

**Board Special Meeting**  
**Monthly Audit & Finance Meeting**  
Monday, June 8, 2020 7:30-9:30am  
*Meeting to be held remotely*



**Minutes**

**Call to Order**

1. This meeting was called to order at 7:32 a.m. Directors Rivera Smith, Director Harris and Director Hampson participated with Microsoft Teams or by phone. This meeting was staffed by Chief Financial Officer JoLynn Berge.

Director Hampson noted that the meeting was being held remotely consistent with the Governor's Proclamation prohibiting the meeting from being held in person due to COVID-19. Director Hampson noted that the public had been provided remote access.

2. Approval of agenda: Director Harris moved to approve the agenda. Director Rivera Smith seconded. This motion passed unanimously with the amendment to move the BAR: Resolution 2019/20-37, Fixing and Adopting the 2020-21 Budget item up on the agenda so that staff members can attend another meeting after they speak on this BAR.
3. Approval of meeting minutes: Director Harris moved to approve the May 18, 2020 meeting minutes. Director Rivera Smith seconded. This motion passed unanimously with the amendment to page one on the minutes. Director Hampson requested that we change the word percentage to percent to show the differentiation of percent and points. Director Hampson also asked that we remove the comma after the word "services" where it states, "Director Hampson asked because these are services, we cannot provide are responsible by Federal law to provide and pay for these services".

**Items Requiring Board Action**

1. BAR: Resolution 2019/20-37, Fixing and Adopting the 2020-21 Budget (moved up on the agenda) (Berge)

Chief Financial Officer JoLynn Berge requested that Director Linda Sebring speak on the BAR. Ms. Sebring stated that hard copies of the budget book were mailed to the Board and a digital copy will be available on the Seattle Public Schools (SPS) website by the afternoon. They will also have printed copies available for the public. Ms. Sebring went on to show "budget at a glance" on page four of the budget book, which showed an increase of \$36M from the 19-20 General fund budget. The majority of the increase are due to yearly staff step pay increases, collective bargaining agreements, the implicit price deflator and changes to medical and pension rates. Ms. Sebring noted that the Associated Student Body (ASB) fund was reduced by about \$1M due to Covid cancelled fundraising events. Ms. Sebring went over page 15 of the budget book with the heading, "Factors that influence short term planning". SPS is in a different environment than when they originally put the budget together and although they do not know what kind of funding will be coming from the legislative session, what they do know is funding will probably be reduced next year. Ms. Sebring stated that they added a "Budget Per Student" line item to the individual school pages in the book which shows funding distributed to each school through the Weighted Staffing Standard (WSS) formula. The "Budget Per Student" is calculated by taking the 20-21

WSS budget amount and dividing it by student enrollment. Ms. Sebring then showed the committee page 46 which explains what the “Budget Per Student” is, and what it is not.

Director Rivera-Smith felt that the “Budget Per Student” line item might be slightly misrepresentative because different students bring in different funding. Ms. Sebring stated that they are aware of the challenges with accurately calculating the amount.

Director Harris wanted to know if the numbers on school pages for prior years were budgeted numbers or actual numbers. Ms. Sebring said that it was the budgeted number and not the actual numbers. Ms. Sebring said the numbers might change depending on how many students show up on the first day of school.

Director Harris requested to know why the budget doesn’t show money being rolled over. Ms. Sebring stated that those funds will not be known until the accounting books are closed in October.

Director Hampson thanked the team for working on the budget book and especially with their ongoing efforts with transparency.

Director Hampson requested to know if the budget book was based on February projected enrollment numbers. Ms. Berge said yes, and that our admissions department has stated that student enrollment is trending as normal. Ms. Berge said that there will be ongoing talks about adjustments to the budget due to our current Covid situation.

Director Hampson requested that we add the equity tiering information as a link under the racial equity portion of the Board Action Report (BAR) and add wording on historical budgeted amount under the schools pupil recommended budget sheets.

Director Harris made a motion to move this item forward to the full Board with a recommendation for **Approval** as amended with the equity portion Director Rivera-Smith seconded. This motion passed unanimously.

## 2. BAR: Approval of a new website content management system (CMS) (C. Campbell)

Chief Public Affairs Officer, Carri Campbell spoke about seeking authorization for the Superintendent to execute two contracts in support of a new content management system. One of the contracts would be for the website development with Domain7 taking care of content migration and design and the other is for web hosting services with the vendor by the name of Pantheon. If approved, MySPS, our internal domain will be redesigned in the fall of 2020 and external sites including all schools will be completed the Summer of 2021. Ms. Campbell stated that they are seeking a new content management system for two reasons. The first being that our data shows our current content management system (CMS) is not serving our students furthest away from educational justice well. The system is challenging to use resulting in infrequent posts for schools with a high English language (EL) population, Title I schools, and schools with a high population of students of color. Ms. Campbell stated that 70% of parents at our 13 literacy focused schools use their phone to access our website. Data shows that the speed at which pages load is slow on mobile phones. The second reason they are seeking a new CMS is due to the disruption to web service over the years, especially during times of inclement weather and other peak times. Ms. Campbell highlighted several community outreach efforts in the request for proposal (RFP) development that narrowed down their CMS decision. The final RFP included the decision to use WordPress an Open Source Content Management System. Domain7 was selected because they have broad experience using WordPress, were the only development firm to directly align their proposal with Seattle Excellence, mobile first design, ease of use and clear data dashboard for editors, and commitment to end user designer. Pantheon was selected for their strong security approach and automated responses to things such as errors and down time.

Director River-Smith requested to know if Domain7 would continue to maintain software updates for the District since she knows that WordPress has a lot of software updates.

Senior Webmaster, Pauline Amell Nash stated that Domain7 will be able to help the team at some capacity but that they are also exploring other options.

Director Rivera-Smith requested to know who would be conducting the trainings at the school level. Ms. Amell Nash stated that the 3 SPS Webmaster's will be conducting most of the trainings but that Domain7 also has training videos that will help in that effort.

Director Hampson requested that the team highlight our Strategic Plan expectations outlined in the RFP contract in the BAR. She also requested to have a separate conversation with Ms. Campbell regarding the different website needs for elementary schools versus high schools.

Director Harris made a motion to move this item forward to the full Board with a recommendation for **Approval** Director Rivera-Smith seconded. This motion passed unanimously.

## 2. BAR: Experimental Education Unit (Brown)

Director of Early Learning, Heather Brown, stated that the annual Experimental Education Unit (EEU) BAR was for a contract with the University of Washington Haring center, specifically the EEU, to provide inclusive pre-school programming for 42 preschoolers and inclusive programming for 16 kindergartners. Ms. Brown stated that SPS has benefited from receiving national recognition in inclusive programming and that it has been a longstanding relationship with the EEU. Ms. Brown stated SPS receives training, support, collaboration to both the Early Learning and Special Ed Departments including our preschool and kindergarten teachers.

Director Hampson asked if the EEU had received any staff cuts due to Covid 19 childcare provisions. Ms. Brown said that they were funded in full like the previous year.

Director River-Smith made a motion to move this item forward to the full Board with a recommendation for **Approval** Director Harris seconded. This motion passed unanimously.

## 3. BAR: Head Start Grant (Brown)

Director of Early Learning, Heather Brown stated that the BAR was a yearly renewal within the context of a 6<sup>th</sup> year Head Start grant. Ms. Brown stated that due to lack of enrollment with part day programming they have decided to expand within the context of three schools with the addition of SPP funds and expansion. They will add a program to John Muir Elementary and take a part day program at Emerson and make it a full day program. They will also make Olympic Hills and West Seattle Elementary an inclusive and plus model. Ms. Brown stated that because of the expansion and the piloting of the plus model they will be asking HHS Region 10 for a change in scope which is a reduction of four slots to give us the ratio of 18 students total in the plus classrooms.

Director Hampson requested to know the staff demographics compared to the students of color or furthest away from educational justice and how the pathway and representation of those same individuals among the Early Learning leadership team. Ms. Brown did not know the exact stats but said that she would communicate that information via a Friday Memo.

Director Harris made a motion to move this item forward to the full Board with a recommendation for **Approval** Director Rivera-Smith seconded. This motion passed unanimously.

## 4. BAR: Washington Schools Risk Management Pool (WSRMP) Annual Payment (Staudt)

Risk Manager, Richard Staudt spoke about the increase to this year's WSRMP annual payment by 15% to 18%. The increase in payment has to do with older claims of sexual abuse and molestation, the end of the three-year rate lock on the property coverage and an increase in traumatic brain injuries. Mr. Staudt informed the committee that there are limited insurance coverage pools in Washington State and that by

far we are in one of the strongest pools. Without approval of this BAR the District would not have insurance coverage come September 1<sup>st</sup>.

Director Rivera-Smith requested to know why we chose the WSRMP pool over the other. Mr. Staudt stated two main reasons which were that WSRMP are in a stronger financially position than the other pool and that the limits of coverage are higher for liability and property damage.

Director Harris made a motion to move this item forward to the full Board with a recommendation for **Approval** Director Rivera-Smith seconded. This motion passed unanimously.

#### 6. BAR: Private School Proportional Services (P. Campbell)

Director Trish Campbell stated that this BAR was brought to the Board as an annual BAR. Ms. Campbell stated that Seattle Public Schools is required by the Individuals with Disabilities Education Act (IDEA) to set aside a proportionate share of Special Education funds to service students that have been placed in non-profit schools by their parents who are also eligible for Special Education services. The services are available for students through a set processes outlined by IDEA and the Office of Superintendent of Public Instruction (OSPI). They include a community process to determine what services will be offered along with the proportion of the funds set aside for the student.

Director Harris made a motion to move this item forward to the full Board with a recommendation for **Approval** Director Rivera-Smith seconded. This motion passed unanimously.

#### **Special Attention Items**

1. Notification of Contracts Exceeding \$250k: Children's Institute for Learning Differences (P. Campbell)  
Ms. Campbell spoke about an increase to our current contract with the Children's Institute for Learning Difference due to an addition of one student to the program.

2. 6550/6550BP, Internal Audit (Medina) Director Hampson introduced Colleen Rozillis from Moss Adams. Ms. Rozillis introduced herself and shared information about her background. Director of Internal Audit, Andrew Medina, informed the Committee that potential changes to Policy 6550 and Board procedure 6550 BP for internal audit are likely. Mr. Medina stated that the last changes took place in 2014. He stated that Moss Adams will be conducting a review of the internal audit function and that changes to the Policy and Procedure would be a likely outcome of the review.  
Director Hampson asked if Andrew Medina and Richard Staudt could provide some history of internal audit and ERM. Mr. Medina highlighted that the Policy and Procedure restrict internal audit's focus to financial internal controls and compliance. He stated that a 2018 memo from Moss Adams suggested that a top down enterprise assessment of risk may be a better approach that allows internal audit to piggyback off the District's enterprise risk management efforts to ensure audits are conducted in the areas of greatest risk. Risk Management Manager, Richard Staudt, stated that four years ago under different leadership they began looking beyond only providing insurance. They would look at the entire portfolio of risks, insurable and non-insurable and work with Cabinet members to find out risks within their departments and prioritize the work. This was a huge lift and eventually other priorities took center stage which meant the work did not progress much. With the guidance of Moss Adams they are hoping to continue with some form of this work. Colleen Rozillis, with Moss Adams, acknowledged that ERM takes resources to complete and suggested that an ERM process can also help identify what the priorities should be.

3. 5253, Maintaining Professional Staff/Student Boundaries (Codd/ Poulos)

Chief Human Resources Officer, Clover Codd stated that they will be bringing Policy 5253 as a BAR in August but that she wanted to highlight some of the changes that they would like to make based on the Washington State School Directors Association (WSSDA) model.

Director of Labor and Employee Relations, Tom Poulos showed the committee a copy of the policy in track changes so they could review six potential changes. He stated that the main point would be to align our current policy with the 2019 updates made on the model WSSDA policy. The updates would ensure that the policy reflects the increasing frequency of online social interactions with staff, volunteers, contracted providers and students. Mr. Poulos stated that the Superintendent Procedure will be created when the Board passes the policy provisions.

Director Rivera-Smith asked if we could add more clarification around the word “sexual content” or possibly a cross reference. Ms. Codd stated that she would check with our Legal Counsel and respond when they bring it back as a BAR in August.

Director Harris requested that they should have student input when creating the Superintendent Procedure.

#### 4. Nondiscrimination and Affirmative Action Annual Report (Codd)

Chief Human Resource Officer Clover Codd stated that every 5 years her department is responsible for drafting a new Affirmative Action Plan that aligns with Policy No. 5010 and Policy No. 0030. The report notifies the Board and the public of progress made on reaching the diversity recruitment/retention goals in the last 12 months. Ms. Codd noted that the data from which they based the current Affirmative Action Plan report was based on data that occurred from the census 10 years ago. The next affirmative action report will be based on new data which will come out in June of 2021. The report compares SPS employment of females and persons of color to the expected availability of those populations based on the King County Labor Market Data. (2010 Census data). Ms. Codd’s slide show showed that we are exceeding all theoretical availability goals except for our goal under Certificated Support staff which we fell short by +31.1% of our theoretical availability. Ms. Codd stated that goal 7 of the Strategic Plan is what is going to drive Seattle Public Schools Affirmative Action Plan.

Director Hampson requested that Ms. Codd share the information with Board as a Friday Memo.

Director River-Smith requested to know how we categorize mixed races and if they are considered to be people of color and if it will be consistent throughout the District wherever we are mentioning students.

Dr. Codd said that it is difficult to determine what specific race a person is unless they self-identify but that in this report mixed races are considered to be a people of color.

**Follow Up:** Share info as a Friday Memo to the Board.

#### 5. Student Awards, Prizes and Incentives 3515SP Superintendent Procedure (Fleming)

Director of Accounting, Amy Fleming stated that they updated Superintendent Procedure 3515 and that the update consisted of changing the dollar amounts from \$15.00 to \$25.00 and added a sentence for graduating seniors to allow schools to spend up to \$50.00 and we would consider that de minimis.

### **Regular Agenda Items**

#### 1. Monthly Accounting (Fleming)

Ms. Fleming explained how things are trending as normal. Ms. Fleming said that they will not be meeting the budget expectation in our local revenue due to the cancellations of school field trips, activities and school closures not associated with ASB.

#### 2. Committee Annual Work Plan (Berge) No updates

**Adjourned at 10:01 am**