

Audit and Risk Management Advisory Committee
Jefferson County Public Schools
August 19, 2024
Stewart Auditorium

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

JCPS Staff Present: Dr. Marty Pollio, Dr. Katy DeFerrari, Dr. Rob Fulk, Eddie Muns, Cynthia Grohmann, Mark Hebert, Carolyn Callahan, Matt Anderson, May Porter, John LeMaster, Chalynn Comage, and Sonya Miller

Board Members Present: None

Public Present: WAVE 3, WHAS11

Chair Rose called the meeting of the Audit and Risk Management Advisory Committee (ARMAC) to order at 2:05 p.m.

Approval of Minutes

A motion to accept the minutes of the May 22, 2024 meeting was made by Dr. Russ and seconded by Ms. Cowley. The minutes were approved by a unanimous voice vote, followed by introductions.

Financial Services Update – Eddie Muns, CFO

According to Mr. Muns, all divisions had a role in the successful start to the school year. The Operations Services Division had a critical role in this year's success. Financial Services has been working on the Transportation Stipend Initiative and related components that are specifically related to Finance. Communications will go out this week and parents that lost transportation will have the opportunity to enroll in the program next week.

School enrollment is stable with a slight increase over last year. There is a financial component to student enrollment. The interim financial statements (unaudited) for two months will be presented to the JCBE on August 20th. The financial audit is ongoing, in the very beginning stages. We are anticipating that the ending fund balance will be lower than usual. However, this is an anticipated reduction based of the impact of the funding cliff. JCPS does have a plan in place to mitigate the impact of the shortfall. The budget should stabilize by year six.

Phase II Transportation Assessment Management Response Presentation – Dr. Rob Fulk, COO

Dr. Fulk provided an overview of student transportation during the first weeks of school. There was significant improvement from the previous years. On the first day of school, August 8th, the last student was dropped off at 7pm. Since then, the last drop-off time has decreased averaging at approximately 6pm daily. There is a surplus of drivers to routes for the first time in several years. JCPS currently employs 580 full-time

drivers. JCPS is averaging a 98% on-time drop-off in the morning and an 88% drop-off in the afternoon.

There has been a reduction in carline wait times since the first day of school. There are some schools seeing slower improvement. Todd Kessinger and Dr. Fulk will update the JCBE regarding student transportation, including the impact on / to traffic in-and-around the school areas and car rider lines.

According to Dr. Deferrari, the success of the first few weeks can be contributed to several factors including robust feedback from various stakeholders. Multiple stakeholders were given the opportunity to provide input throughout the process. Additionally, drivers were able to practice and adjust routes for an extended (3 day) period prior to the start of school. The Communications Division also staffed the 485-RIDE line very well, and team members were well-trained to help with any language barriers. Dr. Russ complemented everyone on a successful start.

Mr. Rose inquired about the Transportation Assessment Phase II recommendation regarding KPIs. Dr. Fulk stated that JCPS generally agrees with the recommendation and has begun to implement the recommendation. KPIs were adopted as recommended. JCPS selected the KPIs based on the objectives of the Transportation Department and the Council of Greater City Schools. Specific KPIs discussed include on time performance, all-clear times, driver absenteeism, driver turnover and bus ridership. KPIs will be included in a periodic report to review and trend the data.

Regarding the Phase II recommendation for student behavior on the buses, Dr. Deferrari discussed corrective actions that have been taken including meetings with bus coordinators to determine the information needed to address student behavior. Transportation will continue their work with Culture and Climate to ensure disciplinary actions are properly documented and executed. Bus drivers and coordinators should receive timely reporting on disciplinary actions without violating FERPA rules. Consideration is being given to hiring additional employees to collect, document, and report instances of student behavior issues and corresponding disciplinary actions. Dr. Deferrari discussed disappointment regarding Prismatic's lack of direct input from Culture and Climate staff.

Dr. Russ inquired about ongoing bus driver recruitment efforts. Ms. Grohmann, Interim Chief of Human Resources (HR), described new and ongoing efforts. HR has a newly established team of professionals that work exclusively with the Transportation Department. The schools are placed into zones for this process. HR has developed a process to track applicants from application, hiring, interview, and training. Additionally, compensation has been increased for drivers. The quantity of drivers to routes has allowed for a better work-life balance for drivers. Ms. Cowley inquired about the timeline for hiring. Ms. Grohmann responded that it depends on the credentials and experience of the candidate. Mr. Rose inquired of Dr. Fulk about additional needs from HR. Dr. Fulk responded that HR has been responsive to Transportation's needs. The restrictions on licensing for drivers that do not speak English is a barrier for Transportation, but there is work being done to change the related regulations.

Communications with parent stakeholders has improved. An example is the use of a parent facing application called Edulog, which allows parents to track their child's bus and receive notification regarding the status of the bus.

The Phase II report cited the complexity of timekeeping as an issue. Bus driver schedules and hourly rates, including overtime rates, were reestablished during the most recent Teamster negotiation as a resolution to the issue. Each driver now receives a 48-hour notice if a bus stop is added to the route.

The Phase II report cited issues with vehicle maintenance. Most of the recommendations have been or are in the process of being implemented. Vehicle Maintenance is now a standalone division, which allows for greater visibility. Additionally, mechanics have received a pay increase, which is intended to boost morale and increase retention and recruitment. The only recommendation the district does not agree with is the building of a vehicle fleet with a single make due to inefficiency and the cost of doing so.

Dr. Deferrari discussed the hiring of a special projects with an impending start date of August 20, 2024. Her role will generally consist of advancing projects, building timelines and plans. She will be expected help with accountability and monitoring. A couple of large projects that are ongoing are the Applitrack Program's upgrade, middle school weapons detection implementation, and District Operations Center revamp.

Mr. Rose began to discuss the concept areas with ARMAC's report to the JCBE, which was requested in response to the Transportation Assessment. Ms. Rose described each concept area in general terms at a high level. Dr. Deferrari inquired as to the intended outcome of the areas. She shared concerns regarding reporting, monitoring, and tracking progress for the areas. Dr. Deferrari inquired as to whether ARMAC's involvement in the areas was beyond the scope of its Charter. Additionally, the district is reporting progress on multiple plans and initiatives to various stakeholders. Mr. Rose responded that the administration could select which, if any areas they would work on. Dr. Deferrari explained the workload associated with creating evidence or being able to show phases or pieces of progress across multiple divisions. The issue would not be establishing anything new. It would be finding a way to demonstrate progress.

Dr. Pollio joined the meeting and offered to answer any questions. Mr. Rose inquired as to the status of the TARC drivers and whether any bus service could potentially be restored to students. Dr. Pollio stated that a small percentage of TARC drivers have met all requirements to transition to driving school buses. The remaining drivers are working towards meeting the requirements. It is likely, depending on the quantity of TARC drivers that will be transitioned, that bus transportation will be added back to a select group of magnet and traditional schools.

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. Ms. Porter presented the FY 2025 Audit Plan. According to Ms. Porter, the basis for the plan is a risk assessment consisting of input from district leadership collected by way of surveys. The presentation touched briefly on the risk assessment. The focus and purpose of the presentation was to explain the FY2025 Audit Plan. Ms. Porter clarified the difference between the risk assessment that served as the basis for the plan and Enterprise Risk Management (ERM). Specifically, risk assessment is a component of ERM. However, the risk assessment necessary for successful ERM is more comprehensive than the risk assessment performed as the basis for the plan. Ms. Porter discussed each project included in the plan. Dr. Russ asked which audits focus on organizational culture. Ms. Porter responded noting there are three audits included to address risks related to organizational culture. Mr. Rose inquired as to whether the plan could be performed with the resources and time available. Ms. Porter responded by stating that the plan is very ambitious but entirely possible. Co-sourcing will have to go beyond IT audits to include operational audits. Additionally, there are not hours budgeted for special requests. Ms. Rose inquired that if resources were unlimited, which audits would be included in the plan. Ms. Porter responded that the audits that would be included in the plan are listed in the On The Horizon section of the Annual Audit Plan and Risk Assessment Report.

Adjournment

Chair Rose made a motion to adjourn the meeting; Co-Chair Mitchell seconded the motion. The meeting adjourned at 3:45 p.m.