

# Board Special Meeting

John Stanford Center – Board Office Conference Room

2445 3<sup>rd</sup> Avenue South, Seattle, WA 98124



## **Audit & Finance Committee Meeting Minutes Tuesday, April 19, 2016 4:30 – 6:30 pm**

### **Call to Order**

Director Peters called the meeting to order at 4:31 pm.

School Board members present were Directors Peters, Blanford and Harris.

Staff members present were Deputy Superintendent Stephen Nielsen, Assistant Superintendent for Human Resources Clover Codd, Interim Accounting Manager Barry Tsoi, Budget Director Linda Sebring, Chief Information Officer Carmen Rahm, Director of Human Resources Data and System Michal Perlstein, Executive Director of Special Education Wyeth Jessee, Director of Technology Infrastructure David Oestreicher, Director of Policy, Board Relations and Special Projects Erinn Bennett, Director of Early Learning Cashel Toner, Budget Manager Sara Bonneville, Program Manager of Head Start Eugene Gousie, Director of Human Resources Dana DeJarnatt and Executive Director of Coordinated School Health Pat Sander.

Community member present was Parent/ Community Member Jennifer Ogle.

### **Approval of Agenda**

Director Peters moved to approve the agenda. Director Harris seconded. The agenda was unanimously approved.

Director Harris moved to delay the February 11, 2016 meeting minutes to May 12, 2016 for approval. Director Peters seconded. The motion was unanimously approved.

Director Harris moved to delay the March 10, 2016 meeting minutes to the May 12, 2016 for approval. Director Peters seconded. The motion was unanimously approved.

### **Board Policies and Procedures**

#### **1. Non Discrimination and Affirmative Action, Harassment, Reporting Improper**

**Governmental Actions and Protecting Whistleblowers against Retaliation, and Anti-Retaliation (e.g., 5010, 5250, D51.00, D51.01) (Codd)**

Clover Codd spoke about the document provided titled Policy and Procedures Review. Ms. Codd explained how any policies and procedures changes need to work with the Districts labor partners in order to have a successful partnership. Ms. Codd is asking the committee to look at the timeline for completion. Ms. Codd is asking for time to bring the policy back to the Audit and Finance (A&F) Committee in August.

Directors asked that mediation be included and for periodic updates to be given to them and they would like minutes from the task force to be sent to them.

Directors asked that staff pay attention to work plans and to plan accordingly. Erinn Bennett spoke about how this is one of the most ambitious items on the work plan and because of that it needs more time to be done well.

## 2. Data Privacy Policy 6501 (Codd/ Perlstein)

Michal Perlstein spoke about how the data privacy policy began due to an internal audit finding. Ms. Bennett spoke about how the broad definition is data privacy and this policy is intended to be an umbrella policy. Ms. Bennett is not asking to move this forward today but is asking for feedback and review. Ms. Bennett spoke to a packet given as a handout for the committee members to review. Ms. Bennett summarized benchmarking research she has done. Directors requested for social media to be included in this policy.

Director also asked if staff's misdeeds are being removed from their file to hinder the legal process. Ms. Codd will look further into that concern and speak to legal for additional data. Directors asked for the rationale for having an umbrella policy over student and personnel data. Ms. Bennett spoke about the third paragraph on the policy that states if anyone is granted access they are also subject to our policy on record.

Directors asked if the data policy could be attached to Request for Proposals (RFP) and contracts in the future. Ms. Bennett confirmed that it could be added to those items.

Directors requested that the use of student data by teachers for blogs be included in this policy. Directors asked about third party use of student data, specifically if the data policy can be written that trumps bankruptcy law. Carmen Rahm spoke about how the student data can only be used for its intended purpose.

Mr. Rahm asked for clarification from the Directors about what the concerns are with social media, as students have individual social media accounts. Directors spoke about how they do not want pictures, names or any additional informational about the students without parental consent. Ms. Bennett will send the draft policy to the whole Board asking for feedback.

## 3. Proposed Amendment to Policy 6010 (Peters)

Director Peters introduced community member and parent Jennifer Ogle. Ms. Ogle spoke about the proposal to update Policy No. 6010. This proposed amendment would not allow the District to make staffing changes after the beginning of the school year. Ms. Ogle spoke about how the cost savings is insignificant in comparison to the disruption it causes. Director Peters clarified that the parents would like staffing changes to not occur after September. Ms. Ogle added that adding teachers is also disruptive, but in a positive way.

Directors Peters asked Stephen Nielsen if this was possible to begin by next September. Mr. Nielsen explained why this would not be completed by September. Mr. Nielsen summarized the processes that would need to occur prior to this policy being amended.

Ms. Ogle stated that she has spoken with others and it is widely known that the District understaffs teachers each year. Mr. Nielsen explained the District's best efforts are made when planning enrollment.

Superintendent Nyland spoke about what will be happening this coming year. Superintendent Nyland spoke about how \$2M in mitigation funds are being held back to help cover buildings that are under-enrolled.

Directors asked why the committee received the proposed amendment document at the Audit & Finance meeting. Director Peters spoke about how this is not a Board Action Report, it is a discussion and reiterated this is an opportunity for the community to discuss.

Director Blanford requested these types of items be fully vetted before they come to a committee and to follow usual protocol in order to be respectful of the time of the committee.

Directors spoke about appreciating the involvement of the community. Directors spoke about how principals might try and work the system to gain the most value from the process.

Mr. Nielsen spoke about how the State controls the amount of funding the District receives and hopes the community and parents continue to help raise awareness with the legislature.

Directors asked Michael Tolley how many mitigation requests there were this year. Mr. Tolley spoke about approximately over \$7M, with approximately 84 mitigation requests.

### **Special Attention Items**

#### **1. Resource Use: Time to Review and Renew the SPS Budget Including School Allocations (Nielsen)**

Stephen Nielsen spoke about past operational budgets. Mr. Nielsen spoke about the policy change to adjust Weighted Staffing Standards (WSS). Mr. Nielsen explained how this policy update will highlight the fact that the State is underfunding Seattle Public Schools (SPS). The process will need to involve labor bargaining groups, the Board and parents. Mr. Nielsen explained the goal when completed is that the District will know how much funding has been given and have concrete evidence of how the District is underfunded. Mr. Nielsen explained this process is labor intensive and more will be known in mid-November.

#### **2. Informational Only: Classified Reduction in Force (RIF) Update (Codd)**

Clover Codd spoke about this informational only item. Each year we do have a classified Reduction in Force (RIF) and noted the numbers on the presentation change daily. Ms. Codd spoke about how currently the RIF list includes 24 FTE classified employees. On the May personnel report the Board will see this and wanted the members to fully aware before they see the report. Dana DeJarnatt spoke about how at the educational summit in the 1990's, it was decided who would be on the City's Families and Education levy. The City changed the family support levy strategy. At this summit it was decided it was up to the school if they want to fund a family support worker. There are currently a total of 12 family support workers district wide. The City of Seattle has given an additional \$300K for three more support workers for the next year.

Directors asked who made the decision behind which schools would receive a support worker. Ms. DeJarnatt summarized the process behind the service delivery model. Directors noted that it would be a significantly hard choice to manage this.

Directors asked what language they should be using if asked about the RIF. Ms. Codd gave suggested best language.

#### **3. Notification of Contract Exceeding \$250,000: Edmonds interagency agreement contract modification for DHH services (Jessee)**

Wyeth Jessee summarized the reason this contract is going above \$250k. A student came to the Seattle Public Schools and needed DHH services at the high school level. It was decided this student would be better served at the Edmonds school district. Mr. Jessee spoke about how this change increased the contract from \$218K to \$254K, which brings the contract above \$250K threshold.

Directors asked who is the on team that decides where students are placed. Mr. Jessee spoke about how it is the IEP team and that does include the parents by law.

#### **4. Informational Only: Technology Purchases for New Schools (Rahm/ Oestreicher)**

Carmen Rahm reported that while a BAR is required for purchases above the \$250K threshold, each individual school has its own funding and contract, and each of the procurements is less than \$250K. Policy states that in situations like this, a BAR is not required but an Informational Item is to be provided to the Board. Mr. Oestreicher referred to the handout provided regarding the purchase of Audio/Visual equipment to a different vendor (for 5 schools).

Directors asked how many schools this contract includes. Mr. Oestreicher spoke about how this is 10 different purchase orders, 5 for Dell and 5 for Audio Visual services.

Directors asked if there is a discount if they are purchased together. Mr. Rahm spoke about how each project has its own budget code and the purchase is negotiated with the vendor for a larger purchase.

Directors asked if the Point of Sale (POS) will be part of the bridge program. Mr. Rahm explained that part of the \$2M loan will be used towards the POS.

Directors asked if there was a way to make it happen sooner. Mr. Rahm spoke about how items will be vetted based on highest priority. Mr. Barry Tsoi spoke about how the District has been in contact with King County to use a current contact they have in place.

Directors asked if they had more money, could it be done sooner. Mr. Rahm explained why additional funding would not change the speed of the processes.

### **Regular Agenda**

#### 1. Monthly Budget Update (Sebring)

Linda Sebring introduced the School Budget Manager Sara Bonneville. Ms. Sebring spoke about the Big Sheet of school funding and summarized what can be found within the Big Sheet. Ms. Bonneville spoke about how this is developed from the WSS. Ms. Bonneville spoke about the date that Free and Reduced Lunch dollars are based on is January 1. Ms. Bonneville spoke about what school segmentation levels are. Ms. Codd spoke about the last time the segmentation levels were measured was 2014.

Directors asked for the definition of segmentation levels. Ms. Codd explained Eric Anderson would be able to give a more thorough definition.

Directors asked if we are using the same variable from year to year. Ms. Sebring explained that the Big Sheet is a point in time. As far as comparability it is not comparable from year to year due to legislative changes as well as model changes. Superintendent Nyland spoke about how this is a challenge as we look at the formula, the formula does change year to year.

Superintendent Nyland spoke about how this year the formula affected international schools. Superintendent Nyland explained cases when we have flexibility. The District has done the best it can to be fair and equitable.

Ms. Sebring spoke about how the Big Sheet is available in electronic format and would like suggestions from the committee members on additional items they would like to see on the document. Ms. Bonneville explained how to best use the notes and see the amounts for dollar per pupil.

Directors commented on what this sheet would be useful for, and how it is helpful to see the dollars per pupil at Title I schools and to be able to sort out Special Education students.

Directors noted the topic would be useful at a full Board meeting.

Directors asked how is this explained to the public. Directors spoke about how the Big Sheet is not very clear.

Mr. Nielsen spoke about the reason it is complex is because this is the way it has been chosen to be presented this way. This shows the equity and when this is changed it shows the equity.

Mr. Nielsen explained this sheet helps dispel some of the myths about which schools receive more or less funds compared to others.

#### 2. Financial Status Update (Tsoi)

Barry Tsoi spoke about the February 2016 monthly financial report. Mr. Tsoi spoke about how King County is our treasury and we must wait for them to close their books for us to complete our monthly process. Mr. Tsoi spoke about the community school report on page 12 and long term debt on page 14 in the handout provided.

Directors asked if everything is the same and no large variance. Mr. Tsoi confirmed that was correct, no large variances this month.

#### 3. Monthly Head Start Financial Report Updated (Gousie)

Eugene Gousie thanked the Board for completing the annual Head Start training. The monthly budget report and associated documents are submitted with nothing unusual that would need to be highlighted.

Mr. Gousie identified program actions to meet budget allocations for 2016-17. These include a reduction of 30 slots resulting in the closure of the two Head Start classes at Highland Park. Additionally, the program will reduce an administrative/non-represented position.

Next month Mr. Gousie spoke about introducing two items for the Board's approval: 1) the reduction in slots in this year's budget (effective September 1; the fiscal year goes through October 31); and, 2) the grant application for Federal funding for the Head Start program for 2016-17.

Directors noted that the Highland Park closure information was not communicated to the Highland Park PTSA; the Seattle Preschool Program will serve 20 children full-day at Highland Park in the classroom that currently houses Head Start.

#### 4. SMART Goal #4 Early Hiring (Codd)

Clover Codd spoke about SMART Goal #4 being on track. Currently, Human Resources (HR) is in phase 1 hiring, with 33 staff transfers, which is low, and we are now in phase 1B. At the end of April, HR will have a job fair and hope for additional matches. Ms. Codd spoke about how 18 FTE teachers will be on full contract to be deployed at the beginning of the year as the enrollment numbers come in October.

Directors asked about the principal hiring process. Ms. Codd spoke about approximately nine principal hires this past spring. Ms. Codd emphasized no one is forced into placement and they have been site based, however, ultimately Superintendent Nyland does make the final decision. Directors asked about hard-to-fill positions, particularly the Immersion Program. Ms. Codd will give a Friday Memo with specific numbers of all the hard-to-fill positions.

Directors requested Ms. Codd reach out to the Dean of the College for Education.

Directors asked who is on the hiring team if the school has recently opened. Ms. Codd was not sure who was on the hiring team, she will find out who was on the team and get back to the Directors.

#### 5. Committee Annual Work Plan (Nielsen)

The Non Discrimination and Affirmative Action, Harassment, Reporting Improper Governmental Actions and Protecting Whistleblowers against Retaliation, and Anti-Retaliation (e.g., 5010, 5250, D51.00, D51.01) has been moved to August.

Director Harris moved to approve the work plan as amended and Director Blanford seconded it. The motion passed unanimously.

#### **Adjourn**

The meeting was adjourned at 6:36pm.