

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

ARMAC Members Present: Chairperson James Rose, Co-chair Rhonda Mitchell, Dr. Eric Russ, Pedro Bryant and Wilbert Whitfield

JCPS Staff Present: Dr. Rob Fulk, Dr. Katy DeFerrari, Eddie Muns, Kevin Brown, Carolyn Callahan, Amanda Petters, Letisha Broadus, May Porter, John LeMaster, Chalynn Comage, Sonya Miller and Shari Mattingly

Board Members Present: none

Public Present: Isaiah Kim-Martinez and Emma Geftor of WHAS TV, WDRB

Chair Rose called the meeting of the Audit and Risk Management Advisory Committee (ARMAC) to order at 2:00 p.m.

Approval of Minutes

A motion to accept the minutes of the January 3, 2024 meeting was made by Dr. Russ and seconded by Mr. Bryant. The minutes were approved by a unanimous voice vote.

Chair Rose introduced the new committee member, Mr. Wilbert Whitfield, who gave an overview of his background.

Fall Transportation Options Presentation – Dr. Rob Fulk, COO

A high-level overview of the current state of the JCPS transportation system was presented by Dr. Fulk. Also presented were the four options that JCPS is considering, one of which will be selected for implementation, for the start of the 2024-2025 school year. Dr. Fulk and his team are looking forward to presenting to the Board at the next meeting on March 26th.

Chair Rose asked if the data presented regarding bus driver pay was net compensation, and Mr. Bryant inquired to the percentage of drivers under the age of 40. Dr. Fulk explained the data presented is gross compensation and less than 20% of JCPS drivers are under 40. Dr. Russ asked how JCPS compares to comparable districts, are we better or worse? JCPS is one of the few districts that buses magnet students, which makes transportation very inefficient.

Bus driver training is provided by JCPS and if successfully completed will result in the driver obtaining their CDL license. Chair Rose asked if there is a messaging issue around the job since student discipline is not a major reason for driver separation. Dr. DeFerrari described the recruitment blitzes JCPS has conducted twice this year. These blitzes have personnel available from across the district to meet with prospective employees and answer questions to guide them in their job search. Some find positions within the district other than bus drivers. JCPS also has opportunities for those with a wide range of foreign language abilities. Dr. Fulk is working with Carolyn Callahan and the Communications team who are doing a great job in advertising driver opportunities. There are plans to expand with billboards along with two more hiring blitzes.

Mr. Bryant asked how JCPS driver pay compares to other industries, and if those industries are also losing drivers. Dr. Fulk explained this is an industry-wide problem. If a driver could go to Amazon and only have packages to deliver, many would choose that since it is much easier. The CDL training that JCPS provides is paid, but when applying to drive for JCPS it is not a case of walk in and get a job. Applicants must pass a background check, drug tests, etc. which reduces the hiring pool. Chair Rose asked if drivers are required to work for JCPS for a set amount of time once trained, because they can get their CDL and then seek employment elsewhere. Currently this is not a requirement, but Dr. Fulk is working with JCPS attorneys on this. Chair Rose asked if Dr. Fulk has met with the teamsters who represent drivers, to get their perspective. He stated he has met with the union. As far as incentives some other industries offer (ex: UPS with college tuition assistance), JCPS is already offering the incentive of earning their CDL and being paid while training.

Mr. Whitfield asked if outside staff would be used to man the hubs mentioned in Option 2. No, if JCPS created hubs they would be staffed by district personnel. Chair Rose inquired if the outside firm used to create last year's transportation plan are still being used. Dr. Fulk said JCPS has not retained that company's services, and that projecting routes is very complex; it is really a best guess with the data the district has available. In looking at our magnet school locations, most of these schools are concentrated in one area of the county. Mr. Bryant asked if spreading out these magnets would be of help, and Dr. Fulk agreed that it would. Magnets are described as schools with special programs that students must apply to, some are also traditional. Manual and Male are strictly magnets, they have no resides students. Co-chair Mitchell asked if they would therefore no longer receive transportation. Dr. Fulk confirmed that is correct. Other magnet schools consist of both magnet and resides students (ex: Atherton). She also asked if a student attends a school that has both magnet and resides students, if the magnet student would continue to be provided transportation by the district, and Dr. Fulk confirmed this.

Dr. DeFerrari expects in two to three years it will be a question of whether JCPS can bus students at all if the drivers' variables remain as they are. It will not be the decrease in drivers as much as the great programs that JCPS wants to provide, such as the Academies, which are not magnets. They will continue to grow, and the district will have to pivot. Co-chair Mitchell inquired about using TARC, the public transportation system as a supplement. This is one of the considerations in Option 1, to provide TARC passes for all middle and high students. TARC is working with the district to have proximal stops at all middle and high schools. TARC is not however willing to explore becoming an extension of JCPS (taking over a JCPS route), as Chair Rose asked. Another support would be parent stipends for all magnet and traditional FRL students. Dr. Russ was curious if TARC would be available for students to access CEP sites. TARC is onboard with this but JCPS is waiting to see how this works out. Dr. DeFerrari explained that CEP is also experiencing staffing issues at some of their sites but are hoping to expand.

Mr. Bryant asked if student populations are expected to drop and if JCPS tracks busing miles annually. All indications are that populations will increase, and yes, Dr. Fulk stated that the district does track mileage. He also mentioned a new Traffic Engineer position will be posted if it gets Board approval. Currently, a student's choice of school can cause huge variation in travel distances. Also, FRL threshold certification will change each year. With a high percentage of FRL the district is looking at all choices to cut routes to get to the goal of 474 or less routes per day. Mr. Whitfield asked how many students will not be provided transportation if Option 1 is selected. The number would be 14,000 per Dr. Fulk. Co-chair Mitchell stated that communication with the community will be paramount when making any changes to transportation, just as it was when the Smart Start time changes were implemented. Dr. DeFerrari assured the committee that communication plans are already being created.

Financial Support Update – Eddie Muns, CFO

Mr. Muns began his discussion with the announcement of a staffing change in the Finance office. Executive

Administrator Hannah Lehman has accepted a position with another firm and will be leaving at the end of the month. She will be greatly missed by Mr. Muns and the Finance team.

The tentative budget for the next fiscal year will be presented to the Board at their May 7th meeting. If the ARMAC committee would like to have a special meeting to review the tentative budget prior to the board meeting Mr. Muns is available to present. Chair Rose asked what the utility would be for doing this. ARMAC was presented the draft budget at their January 3rd committee meeting by Mr. Muns and Dr. Aberli. Mr. Muns said the tentative budget is further along and provides a closer look at what the final budget will be. The working budget will be presented to the Board in September and all assumptions will be built in. ARMAC will make the first reading more value added and can provide guidance and assistance in crafting verbiage on the agenda item and can recommend Board approval. Chair Rose agreed to an additional ARMAC meeting to review the tentative budget. Ms. Porter will check the calendar for room availability on April 16th and send an invite to committee members when a final date is agreed upon.

Co-chair Mitchell requested a copy of the presentation before the actual meeting takes place, possibly the Friday before. Mr. Muns agreed to send the presentation to committee members prior to the meeting. He also advised that the Finance office has started a process of instead of reviewing small things, to look at larger processes for structural efficiency and results. The first area to be reviewed, working with Ms. Porter and her team, will be Purchasing.

Internal Audit Update – May Porter, Director of Internal Audit

An overview and update of the Internal Audit 2024 work plan status was presented by Ms. Porter. Highlights of some accomplishments to date are the Grant Management Review, which was co-sourced with Armanino, and the Stuart grades investigation. Dr. DeFerrari mentioned the no go decision with Workiva, explaining that Ms. Porter had control and support to thoroughly review the GRC platform, and that the right decision was made for the district. Ms. Porter will be meeting with Eric Satterly, the new CIO for JCPS, in preparation for the FY 25 Annual Risk Assessment and Audit Plan.

Dr. DeFerrari updated the committee on the Board's self-assessment status, working with Council staff. Many items of accountability must be tied to the goals and guardrails identified a couple of months ago. Mr. Whitfield asked if ARMAC will be participating in board meetings. Chair Rose explained that ARMAC can meeting one-on-one with individual Board members, but that ARMAC does not participate in board meetings. He asked how ARMAC may be of assistance once the Council assessment is complete, and Dr. DeFerrari stated that it will be an entirely different board going forward.

Adjournment

Chair Rose made a motion to adjourn the meeting; Mr. Bryant seconded the motion. The meeting was adjourned at 3:53 p.m.