Latino students and the importance of bilingual education to their academic success.

Mr. Torrey arrived at 7:50 p.m.

Sebastian Maya, 165 North Polk, addressed the board in Spanish in support of a Spanish dual immersion program. He explained the importance of such a program to Spanish-speaking students and their families.

Carl Falsgraf, Eugene, agreed with previous speakers about the value of a Spanish dual immersion program. He also supported a Chinese immersion program and said research had demonstrated the benefits of those programs. He said in an environment of declining enrollment, the district was faced with either closing schools or subsidizing under-enrolled schools to the detriment of others. He said a Chinese immersion school would influence which schools might close, but not cause any additional closures. He said cited statistics indicated that some parents would send their children to a Chinese immersion school instead of enrolling them in private schools, helping the district financially.

Rachael DeVries, 151 Hardy Avenue, parent of a River Road elementary student, spoke in support of a Spanish dual immersion program so her son could learn Spanish and better communicate with classmates and friends.

Elle Sabala, 1651 Grant Street, a district teacher, said she was raising her child bilingually and urged support for the Spanish dual immersion program. She spoke of her sense of loss as some of her first class at Kelly Middle School graduated from high school while others did not. She said those who did not graduate were ELL students who were not supported by the system.

Lilliana Forsman, 4436 Spring Meadow Avenue, said she had grown up bilingual in English and Spanish and that had been a great asset to her. She said a Spanish dual immersion program opened the doors to the future for students and provided many cultural and educational benefits.

Ben Hinde, 117 North Polk, parent of children in the River Road region, described his experience in a pilot dual immersion program. He said the program had been a great opportunity and opened many doors for him. He strongly supported a Spanish dual immersion program in the district.
Scott Forman, 15 Cedar Street, implored the board to support creation of Chinese and Spanish immersion programs for the benefit of future students.

Ruth Vargas Forman, 15 Cedar Street, advocated for a Spanish dual immersion program and described the many benefits to Latino students and their families.

Loretta Moesta, 1210 River Road, said she wished she had learned Spanish in school and strongly supported the creation of a Spanish dual immersion program because of the many benefits it could provide for Spanish and English speaking students. She said students had the right to communicate effectively with each other and parents would learn from their children.

Darrell Erb, Jr., 4934 Larkwood Street, said he had been teaching in China for the past five years and strongly supported language immersion programs, particularly Chinese. He said there were many issues related to establishing a program that the board would have to address, but he was confident it would do so in an open and caring manner. He hoped the board’s vision for the future included a Chinese immersion school as a bridge to the future.

Ramiro Vasquez, 1494 Long Island Drive, spoke in support of a Spanish dual immersion program. His experience as a teacher had shown the benefits of an immersion program and how student performance had improved throughout their school career.

Luz Estrella, 952 North Cloverleaf Loop, Springfield, addressed the board in Spanish. She said as a Latino parent she strongly supported a Spanish dual immersion program. She said El Camino del Rio was not just a school; it was hope and opportunity for Hispanic children so they could graduate and an opportunity for American children to learn about Latino culture.

Richard Llamas, 2374 Onyx Street, spoke for parents who could not speak at the meeting and urged support for the Spanish dual immersion program at River Road. He said parents came to this country dreaming for more for their families and had hope and faith in the system that it would not fail their children.

Isidro Morales, 952 North Cloverleaf Loop, Springfield, parent of a River Road student, spoke to the board in Spanish about the benefits for a dual immersion program for students and their families. He urged the board to support the program.

Julia Pommert, 2740 Almaden Street, a Churchill High School parent, supported both the proposed language immersion programs, but her topic was pedestrian safety. She said there were safety concerns that were not reflected in statistics and a specific plan to improve safety at Churchill had not yet been implemented. She asked that resources be provided to make that improvement.

Jorge Navarro, 1452 West Broadway, Centro LatinoAmericano, said the faces of parents and children in the audience spoke eloquently in support of a Spanish dual immersion program. He said the program would create a safe environment where the whole community could learn together.

Antonio Salgado, 1007 West 18th Place, spoke to the board in Spanish. He introduced his wife, who was expecting their first child. He hoped their child would be able to attend a Spanish dual immersion program and strongly supported such a program at River Road. He said the program would also benefit the parents of students. He described the many advantages of a dual immersion program for students and their families.
David Atimen, 5285 Donald Street, spoke in support of a Chinese immersion program. He related several family anecdotes that demonstrated the value of being bilingual.

COMMENTS BY EMPLOYEE GROUPS

There were no comments.

ITEMS FOR INFORMATION

Receive an Update on HomeSource

Tom Henry, Deputy Superintendent and Chief Academic Officer, reviewed the board’s decision to make an exception for homeschool students to attend HomeSource in compliance with interpretations of HB 2040. He said two elements of HB 2040 had been clarified since that decision:

- Both Eugene 4J and Bethel 52 were qualified districts to contract with HomeSource, and
- The district is not required by statute to place a student with HomeSource upon request by a parent if the student was not enrolled prior to July 1, 2007.

Mr. Henry said while the district could choose to contract directly with HomeSource, staff did not believe that would be cost effective. Based on the clarification, he said the district had three options and asked for direction from the board:

1. Continue the current process of referring homeschool students to HomeSource upon a parent’s request and without doing an individual student assessment. This would require a revision to policy IGBHA to exempt homeschool students from the policy requirements.
2. Decide to discontinue the practice of referring new homeschool students (those not enrolled prior to July 1, 2007) to HomeSource. Existing policy language would be maintained.
3. Consider requests for new homeschool students to attend HomeSource, but assess whether the student would benefit from district programs and whether HomeSource would meet the child’s educational needs and interests, as we do with students who might be referred to any other alternative education program. Existing policy language would be maintained.

Board Member Craig Smith said the issue was one of policy and process. He thought at the process level, the board had anticipated the result when it made its decision and should stay with that decision. He said the policy issue was one of spending State School Fund resources when parents had exercised their rights to remove their children from the public school system. He did not want to spend state funds on homeschool students.

Mr. Torrey said the issue was one of choice.

Mr. Smith said the question was one of choice and by definition homeschool students were not in the public school system. He did not think the district had the responsibility, once a parent had exercised the right to withdraw a student, to pay for the student’s education.
Mr. Torrey said he understood the district currently provided some services to students in private schools. Mr. Henry said the district provided Title I funding to private schools if they requested it in accordance with federal requirements. He said that was a different arrangement than giving State School Fund money to alternative education providers.

Board Member Alicia Hays agreed with Mr. Smith that the district should not revise its current policy.

Board Member Eric Forrest clarified that the State School Fund money would be coming from the state level and would reduce the total funds available, but was not coming directly from 4J’s allocation. He was in favor of Option 3.

Board Vice Chair Beth Gerot expressed concern with the costs of assessments under Option 3. She said probably most of the students would not come into the public school system, even if it was determined that was the best placement for them. She would not support Option 3 and agreed with Mr. Smith and Ms. Hays.

Board Member Yvette Webber-Davis expressed concern with making any changes prior to revision of the Oregon Administrative Rules (OAR) in August 2008. She asked if there was any certainty that the OAR would reflect the information in the memorandum from staff. Mr. Henry said the Oregon Department of Education (ODE) anticipated that the OAR would reflect the district’s interpretation of the statute.

Dr. Webber-Davis observed that the board’s previous discussions on the issue had emphasized its desire to avoid disadvantaging families when making their decisions for the school year. She was concerned about the impact of changing direction on families. Mr. Henry said the issue was being presented to the board now because it had previously been faced with the question in August or September, which made it very difficult for families who had already made plans.

Dr. Martinez shared concern about what appeared to be a complete reversal of the statute’s interpretation. He agreed with Mr. Smith’s policy concerns, but wanted to assure that families within 4J’s district had the support they needed to be successful and recognized the potential value of connecting families to supplemental resources, although activities like riding or tennis were not what the board had in mind. He said efforts to conduct assessments were not likely to have an impact on a parent’s decision to not have a child participate in the district’s offerings. He agreed with Mr. Smith’s position on the issue.

Superintendent George Russell said it appeared the direction was to bring back proposed policy changes that addressed the issue in one way or another for the board’s decision.

Dr. Martinez said it appeared there needed to be more clarity in the district’s policy. Mr. Henry asked if that meant there should be a policy revision if the district was going to continue its current practice.

Dr. Martinez said the board was discussing the potential to discontinue the referral policy and the existing policy language was not adequate to support that direction.

Mr. Torrey supported the superintendent’s suggestion to bring back policy proposals. He wanted parents to have predictability when making decisions.

Superintendent Russell said staff would provide policy options.
ITEMS FOR ACTION AT THIS MEETING

Approve the Modified Trimester Calendar

A trimester calendar is being submitted for approval as an option for middle level schools. The trimester calendar allows for more electives to be offered during a school year. This is being proposed due to the declining enrollment and the need for more flexibility in scheduling electives. Middle level is a time for exploration. A trimester can provide more electives for a student and allow a chance for more exploration. A trimester can more easily fit the new physical education requirement into a student's schedule.

Middle level schools interested in changing to the trimester schedule would need to process it with their staff and parent organization. The proposed calendar is closely aligned with the semester calendar. As the high school calendar has some release days that the elementary calendar does not, this calendar has two days that are not coordinated with the semester calendar.

Superintendent Russell recommended approval of the modified trimester calendar as an option for middle level schools.

**MOTION:** Ms. Gerot, seconded by Ms. Hays, moved to approve the modified trimester calendar.

**VOTE:** The motion passed unanimously; 7:0.

CONSENT GROUP – ITEMS FOR ACTION

Award Contract for the Management of Nutrition Services Program

Proposals to provide management services for the district’s nutrition services program were opened December 13, 2007. Information requested of proposers included their proposed meal programs and marketing plan, management team and depth of management support, experience with similar sized school districts, and financial projections.

Responses were received from Sodexho America, LLC, a Delaware corporation; and Compass Group, N.A., Inc., by and through its Chartwells Division, headquartered in North Carolina.

A twelve-member selection committee comprised of food services staff, building principals, classified employee representatives, and human resources and financial services staff reviewed the proposals and selected both firms for finalist interviews. Committee members evaluated proposals and assigned points to each criterion specified in the request for proposals. The finalists received the following number of weighted-average points out of a total of 100 possible points:

<table>
<thead>
<tr>
<th>Company</th>
<th>Points</th>
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</thead>
<tbody>
<tr>
<td>Sodexho</td>
<td>88.4</td>
</tr>
<tr>
<td>Chartwells</td>
<td>71.8</td>
</tr>
</tbody>
</table>

Selection committee members consistently ranked Sodexho over Chartwells in their evaluations. Responses in which the Sodexho team distinguished itself included their proposed resident director, projected financial statements, and quality and variety of sample menus. Both
building-based and central staff have been pleased with Sodexho’s performance in the last five years.

Proposed fees represent the equivalent of a .5% increase over fees paid in 2007-08. Under the new contract, future year increases will grow by the rate of the Consumer Price Index (U.S. Urban) or 3%, whichever is greater.

The superintendent recommended contracting with Sodexho America, LLC, to provide nutrition service management services for 2008-09, with four possible extensions.

Approve Resolution #3, Making Appropriations Resulting from Transfers

Unanticipated program expenditures have resulted in requests for transfers from the Contingency budgets totaling $1,535,054. Requests include budget increases for special education program costs, compensation increases for custodians and bus drivers, project costs related to the *Shaping 4J’s Future* process, fuel and utility costs, and other unforeseen costs.

The requests for transfers are as follows:

a. **Special Education Contingency - $665,000**  
   This transaction reappropriates special education contingency funds ($500,000 from the adopted budget and $165,000 from 2005-06 high cost disability funds added in the first supplemental budget) to offset the rising costs of delivering special education services. Factors behind the cost increases include a greater number of students requiring additional staff support, particularly behavior, autism and Life Skills programs and one-on-one assistance.

b. **Wage Increases for Custodians and Bus Drivers - $229,887**  
   On April 2, 2008, the reclassification of certain custodian, bus driver and related transportation positions to establish competitive market compensation was approved. Funds are requested to pay for wage increases.

c. **Shaping 4J’s Future - $175,000**  
   Funds are reappropriated to support the district’s strategic planning process, *Shaping 4J’s Future*. Costs include University of Oregon facilitation, consulting and survey expenses.

d. **Fuel and Utility Costs - $279,200**  
   Due to rate and utilization increases, funds are needed to cover higher fuel and utility costs for district facilities:

<table>
<thead>
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<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Fuel</td>
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<tr>
<td>Electricity</td>
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<tr>
<td>Stormwater (rate only)</td>
<td>45,000</td>
</tr>
<tr>
<td>Water (utilization only)</td>
<td>30,000</td>
</tr>
<tr>
<td>Garbage (rate only)</td>
<td>9,200</td>
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</tbody>
</table>

e. **Fuel Costs - $74,628**  
   Fuel costs for district vehicles have risen due to the significant increase in the price of both diesel fuel and unleaded gasoline. The state will reimburse 70% of $56,923 in
costs to transport students to and from home. The net cost to the district is expected to be $34,782.

f. **Tripod Project - $35,548**

Last year, the district conducted a survey of high school students to inform efforts to improve student achievement. The survey was developed by the Tripod Project, which provides the survey, analyzes results and provides reports to schools and to teachers. School staffs have used the results to improve learning conditions at schools. Funds are requested to continue the Tripod Project in district high schools this spring.

g. **Website Development - $35,000**

During 2006-07, the district contracted for the development of a new district website to replace its outdated web presence. Development has continued throughout the 2007-08 year and will continue into 2008-09. CIS department funds have supported this work to date, but the total cost during 2007-08 is greater than existing budgets allowed. Funds will be transferred to cover the department budget shortfall for work performed this fiscal year.

h. **Coburg Elementary Custodian - $11,378**

Funds are requested to cover the current level of custodial staffing at Coburg Elementary School. The budget provides for 1.0 FTE from a combination of district funds and Coburg community contributions. Funds pay for an additional .469 FTE.

i. **Highly Qualified Teacher Test Preparation - $10,573**

To comply with the No Child Left Behind Act and assist district teachers in meeting the highly qualified teacher standards, the district is providing support for staff who need to take exams in areas they are currently teaching.

j. **Facilities Work Order System - $10,440**

In conjunction with the planned replacement of the district’s computer systems, the Facilities Management department has upgraded its work order system. Funds are requested to pay maintenance fees required by the new system.

k. **Generator Service - $8,400**

This transaction transfers funds to pay the annual cost of required inspections, testing and reporting no longer covered by warranty for emergency generators installed at ten sites over the last three years.

If these requests are approved, the balance in the Contingency account would be $1,565,226.

The superintendent recommended adoption of Resolution #3 making appropriations resulting from transfers.

**Approve Grant Application: ODE Quality Improvement Grant**

Staff from Churchill High School submitted a $9,999 grant application to the Oregon Department of Education. The grant will support making quality improvements to the school-based Teen Parent and Child Development Center Program through increased professional development and staff training.

The superintendent recommended approval of the grant application.
Approve Grant Application: Best for Kids and Families 2

Staff from the Instruction Department submitted a $502,772 grant application to the Oregon Department of Education. The project will expand and enhance after school programs at three elementary schools, one middle school, and one K-8 school. These schools have the highest poverty levels and academic needs in Eugene. Elementary programs will add needed math classes and recreation provided by the City of Eugene and middle level programs will add certified teacher time and trained math tutors.

The superintendent recommended approval of the grant application.

Approve Grant Application: Oregon Small Schools Initiative Extension

Staffs from the three small schools at North Eugene High School (Academy of Arts, North IHS, and The School of IDEAS) have each submitted an application for a two-year extension of the assistance and funding received from the Oregon Small Schools Initiative. The grant aims to refine the structure and culture of the small school and to enact policies and practices that support it in becoming a high achieving and equitable high school.

The superintendent recommended approval of the grant applications.

MOTION: Mr. Torrey, seconded by Mr. Forrest, moved to approve the consent items.

VOTE: The motion passed unanimously; 7:0.

ITEMS FOR ACTION AT A FUTURE MEETING

Approve Revisions to Policy JECC, School Choice

Board policy JECC School Choice specifies the application process and enrollment priorities that are used when a parent wishes to send a student to an alternative school or a neighborhood school outside of their attendance boundary. The policy specifies that, to be considered in the school choice lottery, applications must be submitted by the first Friday in March. Staff is proposing that this date be changed to the Friday preceding spring break, which would typically allow an additional two weeks for applications to be accepted before the lottery is conducted.

In June 2007, the board approved a similar time line for the 2008 school choice application and lottery process. The exception was made on a one-time basis, in recognition of the possibility that board decisions made as part of Shaping 4J's Future might result in re-location of some alternative schools, school consolidations or other changes to school attendance areas or enrollment priorities.

Staff is recommending that this one-time extension of the school choice application period continue and that the Friday preceding spring break in March become the deadline for a school choice application to be considered in the lottery. A minor revision in wording is also recommended to more clearly state the process that is used when applications are received after the lottery.

Barb Bellamy, Chief of Staff and Communications Director, stated that staff was proposing to change the deadline for any application for school choice to be entered into the lottery from the
first Friday in March to the third Friday in March. She said the practice had worked well this year and the automated lottery system would make the process even more efficient; the proposal would make the change permanent.

There were no questions or comments from the board.

The superintendent will recommend approval of the board policy JECC School Choice, as revised.

**Schedule a Local Option Tax Levy for November 4, 2008**

On February 25, 2008, the budget committee voted to recommend that the board place a five-year renewal levy at the current rate of $1.50 per $1,000 assessed valuation on the November 4, 2008, ballot to maintain current school programs and staffing levels to the extent possible. If approved, the renewal levy would become effective June 2010 after the expiration of the current levy.

**Background**

In May 2000, district voters approved a five-year local option levy of $1.50 per $1,000 of assessed property value to maintain school programs and staffing levels to the extent possible. The levy, which passed with a 63.7% “yes” vote, generated an average of $5.8 million per year and expired at the end of 2004-05.

A five-year renewal of that levy was approved with a 72% “yes” vote in November 2004. This levy, which expires after 2009-10, is projected to generate $13.4 million this year and reach $14.2 million in 2008-09. Proceeds represent about 10% of general fund revenue and the equivalent of about 160 full-time teachers.

The ability to levy local option taxes was extended to school districts by the 1999 state legislature. This created district voters’ only opportunity to increase revenue for district operations since Measure 5 was passed in 1990. Local option taxes can be levied to support operations (five year limit) or pay for capital improvements (ten year limit). Most significantly, proceeds are excluded from the State School Fund formula, permitting districts to retain all funds generated. Local option elections are subject to “double majority” voter approval, except for general elections held in November of even-numbered years.

State law limits the amount of money a school district can raise from a local option levy. These limits were revised most recently by the 2007 legislature and include the following:

- Measure 5 limit – revenue actually received by the district from local option taxes imposed;
- Percentage of state resources – 20% of the combined total of the state general purpose grant, transportation grant, facility grant and high cost disability grant; and
- Dollars per student – $1,000 per average daily membership, weighted (ADMw), growing by 3% per year beginning 2008-09.

The Measure 5 limit represents the total of all “tax gaps” for all individual properties in the district. The “tax gap” is the difference between the Measure 5 tax on a property and the Measure 50 tax on the same property. Each property has its own unique tax gap, which changes year to year and varies in relation to other similar properties depending upon the growth dynamics of real market and assessed property values.
Annual revenues are difficult to predict and will vary year-to-year because Measure 5 limits affect each property differently. Not every property will be assessed a local option tax, and some properties will be assessed more than others. If real market values grow at a slower rate than assessed values, tax gaps will be reduced and local option revenue may be lower.

**Proposed Renewal**

Earlier this year, the district contracted with Western Financial Associates, a financial advisory firm in Portland, to estimate local option levy proceeds for the renewal period. We examined the potential benefit of higher tax rates within the limits of the three statutory tests described above. The Measure 5 limit for proceeds generated by a tax rate of $1.50 per $1,000 of assessed value was $15 million; the 20% of state resources limit was projected to be $15.3 million. Since the district would be unable to benefit from taxes collected in excess of that limit, $1.50 was confirmed to be the optimum rate.

Projected local option revenues are based on the following assumptions:
- Real market and assessed property values grow at the same rate, by 4.5% in 2008-09 and 3.5% in future years; and
- Tax collections average 94.5% in all years.

Under these assumptions, revenue from the renewal levy is expected to be:

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
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<tr>
<td>2010-11</td>
<td>$14,945,000</td>
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<tr>
<td>2011-12</td>
<td>$15,465,000</td>
</tr>
<tr>
<td>2012-13</td>
<td>$16,010,000</td>
</tr>
<tr>
<td>2013-14</td>
<td>$16,570,000</td>
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<tr>
<td>2014-15</td>
<td>$17,150,000</td>
</tr>
</tbody>
</table>

Receipts will vary depending upon actual growth in real market and assessed values on a property-by-property basis.

The average tax rate for all properties in 2010-11 is projected to be $1.45, including $1.48 for residential properties, $1.45 for commercial properties, and $1.10 for industrial properties. The average local option tax is projected to be $301, ranging from $121 for farm properties and $251 for residential properties to $925 for commercial properties and $1,360 for multi-family properties.

**Election Timing**

Possible election dates for the renewal of the local option levy range from November 2008 through May 2010. The “double majority” applies to all elections except November 2008, unless House Joint Resolution 15 is approved by voters in November 2008. This resolution would allow May and November elections in any year to be exempt from “double majority” requirements. If it does not pass, the number of voters required to approve a “double majority” election is expected to increase due to the high voter turnout anticipated in November 2008.

Caroline Passerotti, Financial Analysis Manager, explained that the five-year local option levy renewed in 2004 would expire at the end of the 2009/2010 school year. She said annual proceeds were approximately $13 million to $14 million and represented about 10 percent of the district’s General Fund revenue. She said that equated to about 160 full time teachers. She said the Budget Committee recommended placing the levy renewal on the November 4, 2008, ballot at a rate of $1.50 per $1,000 of assessed value. She said proceeds would be used to maintain current programs and staffing levels to the extent possible. She estimated that the renewal levy would average $16 million per year over five years.
Recommendation
The superintendent will recommend that the board adopt a resolution calling for a November 4, 2008, election to renew a five-year local option tax levy at the rate of $1.50 per $1,000 of assessed valuation to finance district operations and pay all related, incidental costs.

Mr. Torrey supported the levy renewal.

Ms. Gerot said it was important to emphasize the levy’s huge benefit to district students.

Approve Supplemental Budget #2

According to Oregon Local Budget Law, the school district can amend its budget by 1) transferring spending authority within a specific fund or from the General Fund to another fund; or 2) changing spending authority by adoption of a supplemental budget. Changing spending authority requires the board to receive the information as a future action item, while transfers may be approved as consent items.

Proposed Supplemental Budget Transactions
You are scheduled to adopt a supplemental budget at your June 4, 2008 meeting. Transactions are proposed to reappropriate beginning working capital and recognize revenue not anticipated at the time the budget was developed. An overview of the transactions is presented below, and a list of specific transactions will be provided at the board meeting.

General Fund

Reconciliation of Beginning Working Capital
When the 2007-08 budget was developed, staff projected a beginning fund balance of $18,904,578. The actual beginning fund balance was $20,845,607. Of the $1,941,029 difference, $779,360 was reappropriated in Supplemental Budget #1 to complete specific projects begun but not finalized in 2006-07. The $1,161,699 difference represents PERS savings from the financing of the district’s PERS unfunded actuarial liability. The supplemental budget transfers $350,000 of this amount to the Fleet and Equipment Fund and remaining amounts to the ending fund balance.

The following transactions are proposed to recognize the increase in Working Capital:

Resources (Increased Working Capital) - $1,161,669

Requirements:

a. PERS Savings - $350,000
   In 2003-04, staff calculated an annual requirement of $2 million to cover the costs of the highest priority textbook and equipment needs. At that time, the superintendent recommended a funding strategy that set an annual budget target of $2 million per year for equipment and textbooks and budgeted a $1.65 million (plus inflation) transfer from the general fund to the Fleet and Equipment Fund, with the intent of using “excess ending working capital” (actual versus budgeted) to increase the transfer by up to $350,000. To support textbook adoptions scheduled for 2008-09, $350,000 of PERS savings is added to the transfer appropriation.
b. **Unappropriated Ending Fund Balance - $811,669**  
District reserves are increased by the amount of the balance of PERS savings.

**Total Requirements - $1,161,669**

**Recognition of New Revenue**  
The following proposed transactions recognize new revenue and appropriate the same amount:

**Resources - $469,668**

**Requirements:**

a. **High Cost Disability Grant Revenue - $251,297**  
The state legislature has recognized the issue of high cost students and earmarked several million annually to help districts offset per student costs in excess of $30,000. The Oregon Department of Education estimates that the district will receive 2007-08 high cost disability grant proceeds $251,297 above amounts previously anticipated. Funds are appropriated for services provided to the district’s increasing number of high needs students.

b. **Tuition Reimbursement - $60,000**  
This transaction recognizes tuition revenue from Bethel School District for students attending the Bailey Hill Instruction Center and appropriates the funds to High School Services.

c. **Charter School IEP Services - $53,262**  
Under contract with other school districts, the district provides special education services to out-of-district IEP students who attend district-sponsored charter schools. This transaction recognizes payments from seven area school districts and appropriates funds to pay for special education staffing costs.

d. **Transportation Reimbursement - $37,341**  
This transaction recognizes 70% reimbursement revenue from the State of Oregon for transportation costs incurred by the Instruction Department for taxi services for students to the Bailey Hill Instruction Center Alternative Education Program. Funds are appropriated accordingly.

e. **High School Summer Program Fees - $32,000**  
This transaction recognizes and appropriates funds received for the 2007 high school summer session and appropriates a like amount to High School Services to cover a portion of the summer program expenses.

f. **Advertising Revenue - $18,750**  
This transaction recognizes additional revenue from the sale of advertising in the school calendar and increases the Communication Department’s appropriation by the same amount.

g. **Nursing Services Program Revenue - $15,000**  
This transaction recognizes revenue from two contracts: 1) $8,000 from the Bethel School District for School Based Health Center services and 2) $7,000 from Lane Education Services District for nursing services for its Life Skills Program. A like amount is appropriated to Nursing Services.
h. **Middle School Mentor Program Revenue - $2,018**
   This transaction recognizes donations received to support the services provided by mentors volunteering in district middle schools.

**Total Requirements - $469,668**

**Fleet and Equipment Fund**

**Recognition of New Revenue - $350,000**
This transaction recognizes the $350,000 in 2006-07 PERS savings transferred from the general fund, as described above, and appropriates the same amount.

Ms. Fahey said the district could amend its budget by transferring spending authority within or among funds or by changing the spending authority by adopting a supplemental budget. She said the board was scheduled to adopt a supplemental budget at its June 4, 2008, meeting and highlighted some of the significant elements:

- Reconciliation of beginning working capital - $1,161,699 in PERS savings transferred to Fleet and Equipment Fund ($350,000) and ending fund balance reserves ($811,699)
- Recognition of new revenue – additional grant revenue, including $251,297 in high cost disability grant revenue from the State

At your June 4, 2008 meeting, the superintendent will recommend approval of a resolution adopting the supplemental budget as presented, or as modified as a result of board discussion.

There were no questions or comments from the board.

**Approve the Superintendent’s Recommendations Regarding the Follow-Up Steps Related to Consideration of a Chinese (Mandarin) Language Immersion School in the Churchill Region and a Dual-Language Spanish Immersion School at River Road/Camino del Rio**

Dr. Martinez clarified for the audience that the item was scheduled for action at a future meeting and would only be discussed at this time.

Superintendent Russell said the district had been exploring concepts for two new language immersion programs: A Chinese immersion program in the Churchill region and a Spanish dual language immersion program at River Road/Camino del Rio.

Superintendent Russell said Churchill was the only region without a language immersion program and the recommendation was to locate a Chinese immersion program at Adams Elementary School. He said if the program was not located at Adams that raised the question of whether it could be located at another school in the Churchill region or was the board willing to consider a location outside of the Churchill region. He stated that River Road had been interested for some time in a dual immersion program and there was strong support from River Road/Camino del Rio staff. He said the question was whether one or both schools were proposing to be an alternative school and therefore, subject to the applicable board policy. He said it appeared from his review that the policy needed to be updated to reflect the board’s new directions and goals.

Superintendent Russell reviewed the core values, goals and principles that emerged from the *Shaping 4J’s Future* process and their applicability to school choice. He said those should drive
the design of any new school choice programs. He said school choice and open enrollment had been a source of discussion over the past several years and as a result of Shaping 4J’s Future the board had imposed limitations on transfers between regions to ensure better balance among middle and high schools, but that did not apply to the elementary level. He stressed that it was not only alternative schools which drew students; several neighborhood schools also attracted significant numbers of students away from other neighborhood schools. Regarding concerns that a Chinese immersion school would draw hundreds of new students to the district, he said that that presumed that they would move into the district and be successful in the lottery or receive some preference over district students, which was unlikely to happen. He reviewed charts of neighborhood school enrollments, transfers and attendance within boundaries from the Churchill and North Eugene regions.

Superintendent Russell said the questions of who should pay for transportation associated with choice of schools and how to keep costs reasonable had to be addressed. At present, no transportation was provided to alternative schools. The Shaping 4J’s Future report recommended a study of transportation to consider the possibility of:

- Providing transportation to all elementary schools within each region, including transportation to alternative schools within the region only; or
- providing transportation to neighborhood school transfers from within the region only; and
- consider developing a pilot project to test a new approach.

Superintendent Russell said another concept was to cluster alternative and neighborhood schools in sub-regions that would include a wider variety of choice and a better SES distribution among schools. Students would be guaranteed a spot within the cluster, but not necessarily a specific school and transportation would be provided within the cluster.

Superintendent Russell reviewed a number of questions related to whether a Chinese Immersion School constituted an alternative school. He said that decisions related to alternative and neighborhood schools must consider the longer term strategic needs of the district related to financial resources, declining enrollment, school boundaries, school closures and consolidations, reconfigurations or alternative school locations and those would need to apply in this case. He said another question was the impact of any new alternative school on the viability of area neighborhood schools.

Regarding a dual immersion program, Superintendent Russell said if it was the school's intent to take students from across the district through a lottery process similar to Buena Vista, then an alternative school was the appropriate way to go. If the primary intent was to better meet the needs of the growing number of Spanish-speaking students through dual immersion programs, a proposal to do that within the school boundary could be presented without becoming an alternative school.

Options and recommendations were presented separately for each school:

**Chinese Immersion**

1. Direct staff to work with appropriate stakeholders to develop a formal plan and timeline for the implementation of a Chinese (Mandarin) Language Immersion School as a district alternative school with the target start date of September 2010 in the Churchill region.

The implementation plan would need to specify the proposed location, whether the school would be a conversion of an existing school program or the start-up of a new
standalone school, the budget and staffing plan and start-up costs of the school. District policies regarding enrollment and transportation for alternative schools would apply.

2. Direct staff to work with appropriate stakeholders to develop a formal alternative school proposal consistent with board policy for proposing establishment of an alternative school.

This option would require an operational plan, evidence that establishment of the proposed school enhanced the district’s education program, a proposed budget, student selection process and assessment of potential adverse impacts on existing schools and programs.

3. Direct staff that the addition of a new language immersion alternative school at this time is neither practical nor feasible in light of declining enrollment, limited resources and the adverse impact on other neighborhood and alternative schools.

Superintendent Russell recommended Option 2 and noted that would require revision of the current policy.

Dr. Martinez called for comment and questions from the board.

Mr. Torrey asked if the group developing the proposal would be discussing potential sites and whether there had been outreach to schools in the Churchill area other than Adams. Ms. Bellamy said staff was waiting for board direction before conducting outreach or other public processes, but a survey being conducted within the Adams neighborhood boundary asked about several program options, including Chinese immersion.

Superintendent Russell noted that unlike the Spanish dual immersion program, no school or staff members were coming forward requesting a Chinese immersion program.

Mr. Torrey expressed concern that the process of identifying potential sites not impose the program on a school.

Mr. Forrest supported in concept a Chinese immersion program in the Churchill region, but was having difficulty reconciling establishing that program in light of the information brought forward in Shaping 4J’s Future process.

Mr. Smith said Option 1 would be difficult to accept because it required a determination about whether the requirement for proposing an alternative school had been substantially met and he did not feel there was sufficient information available. Superintendent Russell said that information had been provided on many of the required elements, but he was not certain it was sufficient to meet the intent, which was why he recommended Option 2.

Dr. Martinez agreed with Mr. Smith and Superintendent Russell that it would be misguided to move forward with an alternative school proposal at this time. He supported the concept of a Chinese immersion program and was interested in receiving more information about the proposal so the board would have a sense of the amount of effort that would be required to put one together. He would support Option 2.

Mr. Torrey remarked that the stakeholders advocating for the program should be involved in developing a proposal and identifying potential sites.
Ms. Hays indicated that she supported the concept of additional language immersion programs, but would need a discussion of potential adverse impacts of an alternative school on enrollments and transfers at neighborhood schools as part of the deliberations. Superintendent Russell said those issues would be part of the discussion of both immersion programs.

**Spanish Language Dual Immersion**

1. Direct staff to work with appropriate stakeholders to develop a formal plan and timeline for the implementation of a Spanish Language Dual Immersion School at River Road/Camino del Rio as a district alternative school with the target start date of September 2009.

   The proposal would be subject to policy IGBH and the same terms and conditions for other district alternative schools would apply.

2. Direct staff to work with appropriate stakeholders to develop a formal alternative school proposal consistent with board policy for proposing establishment of an alternative school at River Road/Camino del Rio.

   This option would require an operational plan, evidence that establishment of the proposed school enhanced the district’s education program, a proposed budget, student selection process and assessment of potential adverse impacts on existing schools and programs.

3. Direct staff to work with appropriate stakeholders to develop a proposal to establish a neighborhood cluster to support a Spanish dual immersion school at River Road/Camino del Rio that included Howard Elementary School that could include transportation within the neighborhood cluster.

   This would be considered an expansion and modification of the neighborhood school, consistent with the academy school direction provided to River Road/Camino del Rio to redesign the school with a particular focus.

4. Direct staff that the addition of a Spanish language dual immersion at River Road/Camino del Rio at this time is neither practical nor feasible in light of declining enrollment, limited resources and the adverse impact on other neighborhood and alternative schools.

Superintendent Russell recommended Option 3.

Mr. Torrey stated he supported the superintendent’s recommendation as it was an opportunity to provide a program to students and parents in that area that would really make a difference.

Ms. Gerot asked if the vision for both programs was to begin with kindergarten and add one grade at a time instead of attempting to start an entire K through 5 school. Superintendent Russell said that was generally the concept, but he clarified that in both recommendations proposals would be brought forward that contained more information about specific designs.

Ms. Gerot commented that she was excited by the concept of a dual immersion program. She had seen a presentation from Evergreen Elementary School that demonstrated how successful its program had been in closing the achievement gap. She said a dual immersion program was also a great benefit to English language students.
Mr. Smith said he supported a dual immersion program, but was concerned about the impact on enrollments at Howard Elementary.

Mr. Forrest stated he was also in favor of the superintendent’s recommendation and thanked those who had taken the time to provide testimony to the board.

Ms. Gerot hoped that if the recommendations were approved, middle and high schools would be involved in the discussions.

Dr. Webber-Davis also thanked those who spoke to the board. She shared Ms. Gerot’s concern that middle and high schools be involved in the discussions. She asked for more information about transportation issues and options and hoped the proposals could be considered at the same time as they shared many issues. Superintendent Russell said the proposals would incorporate transportation costs and options. He said the proposals would be intended to generate more discussion and questions at the board level, which would lead to additional research and refinement of issues. He noted that there were a number of tasks and activities under way in the district that were relevant to those issues.

Dr. Martinez agreed with comments from other board members. He said the board had seen an inclusive community come before it and that spoke to the importance of moving curriculum in that direction. He said that dual language immersion programs had demonstrated their value to all students, not just to families and students who spoke English as a second language. He supported moving forward with the planning process.

**Alternative School Policy IGBH**

Superintendent Russell recommended that the board direct staff to propose by August 2008 revisions to the alternative school policy to reflect board direction from Access & Options, Alternative School Reviews and Shaping 4J’s Future. He shared a quotation from *Shaping 4J’s Future*: “We can do anything we want, we just can’t do everything.”

Dr. Martinez asked what elements the revisions might address. Superintendent Russell said issues such as co-location of alternative school and neighborhood schools and impact on SES and diversity would be addressed.

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

Dr. Webber-Davis reported on charter school review team activities. She thanked administrators, students, teachers and site councils for their assistance and cooperation.

Ms. Gerot announced that students from North Eugene High School would be making a presentation at the City Club meeting on Friday. She said the presentation would celebrate educational opportunities and strategies to move beyond the basketball incident last year. She drew the board’s attention to a discussion draft of the State Board of Education on new high school graduation requirements that was included in the agenda materials. She had attended a meeting in which high schools reported on how they had used their incentive grants.

Superintendent Russell remarked that the Oregon State School Board Association had announced that it would no longer insure school districts after September 2008.
Dr. Martinez announced that the board would have a retreat on June 6-7, 2008, and the theme would be student achievement.

**ADJOURN**

Dr. Martinez adjourned the regular meeting at 10:20 p.m.

______________________________  ______________________________
George Russell                 Charles Martinez, Jr.
District Clerk                 Board Chair

*(Recorded by Lynn Taylor)*

**Attachments to Official Minutes:**
1. Board Policy IGBHA
2. Oregon Department of Education Memo # 011-2007-08
3. Draft 2008-09 Modified Trimester Calendar for Middle Schools
4. Resolution #3 – Making Appropriations Resulting from Transfers
5. Grant Application: ODE Quality Improvement Grant
6. Grant Application: Best for Kids and Families 2
7. Grant Application: Oregon Small Schools Initiative Extension
8. Draft Board Policy JECC, School Choice
9. Resolution Calling for Election and Notice of District Measure Election
10. Draft Resolution #4 – Adopting a Supplemental Budget