

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

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School Board Workshop

November 24, 2009

Investment Performance Bi-Annual Report

Staff came before the School Board with the Investment Performance Bi-annual Report. School Board Members were advised that the School District's investments are doing well, even in these hard economic times, and the principal of the investments are safe and protected.

It is clear that the Federal Government will keep the short-term rates low at least into early 2011. The School District's investment team was able to lock into the higher long term rates for the investments using a multilayer strategy, which is a lot of buying and selling to get the highest return. There has been a loss of dollars because of the lower interest rates, but the school district's investments continue to receive returns over the principal's benchmarks.

A few years ago School Districts placed their surplus dollars in the State Board of Education Administration Fund. The investment team had the forethought to remove those dollars before the investment pool was frozen by the State. To this date this fund is still frozen and School Districts who placed their funds in this pool are not able to remove their dollars. At this time, the investment team placed the School District's temporary money or short-term dollars in money market funds. The Board is very thankful that our financial investment team was able to see what needed to be done to protect the School District's dollars.

The short-term dollars are the School District's operational fund dollars that are used for payroll and to pay vendors. There are four money market funds and federal agency funds that are used.

Tax dollars are starting to come in. The School District has received \$13 million and will receive the rest in December and January. Using a ladder approach, those dollars will be invested in funds that will mature every three, six and nine months, but due to the low interest rates has a very low return. Since the budget is so tight, the financial team wants to earn every dollar they can until those funds are needed. The operational fund dollars get used up in a year's time.

The School District has a good solid credit quality and will keep that as we go forward.

Staff then presented the new Online School Payments (OSP) project to the Board. This is an online payment site for parents to pay for Internal Account activities with their credit cards. This project was started in 2007 when a parent wanted to use a credit card for after care. This site can also be used for payment of school activities, for example: field trips, yearbooks, fundraisers, donations, etc. Now parents can go online and take care of these expenses from the comfort of their homes. This is a safer method of payment because students do not have to carry cash to school and is more convenient for parents. Also, teachers spend less time writing out receipts and more time with the students. This site also alerts parents of outstanding student obligations, such as owing money for a lost book. Parents are asked to pay obligations before paying for other expenditures, such as a field trip. The Bank of America Gateway provides security for OSP transactions.

Using the Internet for school purchases is very 21st century and the new wave of the future. Again, Broward County Public Schools is first in developing such a payment site and many School Districts have contacted us for information on this site. The District will look into the possibility of copywriting the system and will explore how other District's might be able to purchase the system used in our District. Also, there are companies that want to advertise on the online school payment site, just as they do on other Internet sites. Advertising on this site will be a moneymaker and would generate operating dollars for resources and the site's costs.

Next, Food Service staff will be looking for an online process to pay for school lunches. Food Service is looking at a system to do this. Parents will be able to prepay lunch costs. Material for this presentation can be found on the eAgenda November 24th, 2009 workshop.

DAC Bylaws

The District Advisory Council (DAC) Bylaws were brought forward today for the Board's review.

First, the DAC Chair wanted to clear up some confusion. School Board Members' representatives are appointed for one year and can continue serve as appointees, if the Board Members wish, for the following year. Appointments are made each year at the Organizational meeting and appointees can be confirmed to continue for the next year at this meeting. The DAC Chair contacted all of the Area Chairs to reassure them that there are no School Board imposed term limits on Advisory.

One change that was made in the Bylaws was reducing the Area Advisory Councils from four areas to three. Due to the reduction in the number of Area Offices from four to three, the number of Area Chairs was also reduced. This Area Office change also reduced the number of teachers, students and legislative representatives. The DAC added an additional parent representative from elementary, middle and high school levels. The Gifted Advisory Council has been added as a member of DAC.

Another change that was implemented in the Bylaws is to eliminate members from holding multiple positions, so that their vote represents only one constituency. This clause is important in cases where a representative may vote differently for different constituencies he or she may represent at the same time, which would be a conflict of interest.

The Chair also noted at this time that all chairs from the Area Advisory Councils would share with the School Board reports on their meetings on a quarterly basis. Also, all Chairs will post a written report on all motions whether passed or not that transpired during the meetings. This is in the Bylaws so all future chairs will continue this procedure.

The DAC Steering Committee will be reviewing all Bylaws from the Area Advisory Councils for consistency per District policy.

It was requested that the DAC meeting be audio taped for historical records. The DAC committee will use the recording equipment that is in the KCW Board Room.

Due to funding and having to pull people out of schools, it was decided not to have the annual DAC breakfast this year. DAC decided that more could be done at the local level.

DAC has created a new PowerPoint presentation for training purposes, which will help DAC members understand different School District operation procedures and policies such as, expulsions, transportation, and the budget. This information is needed to provide DAC members

an understanding of the School District and have the right information when speaking to parents. Also, DAC members receive training on Robert's Rules of Order, the Florida Sunshine Laws, and open record law. Each member will sign off on a School Board approved statement, which validates that the member accepts and will abide by proper professional conduct and Policy 4000.1, Nondiscrimination Statement.

The new normal these days is that parent leadership is working in order to make ends meet. DAC has requested that the Superintendent ask all District committees, on which parents serve, to use a phone bridge during meetings. Parents can use their lunch break for a phone bridge, but may not be able to drive to a meeting. This way they can still participate.

The DAC Chair requested from the Student Advisor, that appointments be made to DAC. The Student Advisor asked the information for the meetings, date, and time are sent to him and he would pass that information on.

The Bylaws for the DAC can be found on the eAgenda November 24, 2009 workshop.

Composition of the Superintendent's Insurance Advisory Committee (SIAC)

The mission of this advisory committee is to invite representation from the unions and associations, which represent employees, to work together with The School Board of Broward County, Florida, to formulate recommendations on employee benefits.

The membership of the SIAC was established as early as 1993, which was determined by the Superintendent and composed of an equal number of labor and management members. There are 16 voting committee members at this time. In 2001, a representative from the Broward Teachers Union Technical Support Professionals and an addition of a third Board Member was added to the membership. In 2007, the Police Benevolent Association representative and the Director of Transportation Services was added to the membership.

The Broward Teachers Union, Broward Teacher Union-Educational Support Professionals, and the Broward Teachers Union-Technical Support Professionals have elected not to participate on the SIAC at this time. Their positions remain on the committee and staff and the Superintendent continues to encourage the unions to attend.

This year, as in past years, the School Board paid for all employees' benefits without decreasing benefits, even though there was an \$11,500,000 increase. Humana did not offer a Kids Plan and that is why the School District went with the Vista Health Plan. There was an increase to the employees' dependent coverage.

Staff went over the membership composition from other School Districts and it was brought out that they have fewer members and do not have School Board Members as members.

Staff brought forward 3 options for the composition of the Superintendent Insurance Advisory. Option 1 recommended one School Board Member and reduced the membership to 13. Option 2 recommended one School Board Member and reduced the membership to 10. Option 3 recommended removing the three School Board Members. For the full membership recommendations on each of these options, please refer to the presentation material located on the eAgenda November 24, 2009 workshop.

School Board Members all agreed on Option 3 due to the fact that all employee benefit contracts come before the Board for approval, it is the Superintendent's committee, and the committee membership will now align with other School Districts. School Board Members asked that

before a contract comes to a School Board meeting for approval, to bring it to a workshop so the options could be discussed. School Board Members could still attend a meeting as a non-voting member any time they wanted. School Board Members requested that the Superintendent's Insurance Advisory Committee keep minutes of the meeting. The Advisory is doing that and will continue to do so.

Material for this presentation can be found on the eAgenda November 24, 2009 workshop.

Inventory Audits

There have been great strides since the last inventory audit. New training for staff has been implemented and there is a reduction in the number of locations, which have audit exceptions. Improvements have been made to the process for schools and departments to keep track of all property, which is in the process of becoming a Standard Practice Bulletin.

It was recommended that scanners be used to scan property IDs. Due to cost, it was suggested that one scanner could be purchased for each innovation zone and passed around to individual schools.

Board Members asked about the depreciation of assets and how they are recorded. Florida Statue 274 states the depreciation may be recorded to meet financial report requirements, however, depreciation must not be recorded on the individual property records or in the control accounts, which would reduce the recorded acquisition cost or value. Fully depreciated assets must still be accounted for. These items are still subject to potential theft or misuse and such property must be safeguarded as all property is.

Per School Board Policy 3204, Property Accountability & Responsibility, Principals shall be the custodians of property at schools and Directors /Supervisors shall be the custodians of property for the County support services. The Principal's or Director's/Supervisor's signature must acknowledge all equipment that comes in or out.

The Office of the Chief Auditor suggests that there be at least three reviews of inventory done each year, in September, end of January and the end of April. In September, schools and departments should make sure all spring changes are reflected accurately, to verify new purchases from the end of spring and summer that they have been received properly, that the proper budgetkeeping has been done, and Property and Inventory Numbers have been given to the property. At the time of the purchase, forward invoice documentation to Financial Reporting Capital Asset Division. For any surplus transfer declarations that are being done, certify accuracy of the forms at the time of the removal and verify the asset record changes. The end of January, review all intended changes and winter deliveries for accuracy. The end of April, close out the year. Also do self-audits with quarterly reports to the proper area office or executive leaders.

Board Members asked if the forms used to declare new property or removal of property were entered in a master file so new and removed property would show on the inventory report. This information is still being input by a data processor. Eventually, the School Board will use Module 2, SAP Reporting, and all this information will be in one reporting system.

A Principal and/or Department Head should always maintain access to the necessary documents and database information regarding the location of assets at their location. Principals and Department Heads are urged to keep a property binder, which would keep all inventory records, such as, property passes, surplus transfer forms, police reports, work orders, vendor replacement

paperwork, new purchase information, and on site inventory control summary report. Eventually, this binder will be kept electronically, which will make this process simpler.

There was a concern regarding a new Principal who inherits the previous Principal's missing items. What can be done to protect the new Principal since the item was not lost on his watch? This information is noted on the inventory report, but every effort must be made to recover the lost property or determine what happened to it. Staff suggested that inventory review should be done on a daily basis so as to not lose sight of lost items. If something is lost, finding out as soon as possible is the best policy. Schools and departments have to take the time to fill out inventory reports and make sure property inventory numbers are recorded correctly.

Material for this presentation can be found on the eAgenda November 24, 2009 workshop

Open Items - Budget/Legislative Update

•Lawsuits

Board Members requested that General Counsel inform them of the different lawsuits that are being handled. General Counsel is requested to supply the Board with the past year's lawsuits. The Board also requested that General Counsel develop a process with the Executive Director of Public Relations & Governmental Affairs to keep the Board Members up to date on lawsuit cases.

School Board Members had a few questions regarding lawsuits.

-Does the Board approve judgments from the courts? No, the School Board must abide by the court's decision.

-Does the Board decide which cases go to court? Who make that decision? There is a School Board Grievance Process, which must be followed.

•Amended Interlocal Agreement

Board Members expressed to the Superintendent their concern regarding the Amended Interlocal Agreement and the upcoming Oversight Committee meeting scheduled for December 9, 2009. School Board Members that are attending this meeting and speaking on behalf of the Board felt they did not have a clear understanding regarding the new eight concurrency areas that were going to be discussed and the Board's recommendation. Board Members were hoping to have a further discussion on this before the December 9th meeting. The Superintendent suggested that on November 30, 2009, to have a retreat at Taravella High School, at 9:30 a.m., to have a discussion with staff on the Interlocal Agreement, so the Board would be more comfortable with this information. It is a very complicated matter, which deals with the boundaries of schools, and the Board wishes to be educated on this matter as much as possible.

Board members were also very concerned that some schools would be closed due to under enrollment. It is a very hard decision to close a school and to repurpose that facility. It was pointed out that closing a school could become a very positive situation. For example, an elementary school could be closed with the repurpose to open a K-8 school, thus leaving the neighborhood intact. Another school may be closed, but the end results can be very good for everyone.

The Board Members had a few requests. The Superintendent is requested to provide the Board with a chart of the pros and cons of closing a school that is underenrolled and how it would be repurposed. Boundary staff is requested to provide the number of students enrolled for each school in each city or municipality. This information will help determine how many students are coming from other areas.

•Florida School Board Association Inc. (FSBA)

The agenda for the FSBA 2010 Legislative Platform was passed out to the Board for their information.

•All Broward County Band Honor Music Program

The Superintendent was asked to please go back to look at other options for funding the performance portion of this program. It was suggested that parents and students would fundraise to raise the needed money of approximately \$17,000. Another suggestion was to charge people for the performance. Board Member asked that music students be treated the same as the debate teams.

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