

Board Special Meeting

A&F Committee

September 11, 2017, 4:30

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 4:32. Director Harris and Director Blanford were present. Director Burke who arrived at 4:33 staffed the meeting. This meeting was staffed by Assistant Superintendent of Business and Finance JoLynn Berge.

Approval of agenda with one amendment. Moved regular agenda item monthly financial status before special agenda items. Director Harris moved to approve the agenda. Director Burke seconded. This motion passed unanimously.

Approval of meeting minutes: Director Harris moved to approve the June 08, 2017 meeting minutes. Director Burke seconded. This motion passed unanimously.

Board Action Reports (Discussion and/or Action)

- 1. Rainier Beach High School SIG Grant (Stone):** Director of Grants & Strategic Partnerships, Michael Stone spoke about how the School Improvement Grant (SIG) Cohort III ended on August 2017. The Office of Superintendent of Public Instruction (OSPI) received a new grant for \$1,116,623 from the Federal Government that they will put towards improvements of Rainier Beach High School. This will be the last year for this grant; Mr. Stone and his team are talking about how to use the money for improving systems and not as much for staffing. Director Blanford asked how they came up with the amount. Director Stone explained that OSPI received 6.9M and that they split the total between the Cohorts. Director Harris asked how the Directors should address people who say that they are not sustainably supporting International Baccalaureate (IB) programs with their increased costs. Director Berge spoke about how the District has stepped up by providing all high schools with an additional full time employee (FTE) and IB Coordinator and by funding some of the IB work. Director Burke encouraged Mr. Stone to work with the principal of Rainer Beach High School to expand the Career and Technology programs.

Director Blanford made a motion to move this item forward to the full Board with a recommendation for approval. Director Harris seconded. This motion passed unanimously.

Standing Agenda Items

- 1. Monthly Financial Status Update (Fleming)** Director of Accounting Services, Amy Fleming spoke about the May financial report stating that they are trending nicely. Ms. Fleming pointed out that there was an error on the report and how the Levy proceeds for the BEX III and the BTA III numbers had been switched. Ms. Fleming said she would correct the information. Ms. Fleming pointed to the graphs she provided stating that the June graphs were also trending as expected. Ms. Fleming pointed to page 7C showing the expenditures jump up this month due to final payment of the

QSCB loan. The remaining loan that the district has is for the John Stanford Center building Ms. Fleming stated that all other funds like, Associated Student Body (ASB), Private Purpose Trust are all trending as expected.

2. **Monthly Budget Update (Sebring) No report**
3. **SMART Goal #4 Budget (Berge) No report**
4. **Committee Annual Work Plan (Berge) No report**

Board Policies and Procedures

1. **Superintendent Procedures 6114SP (Berge)** Assistant Superintendent of Business & Finance, JoLynn Berge spoke about adding the Superintendent Procedure as part of the budget implementation for the 2017-2018 as per the request from the Board. Director Blanford asked if Ms. Berge could speak to the communications plan around the procedure. Ms. Berge noted that James Bush was working with Communications and the Grants Office to get a list of the donors that are CBOs and then reaching out to them with the new information.

Special Attention Items

1. **Information Only: State Auditor's Office Contract (Fleming/Berge)** Director of Accounting Services, Amy Fleming, informed the Committee that it was time to renew the State Auditor's office contract. Ms. Fleming mentioned that Seattle Public Schools was notified in advance of the increase and that they had set funds aside to cover the cost. Ms. Fleming stated that the cost covers Federal Compliance, Financial Statements and Audit for Accountability. After much consideration the Committee decided to move this contract forward as a BAR because of the \$250,000, threshold. Ms. Fleming will now create a BAR for the contract and present it at the next committee meeting as an Introduction and an Action item.
2. **Information Only: State Auditor's Exit Conference (Fleming/Berge)** Ms. Fleming spoke of the Auditor's office sending the exit recommendation to the Board by email. Ms. Berge reminded the Committee that the State Auditor's office had changed the way that they would be reporting Financial Statement Opinions throughout the state for all school districts. Because Seattle Public Schools (SPS) does not follow full GAAP, the state will issue us an adverse opinion on full GAAP. That said, they will issue a clean opinion on our other basis of accounting, which is the regulator reporting requirements from SPI.
3. **Annual Report: Annual Fixed Assets Report (Fleming)** Ms. Fleming shared a PowerPoint pointed of the Annual Fixed Assets Reports, Policy 6801, which states that an Annual Fixed Assets Report would be provided to the Audit and Finance Committee, addressing the implementation and ongoing management of fixed assets. Ms. Fleming mentioned that the report would show the items and dollar amounts of which they track. Ms. Fleming stated that her team of two are on a two-year cycle of getting out to schools to track all assets. Ms. Fleming provided a summary of the total tagged equipment, highlighting some of the donated items given to the school. Ms. Fleming mentioned that her team is in the process of looking at new systems that will improve the tracking capabilities.
4. **Annual Report: Budget Guidelines Principles (Sebring)** Director of Budget, Linda Sebring presented the annual budget guideline principles for the 18-19 school year. Ms. Sebring mentioned that the list changes from year to year depending on the Legislature or if there is a strong desire to emphasize something in particular. Ms. Sebring mentioned that the list she had presented was similar to what the board has agreed to in previous years. Director Harris ask if there were any pinch points that the Board should be aware of. Ms. Berge mentioned that upcoming bargaining is the biggest

hurdle that she foresees. Director Burke mentioned 3 points that he wanted to make regarding the guidelines 1) He felt that the first guideline had a lot of strength but it also gave way of maintaining the status quo 2) focus on stability that minimizes disruption and maximizes stability because it costs the district money 3) Reductions in budgets associated with systemic improvements.

5. **Budget Book (Berge/Sebring)** Ms. Sebring presented the 17-18 Budget Book. There were many similarities to last year's Budget Book. Ms. Sebring highlighted one of the improvements made to the Budget by Services section of the book. Ms. Sebring noted the section of the book where it states what is influencing SPS short term planning and where they are with McCleary.
6. **PTA Policies Update (Sebring)** Ms. Sebring spoke about researching PTA Policies from other school districts nationwide. After much research, she found that no other school districts also have similar policies. Ms. Sebring also researched other district fundraising processes and noticed that some are using foundations to distribute money equitably throughout schools. Ms. Sebring mentioned that the Oregon foundation, All Hands Raised seem to be the most successful but expensive to administer. Ms. Sebring notices that one of the downfall of using a foundation is that donations go down. The subject of being able to fund Full Time Employees (FTE) with donations and fundraising was discussed in great depth and as a result, Director Burke requested a one-page summary of the discussion.
7. **Seattle School Foundation (Berge)** Assistant Superintendent of Business and Finance, JoLynn Berge reported to the Board that Seattle Public Schools staff are not able to set up a foundation and the only way it to set one up would be if a private citizen took it on.

Adjourn at 6:15pm.