

Board Special Meeting

John Stanford Center – Board Office Conference Room

2445 3rd Avenue South, Seattle, WA 98124



Audit & Finance Committee Meeting Minutes

Thursday, June 9, 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 Geary, Blanford and Harris. Director Peters arrived at 4:35.

Staff members present were Deputy Superintendent Stephen Nielsen, Superintendent Larry Nyland.

Approval of Agenda

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

Director Harris moved to approve the May 12, 2016 meeting minutes. Director Blanford seconded. The motion was unanimously approved.

Items Requiring Board Action on June 15 and/or July 6 2016

1. BAR: Policy 6530 Annual Review/Renewal of Insurance Coverage (Staudt)

Risk Manager Richard Staudt spoke about Seattle Schools being in the Cooperative Risk Management Pool Account Agreement with the Washington Schools Risk Management Pool (WSRMP) of WSMP. Mr. Staudt explained the premium contribution does require board approval due to the \$2M cost. Mr. Staudt summarized the policies the District currently have covered it includes auto and risk. Mr. Staudt explained special education claims enhancements cover up to \$200k per claim for special education.

Directors asked if this cost is per incident, per year for defense cost. Mr. Staudt clarified that it was per claim for the defense. They have paid 2 claims \$239K in total.

Directors asked what concerns come back to the District. Mr. Staudt explained the improvement of the process for the \$35k per hearing has not been capped and remains for special education for the coverage enhancement.

Directors asked what type of analysis is done to see if this is competitive. Deputy Superintendent Stephen Nielsen explained the District is a member of the two of the larger pools available in the state, and we do not have a huge choice, it is a pool and it is managed by the members.

Action: Director moved to move the item forward for to the full Board with a recommendation for approval. This motion passed unanimously.

2. BAR: Special Education Contracts (Jessee)

Deputy Superintendent Stephen Nielsen spoke about why all the special education Board Action Reports (BAR) are being presented together. Due to specific process obligations it is to follow process and procedures. Executive Director Government Relations & Strategic Initiatives, Erinn Bennett spoke about how they are also on the Curriculum and Instruction Committee agenda and will be further be discussed. Executive Director for Special Education Wyeth Jessee spoke about how these ~~are~~ annual basis contracts are for therapeutic services for students. Mr. Jessee summarized the eight BARs included in his packet.

Mr. Jessee spoke about variations with the student needs in DHH and this was explained in his recent Friday memo.

Directors asked about the testimony at the legislative session regarding DHH for services provided by Edmonds are in line with what is needed. Mr. Jessee referred the Directors back to his recent Friday memo for a detailed explanation.

Action: Directors approved for these items to be placed on the agenda for to the full Board with a recommendation for approval. This motion passed unanimously.

3. BAR: Head Start Grant Application (Gousie)

Head Start Manager Eugene Gousie spoke about the head start grant being due on August 1, 2016 and it does require board approval. The item was approved by the policy council.

Action: Directors moved to move the item forward for to the full Board with a recommendation for approval. This motion passed unanimously.

4. BAR: Conditional Certification (Codd)

Assistant Superintendent of Human Resources Clover Codd spoke about facing a teacher shortage statewide, mostly in hard to fill positions. Ms. Codd explained this BAR is to assist with alternative ways to place teachers in our district for positions in which there are no certified candidates. Ms. Codd explained the current process for each individual that wants to be placed. Ms. Codd is requesting that this be changed to have it included in the personnel report vs the individual board action report.

Directors asked why the District has them coming individually now rather than in the personnel report. Ms. Codd explained how in the past there was controversy over Teach for America (TFA), but we no longer work with TFA, have a contract with them or intend to do so. Director of Human Resources Dana Dejarnatt spoke about when circumstances that would allow for the District to ~~have a need to~~ hire a specialized teacher, when needed.

Directors asked how long hiring usually takes. Ms. Dejarnett explained it depends on the certifications, it can take a week or longer. Ms. Dejarnett spoke about how this would be for very specific teaching needs, it wouldn't be for an elementary school teacher; however, it could be for an immersion teacher.

Directors suggested communities be notified of this opportunity.

Directors asked if this also covers Instructional Assistants (IA's). Ms. Dejarnett spoke about how this would not cover IA's.

Follow up: Notify communities of this opportunity.

Action: Directors moved to move the item forward for to the full Board with a recommendation for approval. This motion passed unanimously.

5. BAR: Policy 6805 Keys (Codd)

Assistant Superintendent of Human Resources Clover Codd introduced David Westberg from Local 609. Ms. Codd explained the policy regarding keys we currently have in place, the item that was missing from this policy doesn't protect staff or students.

Mr. Westberg spoke about an incident at Graham Hill with a female custodian and a male teacher that was intimidating to the custodian.

Ms. Codd spoke about four main changes with this policy; greater oversight from the facilities department, providing advanced notice required to be given to a custodian, Master Log and teacher sign out log has been updated.

Mr. Westberg spoke about how he and Ms. Codd will be going out to site visits for additional research.

Directors suggested removing the word interim by Superintendent Nyland's name.

Directors asked what about on site community based organizations that have keys to our schools. Ms. Codd explained how this will be changed in the contracts that we share with our community partners.

Directors asked if we will be sending notice to our community partners. Ms. Codd explained that communication can be done when we onboard Community Based Organizations using our facilities.

Directors commented that community partners have a key role with us and one isolated incident shouldn't be driving the ability for them to do work.

Directors have some concern with the ability to have access and would requested training to occur for anyone

that needs keys.

Directors asked why on page 1 of the Policy 6805 the Principal was the overall designated key distributor of the building but now has been changed to Facility Director. Mr. Westberg spoke about how it should be the principal. Ms. Codd spoke about how that line will be introduced but should be changed back to Principal. Directors spoke about how changing policy over one incident shouldn't drive policy. Mr. Westberg spoke about how this is not just one incident and gave an example at Highland Park.

Directors spoke about ~~an~~ the incident at Beacon Hill school.

Directors asked that at the introduction the philosophy behind this be explained thoroughly. Especially, ~~in~~ as to the role of the Principal.

Follow up: Communication to community partners on the change and training for people that need keys.

Action: Directors moved to move the item forward for to the full Board with a recommendation for approval. This motion passed unanimously.

6. BAR: Policy 6501 Data Privacy (Codd/ Perlstein)

Executive Director Government Relations & Strategic Initiatives Erinn Bennett spoke about how this policy has been presented previously at Audit and Finance. Ms. Bennett summarized the overarching policy. Ms. Bennett spoke about how the current data sharing agreement is also included in the packet for the board. Ms. Bennett is requesting approval for introduction at July 6th.

Directors asked if this policy should have community engagement for feedback and if the community engagement tools shared at the Board retreat would be used to determine appropriate community engagement. Ms. Bennett confirmed that we would. Ms. Bennett explained this is an umbrella policy that ~~it did have~~ had an internal working group.

Assistant General Counsel Ronald Boy spoke about being able to present it to a group that was unbiased and ~~who~~ that would want to provide feedback.

Directors advocated for restrictive policy and how important sharing data with community partners, is/was but understands it is hard to identify who they are. Directors gave some suggestions on who Ms. Codd could reach out to. Ms. Codd will ~~engage of community outreach to~~ reach out to our partners.

Directors would like to see these groups being used and would like to see the BAR ~~to~~ be changed to reflect that. Directors would also like the BAR to go through the Race and Equity tool as well.

Ms. Codd spoke about how a July 6th introduction may no longer be feasible and requested to be placed on the August Audit & Finance agenda.

Directors asked that student privacy, and that parent groups be included in the community outreach.

Ms. Codd reminded the directors this policy does not include student privacy. ☹

Directors asked if the urgency is high enough that it must be passed before the community engagement outreach occurred. Ms. Codd explained this is an audit finding from 2012, therefore another 6 weeks will not hinder the process.

Directors asked if the BAR template has a place for community engagement. Ms. Bennett spoke about how it is in section 11 of the BAR.

Follow up: Community engagement meetings. Have the BAR to go through the Race and Equity tool. ~~Race and Equity to review the BAR~~.

Action: Harris moved to bring this BAR back to August A&F.

7. BAR: Resolution 2015/16-19 Budget Book (Sebring)

Budget Director Linda Sebring spoke about the budget book history and how the improvements have been thoughtfully and manually placed. Ms. Sebring explained that parents were the primary focus when the back of the book showing the per school section was developed. The goal is to help people and parents new to the district. Levy inflator and ghosting are all explained within the book. Ms. Sebring also spoke about on page 65 where direct services and support services are shown and the within the school section "why is my child's class larger" on page 94.

Directors noted it is much better at first glance than previous editions.

Ms. Sebring spoke about Franklin High School on page 172 vs. Ballard on page 168. One is high poverty and

one is not. Franklin receives more funds for free and reduced lunch. What the Budget Department wanted to do is compare apples to apples. Ms. Sebring summarized additional pages that have been added.

Directors asked if within the grants section if a bar chart of when the grants end is included. Ms. Sebring explained that is not included but can be a suggestion to be added for next year.

Directors asked why special education students are not included in the student to teacher ratio. Ms. Sebring explained they are shown on each school's page, however, they are not included in the ratio to keep information comparable across schools who might have multiple special education programs compared to others with less.

Directors asked about the Building Leadership Team (BLT) process. Ms. Sebring explained that information is on page 94, and that BLT training has not been done in a very long time.

Directors thanks Ms. Sebring for including the salary schedule in the budget book and thinks the transparency has been improved.

Mr. Nielsen explained the resolution follows standard state language.

Directors asked if the budget hearing is just window dressing. Ms. Sebring explained the community sometimes gives testimony at public hearings.

Directors asked if it is presumptuous to think it can be turned around in a month. Ms. Sebring explained that in the past changes have been made and implemented after the budget hearing. It is not the ideal timing for changes, but the budget expenditure amount is not finalized until the budget is approved and we anticipate in 17-18 the legislature will run late so there may even be changes after the budget is adopted.

Directors asked if this occurs every 2 years. Ms. Sebring explained it has been a practice lately with the complexities of McCleary funding.

Action: Directors moved to move the item forward for to the full Board with a recommendation for approval. This motion passed unanimously.

8. BAR: King County Contract (Stone/Yee)

Director of Grants & Strategic Partnerships Michael Stone spoke about how the King County health grant that has been done in the past and the benefits to have a contract in place before the start of school.

Directors asked if this is over \$250,000 due to expended services. Mr. Stone explained that is correct.

Directors asked for a future update on student substance abuse.

Action: Directors moved to move the item forward for to the full Board with a recommendation for approval. This motion passed unanimously.

Board Policies and Procedures

1. Policy 6535 Annual Report of Student Accident Insurance Risk (Staudt)

Risk Manager Richard Staudt spoke about student volunteer accident insurance coverage being made to students at schools.

Mr. Staudt spoke about how only 89 students choose to enroll for various plans which is down 149 students from the previous year. The last two years the WSMS has provided catastrophic insurance for our students.

Directors suggested more visually simple materials to be distributed for a quick look.

2. Policy D140.00-D140.01 (new 6102) District Fundraising and Policy 6114 Gifts, Grants, Donations & Fundraising Proceeds (Stone)

Item has been moved to the next meeting in August.

Special Attention Items

1. Grants Update (Stone)

Director of Grants & Strategic Partnerships Michael Stone spoke about updates that have been made. Mr. Stone spoke about Native Indian Education, and an increase that is of funds due to having more students being identified. McKinney Vento has taken a slight decrease. Title I is currently in transition, an additional \$400K is being distributed to the District them. Director Harris would like a meeting with Mr. Stone later to discuss.

Mr. Stone summarized the additional changes within grants. Mr. Stone noted it does not include Dearborn Park.

Directors asked where the Alliance for Education is. Mr. Stone explained because it has not been approved by the Superintendent and has not been added.

Directors would like to know why there is a delay. Mr. Nielsen explained it is currently with the Alliance for wordsmithing.

Directors asked if we are matching funds for one school in the IB program as it was reported in the media. The grant agreement that was agreed to was only for Rainier Beach. Mr. Nielsen summarized the current ongoing discussion with Alliance.

Follow up: Director Harris would like a meeting with Mr. Stone.

2. Affirmative Action Report (Byrd-Pina)

Executive Director of Talent Management Adrian Byrd-Pina summarized the power point presentation of the affirmative action plan update. This plan only goes from 2011 -2016 therefore next year it will be updated with a new plan.

Directors asked if we do benchmarking with other districts. Ms. Byrd-Pina she didn't believe we have done that with other districts. Our data would be a slightly different than in King County.

Mr. Nielsen spoke about how ESD has done that in the past years.

Ms. Byrd-Pina spoke about the data for the previous two years. Ms. Byrd-Pina spoke about some decreases on year over year observations. Ms. Byrd-Pina invited the directors to schedule meetings with her one by one if they wanted to have additional information.

3. Notification of Contract Exceeding \$250,000: Patterson Buchanan (Cerqui)

Item has been moved to the next meeting in August.

4. One Time Resource Use for FY 16-17 Budget (Nielsen)

Deputy Superintendent Stephen Nielsen spoke about looking for direction of one time resources. Mr. Nielsen spoke about Page 4 in the handout, resources for schools as it does change but that was it at that time. Mr. Nielsen is asking for additional feedback by the third week in June, when the new enrollment figures will be given to the schools. Assistant Superintendent for Teaching & Learning Michael Tolley will have an idea of it by then and how it will be helpful before people take off in June.

Mr. Nielsen requested for guidance on next steps from the board.

Directors asked for motion guidance specifically would this committee make an action for the full board. Mr. Nielsen explained he is not requesting action, rather a recommendation. The money is there with the intent of spending the dollars.

Directors are concerned, when the District mitigates it benefits schools that have lower than expected enrollment. They are overstaffed and have lower than expected enrollment.

Directors asked if it can be reframed in a way to be more positive. Mr. Nielsen spoke about how the WSS is not a kind instrument to a small school.

Directors asked what staff is recommending. Mr. Nielsen spoke about the staff recommendation to move forward.

Directors are uncomfortable with this. Mr. Nielsen explained a lot of work has been done for SMART goals, and it is the timing of this that seems sticky.

Directors spoke about how moving forward on the mitigation strategy, and if cuts need to be made this money can be used to help with the cuts.

Mr. Nielsen suggested another meeting to be scheduled, but doesn't want the board to feel overwhelmed. Mr. Nielsen offered additional dates. Discussion on which date and times could be done was held. The Board office will send out an email for additional time feedback.

Regular Agenda

1. Monthly Financial Status Update/ JSCEE Bonds and Building Update (Tsoi)

Accounting Manager Barry Tsoi spoke about how in April is the month much of the property taxes come in. The general fund balance has gone up significantly as a result. Mr. Tsoi summarized the April financials

and everything is in good standing. JSCEE Bonds and Qualified Construction Building Bond update are shown on page 13 of the-report. Mr. Tsoi explained that the capital projects fund is where the funding is coming from.

Directors asked where the funds come from next year. Mr. Tsoi explained principal will be paid by Capital Projects Fund, but the interest on the JSCEE bonds will be paid by General Fund.

2. Monthly Budget Update (Sebring)

Item was pulled from the agenda

3. Monthly Head Start Financial Report Updated (Gousie/ Toner)

Head Start Program Manager Eugene Gousie spoke about how Head Start program budget is right on time. Mr. Gousie spoke about a previous question asked of him by the board. Will parents be interested in a full day program, 92% of them said yes. Parents were at a parents meeting.

Directors asked is it one parent per student. Mr. Gousie explained there might be some siblings.

Directors asked for dates and authors on materials.

4. SMART Goal #4 Early Hiring (Codd)

Assistant Superintendent of Human Resources Clover Codd gave an updated on the SMART goal #4 Early Hiring. It is going well. A work session on this topic will be held on June 23.

5. Committee Annual Work Plan (Nielsen)

Deputy Superintendent Stephen Nielsen spoke about how a community meeting will be held on our current budget. And a work session on the WSS will be done by December to be ahead of time. Directors asked for a pictograph about of how budget will change.

Meeting adjured at 7:15pm.