TO: Board of Directors

FROM: George Russell
Superintendent of Schools

RE: Reports and Recommendations

REGULAR BOARD MEETING

VII. ITEMS FOR INFORMATION

1. Receive a Report on High School Credit for Algebra I Taken at the Middle School Level (Staff: Janis Swan)

Some of the district’s Algebra I students in our middle schools will be getting Algebra I high school credit this year. A copy of the Algebra credit proposal is included in your board packet. Janis Swan will share some of the history, process and criteria and answer questions from the board regarding this process.

2. Receive a Report on the 2008-09 4J Technology Integration Phase (TIP) Project (Staff: Kim Ketterer/Marilyn Williams)

During the 2008-09 school year, all K-12 schools sent a team of teachers to participate in a systemic project aimed at increasing the integration of technology across all curricular areas. The teachers received equipment and on-going professional development and coaching to support the change needed in their daily methods and strategies for teaching the 21st Century student. Additionally, this group of 150 teachers spent time working on a K-12 scope and sequence of technology skills and concepts for 4J students that incorporate the Essential Skills for the Oregon Diploma, the National Educational Technology Standards (NETS), and the ODE Instructional Technology Standards. This presentation will focus on the progress of the TIP Project for providing a technology rich environment that directly impacts student achievement in the classroom.

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

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, and essential support for schools. Budget reduction areas consist of using $12 million of reserves as a short term strategy plus on-going reductions of $2.9 million in central office and administration, $2.8 million in school-based staffing, and $900,000 in athletic transportation costs and district retirement reductions. These reductions are in addition to $2.9 million in savings realized by changes to employee contracts for the 2009-10 fiscal year. As a result of a change to the staffing ratio, the impact of declining enrollment, and reductions in physical education and the staffing pool, the total number of licensed FTE is reduced overall by 36.36. The number of individual teachers affected by the FTE reduction will be substantially larger due to displacement, bumping and layoff procedures. The greatest impacts will be seen at the secondary level.

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

As in prior years, I am 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. For the adopted budget, we propose to capture those funds as licensed FTE at 7.82 and classified FTE at 15.45 to more accurately reflect staffing funded through “targeted funding.” Final staffing may differ from these numbers, but as noted at the last meeting, the amount appropriated will not change.

You are scheduled to take action to adopt the budget at this meeting. The superintendent recommends approval of a resolution adopting the 2009-10 budget, making appropriations, and imposing and categorizing taxes. A copy of the resolution is included in your board packet.

IX. CONSENT GROUP – ITEMS FOR ACTION

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

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. The Special education rates for both the Regional Learning Centers (elementary, middle and high school) and for Learning Centers are increased less than one percent.

Rates for Regular Students
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
Elementary Learning Center $ 9,498 plus the cost of related services
Elementary Regional LC $14,807 plus the cost of related services
Middle School LC $10,386 plus the cost of related services
Middle School Regional LC $14,644 plus the cost of related services
High School LC $ 9,617 plus the cost of related services
High School Regional LC $13,889 plus the cost of related services

The superintendent recommends 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>
</tr>
<tr>
<td>High</td>
<td>$1.55</td>
<td>$1.50</td>
<td>$0.05</td>
</tr>
</tbody>
</table>

Reduced price breakfast would remain at $0.30.

**Paid Lunch**

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

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

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

**Elementary Lunch Revenue by Level of Subsidy**

<table>
<thead>
<tr>
<th>Level</th>
<th>2009-10 Federal Subsidy (projected)</th>
<th>Meal Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free</td>
<td>$2.65</td>
<td>$0.00</td>
<td>$2.65</td>
</tr>
<tr>
<td>Reduced</td>
<td>$2.25</td>
<td>$0.40</td>
<td>$2.65</td>
</tr>
<tr>
<td>Paid</td>
<td>$0.24</td>
<td>$2.15</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 recommends approval of the proposed price increases.
3. **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 recommends 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 recommends 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 recommends 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 recommends 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 recommends that Luvaas Cobb be retained as legal counsel for the 2009-10 fiscal year. The superintendent further recommends 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.

4. **Make Appropriations Resulting from the Acceptance of Grant Funds** (Staff: Phillip Scrima)

The district has received the following grant funds in addition to funds anticipated at the time the 2008-09 budget was adopted. The district may expend grant funds received for a specific purpose upon enactment of a resolution by the board.

- CPB Digital KMKR-FM $110,000
- CPB Digital KRVM-FM $110,000
- CPB Digital KSYD-FM $75,387
- KIDS Project (CIS-Data Warehouse) $69,621
- McKinney Homeless $45,928
- Miscellaneous (grants less than $25,000) $74,185
- NEHS Academy of Arts – OSSI $65,387
- NEHS North International High School – OSSI $66,214
- NEHS School of Ideas – OSSI $52,176
- NSF eMast – Substitutes $25,000
- OSU – Math/Science Partnership $49,530
- IDEA – SPED Tuition $200,000
- IDEA – ARRA Funds $1,866,881

The superintendent recommends adoption of Resolution No. 2, a copy of which is included in your board packet.

5. **Approve Annual Ratification of a Class of Contracts Under a Certain Dollar Amount, Including Purchase Orders, Contract Amendments and Change Orders** (Staff: Phillip Scrima)

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

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

Based on this authority, the superintendent recommends that the board adopt a resolution ratifying all district procurements under $150,000 per item procured under policies DI and DJCA, “Delegated Authority for Purchases Under $150,000,” for the fiscal year 2008-09. A copy of the resolution is included in your board packet.
6. **Approve Expenditures for May 2009** (Staff: John Ewing)

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

The superintendent recommends approval of the May 2009 expenditures.

7. **Approve Resolution No. 3 Making Appropriations Resulting from Transfers** (Staff: Caroline Passerotti)

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

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

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

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

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

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

8. **Approve Contract for Additional Electronic Storage and Equipment Maintenance** (Staff: Phillip Scrima)

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

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

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

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

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

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

9. Approve Memorandum of Agreement with the Eugene Education Association Concerning District Contributions to Tax Sheltered Annuity When TSA Provider Leaves Market  (Staff: Christine Nesbit)

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

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

10. Approve Board Meeting Minutes

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

11. Approve Personnel Items  (Staff: Celia Feres-Johnson)

The superintendent recommends approval of the personnel items included in the board packet. These cover employment, resignations, and other routine personnel matters. The superintendent will also recommend approval of the list of personnel being laid off
due to revenue shortfalls which will be included in your red folder at the board meeting. The board may adjourn to executive session for matters dealing with employment if it desires to do so. ORS 192.660 (2) (a).

X. ITEMS FOR ACTION AT A FUTURE MEETING

1. Administer the Oaths of Office

   The superintendent will administer the oaths of office to Anne Marie Levis (Position 2), Beth Gerot (Position 3), and Jennifer Geller (Position 6) for the term July 1, 2009 through June 20, 2013.

2. Organize the Board of Directors for the 2009-10 School Year

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

   a. Elect Board Officers

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

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

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

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

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

3. Adopt the Board Calendar for the 2009-10 School Year

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

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

   The superintendent will recommend approval of the proposed 2009-10 calendar of the regular board meetings.
XI. Comments and Committee Reports by Individual Board Members

XII. Adjourn

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

At the conclusion of the executive session, the board may reconvene in open session to discuss the executive session item.

CALENDAR FOR BOARD MEMBERS

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friday, June 12</td>
<td>Churchill Graduation at Hult Center</td>
<td>7 pm</td>
</tr>
<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>
<td></td>
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<tr>
<td>Saturday, June 13</td>
<td>North Eugene Graduation at Swede Johnson Stadium</td>
<td>3 pm</td>
</tr>
<tr>
<td></td>
<td>Jim and Laurie Moses</td>
<td></td>
</tr>
<tr>
<td>Saturday, June 13</td>
<td>South Eugene Graduation at Hult Center</td>
<td>7 pm</td>
</tr>
<tr>
<td></td>
<td>Eric, George and Laurie Moses</td>
<td></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>
<tr>
<td>Friday, August 7</td>
<td>Board Retreat</td>
<td>8 am – 4 pm</td>
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