

SONOMA COUNTY OFFICE OF EDUCATION

Business and Personnel Services Standing Committee

Regular Meeting Minutes - Adopted

September 16, 2014, 10:30 a.m.

Present - Standing Committee Members: Jill Kaufman, and Helga Lemke; **Staff:** Jim Cerreta, Mary Downey, Jeff Heller, and Patti Springer

1. **Call to Order** – Ms. Lemke called the meeting to order at 10:30 a.m.
2. **Approval of the September 16, 2014 Meeting Agenda** – On motion by Ms. Kaufman, seconded by Ms. Lemke the motion carried to approve the agenda.
3. **Approval of the August 7, 2014 Regular Meeting Minutes**– On motion by Ms. Kaufman, seconded by Ms. Lemke the motion carried to approve the minutes.
4. **Public Comment** – None
5. **Action and/or Consent Items for Recommendation to the Board**
 - a) **Request Board approval of the 2014-15 fiscal year budget revisions between \$25,000 and \$99,999 from July 26, 2014 through August 31, 2014; and any listed budget revisions greater than \$100,000** – Ms. Downey presented the budget revisions to the Committee, explaining that some of the revisions reflect funding that was received late or represents carryover from those organizations. There were no revisions over \$100,000. On motion by Ms. Kaufman, seconded by Ms. Lemke, the motion carried to recommend full Board approval of the revisions and placement on the consent agenda.
 - b) **Annual Review of Board Standing Committee agendas & minutes recordkeeping** – Mr. Cerreta and the Committee discussed the reasoning for the inclusion of this item on the BPSSC agenda calendar. Ms. Lemke commented that she was recently required to sign off on the full Board meeting minutes and perhaps this is comparable to that. Mr. Cerreta stated that minutes are always signed by the secretary of the Board to certify the official copy. Mr. Cerreta asked that this item be tabled so as to gather information regarding the process, and/or Ed Code or Brown Act requirements.
 - c) **Request Board approval of the Resolution Adopting Actual/Estimated GANN Expenditure Limit** – Ms. Downey presented the Gann Limit Calculation-2014 explanation and the need for the Resolution. She stated that the Gann Limit calculation is affected by changes in inflation, represented by the per capita personal income, and average daily attendance. Because of the Local Control Funding Formula and the way the funding calculations work, this year’s Resolution includes the request for an increase of \$15 million to the GANN limit.

Ms. Downey explained that the \$15 million increase to the limit, which hasn’t been necessary in recent memory, is a technical adjustment under LCFF, which affected how ROP program average daily attendance (ADA) is treated. Under the old formula SCOE was allowed to include the average daily attendance for students within SCOE’s ROP/CTE programs, but because of the new LCFF, ROP/CTE revenues have been shifted to districts rather than coming directly to SCOE. Districts have the choice of running their own CTE/ROP programs or contracting with SCOE for those services. This shift generated a change to SCOE’s average daily attendance because the LCFF no longer recognizes the ROP/CTE student population as SCOE’s, which resulted in a reduction of the student population that SCOE has the responsibility to serve from 1612.44 in 2012-13 to 231.92 in 2013-14.

The State has assured Mary that the \$15 million increase is a result of a function of the change in the system to LCFF and they will allocate the \$15 million to SCOE to restore the limit back up to historical levels. On motion by Ms. Kaufman, seconded by Ms. Lemke, the motion carried to recommend full Board approval of the resolution and placement on the Board agenda as an action item.

- c) **Request Board approval for Personnel Commissioner Gerry Klor's request for reappointment** – Dr. Heller provided a brief overview of the Personnel Commission and the three-year term of each member. He explained that Gerald Klor's term will be expiring on December 1, 2014 and Mr. Klor has submitted a letter of interest in continuing his position with the Commission for another three-year term. Dr. Heller provided copies of Mr. Klor's letter of interest along with letters of support for his reappointment from Maria Peluso, SEIU, and Dr. Herrington, Superintendent. He explained that the next steps are to ask for this Committee's support and then the full Board's support of the reappointment, which would then be presented to the State Department of Education for formal reappointment. Ms. Lemke stated that she would abstain from the vote given her stance on reappointment without recruitment. Due to a lack of a quorum, no motion was made and this item shall be placed on the full Board agenda for action.

6. Discussion and/or Action Items

- a) **Review request for funding subject to BP 3460** – Mr. Cerreta presented the adopted version of BP 3460 in its draft format, explaining that the final draft has not been posted to SCOE's website yet. He stated that a request had come forward that would have caused SCOE to implement this policy but when he asked for a copy of the request he was informed that it had been withdrawn.

Ms. Lemke summarized the Board's discussion regarding this policy and if it accommodated a proposal submission by a school district. A member of the Board had interpreted the policy to mean that a district could submit a proposal to a County Board member, or a County Board member could initiate a submission for a school district, and therefore it fit the definition of "may be generated by the County Board". The Board determined that this interpretation did not meet the intent of the policy and any proposals representing this interpretation would not be eligible. The Board decided to leave the policy as it is, but if at some point in the future the Board would like to revisit this, they may.

Mr. Cerreta continued, stating that even though it is a Board matter, in terms of evaluating proposals that come forward under this policy, there are two questions he would like to ask to clarify staff's understanding and interpretation of the policy. Mr. Cerreta asked if "Students in Sonoma County" (fourth bullet under "Expenditures from the Special Reserve Fund should support the following:") means County Office program students only, or includes District students. Discussion ensued regarding previous proposals and the students they served. Mr. Cerreta stated that if this is not a concern of the Board, we can address it another day, if it is a concern, we could contact Legal for guidance. Ms. Lemke stated that the Board closed the discussion on this issue and there may be some remaining questions about it, but for the time being this issue is closed and that was the intent of the Board. She added that if there are any legal issues, the Board should know about this, but the first discussion would happen with the Instructional Committee.

Mr. Cerreta also asked if the first sentence "The Sonoma County Board of Education Special Reserve Fund shall be used to finance and account for funds designated by the County Board with the agreement of the County Superintendent of Schools . . ." was consistent with the Board's understanding of the approval process for these requests. Ms. Lemke responded to the affirmative.

7. Information/Discussion Items

- a) **2013-14 Unaudited Actuals Financial Report** – Ms. Downey presented the report to the Committee, which does not include the SELPA, and reviewed the summary of the impacts of the GANN increase of \$15 million, the preliminary proposed Indirect Cost Rate maximum of 10.12%, and the NCLB MOE determination, which was met.

Discussion ensued regarding setting of the Indirect Cost Rate for the 2015-16 year, which would be somewhere between 8.6%, which we are currently charging SCOE and District programs, and the maximum of 10.12%. As anecdotal information, Mr. Cerreta reported analysis of indirect cost rates charged by other County Offices determined that the maximum rate of 10.12% would place SCOE in the top third, but the actual 8.6% rate places SCOE in the bottom third. The Committee then reviewed the unaudited actuals for individual funds.

- b) **Review 4th Quarter Board Budget Summary and Board Expenditures** – Ms. Downey presented the final report and reviewed it with the Committee.
- c) **Annual Review of Board Policy 1330, Series 7000** – Mr. Cerreta stated that in his review of this policy he found that the language is standard and the last paragraph meets with the Civic Center Act (SB1404, effective July 1, 2014), whereas groups shall **not** be charged a fee for the use of the facility or grounds, so long as it does not result in any costs to the County Office. Mr. Cerreta recommends no revisions to the policy at this time.

8. New/Pending Business

- a) **New/Old Business** – None
- b) **Facilities Update** – None
- c) **Audit Committee** – Met with the auditors at 10:00 a.m.
- d) **Additional Items from the Committee** - None

9. Next Meeting – The next meeting was not scheduled and will be determined at a later date.

10. Adjournment - Ms. Lemke adjourned the meeting at 11:30 a.m.

SONOMA COUNTY OFFICE OF EDUCATION

**Business and Personnel Services Audit Committee
Special Meeting Minutes - Adopted**

September 16, 2014, 10:00 a.m.

Present - Audit Committee Members: Jill Kaufman, and Helga Lemke; **Staff:** Jim Cerreta, Mary Downey, Jeff Heller, and Patti Springer

1. **Call to Order** – Ms. Lemke called the meeting to order at 10:00 a.m.
2. **Approval of the September 16, 2014 Audit Committee Meeting Agenda** – On motion by Ms. Kaufman, seconded by Ms. Lemke, the motion carried to approve the agenda.
3. **Public Comment** – None
4. **Information/Discussion Items**
 - a. **Audit Committee will meet with the Independent Auditors regarding the June 30, 2014 Audit** – at 10:32 a.m. Ms. Lemke excused the staff from the meeting so the members of the Audit Committee could meet with the Nigro & Nigro auditor, Jimmy Whittington.

At 10:28 a.m. the staff rejoined the Committee. Ms. Lemke reported that as a result of the Audit Committee meeting with the auditor a recommendation was made for the auditors to present a workshop for the members of the full Board on how to understand the audit. Ms. Lemke added that the Board is in the process of developing an orientation for new members of the Board and a manual on office procedures such as travel claims, etc. Mr. Whittington will contact Mr. Cerreta regarding the scheduling of the workshop.

5. **Adjournment** – Ms. Lemke adjourned the meeting at 10:29