6:00 p.m. WORK SESSION (Dinner will be served)

1. **Conduct a Work Session to Discuss Proposed Changes to State Requirements for High School Graduation** (Staff: Laurie Moses and Barb Bellamy)

   The State Board of Education is seeking input on a proposal to increase high school graduation requirements and is planning to consider action on January 18-19, 2007. An informational video and materials have been distributed across the state to gather feedback. These materials will be used to facilitate a discussion during your work session about the State Board's proposals, implementation challenges, and opportunities.

   During the work session, staff will also discuss an option for districts to award credit based on proficiency. This would provide opportunities for students to earn credits by demonstrating they have knowledge and skills to meet or exceed state standards in specific content areas.

7:00 p.m. REGULAR BOARD MEETING

TO: Board of Directors

FROM: George Russell
Superintendent of Schools

RE: Reports and Recommendations

VII. ITEMS FOR INFORMATION

1. **Receive a Report from River Road/El Camino del Rio Elementary School** (Staff: Paco Furlan)

   Over the past two years, River Road/El Camino Del Rio Elementary has changed many things that have resulted in great gains in student achievement. The school was recognized by Oregon’s governor as a school whose students are "stepping up to the challenge and meeting high expectations." The principal, Paco Furlan, the student achievement coordinator Carissa Boyce, and classroom teacher Sharon Blackwell will present to the board about the program and the changes that were made to meet high standards.

2. **Receive an Update on the Sale of the Santa Clara Property** (Staff: Jon Lauch)

   Jon Lauch and Sue Prichard will attend the meeting to give an update on the sale of the property and to respond to questions from the board.
3. **Receive a Status Report on Jefferson K-8 Planning** (Staff: Jeff Johnson)

Jefferson Middle School principal Jeff Johnson will update the board on planning for a new K-8 school focused on arts and technology that will open next fall in the Jefferson school building. As a future action item later on tonight's agenda, the board will consider the superintendent's recommendation to create the new school, called the Arts and Technology Academy at Jefferson, effective with the 2007-08 school year, and to close Jefferson Middle School and Magnet Arts Alternative Elementary School as of June 30, 2007.

4. **Receive a Report from the Alternative School Review Team** (Staff: Carl Hermanns)

On behalf of the alternative school review team, Carl Hermanns will present a brief overview of the findings from this year’s Alternative School Review Report to the Superintendent. The alternative schools reviewed this fall are Buena Vista, Corridor, Charlemagne at Fox Hollow, and Yujin Gakuen. The alternative school review team consists of Kay Mehas, Jerry Henderson, Ray Gross, and Carl Hermanns.

The review team’s report is being finalized and will be released on Wednesday. Copies will be provided to the board at the meeting. At the January 10 meeting, the superintendent will present his recommendations to the board and a public hearing will be held at that meeting as well.

5. **Receive a Report Regarding Future changes in State Assessment Standards** (Staff: Tom Henry)

Tom Henry will update the board on changes with Oregon State Assessment Tests that will take effect during the 2006/07 school year. The U.S. Department of Education has required Oregon to immediately review achievement standards and make necessary revisions to comply with the No Child Left Behind legislation. Susan Castillo’s appeal to delay the changes until next year was denied by federal officials.

Revisions include setting new benchmark levels for student proficiency and new assessment measures for special education students. The assessment changes take effect immediately and the achievement standards will be set in March by the State Board of Education.

**VIII. ITEMS FOR ACTION AT THIS MEETING**

1. **Consider the Redirection of 2002 Bond Levy Funds Originally Designated for the Rachel Carson Environmental Center** (Staff: Bill Hirsh)

The May 2002 Capital Improvement Bond included $500,000 as "seed money" toward the several million dollar development of a Rachel Carson Environmental Education Center to be constructed adjacent to the West Eugene Wetlands, subject to adequate fund-raising and contributions from others. (The $500,000 included $25,000 for design services and related costs; approximately $4,000 that has been spent to date on planning costs).
On February 27, 2002, the board unanimously authorized referring a $116 million bond measure to voters. Included in the motion to approve was the following adjustment:

- **Reduce the proposed $3 million for school safety and security renovations to $2 million.**
- **Include $500,000 for master planning and preliminary work related to the development of the Rachel Carson Natural Resources Center, with expenditure of funds conditioned upon securing of federal and other funding by participating partners. If such funding does not materialize within three years then the funds will be recommitted to school safety and security renovations. (emphasis mine)**
- **Include additional $500,000 for replacement of portables at Monroe Middle School with classroom/bathroom additions.**

In November of 2003, members of the Willamette Resources Educational Network (WREN) the non-profit group that is sponsoring this development appeared before the board and requested additional time to conduct fundraising. In response, the board approved the following motion:

*Authorize the superintendent and designees to continue planning for up to two years from today [November 19, 2003], for the proposed phase 1, as described in the board report, with the expectation that the 4J School District would be entitled, subject to agreement among all the partners, to have use of the entire facility after the complete buildout and full use of a classroom in Phase 1 during the school year. No district bond money will be spent on the project until there is a certainty that full funding for phase 1 is available, except that up to $25,000 (less $4000 expenditures to date) can be spent on design and related services, as deemed appropriate by the superintendent, to assist with fund raising and grant development. (emphasis mine)*

In November of 2005, the superintendent requested, on behalf of district staff involved in the project and WREN that an additional year be granted to allow for more fundraising. At that time, it was estimated that the amount of additional funding needed to complete the phase 1 of the environmental education center was approximately $550,000. In response the board approved the following motion:

*Grant an extension of time of one year from the date of this action [November 9, 2005] for WREN and/or others to identify adequate (and certain) funds to complete the first phase of the environmental education center. It was understood that if this extension was granted by the board, no further extensions could be given, and should adequate (and certain) funding not be identified in the specified time period, this project would be deleted from the bond list and the funds ear-marked for this project would be used for the next highest priority, bond-eligible, unfunded district capital projects. (emphasis mine)*

Since that time the project cost has grown. In particular, initial infrastructure estimates have proven to be too low. This adds further to the design and construction cost. The current total cost for phase 1, including all soft costs, infrastructure, and phase 1 buildings, is in excess of $4 million; the original project budget was $2,076,767 (including $655,000 for land). A comparison of the two budgets is attached.
Following is a brief summary of the project and efforts to date:

The Bureau of Land Management, City of Eugene, Bethel School District, Eugene 4J School District and WREN have continued to show support for this effort. By 2005, representatives from these entities reinforced their commitment by signing an Education Center Partnership statement. When completed, the West Eugene Wetlands Environmental Education Center campus will include a laboratory, green house, auditorium, reference library, classrooms, meeting rooms and staff and volunteer offices.

The current strategy is to build the center in phases. The first phase of the project includes: initial site development, a storm water demonstration project for sustainable landscaping, roadway and parking development, a composting toilet that conserves water, an information kiosk, laboratory for school groups and interpretive programs, mudroom to support volunteer and education participants, and a public reception area with volunteer staff to answer questions and schedule programs. District 4J's funds would be used to construct two classrooms to house the Rachel Carson Environmental Center, currently offered through Churchill High School.

The City of Eugene has expressed interest in seeing the project completed. The successful Parks and Open Space Bond (on the November 2006 ballot) included approximately $1.7 million for the infrastructure for the entire center. In addition, the City has committed $340,000 to this project.

The proposed land transfer from the BLM to the City of Eugene, requiring an action of the US Congress, has not yet occurred, but appears imminent when Congress reconvenes. The architect selection process has been completed. The Eugene firm of Rowell Brokaw Architects has been ranked #1 by consensus of the selection committee. If the District contracts to build Phase 1, it will attempt to negotiate a contract with Rowell Brokaw subject to appropriate award.

WREN estimates that its current fund raising efforts will generate approximately $500,000, leaving a balance of $1.0 – 1.5 million (depending on contingency levels) needed to complete the project in addition to the District’s participation.

Given this progress, it seems more likely that the project can move forward in the future, but not immediately.

In earlier board meetings on this topic, staff raised concerns about potential IRS penalties if bond proceeds are not spent within three years of issuance. In response to a question from Dr. Martinez at the November 15, 2006 board meeting regarding the amount of the penalties, I asked district staff to research further the IRS requirements related to bond spending.

After detailed discussion with bond counsel, staff has ascertained that the district will not be subject to an IRS penalty as long as 85 percent of our total bond funds are expended within three years of issuance. If funds earmarked for the Rachel Carson Center are not released, there is more pressure to spend bond funds in other areas. However, staff estimates that the bond fund balance will be below 15% by August 2008, even if the Rachel Carson Center funds have not been spent. Therefore, the Board could choose to continue the commitment of bond funds to the project, without being subject to IRS penalty.
Legal Limitations and Potential for Penalties

The primary legal limitation related to the spend-down of funds is that, unless an issuer qualifies for certain exceptions (which do not apply in our case), it cannot earn a higher interest than that paid to bondholders. If the funds do earn higher interest, the district must pay the difference to the IRS in the form of yield restriction or arbitrage rebate payments. These payments do not represent penalties.

A major exception to this limitation is the ability of the issuer to earn market interest on the bond proceeds in the three years following bond issuance if the issuer reasonably expects at the time of issuance of the bonds that at least 85% of the proceeds will be spent during that time period. In District 4J’s closing documents for the August 2005 bond issue, the district stated its expectation to spend 85% of the bond proceeds within three years.

If the IRS were to audit the district and find more than 15% in unspent bond funds after August 2008, it would ask for an explanation. If that explanation were not satisfactory and the IRS believed the district’s expectations regarding the spend-down of bond funds at the time of issuance were not reasonable, the IRS would inform the district that it intends to declare the bonds taxable unless the district pays a penalty. The basis of the IRS’s initial calculation of a penalty would be the revenue the federal government lost by not taxing the interest earnings of the bondholders for this particular bond issue (an amount in the millions of dollars). If the district refused to pay the penalty, the IRS would declare the bonds taxable and try to collect from the bondholders. It also should be noted that, at present, the IRS is focusing on areas of abuse and random audits, rather than systematic audits of all bond issuers.

Although this new information would allow the board to continue to commit bond funds for the Rachel Carson Center without incurring an IRS penalty, the time line for construction is still uncertain. The board in approving prior extensions explicitly provided that if funding did not materialize within three years, the $500,000 would be committed to school safety and security renovations.

I believe it's time that the board redirect the bond funds to the security allowance line item within the bond. This would allow us to move ahead with several important security projects, which are now unfunded. Notwithstanding my proposed redirection of $500,000 to security projects, I continue to support the development of the Rachel Carson Environmental Education Center, and believe we should identify an alternative source of funds to support the project when it achieves the remainder of the funding.

Recommendation

The superintendent recommends that staff be directed to (1) redirect $496,000 currently designated for the Rachel Carson Environmental Center ($500,000 project amount less $4,000 expended to date) to the support of school security projects as included in the initial bond proposal; and (2) develop optional approaches to support the Rachel Carson Environmental Education Center through use of existing non-bond capital funds or future bond funds and establish funding parameters, including that additional district funds not be expended until substantially all project funding is secured.
IX. CONSENT GROUP - ITEMS FOR ACTION

1. Approve Board Meeting Minutes

The superintendent recommends approval of the minutes of the regular board meetings held on October 4 and October 18, 2006 and the Board Work Sessions held on October 11 and October 18, 2006.

2. Approve Expenditures for June, July, August, September and October 2006
   (Staff: John Ewing)


The superintendent recommends approval of the June, July, August, September, and October 2006 expenditures.

3. Award a Sole-Source Contract for the Supply and Installation of an HVAC Control System at Churchill High School
   (Staff: Bill Hirsh)

In approximately December of 2003, in response to a competitive RFP process, the Board awarded Clima Tech a contract for HVAC control systems for the four new schools funded by the bond. On 2/23/2005, pursuant to Board Policy DJC, the Board approved an exemption permitting the sole source procurement of HVAC control systems, where needed, from the firm, Clima Tech, for remaining projects funded by the 2002 capital improvement bond. Control systems for Churchill High School were specifically mentioned as a potential project.

Staff is negotiating a contract with Clima Tech for the control system at Churchill High School, based on unit pricing for control points and other system components. The approximate initial cost will be $500,000. The actual cost may vary somewhat as the actual scope is further clarified.

The superintendent recommends that the superintendent or designee be authorized to negotiate, subject to unit pricing and other relevant factors, and execute a contract with Clima Tech, for approximately $500,000, for HVAC control systems at Churchill High School. It is understood that the actual contract cost might vary somewhat from this amount subject to further refinement of the project scope.

4. Approve Grant Applications

a. Churchill Japanese Program Expansion
   (Staff: Dennis Biggerstaff)

Staff at Churchill High School has submitted a $7,000 grant application to the Japan Foundation. The project will provide additional teaching time so that Churchill’s Japanese teacher can better serve upper level Japanese students, who are now combined into a multi-level class that includes level III, level IV, AP and IB.

The superintendent recommends approval of the grant application. A copy of the grant description form is included in the packet.
b. **Modern Electronics Implementation** (Staff: Ben Van Dusen)

Staff at South Eugene High School has submitted a $7,000 grant application to the M. J. Murdock Charitable Trust. The Scientific Theories and Practices class at South Eugene is relatively new and based on several older classes and teachers’ materials. The science program needs to be update in content as well as means of presentation. There have been many scientific and pedagogical discoveries since the currently used materials were created. By bringing in a new set of classroom materials and lab equipment, complete with cutting-edge information, staff can rework the existing class into a more relevant and rigorous learning experience.

The area of Scientific Theories and Practices that needs the most modernization is the unit on Electricity and Magnetism. There is currently only one lab on static electricity in the unit. With the implementation of the new equipment, staff will be able to conduct an entire inquiry based lab unit.

The other large change to the class will be with the implementation of a Smartboard, which will allow the use of computer simulations and presentations. The Smartboard use will not be limited to the Electricity and Magnetism unit, but it will enhance all areas of science learning. One specific learning enhancement will be in allowing staff to easily record the information on the board, thereby creating printable note for those who missed class or have learning disabilities.

The Smartboard will help make real strides towards two of the school’s improvement goals by increasing success of freshmen and closing the achievement gap. It is the belief that by providing the freshmen with greater learning opportunities they will see greater success at all levels.

The superintendent recommends approval of the grant application. A copy of the grant description form is included in the packet.

5. **Approve Personnel Items** (Staff: Wally Bryant)

The superintendent recommends approval of the personnel items included in the packet. These cover employment, resignations, and other routine personnel matters. The board may adjourn to executive session for matters dealing with employment if it desires to do so. ORS 192.660 (1) (a)

X. **ITEMS FOR ACTION AT A FUTURE MEETING**

1. **Approve the Superintendent’s Recommendation to Close Jefferson Middle School and Magnet Arts Elementary School and Create the Arts and Technology Academy at Jefferson**

In the spring of 2006, I proposed closing Magnet Arts Elementary School and Thomas Jefferson Middle School due to declining enrollment and initiated planning for a new, small K-8 school focused on the arts and technology to open in 2007-2008 in the Jefferson building.
Since that time, staff has worked to further develop the framework for the new school. The board is asked to consider two actions: closing the two existing schools as of June 30, 2007 and approving the creation of the new Arts and Technology Academy at Jefferson, including the proposed grade structure, attendance boundary and enrollment priorities and key concepts proposed below. This will enable staff to provide clear information about the new school to the parents and students during the district’s school choice period, which starts in January.

Proposal to Close Magnet Arts and Jefferson Middle School

District enrollment at the elementary level has been declining for more than a decade, causing the board to close and consolidate six elementary schools in recent years. Since 2000, middle school enrollment has dropped by 500 students—roughly the equivalent of one school building—as smaller elementary classes have moved upward into middle school. At the district level, we project enrollment to continue to decline over the next few years and to stabilize in 2015.

Jefferson Middle School has experienced significant declining enrollment over the past five years. In 2000, Jefferson’s enrollment was 463. This year, only 219 students are enrolled. Magnet Arts enrollment has declined from 128.5 students in 2000 to 88 students this year (kindergarten students counted as .5). With smaller enrollments, it was necessary to provide additional resources to both schools for 2006-07 in order for them to provide a viable program.

Proposal to Create the Arts and Technology Academy at Jefferson

The creation of a new school provides an opportunity to implement a fresh, new school with a different grade configuration and to incorporate new approaches that have proven successful in improving teaching, learning and student achievement. I am proposing the new school be named the Arts and Technology Academy at Jefferson.

The Arts and Technology Academy at Jefferson will:

- Serve 250-300 students in kindergarten–grade 8 as one school with a single staff, site council and budget and with an integrated academic program. The intent is to create a unified K-8 school, as opposed to operating as an elementary school and a middle school that are housed within the same building.
- Emphasize integration of the arts and technology with high achievement in academics and expand access to technology for students.
- Operate with a modified school calendar to reduce the length of time that students are out of school during the summer and, if feasible provide inter-session schooling during the seasonal breaks. The school’s specific calendar, including the length of the school day and the schedule for the school year, will be developed by the school planning team in consultation with parents.
- Provide full-day kindergarten and extended learning activities, to the extent feasible within the resources available to the school.
Attendance boundary, enrollment priority and process:

The neighborhood attendance boundary for the new school will be consistent with the existing attendance boundary for Jefferson Middle School.

- All students currently attending Magnet Arts Elementary School and Jefferson Middle School will be allowed to enroll at the new school in 2007-08, regardless of where they reside.
- Students in grades K-5 who reside within this boundary will be given priority for enrollment. These students will need to make application to the school, as the school’s overall enrollment will be limited. In 2007-08, we expect the K-5 enrollment will be 125 students.
- This will continue to be the neighborhood school for all students in grades 6-8. This may need to be reviewed and changed if significant enrollment changes take place.

Superintendent recommendations:

1. The superintendent recommends that the board close Magnet Arts Alternative Elementary School and Jefferson Middle School, effective June 30, 2007.

2. The superintendent recommends that the board authorize the establishment of the Arts and Technology Academy at Jefferson as described above, beginning with the 2007-08 school year, and designate it as an academy school for 2007-08 and 08-09.

2. **Approve Revisions to Board Policy IGBC Title I/Parent Involvement Policy** (Staff: Janis Swan)

Currently Eugene School District 4J has Board Policy IGBC called **Comparability Requirements of Title 1** that was adopted and revised on 12-11-02. This current board policy is not complete enough, nor does it reflect all the required parental involvement components of NCLB. The new proposed policy brings our district into compliance with the NCLB requirements of having a district parent involvement policy. The new proposed Board Policy IGBC called **District Title 1/Parental Involvement**, from the sample Oregon School Board Association policies, was reviewed and edited by the Title 1 Principals and Coordinators, as well as a group of educational leaders and parents.

The draft policy has also been taken to the ILT (Instructional Leadership Team) for their input and support. This new policy will meet the Title 1 requirements and the NCLB federal monitoring requirements for parental involvement in our district and our Title 1 schools. It will provide future support and guidance for our schools and our district, as we implement and strengthen our work with parental involvement.

Janis Swan, Federal Program Coordinator and Tami Walkup, Title I Parent Involvement Coordinator will be at the meeting to respond to any questions you might have. A copy of the proposed policy and the old policy are included in the packet.
3. **Approve Revisions to School Board Policy JECC School Choice**  (Staff: Tom Henry)

School Choice Policy JECC is attached to your packets outlining recommended changes in priorities for student enrollment. The policy establishes priorities for students to be placed on waiting lists to enroll in schools other than their neighborhood schools. District staff is recommending that a priority be added to Policy JECC to establish attendance area priorities for resident students in identified schools to manage student enrollment. For example, the policy change could give priority to students living in a high school attendance area applying to the International High School campus located in that attendance area. If enrollment in IHS were to be limited, this would give students priority to attend the IHS program at their neighborhood high school. Copies of School Choice Policy JECC – marked A and B are included in the board packet.

One additional policy revision for student priority is provided for your consideration. Board member Martinez at the last meeting requested that staff include a revision to the current policy that gives priority to students who qualify for free or reduced meals, and are applying to **elementary** schools that are below the district average for free or reduced meals. The suggested policy change would extend this SES priority beyond elementary schools to all schools that are below district averages for free and reduced meals. A chart showing the schools that would be below the district FRL and therefore would be subject to providing "alternative basis" priority is attached. While I am in agreement with this direction, as are the high school principals and director of high school services, I am not convinced that we have done the same due diligence analysis and research related to this suggested change as was previously done for making the change at elementary level as part of the whole access and options process. For that reason, I believe it appropriate to hold off on this change and consider it as a part of the strategic planning process currently underway to review enrollment patterns, school boundaries, alternative school relocation, and future school consolidations or reconfiguration. (See information attached to Policy JECC - “B”)

The superintendent recommends approval of the addition of priority 3.a., which states: **The school board may establish attendance area priorities for students who reside in an attendance area to manage student enrollment capacity.**

The superintendent at this time does not recommend a change in 3.b. to extend the SES priority beyond elementary schools.

4. **Establish Residence Priority for International High School Students**  (Staff: Tom Henry)

The International High School will be limiting enrollment to projections at high school campuses next year to prevent over-enrollment on any one campus. If more students apply than space available, establishing priority for students who reside in the attendance area would provide students a better opportunity to attend their neighborhood school for IHS. For example, if South is projected for 181 ninth graders at IHS and 240 students apply, South students would be placed in IHS before students from other attendance areas.
Subject to approval of revisions in School Choice Policy JECC, the superintendent recommends that priority be given to students who live in a high school attendance area applying to the International High School located in that attendance area.

5. **Appoint a Board Member to Fill the Unexpired Term of Anette Spickard** (Staff: Barb Bellamy)

Board member Anette Spickard is resigning her position on the board, effective January 2, in order to devote her attention to the elected position of Lane County Assessor, a new office she is assuming in January.

Oregon Statute specifies that the board shall appoint a successor to serve through June 30, 2007. If the appointee wishes to continue to serve on the board thereafter, he or she would need to run for election in May 2007, to serve a four-year term from June 1, 2007-June 30, 2011.

Staff has prepared an application, news media announcement, and schedule for filling the vacant position. The announcement and application will be posted on the district web site, released to the news media and publicized beginning December 14. Persons who are interested in applying for appointment to the board must submit an application to the superintendent’s office no later than 5 p.m. on Thursday, January 4, 2007.

You are scheduled to hold a board meeting on Monday, January 8, 2007 at 7 p.m. to appoint a new board member to fill Position 1. Candidates will be invited to attend the meeting and make a brief presentation explaining their interest in and qualifications for serving on the board. You will then have an opportunity to ask questions of each candidate.

The board then will select Ms. Spickard’s successor by open ballot. The new board member will receive the oath of office and assume his or her responsibilities on January 8.

The superintendent will recommend that the board appoint one elector to Position 1 on the Board of Directors to serve from January 8, 2007-June 30, 2007.

XI. **Comments and Committee Reports by Individual Board Members**

XII. **Adjourn**
# CALENDAR FOR BOARD MEMBERS

## DECEMBER

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<tr>
<td>Monday, December 11</td>
<td>EAA Winter Social</td>
<td>4:30 p.m.</td>
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<td>Willies on 7th</td>
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<td>Budget Committee Meeting</td>
<td>7 p.m.</td>
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<td>Wednesday, December 13</td>
<td>Work Session (Dinner will be served)</td>
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<td>Board Meeting</td>
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## JANUARY

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<td>Monday, January 8</td>
<td>Special Board Meeting</td>
<td>7 p.m.</td>
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<td>Wednesday, January 10</td>
<td>Board Meeting</td>
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<td>Tuesday, January 16</td>
<td>Possible Budget Committee Meeting</td>
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<td>Wednesday, January 17</td>
<td>Board Meeting</td>
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<td>Monday, January 22</td>
<td>Possible Budget Committee Meeting</td>
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