Board of Directors Meeting
School District 4J, Lane County
200 N. Monroe Street
Wednesday, June 15, 2011

REVISED 6-14-11

5:30 p.m. EXECUTIVE SESSION: Under provision 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

TO: Board of Directors

FROM: George Russell
Superintendent of Schools

RE: Reports and Recommendations

III. INTRODUCTION OF GUESTS AND SUPERINTENDENT’S REPORT

Mel Bankoff of Partners for Sustainable Schools will be present to give the board a very brief overview of their program. A longer presentation will be given to the board in the fall. A copy of the spring 2011 newsletter is included in the packet.

VII. ITEMS FOR INFORMATION

1. Civic Stadium Properties – Next Steps

The Board on June 16, 2010 decided to use a Request for Proposal (RFP) process to dispose of the Civic Stadium properties. The RFP was issued in October 2010. The Request for Proposal outlined the process and goals to be used by the Board in reaching a decision regarding Civic Stadium. The intended outcome of the RFP process was that the Board would select one of the proposers and negotiate a contract with the successful proposer for the sale or lease of the properties. On June, 2011, the board decided to reject all offers (proposals) and to not move forward with disposal of the property at this time.

The overriding factors that culminated in a process to dispose of the property are the fiscal considerations. The Board concluded that it was in the District’s best financial interest to dispose of the property in order to reduce ongoing maintenance costs, significant and looming capital costs, and other risks of ownership, and that there are other immediate needs toward which the proceeds could be applied. Board policy provides that net proceeds from the sale or lease of facilities will be placed in a district capital improvement fund and used to acquire and develop land and/or
upgrade and improve district facilities unless the board decides otherwise for compelling reasons.

In developing my recommendation, I weighed the relative risk for the school district, considered the Board’s goals, considered the Board’s deliberations in executive session and open session, and received the District’s staff’s and real property consultant’s assessment of the proposals. On that basis, I recommended selection of the Master/Powell ground lease proposal. That recommendation was brought forward to the board on May 18, 2011.

On June 1, 2011 the board considered the superintendent’s recommendation, reviewed and discussed the proposals in executive session, and further deliberated on the recommendation and the proposals at the regular board meeting. The board decided to reject all the proposals. With the decision to reject all three proposals for the Acquisition of the Civic Stadium Properties, staff is seeking guidance as to the next steps.

**Options:**

The superintendent has consulted with district staff and legal counsel regarding the possible options available to the board at this time. These options include, but are not limited to, the following considerations:

1. Initiate another process for sale or long-term lease of the Civic Stadium properties consistent with board policy DFDB. Such process could be another RFP process similar to the one just completed or a decision to market the property through listing with a real estate broker as was done with the Santa Clara and Westmoreland properties.

2. Hold on to the Civic Stadium properties for now and initiate the process for demolition of the Civic Stadium in anticipation of marketing the property in the future for higher value.

3. As an alternate with 1 or 2 above, separately market for sale the north lots portion of the Civic Stadium properties. This parcel is currently zoned R-2, medium density residential.

4. Allow staff to initiate the short-term lease of Civic Stadium and other available properties consistent with board policies DFD and DFDA. Current policy provides that “surplus property shall be managed to maximize the financial return to the district while taking potential community benefit into consideration.”

5. Offer to transfer ownership to the City in the form of a sale or long-term lease, for an amount to be determined, for use consistent with the recital describing the reason or purpose for the original conveyance to the District. The original recital provided for the property “to be used as a recreation area for the School District and for the municipality.” Conveyance to the City should include a deed restriction related to “recreational use” and other community investment purposes, and also include reversionary conditions for the school district.
6. Other possible options or considerations as identified by the board. Staff is concerned that board guidance take into consideration the existing work load demands on Facilities and other support services staff over the next several months related to school closures and consolidations, layoffs and staff reductions, and leadership transitions. Consequently, I suggest that any board actions that would require additional staff time be put on hold until early fall and begin with a board work session to assess where we are with respect to Civic Stadium properties and what options the board wishes to consider moving forward. If the board determines it wants administration to proceed with short-term strategies beginning immediately, I suggest that board authorize staff to engage outside consultant or professional services to undertake activities related to such actions.

2. **Receive a Report on the Status of the Stakeholder Task Force on Grade Reconfiguration** (Staff: Carl Hermanns)

As part of the superintendent’s sustainable budget final recommendations, the superintendent recommended the establishment of a stakeholder task force to consider grade reconfiguration for the future, and to determine the instructional model most appropriate for meeting the 21st century skills that will ensure our students graduate college and career ready. The stakeholder task force would recommend reconfiguration to the superintendent and board for implementation in 2012-13.

The Superintendent’s Staff subsequently requested that the Instructional Leadership Team (ILT) create a draft proposal for a grade reconfiguration research group. The findings from this research group could then be used to inform the discussions of the stakeholder task force, should the board and superintendent decide to move forward with the reconfiguration initiative.

A copy of the proposal has been included in your board packets.

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

1. **Conduct a Public Hearing on the 2011-12 Approved Budget** (Staff: Susan Fahey)

**Action Proposed:**
Conduct a public hearing on the 2011-12 approved budget.

**Background:**
On May 23, 2011 the Budget Committee unanimously approved the proposed budget as presented by the Superintendent amended by the following to recognize the impact of updated financial projections for the current fiscal year, the addition of two items inadvertently omitted from the proposed budget, and voter approval of the district’s $70 million general obligation bond in the May 17, 2011 election:

**General Fund**
*Resources:* Increase Net Working Capital by $362,000.

*Requirements:*
1. Add 2.9 licensed FTE ($257,304) to the budget for Less Restrictive Programs for Students with Disabilities, inadvertently omitted from the Proposed Budget.
2. Increase appropriations for Regular High School Programs by $38,000 to provide for International Baccalaureate assessments, inadvertently omitted from the Proposed Budget.
3. Increase the Contingency Fund by $7,000 to reflect the higher level of expenditures described above.
4. Increase the Unappropriated Ending Fund Balance by $59,695, the difference between the increase in Net Working Capital and the additional appropriations.

**Capital Projects Fund**

*Resources:* Recognize $35 million in Bond Proceeds to begin implementing the capital improvement program. District staff will issue $35 million in August 2011 and the remaining $35 million in approximately three years, once initial proceeds are expended.

*Requirements:*
1. Increase the Building Acquisition, Construction, and Improvement Services appropriation by $5.4 million to reflect the incremental increase in capital spending expected in 2011-12.
2. Increase the Financial Services appropriation by $310,000 to cover costs associated with the issuance of the bonds, including financial advisory, underwriting and legal fees and the cost of obtaining a bond rating.
3. Increase the Unappropriated Ending Fund Balance by $29,290,000 to hold remaining bond proceeds in reserve for use in future years.

**Debt Service Fund**

The debt service levy for 2011-12 was increased to cover the additional debt service requirements associated with the $35 million in bonds to be issued in August 2011. Prior Year’s Taxes were increased to restore anticipated collections to 30% of projected outstanding taxes receivable.

*Resources:*
1. Recognize an increase in Current Year’s Taxes of $422,778.
2. Recognize an increase in Prior Years’ Taxes of $81,000.
3. Recognize Other Federal Revenue representing the Quality School Construction Bond interest supplement totaling $900,000.

*Requirements:* Increase the Long-Term Debt Service appropriation by $1,403,778 for the payment of principal and interest related to the bonds.

The approved budget totals $308.9 million, an increase of $16.0 million or 5.5% from the 2010-11 adopted budget. The main reason for the increase is the receipt and appropriation of $35 million in bond proceeds. The approved general fund operating budget remains $7.0 million or 4.7% lower than the 2010-11 adopted budget, with the greatest reductions resulting from a sharp decrease in state funding. Lower grant budgets reflect the expiration of American Recovery and Reinvestment Act (ARRA) funding. Small decreases were also made in the insurance reserve, capital equipment, nutrition services, and retirement funds.
General Fund - Approved
The general fund operating budget of $135.4 million (excluding contingency and UEFB) has decreased by $6.6 million or almost 5% from 2010-11. Due to using substantial reserve strategies to fund the operating budget and a significant increase in state mandated pension costs, the shortfall from current service level was over $21 million. Budget reduction strategies included using reserves of $5 million, reducing central office and administration budgets by $3.5 million, closing and consolidating schools to achieve $900,000 in savings, and reducing staffing which lowered the budget by an additional $7.4 million. An additional $4.5 million in budget reduction strategies consisting of further staffing reductions or employee compensation strategies have yet to be specifically identified.

General fund revenues, excluding beginning fund balance, have remained relatively flat from 2010-11 with higher state resources offset by lower property tax and federal revenues. General fund resources for 2011-12 are $7 million lower than 2010-11 primarily due to a decrease in beginning fund balance as part of the budget reduction strategies.

With voter approval of the $70 million general obligation bond, the district will shift $1 million in appropriations for annual building improvement and repair costs from the general fund to the capital projects fund, creating additional capacity to support district operations in each year of the six-year capital improvement program. For 2011-12, the proposal is to use the $1 million for the following purposes:

- Add 5.5 FTE licensed staff and 6.0 FTE classified staff to classrooms in schools with higher populations of students needing increased support due to academic, economic, and social challenges;
- Provide $50,000 for Quickbase software maintenance fees to further the ability of school staff to monitor the progress of struggling students;
- Allocate $30,000 for extra-curricular fee support for students who need financial assistance to participate in district athletics and activities;
- Add $20,000 on a one-time basis to create a middle school base for the AVID program in the Churchill region;
- Provide $50,000 to restore Financial Services staffing and provide support for payroll, accounting and financial analysis operations;
- Add $50,000 to the Human Resources budget to develop a new evaluation tool for administrators and provide support for other critical Human Resources operations.

To achieve this, $1 million will be re-appropriated from Building Support Services to Direct Classroom Services – Regular Programs, $800,000; Classroom Support Services – Extra-curricular Activities, $30,000; Classroom Support Services – Counselors, Nurses and Student Support, $70,000; and Central Support Services, $100,000 in the general fund.

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. Of the $1.8 million provided to schools, most is used to fund teachers and instructional assistants. The amount appropriated will not change, but the adopted budget will
show an increase of 7.32 FTE licensed staff and 15.62 FTE classified staff to reflect staffing plans developed by schools.

Discussion:
1. **Rationale:** Oregon Revised Statute (ORS) 294.430 requires the board to hold a public hearing on the budget approved by the budget committee.

2. **Options and Alternatives:** ORS does not provide for any alternatives to this process. The hearing could be deferred to the June 22, 2011 board meeting, but must be held prior to the adoption of the budget required by ORS 294.435 which is scheduled for the same meeting.

3. **Budget/Resource Implications:** The hearing is required prior to board adoption of the budget. The budget must be adopted by June 30, 2011 to provide spending authority and certify to the assessor an ad valorem tax rate for the fiscal year beginning July 1, 2011.

4. **Board/Superintendent Goals:** This item is related to the board goal to provide prudent stewardship of district resources to best support student success, educational equity and choice.

Recommendation:
The superintendent recommends that you conduct a public hearing at this meeting.

2. **Conduct a Public Hearing to Correct the Debt Service Levy for 2011-12** *(Staff: Susan Fahey)*

**Action Proposed:**
Conduct a public hearing to make a technical correction to the Debt Service Levy for 2011-12.

**Background:**
On May 23, 2011 the Budget Committee unanimously approved a Debt Service Fund tax levy of $14,597,778. This amount represents taxes needed to balance the fund but does not recognize uncollectible taxes. With an expected collection rate of 93.25%, the Debt Service Levy needs to be increased by $1,056,676, which results in total taxes imposed and a certified levy of $15,654,454.

The corrected levy amount corresponds to a projected tax rate of $1.30 per $1,000 of assessed value, as represented at the May 23 meeting.

**Discussion:**
1. **Rationale:** Oregon Revised Statute 294.435 permits the board to amend the amount of the total property tax to be certified to the assessor after holding another public hearing on the revised amount.

2. **Options and Alternatives:** The district is legally required to levy sufficient funds to make principal and interest payments on bonded indebtedness. Without making the proposed revision, the district is unlikely to collect sufficient taxes to cover the debt service payments from Debt Service Fund resources.

3. **Budget/Resource Implications:** The board must conduct the hearing prior to certifying to the assessor the ad valorem property tax amount for the ensuing year. This action must be taken by June 30, 2011.
4. **Board/Superintendent Goals:** This item is related to the board goal to provide prudent stewardship of district resources to best support student success, educational equity and choice.

**Recommendation:**
The superintendent recommends that you conduct a public hearing at this meeting.

3. **Approve Proposed Superintendent Employment Contract for 2011-2014** (Staff: Celia Feres-Johnson)

Board Chair Craig Smith recommends approval of the employment contract with Dr. Sheldon Berman as superintendent from July 1, 2011 through June 30, 2014.

The proposed employment contract between the superintendent and the District outlines the term and duties of the superintendent, compensation and fringe benefits, longevity increment, leave benefits, professional growth, contract days/outside activities, professional liability, evaluation process, and termination procedures. In summary, for the 2011-12 school year the superintendent will receive an annual salary of $180,000 and for each successive year the base salary shall be changed by the same salary Cost of Living Increase (COLA), including any compensation and/or benefit concessions applied to Administrators and District Directors. The District also will provide a tax-sheltered annuity of $1,016.67 per month for the contract year of 2011-12 and thereafter at the rate of $600 per month for the balance of the Superintendent's employment, professional development allowance of $1750, moving allowance of $15,000, and an auto allowance of $550. Other benefits will be as provided to District Directors, except that in lieu of District-paid health premiums such amount will be added to the Tax Sheltered Annuity (TSA) and the superintendent will pay his PERS employee contribution. The superintendent will be provided a computer, cell phone and internet service to allow work at home, and the District will pay cost of membership dues and subscription costs to AASA, COSA, ASCD and AERA.

A copy of the proposed contract is included in the board packet.

4. **Approve a Request to Postpone the Math Adoption for Grades 9-12**  
   **Approve a Request to Postpone the Science Adoption for Grades 6-12**  
   **Approve an Independent Science Adoption for Grades K-5** (Staff: Janis Swan and Carl Hermanns)

**Background**
Oregon's instructional materials adoption schedule runs on a seven-year cycle and a six-year contract. Mathematics K-12 and Science K-12 instructional materials were scheduled to be adopted by school districts in 2009 and in classrooms by September 2010. Due to our school district's financial situation, the K-8 Math adoption was postponed one year and approved by the board for classroom implementation in fall of 2010. This put our other adoptions on hold.

School districts have the option under OAR 581-22-1650 to postpone instructional material purchases for up to two years. This will allow our school district more time to implement our K-8 math adoption and to determine next steps in selecting and
purchasing, or independently adopting, for math (grades 9-12) and science (grades 6-12) by September 2012.

**Science**
Our last 4j K-12 science adoption was in 2002. At the elementary level, we readopted Science Technology and Children (STC) kits developed by the National Science Resource Center and produced by Carolina Biological as well as a smaller number of kits from Full Option Science System (FOSS) developed at the Lawrence Hall of Science and produced by Delta Education. STC is not on the new 2009 state adoption list, FOSS is. The materials are in fairly good shape; broken or worn out materials are replaced during the restocking process. Our existing K-5 Science kits meet the legal requirements of aligning to Oregon’s Content Standards, equity criteria and National Instructional Materials Accessibility Standard (NIMAS). Therefore we are requesting board approval for an independent science adoption K-5.

At the secondary level, Grades 6-12, we are requesting postponement due to lack of funds and to provide more time to determine what types of science instructional materials and online materials would best meet the future needs of our Gr. 6-12 students. By September 2012 we would need to come back to the board with a recommendation to independently adopt or purchase Grades 6-12 Science. In the interim, we will continue to use the 2002 board adopted materials.

**Math**
Our last 4j high school math adoption was in 2002. Twenty different books from 7 different publishers with copyright dates of 1985-2004 were adopted or readopted by the board. We are requesting postponement due to lack of funds and to provide more time to determine what types of mathematics instructional materials and online materials would best meet the future needs of our students. By September 2012 we would need to come back to the board with a recommendation to independently adopt or purchase Grades 9-12 Mathematics. In the interim, we will continue to use the 2002 board adopted materials.

**Discussion**
1. **Rationale:** Our school district has been struggling financially with cuts to programs, staffing, school closures, and class size increases. In addition, we need more time to work with our teachers to analyze our instructional practices, determine best practices in secondary science and mathematics, and research technology resources as well as other instructional materials options in order to best meet the needs of our students and teachers.
2. **Options and Alternatives:** The other option at this time would be to adopt Science Grades K-12 and Mathematics Grades 9-12 and not postpone or independently adopt K-5 Science.
3. **Budget/Resource Implications:** District staff estimates a total cost for committee work, purchasing, professional development, and implementation at approximately $1.0 million. Due to budget constraints the district is currently facing, there is concern about allocating this money for curriculum rather than for mitigating staffing, class sizes, and other reductions.
4. **Board and Superintendent Goals:** Postponing adoption and giving us time to address our financial situation as well as to determine what materials would best
meet the needs of our students directly addresses the board and superintendent goals to increase achievement for all students and close the achievement gap. We want to be able to wisely select materials and tools for the 21st century. We are not ready at this time to make this selection nor do we have the financial ability.

**Recommendation**
The superintendent recommends that you:
- Approve a request to postpone the math adoption for Grades 9-12
- Approve a request to postpone the science adoption for Grades 6-12
- Approve an independent science adoption for Grades K-5

**IX. CONSENT GROUP – ITEMS FOR ACTION**

1. **Set the School Lunch and Breakfast Prices for the 2011-2012 School Year** (Staff: Susan Fahey/Rick Sherman)

**Action Proposed:**
Set school lunch and breakfast prices for the 2011-12 school year.

**Background:**
One of the requirements of the recently passed Federal Healthy Hunger Free Kids Act (also known as the re-authorization of the National School Lunch Program) is that effective July 1, 2011, school nutrition programs must move towards charging paid meal category students a price that is on average equal to the difference between the free lunch reimbursement and paid lunch reimbursement. Schools that charge less than this amount are required to gradually increase their prices over time until they meet the requirement. Each year the federal reimbursement rates increase by approximately 3%, so lunch prices will continue to increase in order to meet this requirement.

The 2011-12 projected reimbursement rates result in a minimum average price for paid lunch of $2.54. Current lunch prices in the district are $2.25 for Elementary, $2.50 for Middle School and $2.60 for High School for a current average price of $2.45.

**Paid Breakfast**

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<thead>
<tr>
<th>Level</th>
<th>Proposed Price 2011-12</th>
<th>2010-11 Price</th>
<th>Increase</th>
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<tr>
<td>Elementary</td>
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<tr>
<td>High</td>
<td>$1.55</td>
<td>$1.55</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
In 2009-10, the National School Lunch Program eliminated the cost for reduced price breakfast. Reduced breakfast price will remain at zero for 2011-12.

**Paid Lunch**

<table>
<thead>
<tr>
<th>Level</th>
<th>Proposed Price 2011-12</th>
<th>2010-11 Price</th>
<th>Increase</th>
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<tbody>
<tr>
<td>Elementary</td>
<td>$2.25</td>
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<td>$0.00</td>
</tr>
<tr>
<td>Middle</td>
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<tr>
<td>High</td>
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<td>$2.60</td>
<td>$0.15</td>
</tr>
</tbody>
</table>

The proposed prices result in a $2.50 average meal price which is slightly below the projected reimbursement rate differential of $2.54. Reduced price lunch would remain at $0.40, and the a la carte price for milk will remain at $0.50.

For your information the projected 2011-12 federal subsidy amounts are below:

**Level:**

**2011-12 Federal Subsidy (projected)**

<table>
<thead>
<tr>
<th>Type</th>
<th>2011-12 Federal Subsidy (projected)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>Free: $1.815 Reduced: $1.815 Paid: $0.27</td>
</tr>
<tr>
<td>Lunch</td>
<td>Free: $2.82 Reduced: $2.42 Paid: $0.28</td>
</tr>
</tbody>
</table>

**Discussion:**
1. **Rationale:** The rationale for the price increase is to keep in compliance with the reauthorization of the National School Lunch Program.
2. **Options and Alternatives:** The board may approve the proposed prices or amend them.
3. **Budget/Resource Implications:** Nutrition services staff projects that an additional $6,000 in revenues would be received as a result of this increase. Staff does not anticipate that participation will be adversely affected.
4. **Board/Superintendent Goals:** Setting school lunch and breakfast prices is related to the board goal to provide prudent stewardship of district resources to best support student success, educational equity and choice.

**Recommendation:**
The superintendent recommends approval of the prices as proposed.

2. **Set the Tuition Rates for the 2011-2012 School Year** (Staff: Mary Nickelson-Hill/Larry Sullivan)

**Action Proposed:**
Set tuition rates for the 2011-12 school year.
Background:
Each year a few non-resident students pay tuition to attend our schools, and other districts contract with us to provide general and special educational services. The board sets tuition rates for students in kindergarten, elementary school, middle school, high school, and special education. The following rates are proposed:

**Rates for General Education Students**
- Kindergarten: $5,085 or $565 per month (nine months)
- Grades 1-5: $6,750 or $750 per month (nine months)
- Grades 6-8: $6,750 or $750 per month (nine months)
- Grades 9-12: $6,930 or $770 per month (nine months)

These rates represent no increase for grades 9-12 and an average decrease of 5% for Kindergarten through grade 8.

**Rates for Students with Special Needs**
- 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: $11,124 plus the cost of related services
- High School Regional LC: $15,889 plus the cost of related services

These rates represent no increase for elementary, middle, and high school learning centers in order to maintain current levels of services.

Discussion:
1. **Rationale:** The district receives no reimbursement for non-resident students from the state. General education tuition rates are calculated based on the most recent actual audited cost by level and adjusted for subsequent year budget changes using 2011-12 projected enrollment. Rates for students with special needs are calculated based on the December special education census and 2011-12 projected case loads, staffing allocations, and salary rates.
2. **Options and Alternatives:** The board may approve the proposed tuition rates or amend the rates.
3. **Budget/Resource Implications:** The district receives approximately $20,000 for general education tuition and $60,000 tuition for students with special needs.
4. **Board/Superintendent Goals:** Setting tuition rates is related to the board goal to provide prudent stewardship of district resources to best support student success, educational equity and choice.

**Recommendation:**
The superintendent recommends approval of the tuition rates as proposed.

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

**Action Proposed:**
On June 15, 2011, the board is scheduled to approve a second supplemental budget for the 2010-11 school year.
Background:
Oregon Revised Statutes 294.480 permits school districts to amend adopted budgets 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.

Discussion:

1. Rationale:
Transactions are proposed to recognize and appropriate revenue not anticipated at the time the budget was developed and to transfer spending authority among appropriations in the same fund. An overview of the transactions is presented below.

2. Options and Alternatives:
The board may approve, reject or modify the supplemental budget as submitted.

3. Budget Implications:

GENERAL FUND (FUND 100)

Recognition of New General Fund Revenue - $498,248
The following proposed transactions recognize new revenue and appropriate the same amount.

a. Transfers from the Capital Equipment Fund - $316,922
A change in state law permits these funds to be used to support General Fund expenditures, beginning July 2010.

i. Instruction Department - $235,000 to purchase additional workbooks and provide staff development in conjunction with the Math adoption
ii. Communications Department - $34,666 to provide temporary funding for the district’s contract with the Eugene Education Fund and develop a web template for school websites
iii. North Eugene High School - $18,210 to temporarily provide staffing for the College and Career Center to continue building the college bound culture at NEHS
iv. Superintendent’s Office/Board - $15,000 to pay for the minutes recording due to additional meetings in 2010-11 and board conference costs
v. Roosevelt Middle School - $9,202 to pay for AVID training for eight staff members
vi. Charlemagne Elementary School - $3,349 to pay for substitute teachers for teachers to address the School Improvement Plan
vii. Madison Middle School - $1,495 to purchase an on-line subscription for academic software

b. Transfer from the Sale of Surplus Properties Fund for School Closure Costs - $166,000
Appropriations to support school closures and consolidations are transferred to pay costs associated with the closure of Coburg, Crest Drive, Meadowlark and Parker Elementary Schools.
c. **Lane Regional Braille Production - $10,800**  
This transaction recognizes revenue received from other school districts and educational service districts under an intergovernmental agreement for Braille production services. Additional budget authority is appropriated to Educational Support for performing the work.

d. **School Summer Program Fees - $4,526**  
In addition to the $15,540 recognized in Supplemental Budget #1, this transaction recognizes and appropriates funds received for the 2010 summer session and appropriates a like amount to cover a portion of the summer program expenses.

**Requests from Contingency Account - $189,690**  
The adopted budget for 2010-11 established a contingency of $3,413,000, consisting of $2,513,000 for operating or general contingencies and $900,000 for special education contingencies. The operating contingency represented 1.7% of general fund operating expenditures, below the 2% board target. In Supplemental Budget #1, $196,410 of the operating contingency was utilized, leaving a balance of $2,316,590, and the $900,000 contingency established to support special education services was completely re-appropriated for anticipated expenditures. With board approval of the following transactions, the operating contingency would be further reduced to $2,126,900.

Requests for transfers in the second supplemental budget include the following:

a. **Legal and Litigation Costs - $75,000**  
Additional funds are needed to cover legal and litigation expenditures that were not anticipated at the time that the budget was adopted. This transaction re-appropriates Contingency funds for these purposes.

b. **Transfer to Nutrition Services Fund - $75,000**  
The 2010-11 Adopted Budget includes a transfer of $230,083 to cover a portion of operating costs in the district’s nutrition services program. Because projected revenues in the 2010-11 school year are lower than budgeted, it is anticipated that an increased transfer will be required to support this program. The actual transfer will be limited to only the amount necessary to cover any operational loss.

c. **Superintendent Search - $17,890**  
Expenditures incurred in conjunction with the superintendent search and selection process exceeded the $60,000 budget originally provided. Additional funds are needed to pay remaining costs associated with site visits, candidate interviews and recruitment.

d. **Funds to promote equity - $13,500**  
District policy directs that 10% of contributions in excess of $10,000 made to schools to fund additional staffing be reserved as “equity funds”. These funds are allocated by the superintendent on projects to improve equity throughout the district. While equity funds were collected in 2009-10, because the ending fund balance was less than projected, there was no excess 2010-11 beginning fund balance to appropriate for this purpose. As a consequence, an amount equal to these collections is requested as a re-appropriation of Contingency funds.
e. Negotiation Costs - $8,300
Funds are reappropriated to support contract negotiations with the Oregon School Employees Association. Costs include facilitation in the interest-based bargaining process, a portion of the meals provided during all-day negotiation sessions, consultant fees and supplies.

**CAPITAL EQUIPMENT FUND (FUND 200)**

Transfer from Capital Equipment Fund - $316,922
As described above, a change in state law permits these funds to be used to support General Fund expenditures, beginning July 2010. This transaction re-appropriates spending authority from the Contingency to increase transfers to the general fund for the items listed in 3.a.

**CAPITAL PROJECTS FUND (FUND 450)**

Transfer from Sale of Surplus Properties Fund - $166,000
The Transfers of Funds appropriation in the Sale of Surplus Properties Fund is increased and the Facilities Acquisition and Construction appropriation is decreased to support school closures and consolidations costs in the General Fund associated with the closure of Coburg, Crest, Meadowlark and Parker Elementary Schools.

4. Board and Superintendent Goals:
This recommendation addresses the board goal of providing prudent stewardship of district resources to best support student success, educational equity and choice.

Recommendation:
The superintendent recommends that the board approve Supplemental Budget #2, recognizing and appropriating revenue not expected at the time the budget was adopted and re-appropriating Contingency funds to support district operations. A copy of the resolution adopting the supplemental budget and making appropriations in the 2010-11 fiscal year is included in your packet.

4. **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 board may adjourn to executive session for matters dealing with employment if it desires to do so. ORS 192.660 (2) (a)

5. **Approve Board Meeting Minutes**

The superintendent recommends approval the board meeting minutes from the November 17, 2010 Board Meeting and the February 9, 2011 Work Session.

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

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 2010-11. A copy of the resolution is included in your board packet.

7. Approve Resolution Authorizing the Issuance and Sale of General Obligation Bonds (Staff: Caroline Passerotti)

Action Proposed:
Approve a resolution authorizing the issuance and sale of general obligation bonds in an aggregate principal amount not to exceed $70 million; designating an authorized representative, bond counsel and financial advisor; and authorizing appointment of a paying agent and bond registrar.

Background:
On May 17, 2011, voters authorized the district to issue general obligation bonds in an amount not to exceed $70 million for capital improvements to district facilities and remodels/additions to support school consolidation efforts, building improvements and repairs currently funded from the general fund, technology systems, and a broad range of support for changes in delivery of instruction as required for larger class sizes, distance learning, space modifications, advances in instructional technology, and qualifying instructional materials.

The $70 million bond will provide:
• Capital systems replacements/improvements - $44.4 million
• Additions and remodels - $10.0 million
• Repair and building improvements currently in the General Fund operating budget - $6.0 million
• Technology - $6.8 million
• Instructional Systems Support - $2.1 million
• Potential Real Property Acquisition - $0.7 Million

Discussion:
1. Rationale: To begin construction on these projects, staff is preparing to issue $35 million in general obligation bonds in August 2011. This first issuance will
include $15 million in Qualified School Construction Bonds (QSCB) approved by
the Oregon Department of Education in January. The remaining $35 million is
expected to be issued in approximately three years.

2. Outcomes and Alternatives: Board authorization is required to issue and sell the
bonds. QSCBs, for which approximately $23 million in interest payments is
subsidized by the federal government, must be sold no later than September 30,
2011, under an extension granted by the Oregon Department of Education.
Delaying board approval of the resolution could delay the sale of the bonds and
potentially lose the benefit of the federal interest subsidy to district taxpayers.

3. Budget/Resource Implications: In addition to the capital projects listed above,
bond proceeds will be used to pay the costs of issuance, construction contract
administration and project management, which are included in the above
numbers.

4. Board and Superintendent Goals: This action addresses the board goal of
providing prudent stewardship of district resources to best support student
success, educational equity and choice.

Recommendation:
A resolution calling for a public competitive sale of bonds, authorizing the
superintendent or chief financial officer to determine requirements for the sale of the
bonds, and certifying the accuracy of disclosure documents is in your board packet.
The resolution names the firm of Mersereau Shannon, LLP as Bond Counsel,
Seattle-Northwest Securities Corporation as Financial Advisor, and Wells Fargo
Bank, N.A. as Paying Agent and Registrar for the bond issue. It also provides for the
confirmation of election results and declares that a majority of district voters
approved issuance of the general obligation bonds. A copy of the abstract of votes is
included in your board packet.

The superintendent recommends adoption of the resolution authorizing the issuance
and sale of general obligation bonds in the amount of $70 million.

8. Approve Grant Applications:

a. 4J Technology Rich Learning and Teaching (Staff: Kim Ketterer)

Staff from Instructional Services has submitted a grant application to the Oregon
Department of Education to create technology-rich classrooms in schools with
high needs related to high poverty. The district will partner with the U of O to
create extensive technology access for students and to provide intensive and on-
going professional development for teachers.

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

b. Quality Improvement – ODE Early Childhood Programs (Staff: Shae
Armitage)

Churchill staff is applying for a Quality Improvement Grant offered by the Oregon
Department of Education for Early Childhood programs. The grant would provide
professional development for childcare staff and teachers working with teen
parents and their children.
The superintendent recommends approval of the grant application. A copy of the grant description form is included in your packet.

9. **Adopt the Board Meeting Calendar for the 2011-12 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 2011-12 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 recommends approval of the proposed 2011-12 calendar of the regular board meetings.

10. **Approve Ratification of CIP Contract Awards** (Staff: Jon Lauch)

On September 18, 2002, the Board of Directors affirmed the 1993 District policy for delegating Contract Award authority for Bond Funded CIP contracts of $500,000 or less to the superintendent, or designee, subject to subsequent ratification by the board. The designee is Jon Lauch, Director of Facilities and Transportation. Contracts in excess of $500,000 will continue to require board approval. The purpose of the board item is to summarize all CIP contract award activity requiring a formal bid or formal competitive selection and for the board to ratify those awards that have been made by authorized staff since the last ratification.

**CONTRACT AWARD SUMMARY:**

The attached summary sheet identifies all contracts that have been awarded as of the status date indicated in accordance with delegated authority. The summary also identifies who awarded the project and will indicate board ratification data of said award as applicable.

The CIP management staff will continue to provide the board with Contract Award Status updates for ratification, pursuant to School Board Policy DI: Capital Improvement Contracts Financed by Bond Levy (and other) Funds.

**RECOMMENDATION:**

The Superintendent/Facilities Director recommends ratification of awards for CIP GO Bond funded projects as indicated on the summary sheet.
11. Approve Resolution No. 4 Making Appropriations Resulting from Transfers  
(Staff: Caroline Passerotti)

**Action Proposed:** Approve Resolution No. 4 making appropriations resulting from transfers.

**Background:**
Budget appropriations established in the adopted budget determine the district’s spending authority for that year. The district is required to stay within appropriation limits unless the board adopts a resolution permitting the transfer of budget authority within a fund from one existing appropriation category to another.

**Discussion:**

1. **Rationale:**
Due to the changing needs of the district since the adoption of the 2010-11 budget, it is necessary to transfer budget authority from appropriations established in the adopted budget to those which create sufficient spending authority to align with projected expenditures.

2. **Options and Alternatives:**
Should the board decline to approve the proposed appropriation transfers, expenditures would exceed legal spending limits and violate state law, per ORS 294.100 and 294.435(4). Public officials spending funds in excess of approved amounts or for a purpose other than provided by law are held civilly liable for the return of those funds.

3. **Budget/Resource Implications:**
For 2019-11, the following transactions are proposed:

**General Fund**
Increase the Instruction appropriation by $650,000 and decrease the Supporting Services by the same amount to align budget appropriations with projected expenditures.

Increase the Enterprise and Community Services appropriation by $350,760 and decrease the Instruction appropriation by $50,760 and the Operating Contingency by $300,000 to align budget appropriations with projected expenditures.

Increase the Transfers appropriation by $1,505,349 and decrease appropriations for Instruction by $325,409, for Supporting Services by $1,177,940, and for Enterprise and Community Services by $2,000 to create authority to transfer to the Capital Equipment Fund if budget savings exist to purchase textbooks and equipment in future years.

**Capital Projects Fund**
Increase the Supporting Services appropriation by $200,000 and decrease the Facilities Acquisition and Construction appropriation by the same amount to establish sufficient spending authority for projected expenditures.
Nutrition Services Fund
Increase the Supporting Services appropriation by $15,000 and decrease the Enterprise and Community Services appropriation by the same amount to align spending authority with projected expenditures.

District Retirement Fund
Increase the Supporting Services appropriation by $200,000 and decrease the Operating Contingency appropriation by a like amount to ensure sufficient spending authority to cover projected expenditures.

4. Board and Superintendent Goals:
This recommendation addresses the board goal of providing prudent stewardship of district resources to best support student success, educational equity and choice.

Recommendation:
The superintendent recommends adoption of Resolution No. 4 making appropriations resulting from transfers. A copy of the resolution is included in your packet.

12. Receive Annual Charter School Reviews (Staff: Carl Hermanns and Caroline Passerotti)

According to Board Policy LBE and ORS 338.095, public charter schools are required to report to sponsoring districts annually on the performance of the school. In addition, the sponsoring district is required to conduct an annual site visit and review the charter school’s compliance with the terms and provisions of the charter.

Copies of the 2009-10 annual charter school reports for Network Charter School, Ridgeline Montessori Public Charter School, and The Village School will be provided to you at the meeting.

13. Approve the Naming of the Athletic Turf Field at Spencer Butte “Jerry Andrews Field” (Staff: B.J. Blake)

Action Proposed
Approve the naming of the Athletic Turf Field at the Spencer Butte Middle School site “Jerry Andrews Field.”

Background
The Turf Field was installed at Spencer Butte Middle School in 2009. Spencer Butte went through an administrator change at the end of that year. The naming of the field was put on hold until now. The name of the field for Spencer Butte needs to match the schools expectation of excellence for both academic success and student citizenship. We believe that naming the field after Jerry Andrews meets these criteria.

Discussion
1. Rationale: Jerry was the PE and health teacher at Spencer Butte Junior High before it became Spencer Butte Middle School. He was engaging, held high standards and supported all students to reach these standards. He believed that exceptional mental preparation was the only way to achieve exceptional physical
performance. One example that encompassed Jerry’s compassion and high expectations was the “hill run.” Every student who ran “The Hill” a daunting part of the weekly run, remained at the end until the last runner had crossed the finish line. A round of applause was the reward for all participants. Everyone who participated was part of the team and was an equal regardless of ability.

Jerry was an active part of the Eugene community. Two high schools present awards in his name: Churchill presents the Jerry Andrews Tiger Award for the wrestling champion in their program and South Eugene presents the Jerry Andrews Award to the Sophomore Track and Field Athlete of the year. Jerry used athletics as a way of motivating young people to achieve heights they didn’t believe they could reach. Through his nurturing, motivating and prodding, he used sport as a way to help people excel.

Jerry was the Commissioner for Lane County Football Officials for many years and an active promoter of better equipment, training methods and facilities for students. As Commissioner, he rarely officiated the coveted AAA games at Autzen Stadium, but rather assigned himself to the AA schools and to those games greatest distance from Eugene, a testament to his sense of sportsmanship and fair play.

Jerry served in the US Navy as a Gunner Mate on the Fletcher Class Destroyer, USS Conway. Even at a young age, Jerry won three awards; The Victory Medal, American Campaign Medal and the Asiatic-Pacific Campaign Medal, for his leadership during many battles at sea.

2. **Options and Alternatives**: There were no other names brought forward or considered.

3. **Budget/Resource Implications**: The Memorial would cost approx $7500.00 and the cost will be covered by Mr. Andrews’ wife.

**Recommendation**
The superintendent recommends naming the Athletic Field at Spencer Butte Middle School “Jerry Andrews Field.”

14. **Conduct Routine Business**:

   a. **Appoint Clerk and Deputy Clerks for Fiscal Year 2011-12**

      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 Sheldon Berman as District Clerk and Barbara Bellamy and Susan Fahey as Deputy Clerks for the 2011-12 fiscal year. A resolution authorizing them to sign legal documents on behalf of the school district is included in the board packet.
b. **Appoint Executive Officer and Budget Officer for Fiscal Year 2011-12**

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 Sheldon Berman be appointed as Executive Officer and Susan Fahey be appointed as Budget Officer for the 2011-12 fiscal year.

c. **Adopt Resolution Authorizing Interfund Borrowing** (Staff: Mary Nickelson-Hill)

**Action Proposed:**
Approve a resolution authorizing the district to utilize interfund borrowing during the 2011-12 school year.

**Discussion:**

1. **Rationale:**
Annually, board approval is required to authorize the district to utilize interfund borrowing. From time to time, receipts for specified 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.

2. **Options and Alternatives:**
Should the board elect to not approve this resolution, the district would not have the authority to provide loans from one fund to another. Alternatively, the district could obtain a line of credit with a financial institution.

3. **Budget/Resource Implication:**
Should the board decline to approve the proposed resolution, the district may not meet current accounts payable demands. A line of credit from a bank would involve increased staff time and borrowing costs.

4. **Board and Superintendent Goals:**
The proposal supports the Board Goal to provide prudent stewardship of district resources.

**Recommendation:**
The superintendent recommends adoption of the resolution, included in your board packet, authorizing the district to utilize interfund borrowing during the 2011-12 school year.

15. **Approve Proposed Revision to Board Policy JECBD, Homeless Students**
(Staff: Eliza Drummond)

**Action Proposed**
Approve the proposed revision to Board Policy JECBD, Homeless Students
Background
At the April 16, 2011 board meeting, staff presented a new Homeless Student policy to meet the requirements for the McKinney-Vento Homeless Assistance Act. The board approved the policy on May 4, 2011.

Subsequently, staff learned that the text proposed to and adopted by the board was intended to be administrative rules rather than policy.

The superintendent recommends that the board approve the proposed policy revision. The superintendent will then adopt administrative rules to implement the policy.

A copy of the proposed policy is included in your red folder.

X. ITEMS FOR ACTION AT A FUTURE MEETING

1. Approve a Resolution Adopting the 2011-12 Budget, Making Appropriations, Imposing and Categorizing Taxes (Staff: Susan Fahey)

See Background and Discussion sections under Items for Action at This Meeting, Conduct a Public Hearing on the 2011-12 Approved Budget.

Recommendation:
The superintendent will recommend that you adopt the 2011-12 Budget as amended above including the targeted funding FTE. The superintendent will recommend approval of a resolution adopting the budget, making appropriations, and imposing and categorizing taxes. The debt service fund tax levy will be revised as provided above, from $14,597,778 to $15,654,454.

2. Administer the Oaths of Office

At the July 13, 2011 board meeting, the superintendent will administer the oaths of office to the four (4) re-elected board members all for four year terms, July 1, 2011 – June 30, 2015: Alicia Hays, Position 1; Craig Smith, Position 4; Jim Torrey, Position 5; and Mary Walston, Position 7.

3. Organize the Board of Directors for the 2011-12 School Year

As the first order of business at the July 13, 2011 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 13, 2011 should elect the chair for the fiscal year ending June 30, 2012.

(2) Vice-Chair: The Board of Directors should then elect the vice chair for the fiscal year ending June 30, 2012.
b. **Authorize the Chair and Vice Chair to Sign for the District During the 2011-12 Fiscal Year**

The names of the newly elected board officers will be added to a resolution at the July 13 meeting.

The superintendent will recommend approval of the resolution authorizing the board officers to sign for the district during the 2011-12 fiscal year. A copy of the resolution is included in the board packet.

4. **Appoint Legal Counsel and Auditor for Fiscal Year 2011-12** *(Staff: Mary Nickelson-Hill)*

**Action Proposed:**
Appoint legal counsel and auditor for fiscal year 2011-12.

**Discussion:**

1. **Rationale:**
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.

2. **Options and Alternatives:**
Should the board elect to not appoint Luvaas Cobb as legal counsel or Grove, Mueller & Swank, P.C. as auditor at this time, it would require the district to adhere to Board Policy DJCA, Personal Services Contracts which at a minimum requires written findings for contracts over $25,000 but under $75,000. Personal services contracts between $75,000 and $150,000 must be procured by an informal competitive process in which the district solicits proposals or at least consider three firms, provided there are three firms that are deemed capable of performing the work.

3. **Budget/Resource Implication:**
Should the board decline to appoint legal counsel and auditor, resources would be required to research and obtain quotes for these services. Auditing services would be delayed because of the time needed to solicit and review proposals and the district may not meet the completion date of required reports according to Oregon statutes.

4. **Board and Superintendent Goals:**
The proposal supports the Board Goal to provide prudent stewardship of district resources.

**Recommendation:**
The superintendent recommends that Luvaas Cobb be retained as legal counsel for the 2011-12 fiscal year. The superintendent further recommends that Grove, Mueller & Swank, P.C. be appointed to conduct the 2010-11 annual audit, during the 2011-12 fiscal year, as required by Oregon statute.
XI. COMMENTS AND COMMITTEE REPORTS BY INDIVIDUAL BOARD MEMBERS

XII. ADJOURN

Calendar for Board Members

Wednesday, June 22  Special Meeting to Adopt Budget  7:45 pm
Wednesday, July 13  Special Board Meeting  TBD