

Audit and Risk Management Advisory Committee
Jefferson County Public Schools
May 22, 2024
Stewart Auditorium

ARMAC Members Present: Chair James Rose, Co-Chair Rhonda Mitchell, and Dr. Eric Russ

JCPS Staff Present: Dr. Marty Pollio, Dr. Katy DeFerrari, Dr. Rob Fulk, Eddie Muns, Chuck Truesdell, Mark Hebert, Sheree Thompson, Brandy Hatcher, May Porter, John LeMaster, Chalynn Comage, Sonya Miller and Shari Mattingly

Board Members Present: None

Public Present: Isaiah Kim-Martinez of WHAS

Chair Rose called the meeting of the Audit and Risk Management Advisory Committee (ARMAC) to order at 2:02 p.m.

Approval of Minutes

A motion to accept the minutes of the April 15, 2024 meeting was made by Dr. Russ and seconded by Co-Chair Mitchell. The minutes were approved by a unanimous voice vote, followed by introductions.

Phase I Transportation Assessment Management Response Presentation – James Rose, ARMAC Chair

Chair Rose discussed the previous board meeting where audit findings were introduced by the outside auditor and explained ARMAC's role and upcoming calendar regarding transportation. Dr. Pollio stated that the District agrees with 90% of the recommendations though there are some findings where he does feel the District has had improvements. Five work teams reporting to a Project Manager have been developed to make recommendations. Each work team meets every other week for an overview of findings and requests they may have. Chair Rose asked if the Project Manager is the facilitator and who the teams are accountable to. Dr. DeFerrari explained that each team has a Chief they are accountable to, and she meets with the Chiefs weekly. Dr. Pollio stated that the project managers earn substantially less than they would in the private sector, and this makes finding good ones particularly challenging.

The District has developed a transfer process for Choice Zone students who do not meet the application deadline. This should be a relatively small number of students as close to 90% of applications have already been received. The process will not consider capacity and will provide transportation, empowering families to choose a school either closer to home or further away for their students. Dr. Fulk explained that during the pause period we do not want to add massive amounts of stops just before school starts. We must be conscious of the number of students added to a bus as to not exceed capacity. Dr. Russ asked how much things might change after the pause period. Dr. Fulk says there has been a buffer built in so that some kids could be added back.

The District is reviewing start times, however Dr. Pollio believes that having only three is the only way it can be done. The most controversial start time is 9:40, but there are real concerns about earlier start times and the effects on students. Two start times would be ideal (7:30 for elementary and 8:30 for middle and high),

but this would require 750 drivers and we are short 200 drivers, therefore this is not possible. Dr. Fulk's goal is to return to geographic regions; the 2023-24 start times were not constructed for geographic regions. Chair Rose asked about the December commitment to the Board to deliver a plan for the 2025-26 school year for start times. Dr. Pollio explained that all secondary schools would have a start time of 8:40 for half of the middle and high schools, and a 9:40 start time for the other half of middle and high students. This is a significant change of practice and is due to a lack of drivers. The District requires significantly more high school buses than is needed for elementary. Dr. Pollio expects this to be an ongoing issue for the next decade. Co-Chair Mitchell stated that the District should start building community awareness now. Also, looking at current trends, Dr. Pollio sees a rise in multilingual learners which will also affect the numbers. Chair Rose asked if using demographic trends would allow the District to predict future enrollments. This is possible but is more difficult for multilingual learners since certain schools are more impacted than others.

Dr. Fulk stated that routing timelines are 28% completed for next year, but Dr. Pollio emphasized that we do not have a lot of time as some believe. Last year, the District experienced a level of bus stop changes that had not been seen before. This was the most impactful cause of the delays; fifty-minute routes turned into hour and a half routes. Knowing this now, Dr. Pollio would have had a pause period after July 25 last year. Dr. Fulk stated that a routing team has been established which will meet weekly for a transportation status meeting that will also include Transportation/Operations leadership and the Executive Director of Special Projects. Dr. DeFerrari also described the transportation verification process which has been created to clarify with parents the plan for their children. Every JCPS family must complete the form by June 6. We do still however have students that "just show up" on the first day of school. Schools are now being allowed to bring in staff to assist who would typically be off work, to provide more help.

Feedback sessions have been conducted with stakeholders and Dr. Fulk will be updating bus drivers with a memo tomorrow. There will be tablets on each bus with routing software integrated with GPS that can be upgraded going forward. For this year, the District is using the same software it has in the past because it is too late to change. Camera systems on buses will monitor activities and provide live video. This will be especially helpful to assist when students get off the bus at an incorrect location. Schools will have access and be better able to assist parents should their student exit at the wrong stop. This technology will also be available on the white fleet (vans). Chair Rose asked the reasons for not having the latest technology; was it due to cost? Dr. Pollio explained that the District had not kept up with national trends for transportation tech and this along with the driver shortage created the perfect storm. Each cabinet member is responsible for staying up to date on technology, and our current Chief Information Officer, who came on board early this year, has brought new technology leadership as well.

Regarding the District's professional services contracts administration, Mr. Muns disagrees with the audit findings as this line of authority is already in place. Every professional services contract is submitted to the Board for approval. Once approved, the school or department procuring the services completes a requisition which identifies on it the name of the administrator in charge. This aligns with the auditor's description of contract manager. Co-Chair Mitchell asked if every contract has someone who monitors day to day. Mr. Muns cannot say every contract is monitored this way, but he will work with his purchasing department to review and ensure the process is being completed consistently.

Chair Rose and Co-Chair Mitchell inquired as to the contract process to ensure the District has proper oversight, so that satisfactory services are received before payments are made to vendors. Mr. Muns agrees that our current system will not have 100% successful returns every time. Dr. Pollio stated that this will require hiring additional personnel at a time when the District is often criticized for being too high in overhead staffing.

Dr. DeFerrari stated that regarding the 6-1 major initiative planning, based on history, there is no question that this is an area where those in charge will make adjustments. She also stated that improving the

communication of these initiatives is already underway. The newly redesigned District website has community stakeholder landing pages with links or buttons to get them where they need to go, quicker and easier. But the District also must think of additional ways to communicate, and Chief of Communications Callahan is driving this initiative and aggressively working to recruit drivers with an upcoming blitz scheduled for June 1. The District also uses advertisements, billboards, informational video, and driver testimonials. The District also uses vans to transport students, and Dr. Fulk explained that 6 to 7 vans equate to one bus. Co-Chair Mitchell asked if JCPS advertises for van drivers which Dr. Fulk confirmed. Dr. Pollio discussed contracting with outside organizations and that JCPS uses Miller Transportation, but they are really the only option we have available locally. Other vendors have expressed an interest but do not currently have the infrastructure in place. Dr. Fulk did note that JCPS has the buses if a vendor can provide the drivers.

Financial Services Update – Eddie Muns, CFO

The tentative budget will be submitted to the Board at the upcoming meeting next week, with the working (final) budget being submitted to the Board in September. The District is currently in negotiation regarding any cost of living raises for the new fiscal year.

Internal Audit Update – May Porter, Director of Internal Audit

Ms. Porter provided an update of the 2024 Work Plan including in-process and scheduled projects. Chair Rose asked why certain types of engagements were being outsourced. Ms. Porter explained that it is a personnel issue because the department only has one auditor in addition to herself. John LeMaster gave an overview of the Substitute Usage Process Improvement review requested by HR and discussed the recommended opportunities for improvement that were identified. HR concurred with the recommendations and agreed to implement two of the three. For the third, they are potentially investing in automation to get away from using paper. Co-Chair Mitchell inquired about the process of following-up on recommendations. Ms. Porter is currently working on a formal process. Dr. DeFerrari has some additional opportunities in mind for ensuring substitute assignments/school availability are properly reported while still allowing schools to get their preferred substitutes. She will be discussing these opportunities with the new Chief of HR. Ms. Porter expressed her appreciation to Ms. Thompson and Ms. Hatcher for their cooperation and help with Internal Audit's consulting review, and for being the first department to have its report with findings presented to the committee.

The FY25 Annual Risk Assessment and Audit Plan Board presentation timelines were reviewed along with the components of the processes. Co-Chair Mitchell further inquired about the method of presentation of the Plan being a Consent Agenda item versus in-person discussion. Further discussion on the method followed.

Adjournment

Chair Rose made a motion to adjourn the meeting; Co-Chair Mitchell seconded the motion. The meeting adjourned at 3:58 p.m.