

**NEVADA COUNTY BOARD OF EDUCATION
Regular Meeting
Wednesday, September 10, 2014**

→ 5:00 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**

Supt. Hermansen noted a correction to Agenda Item XII. D. the Education Code should read 1042d.

V. **Adoption of the Agenda**

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

VI. **Opened public forum** – The following people introduced themselves:

John Givens, Area I Candidate for the Nevada County Board of Education.

Larry Meek, Area I Candidate for the Nevada County Board of Education.

Shelly Sexton, Area II Candidate for the Nevada County Board of Education.

Charlene Haney, new Director of Yuba River Charter.

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 trustee 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 Regular meeting of August 13, 2014 (*page 1*)

B. Confirmation of School Attendance Review Board (SARB) (*page 5*)

C. Acceptance of donation from Sierra Nevada Children's Services of various preschool materials and equipment such as: tables, chairs, book shelves, manipulatives and toys - no significant/specific value.

- D. Acceptance of donation from Placer County Community Action Council of various materials and equipment such as sensory tables, bookshelves, office furniture, easels and shelving - no significant/specific value.

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

IX. Public Hearing

- A. Opened public hearing to review FY2014-15 Sufficiency of Instructional Materials, grades K-12 (EC §60119) (*page 6*)

No comments

- B. Closed public hearing

X. Staff Reports

- A. Alternative Education, Sanford

Sanford provided a handout updating the Board on EJ and Sugarloaf. Currently 12 students are enrolled in EJ; and 12 in Sugarloaf. EJ has a new teacher, Sherry Fortner, who comes to them fully qualified with two credentials.

Three outside agencies, *CORR, Livingwell and Victor Community* are working with students at EJ and Sugarloaf to deliver required curriculum in Drug & Alcohol Education, Health & Aggression Replacement Training (ART). Public Health will be starting a Yoga/Nutrition class at EJ. Kathleen Keifer will be training teachers on Common Core on Sept. 22.

- B. Educational Services, Johns

Johns reported on the Summer Learning Program. A Committee has been formed consisting of Shar Johns, Kathy Kiefer & Judy Nielsen. They are teaming with Sierra Streams; and are also looking to partner with the YMCA to be able to offer full days for students. The principals are excited. Campuses include the Bear River, Nevada Union and Ready Springs with a capacity of 64 students at each site, serving grades K-5.

LCAPS have been approved for all school districts under our office. As required by law, we have received and will keep on file Charter School LCAPS.

The first round of NCSOS Educator Grants ended with 21 applicants. Teachers and administrators, as well as charter schools are very excited for the opportunity. Michelle Katz was hired Sept. 9th as the Behavior Specialist for the PBIS (Positive Behavioral Intervention and Supports) Program we are offering to school districts. Michelle, Chris Espedal and Melissa Parrett will work together on the PBIS team.

Johns provided a flyer with the latest curriculum and instruction workshops. Kiefer and the Common Core Coaches are providing individualized instruction.

- C. Business Services, Somers

Somers reported the business office is busy closing the books and preparing for the auditors arrival next week.

Slade-Troutman complimented Somers on the reports prepared on the budget; the clean copies are clear and easy to understand.

XI. Superintendent's Report

- A. Scholar Day at the Fair

NCSOS mailed out 9,472 letters to educators and students; of which 3,691 actually attended on Scholar Day. This is the highest attendance reported to date.

- B. Response to June 30, 2014 Grand Jury Report (*page 7*)

Supt. Hermansen summarized the response to the Grand Jury on the subject of *Grass Valley School District Unsafe Facilities*, noting is not required, nor is it appropriate for the County Superintendent of Schools to inspect school district facilities unless a school is in deciles 1-3 of the Academic Performance Index (API). None of the GVSD schools meet this criteria. Supt. Hermansen is in contact with Supt. Fredrickson regarding the issues.

C. Arts Education Leadership Committee

The Nevada County Arts Alliance's goal is to increase arts education in schools. Stan Miller, Brian Buckley, District Superintendents and several people in the arts field attended a February meeting and have now come up with plans for a countywide coordinated effort to promote the arts in Nevada County schools. Teachers, staff and administration are being surveyed to determine areas of need.

D. Organizational Changes at NCSOS

Shifting around is taking place to help accommodate new programs. Supt. Hermansen will report further on this next month.

E. Supt. Hermansen is the Capital Service Region 3 Chair for 10 County Offices and sits on the Board of Directors for CCSESA. During the meeting of September 15th, the Governor stopped by; stayed for approximately a half an hour expressed his concern for students and schools. He was very interested in the LCAP process, asking if there were any problems we could anticipate that he could help with. He also discussed the rainy day fund, and responded to concerns regarding district reserve levels.

XII. Action Items

A. Shall the Nevada County Board of Education approve Resolution 14-11, Sufficiency of Instructional Materials for grades K-12 for FY2014-15? Roll Call Vote (*page 11*)

On a motion by Altieri and seconded by Slade-Troutman the Nevada County Board of Education approved Resolution 14-11, sufficiency of Instructional Materials for grades K-12 for FY2014-15 by roll call vote. The motion passed unanimously. (5-0)

B. Shall the Nevada County Board of Education approve the Unaudited Actual Financial report for FY2013-14? (*page 13*)

Somers answered questions regarding capitol outlay; this is for a new phone system and a vehicle; major purchases over \$5000 must be added.

Michaels asked if computer equipment at NCSOS was done. Somers responded that the office is on a 3-4 year cycle in software upgrades and hardware replacement. Digitizing project didn't occur; there are storage constraints and are currently looking at copiers.

On a motion by Slade-Troutman and seconded by Meeks, the Nevada County Board of Education approved the Unaudited Actual Financial report for FY2013-14. Motion passed unanimously.

C. Second Reading, Shall the Nevada County Board of Education approve Board Policy 5030 Student Wellness (*page 40*)

On a motion by Slade-Troutman and seconded by Meeks, the Nevada county Board of Education approved Board Policy 5030 Student Wellness. Motion passed unanimously.

D. Shall the Nevada County Board of Education employ the services of FCMAT (Fiscal Crisis and Management Assistance Team) under Education Code #1042d to assist in the assessment of the financial operations of the Nevada County Superintendent of School Business Office and Charter Schools?

On a motion by Slade-Troutman and seconded by Meeks, discussion followed:

Slade-Troutman provided a handout explaining her reasoning in placing this item on the agenda. During the June 24, 2014 Nevada County Board of Education meeting, Dr. Jaynie Ayden, Director of Twin Ridges Home Study Charter disclosed a fraudulent scheme which caused their school thousands of dollars. FCMAT is a neutral outside agency who can examine fiscal operations. Slade-Troutman found FCMAT on the internet; their organization has been around a long time and can assist any school districts having problems. FCMAT is a neutral agency who can address serious control measures needed. FCMAT can be used as a crutch.

Michael noted that the Twin Ridges Home Study Charters fraud case has been submitted to the sheriff. Business office staff is assembling as much information as possible, from the sheriff, the audit, to understand what has happened; then do forensics.

Slade-Troutman noted that the auditors have the state mandates and are interested in the overall audit; the auditors don't look at line items; they go over ADA and mandates; they are not paid to look at this.

Holly Pettit, Director of Nevada City School of the Arts, stated that FCMAT is not a crutch; they are for schools in financial crisis. NCSA and other charters have done nothing to warrant FCMAT's deep forensic accounting. Pettit advised that labeling the charters in a category of fiscal crisis would be a detriment to all the charters. Pettit suggested modifying the motion to not include charters; that they would be open to having another independent outside auditor look at business office practices, policies and procedures.

RJ Guess, CEO of Muir Charter, is strongly opposed to any motion that lumps charters into a situation with FCMAT; it is an insult to how they do business. It's put out to the state of California that they are fiscally irresponsible. Muir has strong internal controls and NCSOS is an outstanding partner. Muir has not had a single audit finding. The charters are strong; having outside auditors to look at controls is appropriate, but not FCMAT, Muir is not in crisis.

John Givens added that if he were on the Board, he would vote against this motion. Givens acknowledged Slade-Troutman's point of embezzlement; that the Board has a fiduciary responsibility to look into it. Givens would prefer the motion for NCSOS to put someone in charge of looking into this and report back to the Board. Slade-Troutman is on the right track, but needs to turn the flame down.

Charlene Haney, Director for Yuba River Charter, acknowledged the charters paying money to NCSOS for business services, part of those services is oversight. The NCBOE has a responsibility to look at what went wrong, but at the same time make sure that the other charters are not guilty by association. YRC has a vested interest in not having their name in the public that they were somewhat culpable.

Slade-Troutman clarified that she is not pointing the finger at any one charter school and only wants to work together to come up with a solution. This was her solution for an audit; went to the internet and found this. She didn't expect it to pass; but this is available and she wants a solution to stop this from happening to another school.

Holly Pettit again noted the charters are in favor of examination of business services, just not by FCMAT and suggests changing the motion or tabling it.

Charlene Haney agreed with Holly Pettit and is willing to come back with information.

Jan Collins doesn't know about FCMAT, but all schools should have a FCMAT forensic audit. It's time to do something in depth, for every single school and school board in the county.

Slade-Troutman tabled the motion.

It was suggested to table as a discussion item for next month.

XIII. Information/Discussion Items

A. Budget Review

a. NCSOS Program Budget review (page 47)

Slade-Troutman noted Charter Business Services was lowered to 4%.

Somers reminded the Board we are no longer providing business services to LAEC so some revenue is lost; however Field Charter (EPIC) is doing well and there is growth in county charters.

Michael walked the Board through the budget review. For each program, Michael reviewed revenues and expenses and indicated that they are within expectations.

A discussion was held regarding the Board allocating additional funds to the Family Resource Centers.

B. Twin Ridges Home Study Charter School

Somers reported that she meets weekly with Director Aydin. Enrollment is up to 115. Charter Council meeting is 9/17/14. The Council and Director Aydin are very proactive, all is going well.

XIV. Board Reports

- A. SARB, *Lapierre* – unable to attend last meeting.
- B. Legislative, *Meeks* – Governor is waiting with pen in hand deciding who to believe.
- C. NCSBA, *Michael* – Teacher of the Year will be at Miners Foundry on October 9th. Cost is \$30 per person. NCSBA is looking into forum discussion topics.
- D. Charter Liaison, *Altieri* – no report
- E. Individual Board Reports – Slade-Troutman thanked Somers and the Business Office for the info on the budget reports.

XV. Future Agenda Items

- A. Third Quarter Williams Uniform Complaint Report
- B. Gann Appropriation Limit Resolution
- C. Food Committees Report, Slade-Troutman
- D. Item for financial review for next month

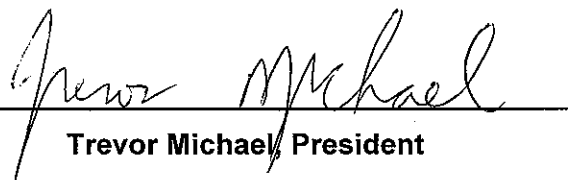
XVI. Correspondence

- A. Treasury report from Nevada County Treasurer and Tax Collector detailing the Portfolio of investments for NCSoS as of Jun 30, 2014 (*page 61*)
- B. Nevada County Academic Tournament Schedule 2014-15 (*page 83*)
- C. Thank you letter from Holly Pettitt, NCSA Director (*page 84*)

XVII. Adjournment

Next Meeting Date: Wed., October 8, 2014, 2:00 p.m., 112 Nevada City Highway, Nevada City

Approved: _____


Trevor Michael, President

Date: October 8, 2014

From the Desk of
Marianne Slade-Troutman

SEP 10 2014

September 10, 2014

NEVADA COUNTY BOARD OF EDUCATION

Re: Action Item XII D

Shall the Nevada County Board of Education employ the services of FCMAT (Fiscal Crisis and Management Assistance Team) under Education Code 1042d to assist in the assessment of the financial operations of the Nevada County Superintendent of Schools' Business Office and charter schools?

Background

At the June 2014 meeting of the Nevada County Board of Education, Dr. Jaynie Aydin, director of the Twin Ridges Home Study Charter School, disclosed a multi-year fraudulent scheme that cost the school "tens of thousand of dollars". Following the discovery of the loss and dismissal of the school's business manager, Dr. Aydin reported the loss to the Nevada County Sheriff's Office and an investigation has been ongoing.

I see by our recent budget printout that the County Office Business Services receives over \$40,000 annually from Twin Ridges Home Study Charter School for performing their oversight and business services.

I have placed this action item on the agenda because I believe we need a neutral, outside agency to examine the fiscal operations of the Superintendent of Schools' business office. To have this fraudulent activity take place shows that there are some serious internal control measures that need to be addressed. If this multi-year fraud could take place at Twin Ridges Home Study Charter School, it has the potential to take place within all of our charter schools.

The Fiscal Crisis and Management Assistance Team (FCMAT) has been used by this office in the past to provide assistance and this is exactly the area they could provide some needed expertise. Since this Board has the fiscal oversight responsibility of the County Superintendent's budget, I believe we should act to insure that all of the necessary fiscal controls are in place by using our powers under Education Code 1042d to employ a FCMAT study.

Respectfully submitted,



Marianne Slade-Troutman
Immediate Past President,
Nevada County Board of Education

(Attached to the meeting minutes 9-10-14)