TO: Board of Directors

FROM: George Russell
Superintendent of Schools

RE: Reports and Recommendations

6:15 p.m. EXECUTIVE SESSION: Under provisions of ORS 192.610 – 192.690, Open Meeting Laws, the Board of Directors will conduct an Executive Session for the following purpose:

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

7:00 p.m. REGULAR BOARD MEETING

VII. ITEMS FOR INFORMATION

1. Progress Monitoring at the Middle School Level (Staff: Laurie Moses and Marilyn Williams)

Instructional Intervention Progress Monitoring (IIPM) has been an instructional priority in 2009-10. It is being implemented as a way to attain the board goal of increasing achievement for all students as reflected in increases in the percentage of students meeting OAKS benchmarks and in the percentage of students graduating from high school.

Progress monitoring measures growth in student learning over time. It gives teachers a sound basis for adjusting classroom instruction and for utilizing interventions so that all students meet learning standards.

At the middle level, the district is implementing a district wide system, rather than site-based changes, to develop and use the practice of progress monitoring in a common, coordinated way. Key to this approach at the middle level are building-based staff development specialists (0.4 FTE at each middle school) who work together to create common ways of training teachers for using progress monitoring and implementing interventions.

Director of Secondary Education Laurie Moses and Marilyn Williams, who coordinates the work of staff development specialists, will introduce progress monitoring and present an overview of the district's work with it at the middle school level. Rick Gaultney, principal at Madison Middle School, and Jan Cagle, staff development specialist at Madison, will describe how the middle level staff development specialist and IIPM have changed the school's ability to meet the needs of students.
VIII. ITEMS FOR ACTION AT THIS MEETING

1. **Ratify Contract with Eugene Education Association for 2010-13** (Staff: Christine Nesbit)

The district and Eugene Education Association (EEA) representatives have reached tentative agreement on terms for a three-year agreement beginning July 1, 2010 through June 30, 2013. The primary economic terms for the first year of the agreement are: cutting seven days (six instructional days and one non-instructional day) from the 2010-11 calendar (with a possible add-back of up to five, depending on funding); 50% funding of step increases during 2010-11; a 1% COLA increase to the annual salary schedule; and a $65 increase in health insurance ($1,090 per month), which would rise to $75 ($1,100 per month) by July 1, 2011. The contract is a three year agreement, with reopeners on the major economic articles in years 2 and 3. A more detailed description of the proposed Tentative Agreement is included in the board packet. The teachers are scheduled to vote on ratification on Tuesday, June 15. Assuming EEA ratification, the superintendent recommends ratification by the board.

2. **Adopt Proposed Findings of Fact Regarding the Sale of the Civic Stadium Property and Approve the Superintendent’s Recommendation for Disposition of Civic Stadium through a Request for Proposal (RFP) Process** (Staff: Jon Lauch)

**Action Proposed:**
Adopt proposed findings of fact regarding the sale of the Civic Stadium property and approve the superintendent’s recommendation for disposition of Civic Stadium through a Request for Proposal (RFP) process.

**Background:**
On February 3, 2010 you received a summary report from the district’s real estate consultants regarding the Civic Stadium property. The report included two recommendations: 1) That the district pursue a zone change for the property north of the 20th Avenue right-of-way (from R-1 to R-2) and to market the two lots for sale; and 2) that the district use a Request for Proposal (RFP) process to solicit proposals for the disposition/acquisition of the larger stadium parcel.

On February 17, 2010 you approved moving forward with a zone change request for the north lots from R-1 (low density residential) to R-2 (medium density residential). The zone change was approved and will go into effect on June 1, 2010, providing that no appeals are made in the interim. A community meeting was conducted on February 25, 2010 to gather input from the neighborhood and to collect feedback in response to the consultants’ report and
recommendations. In addition, an online comment form was posted on the district web site for one week (February 25 – March 5). The results from the community meeting and web comment form were summarized at the regular board meeting on March 17, 2010.

On May 19, 2010, you received a summary presentation of the proposed Findings of Fact regarding the sale of this property. You were provided with printed copies of the proposed findings on May 5, 2010 and the report was posted on the district’s web site on May 6, 2010. District need for the property, impact to the surrounding neighborhood, land use, fiscal considerations, and alternative property uses were evaluated in developing the proposed findings.

The board conducted a public hearing on June 2. Adjacent property owners and public agencies have been notified regarding the proposed sale and the schedule for the Land Use Process.

Discussion:
A summary of the proposed findings was presented at the May 19, 2010 meeting. The proposed findings are based upon the evaluation criteria approved by the board and listed above. You have each received a printed copy of the proposed findings and supporting documents. The proposed findings along with all appendices are available for viewing and download from the district’s web site.

1. Rationale: As established in the Proposed Findings Of Fact, the School District makes the following findings of fact with respect to the district need for the property, impact to the surrounding neighborhood, land use, fiscal considerations, and alternative property uses:

   a) **School District Need for the Property:** With the installation of the synthetic turf athletic fields, the Civic Stadium site is no longer needed for high school football. While it is beneficial to have access to the Civic Stadium field for high school baseball and fall soccer, there are adequate facilities, especially after improvements are effected, on the South Eugene High School (SEHS) site to accommodate high school athletic needs on par with, or at a higher level than other 4J high schools. The parking area on the stadium property is not needed to meet the parking needs for SEHS operations. Access to the stadium property, if available, for event parking would be beneficial, so future joint-use parking agreements should be considered. Storage functions currently located on the property can be reduced/eliminated, or relocated. The property is no longer needed to support student transportation operations.

   b) **Impact to the Surrounding Neighborhood and Community:** Continued use of the property and stadium as status quo, or with similar use to that of the Eugene Emeralds, is likely to have a “no-change” impact on the neighborhood. Alternative use of the property and structures will have some impact on the neighborhood. Whether the impact is positive or negative will depend upon individual perspective and upon what that final use becomes. Community recreation or services, such as an expanded homeless shelter, or YMCA facilities would also have positive benefits for the community. On the other hand, given its prime location and proximity to major thoroughfares and commercial enterprises, mixed-use development of the property, with an
emphasize on medium density housing, is a possibility. Development of the property within the urban core would fulfill an identified need for additional commercial, residential, and/or mixed-use land in Eugene. Future development of the site could require realignment of northbound Willamette Street to Oak Street which would have a positive benefit for commuter (and perhaps neighborhood) traffic and could help resolve access issues with adjacent privately-owned residential properties. Redevelopment of the site without retention of the stadium structure and ball fields would result in a sense of loss for the local neighborhood both for the historical connections and the community sports/entertainment venue.

c) **Conformity with Applicable Land Use Plans:** A decision to offer the property for sale to another public agency, or to a non-profit organization established primarily to provide public uses allowed under the PL zoning designation does not affect zoning, and, therefore would be consistent with applicable land use plans. Sale of the property for private use would require zone change for areas currently zoned PL.

d) **Fiscal Considerations:** It is in the district’s best financial interest to sell the property in order to reduce ongoing maintenance costs, significant and looming capital costs, and other risks of ownership. There are immediate district needs toward which the proceeds could be applied. It is not in the district’s interest to invest in the existing structures with regard to restorative efforts since the question of preservation remains to be answered at the present time. Current market conditions indicate potential interest in the property for affordable housing, homeless shelter and related services, mixed-use development, recreational facilities such as the YMCA, and other potential community uses yet to be clearly defined. The feasibility study commissioned by the Save Civic Stadium organization provides additional information regarding potential uses and users so that a target audience can be identified for distribution of marketing information. The intent of the successful purchaser will determine if existing structures are demolished or retained. The potential also exists for a ground lease where the district would be free from financial liabilities of operating, capital, and development costs, while maintaining ownership of the property. This could generate an income stream to the district, and the district would own the improvements at the conclusion of the lease. Depending upon use and change in ownership, the property could potentially generate property tax revenue in support of the district.

e) **Property Uses Considered:** Sale of the property on the open market will be the prime determinant of future use. Using the RFP process is expected to allow for the broadest range of proposed uses, including potential preservation of the stadium grandstands. If it is not possible to achieve a reasonable market rate value appropriate to a mixed-use application, the district could consider rezoning to R-2 prior to selling the property, or the option to offer the property for other purposes. Marketing the property now with the buildings intact provides the greatest level of flexibility for the property.

2. **Options and Alternatives:** The board may accept the findings of fact as submitted, or reject the findings or modify them to reflect additional staff or community input. The board may also reject or revise the superintendent’s recommendation to
dispose of the property; or, determine other options for sale, lease or trade of the property.

3. **Budget/ Resource Implications:** 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. The district’s current financial situation is one in which a disposition of the Civic Stadium site without some revenue realization is not a prudent option. Some of the proceeds from disposition of Civic Stadium will need to be used to provide for a suitable facility for SEHS baseball and soccer use.

4. **Board and Superintendent Goals:** Disposition of Civic Stadium property will support the board goals related to prudent stewardship of district resources and implementing a sustainable budget by eliminating ongoing capital costs associated with operation and maintenance, and providing revenue that can be used to support unfunded or underfunded facility needs.

**Recommendation(s):**
The superintendent recommends disposing of the Civic Stadium property and marketing the property for sale, long-term lease or trade using a Request for Proposal (RFP) process. The proposed motion for board approval is:

Adopt Proposed Findings of Fact Regarding the Sale of the Civic Stadium Property (as submitted, amended, or modified) and Approve the Superintendent’s Recommendation for Disposition of Civic Stadium through a Request for Proposal (RFP) Process.

3. **Approve a Resolution Adopting the 2010-11 Budget, Making Appropriations, Imposing and Categorizing Taxes**  
(Staff: Susan Fahey)

**Action Proposed:**
The superintendent recommends that you adopt the 2010-11 approved budget as revised to reflect a further $6.8 million reduction in State School Fund revenues, the results of a tentative contractual agreement between the district and the Eugene Education Association, additional general fund budget reduction strategies, and the inclusion of targeted funding FTE. The superintendent will recommend approval of a resolution adopting the budget, making appropriations, and imposing and categorizing taxes.

**Background:**
On May 10, 2010, the Budget Committee unanimously approved the proposed budget as presented by the superintendent and amended to include two items: 1) a $1 million transfer to the District Retirement Fund to supplement the PERS reserve, and 2) an additional $200,000 to mitigate the effects of licensed staffing reductions. The approved budget totaled $297.4 million, an increase of $7.0 million or 2.4% from the 2009-10 adopted budget. This primarily represented increases in the general fund as contingencies and ending fund balance were brought up to board policy levels, and the insurance reserve fund grew due to increased health care costs. Smaller increases occurred in the debt service and fleet and equipment funds. Offsetting the increases were declines to the capital projects fund due to fully expending bond proceeds in 2009-10 and the federal, state and local programs fund as American Recovery and Reinvestment Act funding sunsets.
General Fund - Approved
The approved budget was built based on a $6 billion 2009-11 state K-12 education funding level which was finalized during the February 2010 special legislative session. The approved general fund operating budget of $146.1 million (excluding contingency and unappropriated ending fund balance) increased by $2.3 million—or by 1.6%, which is not sufficient to maintain current service levels. Reserves are being drawn down to fund services and plan for additional sustainable reductions. Changes include $136,000 in funding for intervention training which was previously paid with grant funds and $140,000 for additional bus routes. Budget reduction areas consist of using $5.1 million of reserves as a short term strategy, and on-going reductions in central office and administration of $1.2 million and an additional $1.2 million in school-based staffing. The specific list of service level changes approved by the budget committee is found on page 19 of the 2010-11 Proposed Budget.

General Fund - Update
On May 25, 2010, based on an updated state economic forecast, the State of Oregon announced a $577 deficit shortfall largely resulting from weak personal income tax collections. Governor Kulongoski directed state agencies to develop plans to implement cuts of approximately 9% for 2010-11. The effect on district revenues is a drop of $351 per average daily membership, weighted, or $6.8 million.

To address the resulting general fund budget shortfall, on June 2, 2010 the budget committee discussed the following options:

- Increase the general fund beginning fund balance by $2 million, as a result of eliminating the 2009-10 PERS reserve transfer and reducing the fleet fund transfer;
- Eliminate the 2010-11 PERS reserve transfer; and
- Adjust the Contingency and Ending Fund Balance to reflect lower requirements, based on lower revenues and expenditures.

The above items reduce the $6.8 million deficit by approximately 50% and are included in the budget that I am recommending be adopted at the meeting. The committee discussed covering the remaining deficit using employee compensation strategies given the fact that 85% of the district’s budget is comprised of staffing related expenditures.

In addition, on June 10, 2010, the district and Eugene Education Association representatives reached a tentative agreement in employee contract negotiations. The agreement includes a reduction of seven days. Given the terms of the agreement, I am recommending the following budget changes be included in the adopted budget:

- Reduce salary and benefit accounts by the equivalent of seven days for all employees;
- Lower school and department discretionary accounts by 10%; and
- Drop the Contingency to 1.8% from the 2% target in board policy.

Estimated reserves, including the Ending Fund Balance and projected underspending, remain at the board target of 5% of operating revenues.

With these changes, the adopted general fund budget totals $136.6 million, 5.0% below the 2009-10 adopted budget. It is important to note that this budget follows the 2009-10 budget, which resulted in a 9.2% decrease from the prior year.
As in prior years, I recommend 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 $2.2 million in targeted funding is used to fund teachers and instructional assistants. For the adopted budget, I propose to increase licensed FTE by 8.27 and classified FTE by 15.09 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.

Discussion:
1. Rationale: Oregon Revised Statute (ORS) 294.435 requires that the board approve a resolution formally adopting the budget, making appropriations and imposing and categorizing taxes. This must occur once a budget hearing has been held and public comments received, no later than June 30. Without an adopted budget and proper appropriations, the district has no legal authority to spend money. Any spending in the fiscal year without proper appropriations violates the law and, under ORS 294.100, members of the governing body are personally liable for any unlawful expenditure.

2. Options and Alternatives: ORS does not provide for any alternatives to this process. Board action could be deferred to a later date but must occur on or before June 30, 2010.

3. Budget/Resource Implications: Adoption of the budget is required to establish legal spending authority and certify to the assessor an ad valorem tax rate for the fiscal year beginning July 1, 2010.

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 adopt the 2010-11 budget as amended to increase general fund beginning fund balance by $2 million, eliminate the 2010-11 PERS reserve transfer, reduce salary and benefit accounts by the equivalent of seven days for all employees, lower school and department discretionary accounts by 10%, adjust the Contingency and Ending Fund Balance to reflect lower requirements, drop the Contingency to 1.8% from the 2% target in board policy, and include targeted funding FTE. The superintendent recommends approval of a resolution adopting the budget, making appropriations, and imposing and categorizing taxes. A copy of the resolution will be included in the red folder at this board meeting.

4. Approve Revisions to Board Policy ECB-Landscape Management and Policy KG-Community Use of School Buildings (Staff: Jon Lauch)

Background:
The proposed changes to Board Policy ECB-Landscape Management and Policy KG-Community Use of School Buildings are made for clarification and consistency with Administrative Rules updated in 2008-09. Copies of the current policies with proposed revisions are included in the board packet.
**Discussion:**
The revisions are proposed in order to gain consistency in language and cross-referencing between Board Policy, Administrative Rule, and Department Guidelines and Procedures. Leaving the policies unchanged may create some confusion due to the current inconsistencies. There are no budget or resource implications associated with the proposed updates. There are no specific board or superintendent goals directly related to the proposed revisions.

**Recommendation:**
The superintendent recommends approval of the revisions to Board Policy ECB and Policy KG as proposed.

5. **Approve Revisions to Board Policy DFDB-Disposition of Property** (Staff: Jon Lauch)

**Background:**
The proposed change to Board Policy DFDB-Disposition of Property, is made for clarification and consistency with current and past practice. Current policy suggests that a Request for Proposal (RFP) process will be used for most long-term leases, sales, and trades. While the RFP process is appropriate for most long-term leases, it is not the general practice of the district to utilize the RFP process for a sale and it is unlikely that such a process would ever be used for a trade. The proposed revision would clarify that an RFP process would be used for most long-term leases, and could be utilized for a sale. A copy of the current policy with proposed revisions is included in the board packet.

**Discussion:**
The RFP process has not been used for the six property sales that have taken place between 2003 and 2007. Current language can be misleading and is not consistent with practice. Leaving the policies unchanged may create some confusion due to the current inconsistencies. There are no budget or resource implications associated with the proposed updates. There are no specific board or superintendent goals directly related to the proposed revisions.

**Recommendation:**
The superintendent recommends approval of the revisions to Board Policy DFDB as proposed.

6. **Approve Revisions to Board Policy EEA-Student Travel** (Staff: Jon Lauch)

**Background:**
There are two proposed changes to Board Policy EEA-Student Travel. The first change clarifies the communication path, training, and confidentiality around student medical and behavioral protocols. The second change modifies the language regarding transportation between schools and day care facilities, limiting such transportation to that approved by the Oregon Department of Education and for non-approved transportation that does not add significant cost to the district. The change eliminates language referring to added-cost transportation services that would be reimbursed via use agreements.

A copy of the current policy with proposed revisions is included in the board packet.
Discussion:
Since the first change (regarding student information) is basically “housekeeping”, the discussion below pertains specifically to the proposed change to policy around transportation between schools and day care facilities.

1. **Rationale:** Current language suggests that the district could enter into use agreements to provide transportation on a cost-reimbursement basis. Deleting the language will discourage such requests which otherwise would require district staff to conduct evaluations, draft agreements, and put billing and reimbursement mechanisms into place. Current resources are such that staff time is not practically available for such efforts. According to current district collective knowledge, provisions under this clause have never been utilized; at least not in the past 20 years.

2. **Options and Alternatives:** Leaving the current language intact is possible, but could result in encouraging requests for cost-added transportation services requiring staff time for evaluation and response. In addition, providing for-fee transportation services for businesses (even for not-for-profit businesses) could be in conflict with law that prohibits publicly funded transportation from competing with private transportation enterprises.

3. **Budget/Resource Implications:** Current policy allows for reimbursement of costs for transportation services. However, allocation of staff resources for evaluation and response to requests is not practical at current staffing levels.

4. **Board and Superintendent Goals:** The proposed policy revisions support the Board Goal to: “Provide prudent stewardship of district resources to best support student success, educational equity and choice,” and will help to maximize administrative and operational efficiencies by precluding the potential added work associated with evaluating and responding to potential requests for non cost-neutral transportation services.

**Recommendation:**
The superintendent recommends approval of the revisions to Board Policy EEA-Student Travel as proposed.

7. **Approve Revisions to Board Policy KJA-Distribution of Materials and Policy JEFS-Released Time for Students (Staff: Barb Bellamy)**

**Action Proposed:**
Approve two policy revisions to align board policy with case law regarding distribution of religious information in schools and with current U.S. Department of Education Guidelines for Religious Expression in Schools.

**Background:**
A 2003 court decision, *Hills v. Scottsdale Unified School District* (9th Cir 2003) held that schools must treat the distribution of religious literature provided by non-school groups or other students on equal terms and conditions as other written materials. Schools may impose reasonable restrictions on the time, place and manner of distribution. The same restrictions must apply to both religious and non-religious literature.
The district's Student Rights and Responsibilities Handbook and administrative rules require that all materials distributed or posted within a school must identify the name, mailing address, and telephone number of the sponsoring individual or group. No materials may be sent home with students except those related to school or district activities, unless approved by the principal. Other materials may be placed in a central location for interested students or parents.

**Discussion:**
The proposed revision to Board Policy KJA deletes language that prohibits the distribution of written materials, provided by a non-student group, that advocates religion or a particular religious teaching.

The proposed revision to Board Policy JEFB-Released Time for Students, adds language to clarify that students have the right to distribute religious literature to their schoolmates on the same terms as they are permitted to distribute other non-school sponsored literature.

There are no budget or resource implications. These policy revisions are not directly related to a board or superintendent goal. The proposed policy revisions are included in the board packet.

**Recommendation:**
The superintendent recommends approval of Board Policy KJA-Distribution of Materials and JEFB-Released Time for Students, as revised.

8. **Approve Revision to Board Policy JGAB-Use of Restraint and Seclusion** (Staff: Barb Bellamy)

**Action Proposed:**
Approve a revision to Board Policy JGAB to correct an error in a reference to another board policy.

**Background:**
On March 3, 2010, the board approved a new policy, Board Policy JGAB-Use of Restraint and Seclusion.

A sentence in the policy says: “The district shall investigate all complaints regarding the use of restraint and/or seclusion practices according to the procedures outlines in Board Policy KL and KL-AR.” The policy reference was incorrect. The correct policy is Board Policy KLD-Commendation and Criticism of Employees. The proposed policy revision is included in the board packet.

**Recommendation:**
The superintendent recommends approval of Board Policy JGAB-Use of Restraint and Seclusion, as revised.
9. **Approve Revisions to Board Policies DI and DJCA-Delegated Authority for Purchases Under $150,000** (Staff: Caroline Passerotti)

**Action Proposed:** Approval of proposed revisions to Board Policies DI and DJCA-Delegated Authority for Purchases Under $150,000.

**Background:** Board Policy DI-Financial Management Policies, was originally adopted on January 17, 1990. The policy has been revised ten times, most recently on August 2, 2006. Board Policy DJCA-Personal Services Contracts, was originally adopted on July 2, 1973, and has been revised five times, most recently on August 16, 2006. Copies of the current policies with proposed revisions are included in the board packet.

**Discussion:**
1. **Rationale:** In both policies, there is an identical section entitled, “Delegated Authority for Purchases Under $150,000” which grants authority, in specified positions, to sign all contracts, contract amendments, and change orders under $150,000, except those that are for public improvements. Staff would like to revise the title of one position on this list to reflect the reorganization of the Finance and Support Services Department. In order for the Financial Analysis and Budget Manager to carry out his/her duties, it is necessary to extend signing authority to this position.

2. **Options and Alternatives:** The board can reject, modify or accept the proposed revisions.

3. **Budget/Resource Implications:** There are no budget or resource implications associated with the proposed updates.

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 approval of the section entitled, “Delegated Authority for Purchases Under $150,000” found in Board Policies DI and DJCA, as revised.

10. **Approve Revisions to Board Policy DJCA-Personal Services Contracts** (Staff: Caroline Passerotti)

**Action Proposed:** Approval of proposed revisions to Board Policy DJCA-Personal Services Contracts.

**Background:** Board Policy DJCA-Personal Services Contracts, was originally adopted on July 2, 1973, and has been revised five times, most recently on August 16, 2006. A copy of the current policy with proposed revisions is included in the board packet.

**Discussion:**
1. **Rationale:** District staff recommends revising Board Policy DJCA to address changes in purchasing laws and regulations. The recommendation has been discussed with district legal counsel.
2. **Options and Alternatives:** The board can reject, modify or accept the proposed revisions.

3. **Budget/Resource Implications:** There are no known budget or resource implications associated with the proposed updates.

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 approval of Board Policy DJCA-Personal Services Contracts, as revised.

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

1. **Set the Tuition Rates for the 2010-11 School Year** (Staff: Susan Fahey/Larry Sullivan)

**Action Proposed:** Set tuition rates for the 2010-11 school year.

**Background:** Each year a number of 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: $5,445 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: $6,930 or $770 per month (nine months)

These rates represent no increases for Kindergarten through grade 8, and a $40/month increase for grades 9-12.

**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 and middle school learning centers and a 15% increase at the high school level.

**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 2010-11 projected enrollment. Rates for students with special needs are calculated
based on the December special education census and 2010-11 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.

2. **Set School Lunch and Breakfast Prices for the 2010-11 School Year** (Staff: Susan Fahey and Rick Sherman)

**Action Proposed:** Set School Lunch and Breakfast prices for the 2010-11 school year.

**Background:** Nutrition Services has continued their efforts to implement healthier meals which includes a focus on whole grain products and fresh and local products. These improvements combined with rising food and compensation costs have resulted in higher program expenses. Nutrition Services management also analyzes other district meal prices and recommends any pricing adjustments for the following year. The following prices are proposed:

**Paid Breakfast**

<table>
<thead>
<tr>
<th>Level</th>
<th>Proposed Price 2010-11</th>
<th>2009-10 Price</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>$1.20</td>
<td>$1.20</td>
<td>$0.00</td>
</tr>
<tr>
<td>Middle</td>
<td>$1.35</td>
<td>$1.35</td>
<td>$0.00</td>
</tr>
<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 2010-11.

**Paid Lunch**

<table>
<thead>
<tr>
<th>Level</th>
<th>Proposed Price 2010-11</th>
<th>2009-10 Price</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>$2.25</td>
<td>$2.15</td>
<td>$0.10</td>
</tr>
<tr>
<td>Middle</td>
<td>$2.50</td>
<td>$2.50</td>
<td>$0.00</td>
</tr>
<tr>
<td>High</td>
<td>$2.60</td>
<td>$2.60</td>
<td>$0.00</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 proposed increase, elementary paid lunch revenue is below that received for students qualifying for free or reduced price meals.
### Elementary Lunch Revenue by Level of Subsidy

<table>
<thead>
<tr>
<th>Level</th>
<th>2010-11 Federal Subsidy (projected)</th>
<th>Meal Price</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free</td>
<td>$2.77</td>
<td>$0</td>
<td>$2.77</td>
</tr>
<tr>
<td>Reduced</td>
<td>$2.37</td>
<td>$0.40</td>
<td>$2.77</td>
</tr>
<tr>
<td>Paid</td>
<td>$0.25</td>
<td>$2.25 (proposed)</td>
<td>$2.50</td>
</tr>
</tbody>
</table>

**Discussion:**

1. **Rationale:** In keeping up with current inflation of the cost of goods, including food and disposable products, it is necessary to adjust pricing. To ensure the reasonableness of prices, approximately 50 school districts were surveyed. The proposed paid elementary lunch price would put the district in the top 30% of districts surveyed. Other districts with elementary lunch prices at or above $2.25 include: Ashland, Beaverton, McMinnville, Redmond, 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.

2. **Options and Alternatives:** The board may approve the proposed lunch increase or amend the increase.

3. **Budget/Resource Implications:** Nutrition Services staff projects that an additional $25,578 in revenues would be received as a result of this increase. Staff does not anticipate that participation will be adversely effected.

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 lunch price increase as proposed.

3. **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 2009-10 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 2009-10, the following transactions are proposed:

   **General Fund**
   Increase the Instruction appropriation by $1,600,000 and decrease the Supporting Services by the same amount to align budget appropriations with projected expenditures.

   Increase the Transfers appropriation by $974,229 and decrease appropriations for Instruction by $589,710 and for Supporting Services by $384,519, to create authority to transfer potential budget savings to the Fleet and Equipment Fund for reserves to purchase textbooks and equipment.

   **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 $10,000 and the Enterprise and Community Services appropriation by $50,000, and decrease the Operating Contingency appropriation by $60,000 to establish spending authority sufficient to cover projected expenditures.

   **District Retirement Fund**
   Increase the Supporting Services appropriation by $500,000 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.
4. **Approve Alternative Education Options Contracts**  
(Staff: Brad New and Caroline Passerotti)

**Action Proposed:** Approve contracts with Northwest Youth Corps, Wellsprings Friends School and Looking Glass Youth & Family Services Inc. for alternative education options.

**Background:** In February of 2009, High School Services performed a comprehensive study of the effectiveness and efficiency of district and private alternative programs. In response to recommendations made in the report, a needs assessment of students in private alternative programs was performed to determine which service delivery methods best fit their needs. It was determined that a solicitation for alternative education options would specify these services as well as establish performance measures which would ensure that acceptable retention and completion rates are achieved. Seven program areas for middle and high school students were identified: Project Based Learning, Middle School Intervention, Outdoor School, Career Transitions, Teen Parents, Homeless Students and Expelled Students.

**Discussion:**

1. **Rationale:** To ensure an efficient use of district resources and maximize positive outcomes for students, a Request for Proposals was issued April 28, 2010, soliciting responses locally and nationally for the provision of alternative education options. It provided for one-year contracts with an option for four additional annual renewals.

Responses were received from five companies: Looking Glass Youth & Family Services Inc., Northwest Youth Corps, Creative Minds Alternative School, Inc., Center for Appropriate Transport (CAT), and Wellsprings Friends School, all located in Eugene, Oregon.

An evaluation team representing the Instruction, Educational Support Services and Financial Services departments assessed the responses. The table below shows the program areas responded to and results of the team evaluation. Scores represent average points assigned out of 100 points possible for each program. Bolded items indicate programs recommended for receiving awards.

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Looking Glass</th>
<th>NW Youth Corps</th>
<th>Wellsprings</th>
<th>Creative Minds</th>
<th>CAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Based</td>
<td>90.8</td>
<td>78.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle School</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outdoor School</td>
<td></td>
<td>91.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career Transitions</td>
<td>92.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teen Parents</td>
<td>89.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeless Students</td>
<td>89.2</td>
<td></td>
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<tr>
<td>Expelled Students</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>70.4</td>
<td></td>
<td>72.6</td>
<td>56.6</td>
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</tbody>
</table>

There were no proposals submitted for Middle School or Expulsion programs. Students needing services in these areas will be accommodated in other programs.
Although this recommendation does not include awards to Creative Minds or CAT, it is expected that students will continue to be referred to those programs under existing contracts, to maintain continuity for current students.

2. **Options and Alternatives:** The district has created an assessment and referral process that places middle and high school students appropriately into the available seats in these programs. Should the board not approve these awards, options for these students would be severely restricted. It is considered to be cost prohibitive for the district to create specialized programs for such small groups of students.

3. **Budget/Resource Implication:** Payment to alternative education providers is the actual per pupil cost of the provider’s program or an amount equal to 80% of the district’s estimated current year average per pupil net operating expenditure as defined in OAR 581-023-0041, whichever is less, under ORS 336.635. Eighty percent of the net operating expenditure for 2009-10 was calculated to be $6,164 (80% of $7,705, the district’s estimated net operating expenditure). Assuming a total annual district maximum ADM of 113 for all programs, the cost of this award would be approximately $700,000 in 2009-10. The district’s estimated net operating expenditure for 2010-11 has not yet been calculated but is expected to be lower than in 2009-10.

4. **Board and Superintendent Goals:** The key motivation for this recommendation is to increase achievement for all students and close the achievement gap. It also proposes an efficient use of district resources, which responds to the board goal of providing prudent stewardship of district resources to best support student success, educational equity and choice.

**Recommendation:**
The superintendent recommends awarding contracts for alternative education services to the following programs: Wellsprings Friends School, Project Based Learning; Northwest Youth Corps, Project Based Learning and Outdoor School; and Looking Glass Youth & Family Services Inc., Career Transitions, Teen Parents and Homeless Students.

5. **Approve the Establishment of Eugene Education Options School** *(Staff: Brad New)*

Beginning with the 2011-12 school year, the district would like to consolidate the current three alternative education high schools into one single high school. The three current alternative high schools to be consolidated are North Eugene Alternative High School, Churchill Alternative High School and Opportunity Center. The new high school will be called Eugene Education Options. An application will be made to the Oregon Department of Education to request a new Institution ID number be issued in preparation for this new school.
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 2009-10. A copy of the resolution is included in the board packet.

7. **Approve Expenditures for April and May 2010**  
(Staff: John Ewing)

Summaries of the district’s expenditures for April 2010, totaling $20,846,335.88 and May 2010, totaling $17,168,475.16 are included in the board packet.

The superintendent recommends approval of the April and May 2010 expenditures.

8. **Approve Grant Application: Energy and Water Education Grant**  
(Staff: Carl Hermanns)

Staff from the Instruction Department submitted a grant application to the Eugene Water and Electric Board (EWEB) for $296,253. Since 1996, EWEB has provided the district with a grant to fund water and energy education. The grant has provided support in the district’s educational efforts focusing on energy, water, local watersheds, conservation, recycling, and the environment. This grant will allow the district to continue these important efforts.

The superintendent recommends approval of the grant application. A copy of the grant description form is included in the board packet.
9. **Conduct Routine Business**

a. **Appoint Clerk and Deputy Clerks for Fiscal Year 2010-11**

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 2010-11 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 2010-11**

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 2010-11 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 2010-11 school year.

d. **Designate School Depositories for Fiscal Year 2010-11**

It is necessary for the board of directors to designate depositories for the 2010-11 fiscal year. A copy of the resolution designating depositories for Lane County School District 4J, effective July 1, 2010 through June 30, 2011, is included in your board packet.

The superintendent recommends adoption of the resolution designating depositories for School District 4J, effective July 1, 2010 through June 30, 2011.

e. **Appoint Legal Counsel and Auditor for Fiscal Year 2010-11**

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 2010-11 fiscal year. The superintendent further recommends that Grove, Mueller &
Swank, P.C. be appointed to conduct the 2009-10 annual audit, during the 2010-11 fiscal year, as required by Oregon statute.

10. **Approve Board Meeting Minutes**

The superintendent recommends approval of the minutes from the April 21, 2010 and May 5, 2010 regular board meetings. Copies of the minutes are 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 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. **Organize the Board of Directors for the 2010-11 School Year**

As the first order of business at the August 4, 2010 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 August 4, 2010 should elect the chair for the fiscal year ending June 30, 2011.

   (2) **Vice-Chair:** The Board of Directors should then elect the vice chair for the fiscal year ending June 30, 2011.

b. **Authorize the Chair and Vice Chair to Sign for the District During the 2010-11 Fiscal Year**

   The names of the newly elected board officers will be added to a resolution at the August 4 meeting.

   The superintendent will recommend approval of the resolution authorizing the board officers to sign for the district during the 2010-11 fiscal year. A copy of the resolution is included in the board packet.

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

XII. **Adjourn**

**CALENDAR FOR BOARD MEMBERS**

Friday, June 11
Churchill Graduation  7 pm
Hult Center – George, Alicia & Jim
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saturday, June 12</td>
<td>Churchill Alternative Graduation</td>
<td>7 pm</td>
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<tr>
<td></td>
<td>Churchill Auditorium - Laurie &amp; Craig</td>
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<tr>
<td></td>
<td>North Eugene Graduation</td>
<td>3 pm</td>
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<td></td>
<td>Swede Johnson Stadium – George, Mary &amp; Jim</td>
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<tr>
<td></td>
<td>South Eugene Graduation</td>
<td>7 pm</td>
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<tr>
<td></td>
<td>Hult Center – Carl, Alicia &amp; Anne Marie</td>
<td></td>
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<tr>
<td>Tuesday, June 15</td>
<td>Opportunity Center Graduation</td>
<td>7:30 pm</td>
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<tr>
<td></td>
<td>SEHS Auditorium – Laurie, Beth &amp; Mary</td>
<td></td>
</tr>
<tr>
<td>Wednesday, June 16</td>
<td>Executive Session</td>
<td>6:15 pm</td>
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<tr>
<td></td>
<td>Regular Board Meeting</td>
<td>7 pm</td>
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<tr>
<td>Wednesday, August 4</td>
<td>Regular Board Meeting</td>
<td>7 pm</td>
</tr>
<tr>
<td>Wednesday, August 18</td>
<td>Regular Board Meeting</td>
<td>7 pm</td>
</tr>
<tr>
<td>Thursday, August 19</td>
<td>Board Retreat – Parr Room</td>
<td>5:30 - 8 pm</td>
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<tr>
<td>Friday, August 20</td>
<td>Board Retreat – Serbu Center</td>
<td>8 am - 5 pm</td>
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