



SMMUSD Financial Oversight Committee Meeting Minutes

Date: Thursday, March 11, 2021

Time: 6:00 pm to 8:00 pm

Location: Zoom

<https://drive.google.com/file/d/11v1Wx4D2R1vE8NfpSFiWB3B3vI8Dle40/view?usp=sharing>

I. Call to Order

6:08 pm

Committee Members: Matthew Crawford

Alex Farivar

Michael Kremer

Marc Levis-Fitzgerald

Melinda Newman

Natalie Ricciardulli, SAMOHI student rep

Matthew Covington

Seth Jacobson

Shawn Landres

Payal Maniar

Renu Mevasse - *departed @ 7:30 pm*

Staff:

Melody Canady

Caryl Hall

Tom Whaley

Ben Drati - *arrived @ 6:25 pm and departed @ 7:48 pm*

Victoria Hurst - *departed @ 8:00 pm*

Jacqueline Mora - *arrived @ 6:27 pm and departed @ 8:49 pm*

Deanna Sinfield - *departed @ 8:00 pm*

Gerardo Cruz - *arrived @ 6:28 pm*

Kim Nguyen

Bertha Roman - *departed @ 8:49 pm*

Board Liaison:

Keith Coleman

Jon Kean

Craig Foster - *arrived @ 6:40 pm*

Absent:

Gordon Lee

Kimya Afshar, Malibu Student Rep

Public:

Lydia Muraro

II. Approval of Agenda

6:09 pm

A motion was made by Ms. Newman and seconded by Ms. Maniar to approve the agenda.

Mr. Landres requested clarification that he was an alternate on the bond subcommittee as he had been attending those meetings.

AYES: Ten (10) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Landres, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Mevasse, Ms. Newman)

STUDENT ADVISORY VOTES: One (1) (Ms. Ricciardulli)

NOES: None (0)

ABSENT: One (1) (Mr. Lee)

ABSTAIN: None (0)

III. Approval of FOC Meeting Minutes

6:12 pm

A motion was made by Mr. Landres and seconded by Mr. Crawford to approve the January 7, 2021 meeting minutes as amended.

Under Agenda Item V.A., City of Malibu School District Separation Consultant – LaTanya KirkCarter,

...The Malibu School District Separation Town Hall may be viewed at <https://www.youtube.com/watch?v=r3jlGtM1vJk>. **They also responded to questions raised by Committee members, after the SMMUSD school district separation consultant presentation to the FOC on December 2020.**

Under Agenda Item V.B., Application process for nomination to the committee effective July 1, 2021,

...Members whose terms are up will inform the subcommittee chair of their intention on serving future terms **by the February meeting of each year.**

Under Agenda Item IX. Committee Comments,

...The committee asked for comparable data of the District Office building -1717 4th Street purchase. as well as clarity on the purpose of Measure R funds and **the new reporting SMMUSD plan to implement for Measure R compliance.** ~~whether the way funds accounted was meant to change considering that the District is now basic aid; and that nothing changed although the District transitioned from LCFF to basic aid.~~

The breakdown of the beginning fund balance of \$7.5M reported at the 1st interim budget was attributed to a combination of **the** fiscal stabilization plan adopted in 2020-21 and not **a change in** spending due to school site closures. The committee requested a break out of the savings.

AYES: Ten (10) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Landres, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Mevasse, Ms. Newman)

STUDENT ADVISORY VOTES: One (1) (Ms. Ricciardulli)

NOES: None (0)

ABSENT: One (1) (Mr. Lee)

ABSTAIN: None (0)

IV. Assistant Superintendent, Business and Fiscal Report: Melody Canady (5 min)

6:12 pm

There was no report.

V. Discussion/Action Items

6:12 pm

A. Presentation of Special Education mid-year report (45 min)

Ms. Sinfield provided the committee with a mid-year report that included successes for 2020-2021, financials, extra funding, legal cases by eligibility, information on cases from 2019-2020 and 2020-2021, multi-year legal settlements/long term liabilities, and next steps.

Ms. Sinfield and Ms. Hurst explained the changes to those involved in litigation and the steps they are taking to address it. The department has been doing foundational work over the past year and a half trying to understand current programs and where programs meet needs. Immediate impacts may not be realized but staff was working on longer-term initiatives to reduce the litigation such as working on relational management. IEP meetings are set up starting with strengths, document preparation prior to the meeting and addressing the parents' concerns and building trust.

7:48 pm

Ms. Murano addressed the committee on this item.

The committee recommended a conversation and options to help students reacclimate, especially social skills and learning loss so they are caught up as much as possible come Fall; rethink pace of recovery; and how to learn instead of what to learn.

The presentation may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/031121SpecialEdMid-YearReporttoFOC.pdf>

B. Presentation of Second Interim Report (45 min)

8:49 pm

Ms. Canady and Mr. Cruz provided 2nd interim changes and its impact to the multi-year projection. Large settlement claims from school vandalism and Woolsey fire were revised downward as it was not certain whether it will materialize in this year's budget. There was expired payroll where checks were not cashed from retro-payroll in addition to vendor warrants. These will go back into general fund as unclaimed property.

The following 2nd interim documents may be found in the following link:

- Presentation: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104429&MID=5506>
- Report: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=106076&MID=5506>
- Stabilization Plan: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104432&MID=5506>
- Narrative Attachment of Other Local Funding: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104430&MID=5506>
- Multi-year Projection: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104431&MID=5506>
- Traditional vs. Covid Budget Line Items: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=104433&MID=5506>

8:00 pm

C. Presentation of Proposed 2021-22 Measure R Annual Plan to be posted by 3/30/21 (30 min)

Mr. Cruz provided the committee with an overview of the proposed 2021-22 Measure R annual plan.

The Measure R annual plan may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/MeasureR/MeasureR-AnnualPlan2122.pdf>

8:11 pm

Ms. Muraro addressed the committee on this item.

The committee continued with discussion and questions on this item. Some line item of the benefit increase was disproportionately larger than the salary increases due to some listed separately between benefits and salary while others was combined together.

The student information system was a valid expenditure as the ballot language prohibits administrative salary. Specifically, the ballot language was to preserve programs or replace funds due to inadequate state funding; to sustain achievement in reading, writing, and mathematics for all students and all grade levels; and to fulfill the district's core curriculum. The auditors have said that SIS falls in the purview of the ballot language and was legally permissible.

SIS is the backbone of the entire district that contains all of the student data; helps analyze and maintain records and transcripts; and everything that we use to help and support students in terms of intervention and all programs that the district run was embedded in the SIS. It allows the district to deliver the level of services and to augment programming for students as a result of leveraging this resource in this way. It supports what happens on the back end of what are seen on the front end by services and programs delivered by the teachers to help students reach their potential.

The committee commented that a list of vendors looks like administrative costs. It was recommended that the annual plan include a strong explanation as to the reasons why those programs are included in the plan. Mr. Jacobson informed the committee that in previous years, the committee had discussed and developed a narrative and outline for the Measure R funds. The committee requested that the Board make it one of the FOC charges to examine the Measure R funding that the public can understand what the parcel tax supports

A motion was made by Mr. Landres and seconded by Ms. Newman to agendaize discussion and action of creating a standing committee of FOC to work with staff to prepare the annual Measure R report narrative.

AYES: Nine (9) (Mr. Covington, Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Landres, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Newman)

STUDENT ADVISORY VOTES: One (1) (Ms. Ricciardulli)

NOES: None (0)

ABSENT: Two (2) (Ms. Mevasse, Mr. Lee)

ABSTAIN: None (0)

The Measure R plan may be found at:

<https://www.smmusd.org/cms/lib/CA50000164/Centricity/Domain/300/MeasureR/MeasureR-AnnualPlan2122.pdf>

VI. Ad Hoc Subcommittee Report

A. Budget Recommendations: Ms. Maniar, *Mr. Covington, Mr. Jacobson, Ms. Newman*

7:25 pm

Dr. Drati provided an update on the status of the subcommittee in addressing the budget deficit and aligning the budget. The Superintendent Advisory Committee was established to look at the budget and address the substantial budget deficit. Dealt with the situation in two phases: the current budget and future budget. There was a cut of about \$8M in reductions but still need to address \$7M deficit in the out years. The process was stopped midway due to COVID that created uncertainty to move forward with a fixed number of \$7M. Things happened along the way such as federal money, no travel for sporting games, reduction of expenses for reduced/non-use of utilities, and declining enrollment (less than 500 students than expected). Staffing was kept intact without reducing staffing. Districts typically align staff with enrollment but it was difficult to anticipate the needs come Fall 2021. There was an infusion of one-time stimulus funds into the budget – used for equipment to reopening schools and expansion of programs for learning loss. The structural deficit has not been forgotten.

Dr. Drati answered committee members' questions regarding county's response to stimulus funds. The committee requested/urged Dr. Drati to leverage the FOC to start thinking about the Fall and decline in enrollment.

B. Tax Revenue and Assessed Valuation: *Mr. Farivar, Mr. Crawford, Mr. Kremer, Ms. Newman*

9:11 pm

There was no report

C. Bond Oversight: *Mr. Kremer, Mr. Covington, Mr. Crawford, Mr. Landres, Mr. Lee*

9:15 pm

There was no report.

Mr. Kremer requested an update on the work staff was going to do on the enforced obligations the City. The tax revenue subcommittee reported to the Board last July with identified opportunities for savings of redevelopment obligations as interest rates are rising. Ms. Canady will talk with Mr. Kremer offline regarding this item.

D. Nomination: *Mr. Crawford, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Newman*

9:12 pm

Mr. Crawford looked at the messaging around the outreach and how to best communicate announcement to generate more interest and clarity in the type of expertise that committee was looking for to serve on the FOC. He suggested that committee members also distribute the notice in addition to the District's press release

VII. Receive and File (Limited Discussion)

9:25 pm

A. Updates to the 2020-2021 Audit Guide – Distance Learning and Beyond dated February 2021

VIII. Public Comments

9:18 pm

Ms. Muraro addressed the committee regarding Measure R language point D to protect the taxpayer investment in education and ensure district accountability for special citizen financial oversight and independent annual audits; inequity of art teachers at Lincoln and John Adams Middle Schools of approximately 0.4 FTE.

Mr. Kean clarified the public comment that it would be more appropriate to request an increase in FTE at Lincoln which does not pertain to Measure R and the purview of the FOC.

IX. Committee Comments

9:22 pm

Mr. Landres stated that the FOC reviews the budget for fiscal management and audit oversight, not policy.

Ms. Newman stated the FOC's charge include Measure R oversight in a way that the public would approve of.

X. Next Meeting: Thursday, April 15, 2021 – Zoom

XI. Adjournment: 9:25 p.m.



CPAs & BUSINESS ADVISORS

UPDATES TO THE 2020-2021 AUDIT GUIDE — DISTANCE LEARNING AND BEYOND

February 2021

PRESENTERS



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TOPICS FOR DISCUSSION

Audit Guide: Changes for 2020-2021.

What areas the auditor might emphasize and how you can prepare for the audit.

Audit Guide: Looking ahead into 2021-2022 changes.

CHANGES FOR THE 2020-2021 AUDIT GUIDE

- **Suspended Procedures:**
 - **Independent Study**
 - **Continuation Education**
 - **Juvenile Court Schools**
 - **Middle or Early College High Schools**
 - **Independent Study – Course Based**
(except as it pertains to non-classroom based charters)



A background image showing several business professionals in a meeting. They are seated around a table, looking at documents and charts. The image is slightly blurred and has a warm, golden light effect in the top left corner.

CHANGES FOR THE 2020-2021 AUDIT GUIDE

- **Suspended Procedures (cont.):**
 - **Transportation Maintenance of Effort**
 - **After/Before School Education and Safety Program**
 - **Local Control and Accountability Plan**
 - **Immunizations**
 - **Charter Schools – Annual Instructional Minutes**

Changes for the 20-21 Audit Guide - Amendments

Report Components – Removed references to ADA in the report

Schedule of ADA

Schedule of Findings and Questioned Costs

Remove reference to ADA throughout audit procedures:

Kindergarten Continuance

State in a finding the ~~resulting units of ADA~~ noncompliance

K-3 Grade Span Adjustment

....received funding for K-3 Grade Span Adjustment

~~reported ADA~~.....

Changes for the 20-21 Audit Guide - Amendments

Auditing Standards: Sampling

The auditor should select samples ~~Sampling should be~~ based on the guidance.....

Materiality Levels: Table below (based on 2018-2019 ADA) only applies to Independent Study – Course Based Program.

All suspended ADA related programs, such as independent study should be audited as part of Attendance and Distance Learning (Section A)

<u>LEA's Total Reported ADA</u>	<u>Materiality Level/Program</u>
1 - 1,000	10 or more ADA
1,001 - 2,500	20 or more ADA
2,501 - 10,000	50 or more ADA
More than 10,000	100 or more ADA

Changes for the 20-21 Audit Guide - Amendments

Teacher Certification and Misassignments: Select a representative sample of teachers for the school sites selected... ~~For each teacher selected...~~

Instructional Materials (technical change): Delete references to Education Code (EC) Sections 60605 and 60605.8 (Procedure 5), and a word change from 'foreign' to 'world' (Procedure 6)

School Accountability Report Card (technical change): Change from 'misassignment' to 'misassignments' to align with EC Section 33126(b)(5)

Changes for the 20-21 Audit Guide - Amendments

Unduplicated LCFF Pupil Counts: Amend Procedures to include Adult English Learner (ADEL) eligible (new English Learner Acquisition Status designation)

Independent Study – Course Based: Procedure 1 is changed to apply to charter schools classified as non-classroom based as of 2019-2020 instead of 'LEA' as distance learning requirements apply to school districts, county offices of education, classroom-based charter schools, and newly operating charter schools. References to ADA and its fiscal impact, in addition to the independent study ratio, have been deleted as no ADA is being reported

Changes for the 20-21 Audit Guide - Amendments

Charter School - Attendance: Eliminate all references to ADA. Deleted procedures for pupils over the age of 19 years that generated ADA apportionment. Moved verification of annual days to nonclassroom-based instruction section

Charter School – Mode of Instruction: If the charter school is a nonclassroom-based charter school, proceed to the nonclassroom based instruction and determination of funding for nonclassroom based instruction sections. Otherwise, proceed to the Attendance and Distant Learning section

Changes for the 20-21 Audit Guide - Amendments

Charter School – Nonclassroom-Based

Instruction/Independent Study: References to ADA and its fiscal impact, in addition to the independent study ratio, have been deleted as no ADA is being reported

Review the school attendance calendar and determine the number of days offered by grade level (minimum of 175 days to be offered)

Changes for the 20-21 Audit Guide - Amendments

Charter School – Determination of Funding for Nonclassroom-Based Instruction: If a charter school was classified as a nonclassroom-based charter school as of the 2019-2020 fiscal year ~~more than 20 percent of the charter school's total ADA was generated through nonclassroom based instruction (independent study)...~~

For funding determination audit findings for 2020-2021 fiscal year only, report the number of units of 2019-2020 second period ADA by grade span and an estimate of their dollar value.

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: Key Elements

In order for a day to count as a day of instruction towards meeting the annual day requirement (180 days for school districts, 175 days for charter schools), students must be scheduled to attend a school day equivalent to the minimum day of instruction

For the 2020–21 school year, the minimum schoolday for a local educational agency is as follows:

- (a) 180 instructional minutes in kindergarten.
- (b) 230 instructional minutes in grades 1 to 3, inclusive.
- (c) 240 instructional minutes in grades 4 to 12, inclusive.

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: Key elements to understand to ensure compliance:

A school day can be met through in-person instruction, distance learning, or a combination of both

Instructional time for distance learning is calculated based on the time value of synchronous and/or asynchronous instruction and assignments as determined and certified by a certificated employee

Instructional time for in-person instruction is calculated based on time scheduled under the immediate physical supervision and control of a certificated employee

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: New Procedures

Review school attendance calendars, bell or class schedules, or other documentation, to determine if any individual days are shorter than the normal length

- For distance learning, documentation includes the certificated employee certification of time value
- The certification to time value may be a stand-alone document, or in the weekly engagement record

For distance learning, select a sample of classes **and** pupils and review a sample of days to verify the pupils were offered at least the minimum school length

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: Concerns and Challenges

Significant differences from prior year

District-wide schedules vs. time value at site/class level

Key component – certification of time value by a certificated employee – Will this create inconsistencies between what the district/site report vs. what the teacher “certifies”

Varying ways to document compliance

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: New Procedures (continued)

Verify if the schools deviated from calendar(s), schedules, or other supporting documentation

Consideration: Inconsistencies could result if planned offerings are developed at the district/site level, but time value certified is at the teacher level and does not agree with planned offerings

Consideration: Certify time value at the site level rather than by individual teacher to prevent errors or noncompliance

Changes for the 20-21 Audit Guide - Amendments

Instructional Time: New Procedures (continued)

Determine by grade level, the total number of school days in each sampled school's attendance calendar(s) that were of at least the minimum length required for a school day and compare to the required number of days for compliance

Noncompliance results in a penalty that is required to be reported in the audit report with an accompanying schedule

Changes for the 20-21 Audit Guide - Amendments

Attendance and Distance Learning: Key Elements

Each LEA shall document daily participation for each pupil on each schoolday

A pupil who does not participate in distance learning on a schoolday shall be documented as absent

Daily participation may include, but is not limited to, evidence of participation in online activities, completion of regular assignments, completion of assessments, and contact between employees and pupils/guardians

Ensure weekly engagement record is completed for each pupil documenting synchronous and asynchronous instruction, verifying daily participation and tracking assignments

Changes for the 20-21 Audit Guide - Amendments

Attendance and Distance Learning: New Procedures

Applies to School Districts, COE's, Classroom-based Charters, and Newly Operational Charters beginning 2020-2021

Select a sample of schools (minimum 10% or 1 school site for each grade span)

Select a representative sample of absences for each of the sites selected and verify that absences were reported correctly for site-based or distance learning instruction

Documentation of absences will most likely vary

No evidence of daily participation is one example of an absence

Changes for the 20-21 Audit Guide - Amendments

Attendance and Distance Learning: New Procedures (continued)

Verify the LEA has written procedures relating to tiered reengagement strategies for all pupils who are absent from distance learning for more than three school days or 60% of the instructional days in the week

From the sample of schools selected, select a sample of pupils enrolled:

- If written procedures relating to tiered reengagement did not exist and the student sampled was absent for more than 3 days/60%, report noncompliance in a finding and estimate penalty
- Verify a certificated employee delivered instruction through distance learning and/or in person instruction
- Select one week after September 1, 2020 and verify attendance to weekly engagement records and daily participation

Changes for the 20-21 Audit Guide - Amendments

Attendance and Distance Learning: New Procedures (continued)

Weekly engagement records and daily participation:

Verify each pupil had a completed weekly engagement record that documents synchronous or asynchronous instruction for each whole or partial day by verifying daily participation and tracking of assignments

- Weekly engagement records can be met in a stand-alone record or through a combination of records
- For students tested at the secondary level (period-to-period), all period records will be required to be tested

Verify for each pupil that daily participation was documented on each school day for which distance learning was provided

- This requirement can be met through separate daily participation records, within the student information system, or another method, as long as it meets the requirement.
- For student who did not participate in distance learning, verify they were marked absent for the day

TIPS FOR SUCCESS

1

- Discuss your procedures with your auditors in advance so there is a clear understanding and approach to the audit

2

- If your procedures include a combination of documents for compliance, ensure you provide all related documents to your auditors to avoid confusion and excessive “back and forth” or misunderstandings

3

- Consider developing a checklist to ensure all required components of the weekly engagement record are present

BEWARE!!!

Please
note:

- The volume of audit requests will likely increase this year!

Be
Patient:

- This is new for all of us and is subject to interpretation.

WHAT IS BEING PROPOSED FOR THE 2021-2022 AUDIT GUIDE

- **Bring back programs that were suspended in 2020-2021**
- **Materiality levels:** Added clarity on which programs the materiality levels apply to for testing
- **Comprehensive School Safety Plans:** Changed terminology from “approved” to “adopted”
- **Local Control and Accountability Plan:** Changed sample selection of “actions and services” to just “actions”
- **Immunizations:** Confirm vaccinations of K, 1st, 7th, and 8th grade students related to chickenpox, measles, and Tdap



QUESTIONS?

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THANK YOU

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