

Board Special Meeting
Monthly Audit & Finance Meeting
Monday, March 18, 2019, 4:30-6:30pm
Board Office Conference Room, John Stanford Center
2445 – 3rd Avenue South, Seattle WA 98134



Minutes

Call to Order

This meeting was called to order at 4:34 pm Directors Pinkham, Geary and Mack were present.

Chief Financial Officer JoLynn Berge staffed this meeting.

Approval of agenda: Director Geary moved to approve the agenda. Director Mack seconded. This motion passed unanimously.

Approval of meeting minutes: Director Mack moved to approve the January 14, 2019 meeting minutes. Director Geary seconded. This motion passed.

Board Action Reports

1. BAR: Adopting new Board Policy No. 5283, Social Media Use by Employees (Campbell/ Hill)
Communications Specialist Erin Hill spoke about policy 5283 that will give guidance to employees on social media use. She explained the use of the policy will help schools and central office use social media as a communication tool. Ms. Hill reviewed the possibility of trainings for staff and archiving of closed accounts no longer in use.

Director Mack asked if a Washington State School Directors' Association (WSSDA) and other school district policies exists. Director of Policy & Board Relations, Elie Wilson-Jones made a correction that WSSDA does not have a current social media policy.

Directors had concerns with the lack of direction of this policy as currently written. They would like to see other Districts policies for review.

Chief of Public Affairs Carri Campbell spoke about how the intent of this policy is to recognize social media is being used by staff without direction. And we need staff to be using it as a professional tool.

Directors do not like current language and would like it revised to add additional policy language.

Director Geary asked if the Superintendent should be mentioned to have confidentiality. Chief of Human Resources Clover Codd spoke about the student and staff boundaries social media policy that is being drafted.

Directors think the title of this policy should be changed to not be so broad.

Ms. Hill confirmed legal and DoTs have reviewed this policy. Directors would like additional community engagement and submitted to Information Technology Committee. Ms. Campbell agreed to bring it back at a future Audit & Finance committee meeting.

2. BAR: Inter-Local Procurement Agreements (Murphy)

Chief Financial Officer JoLynn Berge spoke about the purpose of this agreement was based on a management letter received from the State Auditor's Office (SAO) notifying the Seattle Public Schools (SPS) if Washington State contracts wanted to be used the SPS should have the School Board pass a resolution to use Federal procurements only. This would eliminate additional work that would usually

need to be done for a purchase to be made. She stated once this resolution was passed the Superintendent Procedure would be updated.

Director Mack would like the procedure to be brought to committee. Director Geary does not think staff need to bring a Superintendent procedure every time.

Manager of Purchasing and Small Works, Craig Murphy spoke about how his department is currently handling interlocal agreements documentation. The Purchasing department will be working on creating a justification form that would provide a checklist to be used in each case.

Director Geary made a motion to move this item forward to the full Board with a recommendation for **Approval** Director Mack seconded. This motion passed unanimously.

3.BAR: Approval of Amendment to Maxim Healthcare Services Contract (Mills)

Director of Special Education Beth Mills spoke about how the Maxim Healthcare provides behavior support. She explained how currently this contract is supporting 22 students and she is requesting to increase the contract an additional \$548K.

Director Geary asked is this an offsite provider. Ms. Mills stated the typical situation is the Behavior Technician works directly with the students and provides additional support and guidance, mostly in our schools.

Director Geary asked about adding in an above safety net statement to the BAR. Ms. Berge explained if we add an additional information about the safety net to this BAR it would set a precedence that is not typical.

Director Geary asked if the sentence that states “the review of special education placement” is an ongoing or formal process. Ms. Mills agrees that sentence doesn’t need to be there and will be removed. Ms. Berge will add the use of safety net statement in the BAR as well.

Director Mack made a motion to move this item forward to the full Board with a recommendation for **Consideration** Director Geary seconded. This motion passed unanimously.

Special Attention Items

1. Annual Report: State & Federal Grants/ Title I Annual Reports (Stone)

Grants Director Michael Stone spoke about how this report will cover grants support given for the District. He explained line items have been broken down of all Title funds received. He explained McKinney Vento is supported by Title funds.

Director Mack asked if the report could list the entire number students for each building. Mr. Stone stated Title I does go into the school wide plan and some schools are targeted assistance and only serving 40-50 students. All funding sources are listed on the big sheet, which the all Directors have previously received.

Mr. Stone explained John Rogers and Licton Springs are the only two schools that are on targeted assistance. He spoke about how two designations for Title I, which is either school wide or targeted assistance.

Director Geary asked if a cost of living adjustment is included. Ms. Berge answered no that is not included.

Director Pinkham asked how many homeless students does the District count. Mr. Stone stated additional home surveys have been done and it showed more students are getting permanent housing and they came off the data. The numbers are around 2000 with 185 that have been released because they no longer match the qualifications.

2. Informational Only: CorVel Contract Status (Codd/ Berge)

Chief of Human Resources Clover Codd spoke about how CorVel process our on the job employee injuries, time loss and worker compensation. She stated they are a third-party administrator. In 2012 the District issued an Request for Proposal (RFP) and accepted CorVel as the contractor. Ms. Codd spoke about three additional amendments were done after that. This is an informational item to notify the committee the District will have to go out this spring for a new contract, the amount is below \$250K. Directors had additional discussion about tracking of contracts and amendments within the District.

3. Informational Only: Personal Services Contract Spaulding (Berge)

Ms. Berge spoke about how the personal services contract for the Project Manager (PM) for the new School Employee Benefits Board (SEBB) project will be exceeding the \$250K threshold the PM will be here until August 31, 2019. The District will have to go out for another RFP after this contract date is completed.

Director Geary asked for the total annual contract amount. Ms. Berge will follow up with that information to the committee members.

4. Informational Only: Sprague Israel Giles (Berge)

Ms. Berge spoke about how in 2015 the District and Sprague Israel Giles (SIG) entered into a three-year contract that did have the option for three 1-year renewals. This informational item is to notify the Audit & Finance committee that the SPS is extending the contract for an extension but only for ten months. Ms. Berge explained how SIG facilitates the helpline for SPS employee benefits on health and dental. Currently we pay SIG \$50K annually and the additional costs are paid by the providers. She explained when SEBB goes forward we will have to go out for another RFP after the first year and the likely cost of the contract will be \$500K. This is a part of SEBB that is unfunded, and we still have additional costs not included in this \$500K.

Director Geary asked if the services provided to employees is covered by insurance companies and SEBB doesn't cover those cost that the District will now have to pay. Ms. Berge confirmed that to be correct. The District will have to have a contractor provide similar administrative services and that will be what is stated in the RFP.

5. Informational Only: Enrollment (Berge)

Ms. Berge spoke about the one-page high level document on how enrollment numbers are generated. It includes the actual October enrollment.

Director Mack asked if we do regional birth rates or is it aggregate. Ms. Berge stated it is on aggregate and we have a birth progression rate that tells us how many children born here come to school here. Ms. Berge will look if it can be broken down by zip code.

Ms. Berge stated the enrollment growth is from the prior year, and all numbers are head count numbers. She reviewed the enrollment growth projection is on a trend line will be the same for 2019-20.

Directors and Ms. Berge reviewed and discussed the actual Annual Average Full Time Employee (AAFTE) numbers and how it is an average overtime in comparison to headcount numbers is at a specific moment in time.

Director Geary left the meeting at 6:28pm.

Regular Agenda Items

1. Monthly Financial Status Update (Berge)

Accounting Director Amy Fleming spoke about how the actuals enrollment vs. projection revenues and expenditures are tracking as expected. Ms. Berge stated from projection we are out 800 Full Time Employees (FTE) from the projection.

Director Mack stated her concerns for a higher projected enrollment loss. Ms. Berge explained how the District has over projected for the last few years, and this year everything is telling us numbers are still trending downward. Additional discussion about enrollment decline.

Director Mack asked if a change to the staffing capacity process was able to be done. Ms. Berge explained over a year ago staff were asked to clarify that capacity meant staffing in the student assignment plan. Ms. Codd confirmed the student assignment plan is how we determine if space is available. Ms. Codd gave additional reasons why the assignment plan has the least amount of disruption for the schools.

Director Mack would like the post open enrollment decline and waitlist data. Ms. Berge explained that data is typically not available until June, but she will speak with Ashley Davies in Enrollment Planning about getting additional data to the committee.

2. Committee Annual Work Plan (Berge)

Director Policy & Board Relations Ellie Wilson-Jones spoke about additional policy items that have been added to the 2019 Audit & Finance Committee work plan.

Directors asked to have the timeline of PTA and private grant to schools added to the workplan for April 22nd. Ms. Berge will bring the big sheet to the next committee meeting.

Directors approved the annual work plan as amended and as a working document.

Adjourn: 7:12pm