

NEVADA COUNTY BOARD OF EDUCATION

Regular Meeting

Wednesday, July 9, 2014

2:00 p.m.

Nevada County Superintendent of Schools
Houser Conference Room
112 Nevada City Highway, Nevada City, CA 95959

MINUTES

I. Meeting called to order by Board President Michael

II. Established quorum

Trevor Michael	present
Tracy Lapierre	present
Marianne Slade-Troutman	present
Jack Meeks	present
Bob Altieri	present

III. Salute to the flag

IV. Additions to the Agenda none

V. Adoption of the Agenda

On a motion by Slade-Troutman and seconded by Lapierre, the Agenda was adopted as presented. Motion passed unanimously

VI. Opened public forum – Recognition of members of the audience wishing to address the Board:

Don Bessee advised he wishes to address items which are agendaized.

VII. Closed public forum

VIII. Approval of the Consent Agenda

These items are expected to be routine and non-controversial. They will be acted upon by the Board at one time without discussion, unless a Board member or citizen requests that an item be removed for discussion and separate consideration. In that case the designated item(s) will be considered following approval of the remaining items.

- A. Approval of minutes of the Special meeting of June 12, 2014 (page 1)
- B. Approval of minutes of the Regular meeting of June 18, 2014 (page 5)
- C. Approval of Consolidated Application – Spring Release (page 15)
- D. During the third quarter of 2014 April-June, there were no complaints filed to be reported, pursuant to Williams Uniform Complaint Procedures (E.C. 1240(H): Board policy 1010 – Uniform Complaint Procedures) (page 37)
- E. Annual Report of School Visitations by County Superintendent of Schools Pursuant to Education Code 1240 and the Williams Settlement (page 38)

Slade-Troutman requested items A. Minutes of June 12; and B. Minutes of June 18 be removed from consent agenda for further clarification of the Curriculum and Safety positions. June 12, page 4, 4th paragraph, Eddie Garcia's comment refers to administrators; June 18, page 5, F, 2nd paragraph refers to curriculum director. What is the difference between an administrator and a director? It's confusing to the public.

Altieri noted that the Curriculum Director has no subordinate staff to supervise; cannot give raises; cannot hire; cannot fire; and has no power over staff. This director is not an administrator.

Supt. Hermansen clarified that the Safety and School Climate Coordinator, and Director of Curriculum are their job titles.

On a motion by Altieri and seconded by Lapierre, the Consent Agenda was adopted as presented. Motion passed unanimously

IX. Staff Reports

A. Alternative Education, Sanford

As Sanford is currently on vacation, Supt. Hermansen reported that summer school program for credit recovery was successful.

B. Educational Services, Johns – currently on vacation.

C. Business Services, Somers

Somers reported the business office is busy closing books preparing for the 45 day revise. At the budget meeting in June, it was mentioned that the budget proposal for maximum reserve levels stated that districts couldn't carry more than double the mandate reserves; that statute does not apply to COE's.

In addition, the Dept. of Finance released gap percentages for current year and projections for the next two years on funding levels. Changes were slight in 2014-15; however it is down significantly from projected in 2015-16.

Supt. Hermansen directed Somers to do a variety of things in response to the public request for budget transparency. These requests are taken very seriously. NCSOS Staff will look at other COE's and districts to see what information they provide to the public.

X. Superintendent's Report

A. Penn Valley Superintendent Search

NCSOS office is conducting the Supt. search. 5 candidates were interviewed; and the Board decided to repost for additional candidates. As a result 4 new candidates were selected and interviews are July 10th. Stan Miller graciously agreed to help facilitate the interview process as Shar Johns is out. The PVUESD Board has trust in our office and Stan as he has previous experience.

B. Upcoming Events: Scholar Day at the Fair – August 6

The fair appreciates our partnership as it brings in a greater number of families. The process has changed, the fair prints tickets for us in advance, and our office mailed them out. Tickets were also mailed to the Board.

C. Grand Jury Report on Grass Valley School District Facilities (page 41)

Supt. Hermansen summarized the Grand Jury Report noting she is currently writing a formal response which will be shared with the Board when completed.

Our office is in communication with GVSD about the concerns. Supt. Hermansen reminded the Board that quarterly reports are received and we have never received a complaint.

Under the Williams Act, a COE is required to visit schools in deciles 1-4 from a state generated report. Only one school in our county meets this criteria, Ready Springs, of which the Annual Report was included in the consent agenda today. While our office does visit and talk to principals in other districts and schools, we are not required to inspect facilities under the Williams Act. That being said, our office is concerned about any concerns raised and will work with the schools.

Slade-Troutman referenced an Assignment Monitoring letter from July 2, 2013 which was in the July 10, 2013 Board packet that reported on NJUHSD and RSSD. Supt. Hermansen advised that was for Credential monitoring, reporting is on a rolling cycle with school districts; and RSSD is included every year because they are a Williams Act school.

Nancy Pierce referenced the quarterly reports which are approved indicate *county programs*; and can find no other in depth report.

XI. Action Items

- A. Shall the Nevada County Board of Education approve the Annual review of Board Policy 2710, Conflict of Interest? (page 59)

On a motion by Slade-Troutman and seconded by Lapierre, the Nevada County Board of Education approved the Annual review of Board Policy 2710, Conflict of Interest. Motion passed unanimously.

- B. Schedule special Board Meeting for Interdistrict Transfer Appeal July 16

On a motion by Lapierre and seconded by Slade-Troutman, the Nevada County Board of Education scheduled a Special Meeting for Interdistrict Transfer Appeal on July 16th, 2014 at 3:30 PM in the Houser Conference Room. Motion passed unanimously.

- C. Twin Ridges Home Study Charter School: Review of Budget and Financial Practices (page 61)

Supt. Hermansen noted this is not an action item, there is no action requested. Somers is working closely with TRHS.

Somers summarized that significant fraud issues became apparent after the Business Manager was released from employment due to an inability to perform functions of the job. There was serious misuse of funds.

Somers is working closely with Jaynie Aydin, TRHS Charter Director, to evaluate the extent and determine what the budget actually is. A number of meetings have been held with the Charter Council which Somers attended giving advice and guidance on shoring up practices and procedures. Small schools and businesses could set the stage for fraud, as there is sometimes no separation of duties.

On July 8th, the 2014/15 budget was revised; this plus two subsequent years were approved by TRHS Charter Council; and they will meet their budget. TRHS is being active and proactive in uncovering issues so this doesn't happen again. They are reviewing internal practices, to protect the Charter and NGSOS.

Dr. Jaynie Aydin, TRHS Charter Director, acknowledged they received a great amount of assistance, in particular from Somers to overhaul the budget and practices. She embraces every chance to get a better hold on finances and practices.

Charter Council member, Gayle Welch was present in the audience.

Accountability is valued at TRHS Charter and they look forward to showing the community, parents, and students' willingness to be transparent. They have a workable budget, as long as enrollment is retained. Aydin pointed out Slade-Troutman mentioning at a prior board meeting the importance of Kindergarteners growing the school. Aydin announced that 30 new enrolled students are kindergarteners.

How long the fraud had been taking place was questioned and how much money. Aydin was unable to state as the investigating is ongoing; however noted the former business manager had been employed for 8 years prior to being released; and stated Somers estimate of tens of thousands of dollars could be correct. By mid-August there may be charges filed and a possible conviction.

Slade-Troutman cited EC1241.5 summarizing that the COE may review and audit the charter anytime during the fiscal year if there is reason to believe fraud; that the COE shall report findings to the governing board of the charter school and provide info to the authority. We must ask questions; be inquisitive; and not rubber stamp.

Aydin explained the first detection that there were issues, they were dealt with and the business manager was released as she was unable to perform her job. Furthermore they discovered they were dealing with forged bank statements; forged signatures; manipulated documents; certain things curtailed; all making it appear as though all was okay.

Nancy Pierce quoted the NCBOE minutes of June 12, 2013 where TRHS Charter didn't apply for deferral waivers; calling attention to errors. Then on June 21, 2013 Supt. Hermansen wrote a letter to TRHS Charter advising they didn't meet criteria for a loan; there was a failure to manage cash flow; and failure to file waiver deferral. It is Pierces opinion that it was evident to her there were red flags.

Don Bessee questioned how many audits took place in the past 8 years. Somers stated audits are done annually by Crowe Horwath. Bessee questioned if they had liability insurance, that there may be action against the auditor.

Michael summarized by stating fraud was identified early May by budgetary stress. Once an indicator was raised; the employee suspected was terminated. A report was filed with law enforcement on June 12, 2014; and contact was established with the COE. Somers became acting business manager. Charges were pressed; and restitution will be attempted. Procedures have been changed, the school reconstituted it's financial stance with the submission of a new budget. The next step of progression of activities will be to complete criminal trials. The COE business office will continue business manager activities for the school for the time being.

Michael asked Somers if there were any other COE responsibilities or mandatory actions. Somers replied, no as long as we continue to monitor.

Jan Collins questioned the competency of the auditors as they have audited the past two years and missed it.

Bessee advised he has a background in auditing and it is incumbent on the COE to bring in new auditors.

Slade-Troutman stated is not a healthy practice to have the same auditor year after year; that it is incumbent on our board to have new auditors; no good old boy syndrome. First order of business is to look for new auditor who can do school finance.

Judy Keeler of Nevada City agrees; not expert in accounting; it should take two to three people to write a check.

Michael requested monthly updates.

Slade-Troutman requested discussion item for a new auditor be placed under future business.

Somers explained that audit firms in California have an audit guide 1,200 pages long with transactions most firms are reluctant to take on as it is onerous and burdensome. Our office went through a Request for Proposal (RFP) process; the RFP went out to all auditor firms in California. During this public process, only 3 firms submitted bids; one firm was under review; one firm had only 6 individuals to handle the COE and all the districts; the third was Crowe-Horwath.

D. Public Records Request – Superintendent Expense Reports *(page 65)*

Supt. Hermansen presented this to the Board in case there were questions.

Slade-Troutman quoted the following Government Codes: GC 6250-6270 the Public Records Act; GC 6252.5 defining a member of the public; GC 6253 Public Records open to inspection at all times during office hours...; GC 6253 (3) need for consultation by agency having substantial interest. This was not unreasonable to ask. The records need to be accessible; it's important to do as we are supposed to be doing and pay attention to the budget.

Slade-Troutman read into record the responses from Supt. Hermansen confirming receipt of the public records request and the status. The records provided will take a while to review. We are here for the children, not afraid to hurt feelings, making sure they do business they were elected to do.

Altieri responded that in March 2014, prior to the meeting he had requested Somers to look at the travel and conferences budgets and provide the amount budgeted and amount spent. These numbers represent the total budget for NCSOS.

In 2011/12 the Budget was \$115K; the actual spent was \$92K.

In 2012/13 the Budget was \$119K; the actual spent was \$88K.

In 2013/14 the budget was \$120K; the actual spent (to March) was \$49K.

Altieri further stated when the Board voted on monthly reports on the Superintendents expense report, he voted no. It's not the Board's responsibility to micromanage; it's the Board's responsibility to oversee the budget. In this case, so much was not spent, it wasn't necessary to spend staff time. It wasn't appropriate unless there was a specific reason that there was something going on. Altieri's opinion is that we are on a witch hunt.

Jan Collins disagrees, it is her opinion that the Board was elected to micromanage; that they are elected to look at the details that no one else is.

RJ Guess, Muir Chief Executive Officer questioned if the Budget Committee met regularly once a month, were the meetings posted publicly. Slade-Troutman advised no, that the Board asked Meeks and Slade-Troutman to meet monthly with the Supt. and Business Manager to discuss any issues they would have and Slade-Troutman would write a report. RJ asked that they pay close attention to the regularly scheduled meetings by the Budget Committee with the Supt. and the Business Manager as the public could want access and asked if it constituted a circular meeting. Slade-Troutman replied no, and further stated that the Budget Committee no longer meets.

Nancy Pierce noted that the few released by Supt. Hermansen had as few as 5 to 7 entries. Shouldn't be much staff time, and contributes to the transparency showing that Supt. Hermansen is operating in an appropriate manner.

On a motion by Jack Meeks, whereas our Superintendent for the last 5 years has attended two or more every month to discuss monumental issues of education which may concern this board. To receive timely reports in writing of the name, place, dates and issues and topics and conclusions of each future convention, conference, retreat and Brown Act controlled meeting attended by the Superintendent and deputy administrators for each member of this board, whether or not they care so that we board members can better earn our \$175 per month pay.

Slade-Troutman stated the Auditors who audit give lump sums; we don't know where the money is going. We need to know. Supt. Hermansen is elected, this is not personal. In past years, they have worked with the Superintendents and had reports. It is unusual for a board member to ask as a public record request.

Slade-Troutman seconded the motion.

Meeks reiterated the motion is not about financial reports, just educational issues, what did they discuss, what did they decide. Meeks wants 'is in writing, we are members of the board and doing our duty. All conventions and conferences on weekends never produced a report, not a word; something has been going on these weekends.

Lapierre questioned if this had ever been done at NCSOS. Has every Superintendent been expected to write a report of dates, times, places on conferences and meetings?

Slade-Troutman responded, yes, every Superintendent prior to Supt. Hermansen gave anything they have asked for and more. Being President for years, the Supt. would have the Board sign off on the expense report. Not talking about the money; if the Supt. goes to a meeting, it is her responsibility to report out.

Lapierre clarified she was not questioning the expense report; she questioned the motion; was any prior Supt. required to give this type of report and if so, where are the reports prior to Supt. Hermansen.

Altieri noted Supt. Hermansen covers this during her Superintendents Report. Furthermore, if any board member wanted to know what transpired, they could put in a call to Supt. Hermansen. Many of these meetings are at a totally different level; they communicate issues facing budgeting concerns, common core, LCFF.

Jan Collins noted this is not an attack on Supt. Hermansen. It's a moral obligation of an elected official to provide accurate and clear information on transactions; and should not have to be asked to do so.

Motion failed (2-3) (Ayes – Meeks and Slade-Troutman; Nays – Altieri, Lapierre and Michael).

XII. Information/Discussion Items

A. Budget Review

1. NCSOS Program Budget Review (page 66)

Michael advised these are the yearend summaries of the NCSOS programs. No questions, no discussion.

B. FY2013-14 Annual Report to the Board of Temporary County Certificates (page 69)

XIII. Board Reports

A. SARB, Lapierre

Lapierre mentioned The Union's article of July 7, 2014 where SARB fined parents for child's unexcused absences.

Jan Collins stated it was disgusting. Collins commended Sandoval in attempting to resolve issues between parents. Parents tried further to address issues and this is what they get.

Debby Sandoval noted there were a couple of sections that needed corrections; which The Union corrected in the online version. One correction noted that it was the SARB Board, not the School Board.

B. Legislative, *Meeks* – Legislature is on vacation

C. NCSBA, *Michael* – no report

D. Charter Liaison, *Altieri* – no report

E. Individual Board Reports

Slade-Troutman reported that she attended the 4th of July parade in Nevada City; her son owns 2 military trucks and during the parade the battery went dead in one of them; the truck stalled and the people helped to get it going again. Nice community we live in.

XIV. Future Agenda Items

A. Assignment Monitoring for School Year 2013-14

XV. Correspondence

A. Fiscal Reports (*page 71*)

XVI. Adjournment

Next Meeting Dates:

July 16, 2014 @ 3:30 PM, Special Meeting, 112 Nevada City Hwy, Nevada City

August 13, 2014 @ 2:00 PM, Regular Meeting, 112 Nevada City Highway, Nevada City

May 16, 2014

PUBLIC RECORD

Nevada County Superintendent of Schools
112 Nevada City Highway
Nevada City, CA 95959

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NEVADA COUNTY BOARD OF EDUCATION

Re: California Public Records Request

Ladies and Gentlemen:

Pursuant to rights granted to members of the public under California Public Records Act (Cal. Govt. Code Section 6250, et seq. and hereinafter referred to as the "Act"), I respectfully ask to obtain a copy of the following documents which I understand to be held by the Nevada County Superintendent of Schools ("Agency"):

All "writings," as that term is defined by Cal. Govt. Code Section 6252(g), in connection with the credit card associated with the expense account of Holly Hermansen, specifically credit card account number ending in 8100.

I request that a determination of whether copies will be provided pursuant to this request be made within 10 days of the date of this letter, and an even more prompt reply if you can make that determination without having to review the records in question.

If you determine that any or all of the information qualifies for an exemption from disclosure, I ask you to note whether, as is normally the case under the Act, the exemption is discretionary, and if so, whether it necessary in this case to exercise your discretion to withhold the information.

If you determine that some, but not all, of the information is exempt from disclosure and that you intend to withhold it, I ask that you redact it for the time being and make the rest available as requested.

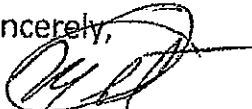
In any event, please provide a signed notification citing legal authorities upon which you rely if you determine that any or all of the information is exempt and will not be disclosed.

If I can provide any clarification that will help expedite your attention to our

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request, please contact me at 530-478-9944. I ask that you notify us of any duplication costs exceeding \$100 before you duplicate the records so that I may decide which records I wish to copy. If at all possible, please provide electronic information on CD or DVD:

Sincerely,



Marianne Slade-Troutman

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NEVADA COUNTY BOARD OF EDUCATION

PART OF MINUTES ⁰⁰⁹

GOVERNMENT CODE SECTION 6250-6270

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6250. In enacting this chapter, the Legislature, mindful of the right of individuals to privacy, finds and declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every person in this state.

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6251. This chapter shall be known and may be cited as the California Public Records Act.

6252. As used in this chapter:

(a) "Local agency" includes a county; city, whether general law or chartered; city and county; school district; municipal corporation; district; political subdivision; or any board, commission or agency thereof; other local public agency; or entities that are legislative bodies of a local agency pursuant to subdivisions (c) and (d) of Section 54952.

(b) "Member of the public" means any person, except a member, agent, officer, or employee of a federal, state, or local agency acting within the scope of his or her membership, agency, office, or employment.

(c) "Person" includes any natural person, corporation, partnership, limited liability company, firm, or association.

(d) "Public agency" means any state or local agency.

(e) "Public records" includes any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. "Public records" in the custody of, or maintained by, the Governor's office means any writing prepared on or after January 6, 1975.

(f) "State agency" means every state office, officer, department, division, bureau, board, and commission or other state body or agency, except those agencies provided for in Article IV (except Section 20 thereof) or Article VI of the California Constitution.

(g) "Writing" means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.

6252.5. Notwithstanding the definition of "member of the public" in Section 6252, an elected member or officer of any state or local agency is entitled to access to public records of that agency on the same basis as any other person. Nothing in this section shall limit the ability of elected members or officers to access public records permitted by law in the administration of their duties.

This section does not constitute a change in, but is declaratory of, existing law.

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6252.6. Notwithstanding paragraph (2) of subdivision (a) of Section 827 of the Welfare and Institutions Code, after the death of a foster child who is a minor, the name, date of birth, and date of death of the child shall be subject to disclosure by the county child welfare agency pursuant to this chapter.

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6252.7. Notwithstanding Section 6252.5 or any other provision of law, when the members of a legislative body of a local agency are authorized to access a writing of the body or of the agency as permitted by law in the administration of their duties, the local agency, as defined in Section 54951, shall not discriminate between or among any of those members as to which writing or portion thereof is made available or when it is made available.

NEVADA COUNTY BOARD OF EDUCATI

6253. (a) Public records are open to inspection at all times during the office hours of the state or local agency and every person has a right to inspect any public record, except as hereafter provided. Any reasonably segregable portion of a record shall be available for inspection by any person requesting the record after deletion of the portions that are exempted by law.

(b) Except with respect to public records exempt from disclosure by express provisions of law, each state or local agency, upon a request for a copy of records that reasonably describes an identifiable record or records, shall make the records promptly available to any person upon payment of fees covering direct costs of duplication, or a statutory fee if applicable. Upon request, an exact copy shall be provided unless impracticable to do so.

(c) Each agency, upon a request for a copy of records, shall, within 10 days from receipt of the request, determine whether the request, in whole or in part, seeks copies of disclosable public records in the possession of the agency and shall promptly notify the person making the request of the determination and the reasons therefor. In unusual circumstances, the time limit prescribed in this section may be extended by written notice by the head of the agency or his or her designee to the person making the request, setting forth the reasons for the extension and the date on which a determination is expected to be dispatched. No notice shall specify a date that would result in an extension for more than 14 days. When the agency dispatches the determination, and if the agency determines that the request seeks disclosable public records, the agency shall state the estimated date and time when the records will be made available. As used in this section, "unusual circumstances" means the following, but only to the extent reasonably necessary to the proper processing of the particular request:

(1) The need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request.

(2) The need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records that are demanded in a single request.

(3) The need for consultation, which shall be conducted with all practicable speed, with another agency having substantial interest in the determination of the request or among two or more components of the agency having substantial subject matter interest therein.

(4) The need to compile data, to write programming language or a computer program, or to construct a computer report to extract data.

(d) Nothing in this chapter shall be construed to permit an agency

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to delay or obstruct the inspection or copying of public records. The notification of denial of any request for records required by Section 6255 shall set forth the names and titles or positions of each person responsible for the denial.

(e) Except as otherwise prohibited by law, a state or local agency may adopt requirements for itself that allow for faster, more efficient, or greater access to records than prescribed by the minimum standards set forth in this chapter.

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6253.1 (a) When a member of the public requests to inspect a public record or obtain a copy of a public record, the public agency, in order to assist the member of the public make a focused and effective request that reasonably describes an identifiable record or records, shall do all of the following, to the extent reasonable under the circumstances:

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(1) Assist the member of the public to identify records and information that are responsive to the request or to the purpose of the request, if stated.

(2) Describe the information technology and physical location in which the records exist.

(3) Provide suggestions for overcoming any practical basis for denying access to the records or information sought.

(b) The requirements of paragraph (1) of subdivision (a) shall be deemed to have been satisfied if the public agency is unable to identify the requested information after making a reasonable effort to elicit additional clarifying information from the requester that will help identify the record or records.

(c) The requirements of subdivision (a) are in addition to any action required of a public agency by Section 6253.

(d) This section shall not apply to a request for public records if any of the following applies:

(1) The public agency makes available the requested records pursuant to Section 6253.

(2) The public agency determines that the request should be denied and bases that determination solely on an exemption listed in Section 6254.

(3) The public agency makes available an index of its records.

6253.2. (a) Notwithstanding any other provision of this chapter to the contrary, information regarding persons paid by the state to provide in-home supportive services pursuant to Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, or services provided pursuant to Section 14132.95, 14132.952, or 14132.956 of the Welfare and Institutions Code, is not subject to public disclosure pursuant to this chapter, except as provided in subdivision (b).

(b) Copies of names, addresses, and telephone numbers of persons described in subdivision (a) shall be made available, upon request, to an exclusive bargaining agent and to any labor organization seeking representation rights pursuant to Section 12301.6 or 12302.25 of the Welfare and Institutions Code or the In-Home Supportive Services Employer-Employee Relations Act (Title 23 (commencing with Section 11000)). This information shall not be used by the receiving entity for any purpose other than the employee organizing, representation, and assistance activities of the labor organization.

(c) This section applies solely to individuals who provide services under the In-Home Supportive Services Program (Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code), the Personal Care Services