TO: Board of Directors

FROM: George Russell  
Superintendent of Schools

RE: Reports and Recommendations

6:30 p.m. EXECUTIVE SESSION: Under provisions of ORS 192.610 – 192.690, Open Meeting Laws, the Board of Directors will conduct an Executive Session for the following purpose:

To “conduct deliberations with persons designated by the governing body to carry on labor negotiations,” pursuant to ORS 192.660 (2) (d).

7:00 p.m. REGULAR BOARD MEETING

III. INTRODUCTION OF GUESTS AND SUPERINTENDENT’S REPORT

1. Student Board Representative Recognition

Superintendent Russell will present the following student board representatives with certificates of appreciation for their service to the district this year:

- Mallory Bray, Churchill High School
- Linda Gai, IHS, All Campuses
- Joe Kammerer, North Eugene High School
- Jennifer Kerfoot, North Eugene High School
- Joel Iboa, Sheldon High School
- Lizzy Monroe, South Eugene High School

VII. ITEMS FOR INFORMATION

1. Receive the Annual Report on Superintendent’s Goals for 2008-09

On January 7, 2009, we agreed upon my goals for the 2008-2009 and 2009-2010 school years, along with the other criteria that will be used in my annual evaluation. The goals deal with student achievement, stewardship of district resources, and stakeholder agreement. Those goals, along with the job description and criteria will be reviewed as part of my annual evaluation, which will be conducted in executive session after the end of the June 17 regular board meeting.

I presented a progress report at the April 15, 2009 board meeting. Included in the board packet for this meeting is a copy of the annual report summarizing goal
attainment for the 2008-09 school year. At the June 17 board meeting, I will give a brief overview of the annual report and respond to any questions from board members.

2. **Receive a Legislative Report** (Staff: Barb Bellamy)

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

VIII. ITEMS FOR ACTION AT THIS MEETING

1. **Conduct a Public Hearing on the 2009-10 Approved Budget** (Staff: Susan Fahey)

Oregon law requires the board to adopt the budget for the ensuing year by June 30. On May 18, 2009 the Budget Committee unanimously approved the proposed budget as presented by the superintendent. The approved budget totals $290.4 million, a decrease of $29.3 million or 9.2% from the 2008-09 adopted budget. This represents significant declines in budgets for the general fund, capital projects fund, fleet and equipment fund and district retirement fund. Offsetting the decreases is an increase in the federal, state and local programs fund due to the American Recovery and Reinvestment Act funding.

**General Fund**

The approved general fund operating budget of $143.8 million (excluding contingency and unappropriated ending fund balance) has decreased by $11.7 million—or by 7.6%. This decrease from 2008–09 reflects a decline in State School Fund, property tax, and interest revenues due to the current recession. Reserves including contingency funds have decreased $8.3 million from last year’s adopted budget as the district draws down reserves to fund services and plan for additional sustainable reductions. The specific list of service level changes approved by the budget committee is found on pages 16 and 17 of the 2009-10 Proposed Budget. Changes include $600,000 in continued funding for certain pilot programs, after school programs, essential support for schools. Budget reduction areas consist of using $12 million of reserves as a short term strategy, and on-going reductions in central office and administration - $2.9 million, school-based staffing - $2.8 million, and athletic transportation costs and district retirement reductions of $900,000. These reductions are in addition to $2.9 million in savings realized by employee contract changes for the 2009-10 school year.

This budget was built based on a $5.6 billion 2009-11 state K-12 education funding level. At this time, the legislature has not adopted a 2009-11 budget. If a higher level of funding is secured, I will present a supplemental budget for your approval.

As in prior years, I will be recommending changes regarding school Targeted Funding FTE. Each year schools receive a staffing allocation and a “discretionary budget” for materials and services. Part of that discretionary budget is a “targeted funding allocation” that can be used for either staff or materials and services. Much of the targeted funding, which includes $2.7 million in literacy funding, is used to fund teachers and instructional assistants. Prior to 2007-08 these funds were budgeted as dollars only because staffing plans were not reconciled until after the budget was adopted.
Beginning with the 2007-08 budget, staff reconciled the plans in time to include FTE funded through “targeted funding” in the adopted budget. The amount appropriated will not change, but the adopted budget will show an increase in FTE. The revised FTE figures will be included in the agenda packet for the June 17, 2009 meeting.

You are scheduled to conduct a public hearing at this meeting and take action to adopt the budget at the meeting on June 17, 2009.

The superintendent will recommend approval of a resolution adopting the 2009-10 budget, making appropriations, and imposing and categorizing taxes.

IX. CONSENT GROUP – ITEMS FOR ACTION

1. **Approve Student Requests for Individual Graduation Plans** (Staff: Brad New)

   The Oregon Minimum Standards allow local school boards to approve alternative graduation plans for individual students. A memo from Brad New, High School Services Administrator, describing requests for individual graduation plans is included in your board packet. If you would like to review the plans, Brad New can make them available to you.

   The superintendent recommends approval of the individualized graduation plans, as requested.

2. **Adopt Resolution Reestablishing the Equipment Reserve Fund** (Staff: Caroline Passerotti)

   As permitted under ORS 294.525, the board established an equipment reserve fund in 1990-91 to allow schools and departments to accumulate funds to purchase equipment that they might not be able to afford within the limits of their annual budgets. It also allowed the district to accumulate funds with which to replace vehicles. Staff believes it is in the best interest of the district to continue this reserve fund. In addition, staff requests expanding the use of these reserves to pay for minor building remodel projects, which are also difficult for schools and departments to afford from annual budgets.

   Oregon statute requires that the board determine whether to continue a reserve fund no less frequently than every tenth anniversary of its date of creation. In June 1999, a resolution was adopted reestablishing the equipment reserve fund.

   On the tenth anniversary of that board action, the superintendent recommends adoption of a resolution (included in your board packet) reestablishing the equipment reserve fund and expanding the use of reserve funds to include funding minor building remodel projects.
X. ITEMS FOR ACTION AT A FUTURE MEETING

1. **Set the Tuition Rates for the 2009-10 School Year** (Staff: Larry Sullivan/Phillip Scrima)

   Each year a number of non-resident students pay tuition to attend our schools and other districts contract with us to provide regular and special educational services. The board sets tuition rates for students in kindergarten, elementary school, middle school, high school, and special education. We receive no reimbursement for these students from the state. We are proposing a $5/month increase for Kindergarten, a $10/month increase for grades 1-5, a $10/month increase for grades 6-8, and a $10/month increase for grades 9-12.

   **Rates for Regular Students**
   - Kindergarten: $5,445 or $605 per month (nine months)
   - Grades 1-5: $7,515 or $835 per month (nine months)
   - Grades 6-8: $7,110 or $790 per month (nine months)
   - Grades 9-12: $6,570 or $730 per month (nine months)

   Rates for Special Education Students will be presented in your red folder at the June 3, 2009 board meeting.

   The superintendent will recommend approval of the tuition rates as proposed.

2. **Set School Breakfast and Lunch Prices for the 2009-10 School Year** (Staff: Susan Fahey and Chad Williams)

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

   **Paid Breakfast**

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

   Reduced price breakfast would remain at $0.30.
Paid Lunch

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

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

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

**Elementary Lunch Revenue by Level of Subsidy**

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

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

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

3. **Approve a Resolution Adopting the 2009-10 Budget, Making Appropriations, Imposing and Categorizing Taxes**  (Staff: Susan Fahey)

See discussion under Items for Action at This Meeting, Conduct a Public Hearing on the 2009-10 Approved Budget.

4. **Conduct Routine Business**

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

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

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

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

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

c. **Adopt Resolution Authorizing Interfund Borrowing**

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

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

d. **Designate School Depositories for Fiscal Year 2009-10**

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

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

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

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

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

5. **Conduct the Annual Evaluation of the Superintendent (Executive Session)**

On January 7, 2009, you adopted my goals, job description, and criteria for my annual evaluation. The evaluation will be conducted in executive session on June 17, 2009, after the end of the regular board meeting. At the conclusion of the executive session, the board may reconvene in open session to discuss the executive session item.
I presented a progress report at the April 15, 2009 board meeting and am providing the annual report summarizing my goal attainment for the 2008-09 school year at the June 3 board meeting. A copy of my self-evaluation will be provided prior to the June 17 board meeting.

XI. Comments and Committee Reports by Individual Board Members

XII. Adjourn

CALENDAR FOR BOARD MEMBERS

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday, June 3</td>
<td>Regular Board Meeting</td>
<td>7 pm</td>
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<tr>
<td>Monday, June 8</td>
<td>IHS Graduation at Hult Center</td>
<td>7 pm</td>
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<tr>
<td></td>
<td>Beth, Craig, Yvette, George and Laurie Moses</td>
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<tr>
<td>Thursday, June 11</td>
<td>North Eugene Alternative Graduation at NE Auditorium</td>
<td>7 pm</td>
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<td></td>
<td>Jim, Alicia, and Carl Hermanns</td>
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<tr>
<td>Thursday, June 11</td>
<td>Sheldon Graduation at Hult Center</td>
<td>7 pm</td>
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<tr>
<td></td>
<td>Beth, Yvette, Eric and George</td>
<td></td>
</tr>
<tr>
<td>Friday, June 12</td>
<td>Churchill Graduation at Hult Center</td>
<td>7 pm</td>
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<tr>
<td></td>
<td>Craig, Jim and George</td>
<td></td>
</tr>
<tr>
<td>Saturday, June 13</td>
<td>Churchill Alternative Graduation at Churchill Auditorium</td>
<td>7 pm</td>
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<tr>
<td></td>
<td>Alicia and Tom Henry</td>
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<tr>
<td>Saturday, June 13</td>
<td>North Eugene Graduation at Swede Johnson Stadium</td>
<td>3 pm</td>
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<tr>
<td></td>
<td>Jim and Laurie Moses</td>
<td></td>
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<tr>
<td>Saturday, June 13</td>
<td>South Eugene Graduation at Hult Center</td>
<td>7 pm</td>
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<tr>
<td></td>
<td>Eric, George and Laurie Moses</td>
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<tr>
<td>Tuesday, June 16</td>
<td>Opportunity Center Graduation at SE Auditorium</td>
<td>7:30 pm</td>
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<tr>
<td></td>
<td>Beth and Carl Hermanns</td>
<td></td>
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<tr>
<td>Wednesday, June 17</td>
<td>Regular Board Meeting</td>
<td>7 pm</td>
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<tr>
<td>Wednesday, July 1</td>
<td>Regular Board Meeting</td>
<td>Noon</td>
</tr>
</tbody>
</table>