TO: Board of Directors
FROM: George Russell
Superintendent of Schools
RE: Reports and Recommendations

5:30 p.m. WORK SESSION: Conduct a Work Session on Graduation Requirements (Staff: Laurie Moses and Brad New)

The State of Oregon is phasing in changes to the requirements that students must meet to graduate from high school. Director of Secondary Education Laurie Moses will review those changes and outline what the district is doing to support students in meeting the new requirements.

7:00 p.m. REGULAR BOARD MEETING

VII. ITEMS FOR INFORMATION

1. Receive a Report on the District’s Workforce Diversity Plan (Staff: Celia Feres-Johnson)

Dr. Celia Feres-Johnson, Director of Human Resources, will present a report on the District Workforce Diversity Plan and will be available to answer questions from board members about the plan.

VIII. ITEMS FOR ACTION AT THIS MEETING

1. Authorize the Board Chair and Superintendent to Sign a Memorandum of Understanding for Oregon’s Race to the Top Grant Application

Governor Ted Kulongoski and state Superintendent Susan Castillo have invited school districts to participate in Oregon’s application for a federal Race to the Top grant. If awarded, the grant could bring $60-$175 million to help Oregon school districts with education improvement efforts.

Districts that wish to participate in the grant application and thereby receive Race to the Top grant funds, if awarded, must submit a Memorandum of Understanding and Preliminary Scope of Work to the Oregon Department of Education by January 8. If Oregon is awarded a grant, the state and the participating districts will have 90 days to develop more detailed plans and performance targets based on the Preliminary Scope of Work.
All Race to the Top grant applications must address four key areas in order to be considered:

1) Adopting standards and assessments that prepare students for success in college and the workplace.
2) Recruiting, rewarding and retaining effective teachers and principals.
3) Building data systems that measure student success and inform teachers and principals how they can improve their practices.
4) Turning around the state's lowest-performing schools.

The Governor’s letter, a description of core recommendations guiding Oregon’s Race to the Top application, the Memorandum of Understanding (MOU), and Preliminary Scope of Work form are included in this packet.

The superintendent will recommend that the board authorize the board chair and superintendent to sign a memorandum of understanding for Oregon’s Race to the Top Grant application. The board encourages the board chair and superintendent to collaborate with the district’s teacher’s union to obtain their support and participation in the MOU and the Preliminary Scope of Work.

2. **Conduct a Public Hearing on the Renewal of the Public Charter School Contracts with Ridgeline Montessori Public Charter School and The Village School**  
   (Staff: Caroline Passerotti and Jerry Henderson)

   In October 2009, Ridgeline Montessori Public Charter School and The Village School submitted letters requesting that the district renew their charter school contracts. You received copies of these letters when they were received. In accordance with ORS Chapter 338.065(4) and Board Policy LBE - Public Charter Schools, you are scheduled to conduct a public hearing and receive the superintendent's proposed findings and actions on these renewal requests at your January 6 meeting.

   Eugene School District 4J began its sponsorship of Ridgeline Montessori Public Charter School and The Village School on July 1, 2000, and extended the charter contracts for an additional five years as of July 1, 2005. Renewal contracts expire June 30, 2010.

   In each year of the district's sponsorship, district staff has conducted site visits, reviewed school improvement plans and provided annual reviews to the district board. Annual review documents have included summaries of student performance and assessment, updates on program modifications, evaluations of financial stability, and suggestions for program improvement. In compliance with the charter contract renewal process outlined in board policy, both charter schools have submitted requests for renewal and comprehensive program appraisals. Members of the district charter school team, which include representatives from Instructional Services, Education Support Services and Financial Services, have assessed their appraisals. In addition, they and a board representative have conducted site visits to discuss issues and questions with charter school board members, administration and staff. The district team has presented their findings and recommendations to the superintendent.

   At your January 13, 2010 meeting, you are scheduled to take action on the superintendent's recommendation that you approve renewal of the Public Charter School contracts for Ridgeline Montessori Public Charter School and The Village School.
School for an additional five (5) years under the terms and conditions stated in the review and evaluation report.

Your January 6 board packet contains the following information:
- The superintendent’s proposed findings and actions, accepting the public charter school renewal applications, for Ridgeline Montessori Public Charter School and The Village School.
- Renewal request letters from each charter school.
- Charter School Contract Renewal information matrixes for each charter school, plus related attachments.
- ORS Chapter 338 – Public Charter Schools.

Members of the charter school team will be available at the meeting to summarize the proposed findings and proposed actions and answer any questions that you may have.

IX. ITEMS FOR ACTION AT A FUTURE MEETING

1. **Approve Renewal of the Public Charter School Contracts with Ridgeline Montessori Public Charter School and The Village School** (Staff: Caroline Passerotti and Jerry Henderson)

   See discussion above under Items for Action at This Meeting - Conduct a Public Hearing on the Renewal of Public Charter School Contracts with Ridgeline Montessori Public Charter School and The Village School.

2. **Approve Supplemental Budget #1** (Staff: Caroline Passerotti)

   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.

   **Proposed Supplemental Budget Transactions**

   You are scheduled to adopt a supplemental budget at your January 13, 2010 meeting. Transactions are proposed to recognize and appropriate revenue not anticipated at the time the budget was developed and transfer spending authority among appropriations in the same fund. An overview of the transactions is presented below, and a list of specific transactions is included in the board packet.

   **General Fund**

   **Re-appropriation of Beginning Fund Balance**

   Specific projects budgeted in 2008-09 were not completed by the end of the fiscal year. Staff proposes to re-appropriate unspent 2008-09 budget authority in this supplemental budget.
The following transactions are proposed to recognize the increase in the Beginning Fund Balance:

**Resources (Increased Beginning Fund Balance) - $154,673**

**Requirements:**

a. **Carry-over of Academy and Literacy Funding - $141,589**

Unspent 2008-09 “academy” and literacy funds totaling $194,818 are re-appropriated for use by Instructional Services to address instructional priorities. Higher than budgeted beginning fund balances will be used to fund $141,589 of the carry-over. The balance will be funded from Contingency, as noted below. Funds will be used for the development and implementation of district-wide equity initiatives.

b. **Classified Professional Education Program (PEP) Funds - $9,741**

According to the district’s 2008-09 contract with OSEA, unspent professional education program funds are eligible for re-appropriation.

c. **Cadre Revenue - $3,343**

This transaction re-appropriates Cadre program revenue and allocates the total for Cadre program activities.

**Recognition of New Revenue - $5,718,712**

The following proposed transactions recognize new revenue and appropriate the same amount:

a. **State School Fund Grant - $5,600,000**

In developing its 2009-10 general fund budget, the district assumed a $5.6 billion state budget for K-12 education for the 2009-11 biennium. On June 25, 2009, the legislature overrode the governor’s veto and passed a $5.8 billion K-12 base budget with an additional $200 million to be automatically appropriated from state reserves if the economy performs as anticipated. Forty-nine percent was designated for distribution in 2009-10. District staff estimates state funding in 2009-10 to exceed budgeted amounts by $5.6 million. At budget adoption, the district board designated funds received in excess of budget to 1) restore the Contingency to the 2% Board Policy target ($700,000), 2) reinstate a transfer to the PERS reserve ($1.0 million), 3) minimize layoffs and scheduling issues for licensed staff (up to $500,000), and place any remaining funds in reserve. This supplemental budget action appropriates funds for these uses and adds the remaining $3,400,000 to district reserves.

b. **State Reimbursement for Additional Mid-day Special Needs Bus Routes - $50,691**

Five special needs mid-day bus routes have been added in response to a significant increase in the need for mid-day bus service for special needs programs that begin or end in the middle of the day. This transaction recognizes state reimbursement of 70 percent of labor and supply expenditures and appropriates revenues for related expenditures.

c. **State Reimbursement for Transportation of Homeless Students - $27,825**

The Transportation Department works directly with the district’s Homeless Liaison to provide transportation to students who have become homeless and have temporary housing elsewhere, so they can continue to attend the same school. The number of
homeless students receiving this transportation at any one time has grown significantly in the past two years. This transaction recognizes state reimbursement of 70 percent of expenditures and appropriates revenues for related expenditures.

d. State reimbursement for Additional Bus Route for River Road/Howard “Super Boundary” - $19,297
River Road/Camino del Rio and Howard Elementary Schools now have a “super boundary” that includes attendance areas for both schools and requires additional busing to the two schools. This new route transports students between the two original attendance boundaries. The transaction recognizes state reimbursement of 70 percent of expenditures and appropriates revenues for related expenditures.

e. State Reimbursement for Transportation Expenditures for H1N1 Preparedness - $20,899
In anticipation of potentially high employee absenteeism due to possible outbreak of the H1N1 virus, the Transportation Department hired and trained additional substitute bus drivers and trained existing staff on additional routes. The transaction recognizes state reimbursement of 70 percent of expenditures and appropriates revenues for related expenditures.

Requests from Contingency Account - $919,696
The 2009-10 Contingency was budgeted at $2,138,000 or 1.5% of general fund operating expenditures to support unanticipated general fund expenditures. This supplemental budget includes a transaction (above) to restore the Contingency to the Board Target of 2% of general fund operating expenditures, with the appropriation of an additional $700,000 in State School Fund proceeds. With board approval, the new total will be $2,838,000.

The requests for transfers include the following:

a. Educational Support Services Tuition and Related Service Contracts - $565,300
Because of a reduction in resolution funding from Lane ESD, increased tuition rates charged by alternative education providers and an increase in the number of students being served, additional budget authority is being requested by Educational Support Services.

b. Increased Utility Costs - $60,000
Funds are re-appropriated to pay for an increase in garbage service rates and usage ($40,000) and a 25% increase in wastewater rates ($20,000).

c. Staff Additions Related to Enrollment - $28,086
In the year of its transition to the site of the Arts & Technology Academy, Family School enrollment came in 16 students higher than projected in the 1st through the 5th grades. This transaction provides .32 FTE licensed staff to serve these additional students.

d. Middle School Track Coaches - $59,360
Funding for two 0.05 FTE licensed staff increments for each middle school is being added to correct a budgeting error.
e. Special Education Opportunities Review - $50,000
The District Management Council (DMC) is conducting a Special Education Opportunities Review to identify appropriate strategies for increasing both service delivery effectiveness and cost effectiveness in serving students with special needs.

f. On-load a Portion of Compensation for Director of Elementary Instruction - $38,844
In the past, half of the compensation for the Director of Elementary Instruction has been paid for with proceeds of the district’s Title II grant. This year, the state has rejected that level of support. This transaction shifts 25% of the funding for the compensation package back to the general fund.

g. Computer Re-imaging Project - $14,000
Funding will pay for Technology Support Specialists to re-image up to 500 school-based computers which were not functioning properly.

h. Carry-over of Academy and Literacy Funding - $53,229
Unspent 2008-09 “academy” and literacy funds totaling $194,818 are re-appropriated for use by Instructional Services to address instructional priorities. Higher than budgeted beginning fund balances will be used to fund $142,589 of the carry-over. The balance will be funded from Contingency. Funds will be used for the development and implementation of district-wide equity initiatives.

i. Portion of Transportation Expenditures Not Reimbursable by the State - $50,877
This represents the 30% non-reimbursable portion of expenditures related to transportation items b., c., d, and e. in the Recognition of New Revenue section.

If all requests are approved, the balance in the Contingency account to support general fund activities would be $1,918,304.

X. Comments and Committee Reports by Individual Board Members

XI. Adjourn

CALENDAR FOR BOARD MEMBERS

Wednesday, January 6
- Work Session – Graduation Requirements 5:30 pm
- Regular Board Meeting 7 pm

Monday, January 11
- Budget Committee Meeting 7 pm

Wednesday, January 13
- Work Session – Site Councils 5:30 pm
- Regular Board Meeting 7 pm

Wednesday, January 20
- 2010 Celebration of Business Eugene Hilton 5:30 - 9 pm

Friday, January 22
- Board Retreat Noon - 5 pm

Saturday, January 23
- Board Retreat 8 am – Noon

Wednesday, February 3
- Work Session – Career Tech Ed 5:30 pm
- Regular Board Meeting 7 pm

Reports and Recommendations – January 6, 2010
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