

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS
REGULAR MEETING (IN-PERSON/VIRTUAL)
September 14, 2021**

The School Board Audit and Budget Advisory Committee (the ABAC or the Committee) met on Tuesday, September 14, 2021, in the School Board Administration Building, SBAB Auditorium, at 1450 N.E. Second Avenue, Miami, Florida.

Call to Order

The Acting ABAC Chair Mr. Christopher Norwood called the meeting to order at 12:35 p.m.

1. Welcome, Introductions and Attendance

ABAC Members Present In-Person (For Quorum Purposes) (Voting Members)	
1.	Mr. Christopher Norwood, J.D., Acting ABAC Chair
2.	Ms. Anna Hochkammer, ABAC Member
3.	Mr. Stephen Hunter Johnson, Esq., ABAC Member
4.	Mr. Jeff Kaufman, ABAC Member
5.	Mr. Albert D. Lopez, CPA, ABAC Member
6.	Mr. Julio C. Miranda, CPA, CFE, ABAC Member
7.	Ms. Mari Tere Rojas, School Board Member/ABAC Member
8.	Ms. Sharon Watson, ABAC Member
9.	Fr. Roberto M. Cid (Alternate for Ms. Chloe Bordon-Gillenwater)
ABAC Members Absent	
•	Mr. Erick Wendelken, CPA, ABAC Chair
•	Mr. Juan del Busto, ABAC Member
•	Ms. Chloe Bordon-Gillenwater, ABAC Member
•	Ms. Zeida Sardiñas, ABAC Member

Others in Attendance

10. Mr. Ron Y. Steiger, Chief Financial Officer, Ex Officio (Non-Voting) Member of the ABAC
11. Mr. Jon Goodman, CPA, CFE, Interim Chief Auditor and the ABAC's liaison
12. Mr. Walter J. Harvey, School Board Attorney
13. Mr. Jaime G. Torrens, Deputy Superintendent
14. Mr. Jose Bueno, Chief of Staff
15. Mr. Luis O. Baluja, CISA, Executive Director, Office of Management and Compliance Audits; and
16. Ms. Elsie Berrios-Montijo, Staff Assistant, Office of Management and Compliance Audits
Mr. Baluja and Ms. Berrios-Montijo acted as meeting co-hosts/facilitators, in addition to the Chief Auditor.

Attendees In The Room	
17. Ms. Perla Tabares Hantman, School Board Chair	28. Ms. Margarita Betancourt, Treasurer
18. Ms. Lucia Baez-Geller, School Board Member	29. Dr. Nancy Lawther, ABAC Alternate
19. Mr. Alberto M. Carvalho, Superintendent of Schools	30. Ms. Mary C. Lawson, Asst. Attorney – Acad Program
20. Dr. John D. Pace, Chief Operating Officer	31. Mr. Michael A. Lewis, Region Superintendent
21. Dr. Dawn Baglos, Chief Human Capital Officer	32. Ms. Maria G. Zabala, Administrative Director, OPS
22. Dr. Sylvia J. Diaz, Chief Academic Officer	33. Mr. Jorge Rubio, District Director, Staffing
23. Ms. Tabitha Fazzino, Chief Intergovernmental Affairs	34. Ms. Tamara Wain, CPA, District Director, OMCA
24. Ms. Daisy Gonzalez-Diego, Chief Communications & Community Engagement Officer	35. Mr. Richard Yanez, CPA, District Director, OMCA
	36. Mr. Reinaldo Montano, Executive Director, CIU
25. Mr. Eugene Baker, Chief Information Officer, ITS	37. Ms. Michelle Ulysses, Executive Director, School Operations
26. Mr. Michael G. Fox, Risk and Benefits Officer	38. Mr. Michael Hernandez, CPA, Audit Supervisor, OMCA
27. Ms. Daisy Naya, Controller	39. Ms. Ana Lara, School Bd. Chair Chief of Staff

Attendees In The Room	
40. Ms. Francys Vallecillo, School Bd. Member's Chief of Staff	53. Ms. Latisha Green, Assistant to the Chief Auditor
41. Ms. Carlota Noguera, School Bd. Chair Admin. Assistant	54. Mr. Al Chicoy, Creative Director, WLRN
42. Ms. Katherine Leiva, School Bd. Member's Chief of Staff	55. Mr. Gustavo Hernandez, Sr. TV Director, WLRN
43. Ms. Zahirah Calloway, School Board Admin. Assistant	56. Mr. Adson Pressage, TV Director, WLRN
44. Mr. Antonio C. Drayton, School Board Admin. Assistant	57. Mr. Jorge Funcia, Foreperson, ITS
45. Ms. Vivian L. Lissabet, School Board Admin. Assistant	58. Ms. Mina Hosseini, Executive Director, P.S. 305
46. Mr. George A. Nuñez, School Board Admin. Assistant	
47. Mr. Felix Jimenez, Inspector General	
48. Mr. Thomas Knigge, Supervisory Agent, Inspector General	
49. Mr. Jose Gonzalez, OIG Special Agent	
50. Ms. Patricia Tumelty, Audit Specialist, OMCA	
51. Mr. Alejandro Santana, IT Auditor, OMCA	
52. Ms. Pamela Davis, Audit Coordinator, OMCA	

Attendees Via ZOOM Platform (Virtual)	
59. Dr. Steve Gallon III, School Board Vice-Chair	67. Ms. Kim Robinson, OIG
60. Dr. Dorothy Bendross-Mindingall, School Board Member	
61. Mr. Mario De Barros, Chief Procurement Officer	
62. Dr. Jimmie Brown, Assistant Superintendent	
63. Ms. Patricia Fernandez, Assistant Superintendent	
64. Mr. Edward A. McAuliff, Executive Director	
65. Mr. Nicholas Moreton, ITS	
66. Mr. Anil Harris, RSM US LLP	

2. Approval of the Minutes of the School Board Audit and Budget Advisory Committee Meeting of July 20, 2021 (ACTION)

Acting ABAC Chair Mr. Christopher Norwood presented the minutes of the July 20, 2021, ABAC meeting and inquired if there were any questions regarding the minutes.

There being no questions or comments, a motion duly made by ABAC member Ms. Anna Hochkammer and seconded by ABAC member Mr. Albert Lopez, carried unanimously to approve and file the **Minutes of the School Board Audit and Budget Advisory Committee Meeting of July 20, 2021.**

3. Miami-Dade County Public Schools- Annual (un-audited) Financial Report Fiscal Year End June 30, 2021 (INFORMATIONAL)

Mr. Jon Goodman, Interim Chief Auditor, introduced the District's Annual unaudited Financial Report, reflecting financial activity for the fiscal year ended June 30, 2021, to be presented by Mr. Ron Steiger, Chief Financial Officer, and his team. He pointed out that ABAC members will receive the corresponding audited Financial

Statements, Comprehensive Annual Financial Report, at the next meeting on December 7, 2021.

Mr. Ron Steiger stated that the Annual Financial Report shows the District in good financial health. Although there is reliance on unrecurring funds, it shows the District's financial strength compared to other years.

Board/ABAC member Ms. Mari Tere Rojas commended Mr. Steiger and his team for their dedication and commitment on an extremely comprehensive document.

ABAC member Mr. Lopez also thanked Mr. Steiger and his team for their work, mentioned an increase in the net pension liability of \$485 million, and questioned if the liability would affect the liquidity and cash flow. Mr. Steiger explained that it doesn't affect the liquidity or cash flow. The pension liability is associated with the Florida Retirement System (FRS), which rates are set by the legislature. In the last two years, the state has passed along a relatively significant FRS increase in terms of the higher rates because of the pension liability. Two years ago, the liability to the district when balancing the budget was \$29 million. This past year, it was \$15 million. Historically, the anticipation has been that if they pass along such a significant increase to the FRS rates, the legislature would simultaneously give a revenue associated to match. Still, it hasn't happened in the last few years. When the FRS increases were three to four million a year, it wasn't a problem. But the last few years, their liabilities have been increasing; that's why their actuaries are asking for more revenue. Mr. Steiger stated that he is part of a group called the Finance Council. The council had a meeting with the CFOs from Okeechobee, Osceola, St John's, and Palm Beach. Their biggest concerns over next year are the FRS liability and the state's requests that pass along the liability.

Mr. Lopez asked what happens if they delay revenue reimbursement. Mr. Steiger explained the liability is long-term and that we are responsible for covering this year's rates. You have to multiply every employee by a certain percentage just for the FRS rates, and owe that to the state. It's budgeted for in the salaries and the non-fringes of every individual employee. There is no concern that the proper amount won't be budgeted for. The only concern is that we could not afford something else because the state is giving us extra liabilities.

Acting ABAC Chair Mr. Christopher Norwood acknowledged the Superintendent joining the meeting.

No other questions or comments were posed. This item was presented for informational purposes only; therefore, no transmittal to the School Board by the ABAC is required.

4. Internal Audit Report – Selected Schools/Centers (ACTION)

Interim Chief Auditor, Mr. Jon Goodman introduced the internal audit report for selected schools. This item is a presentation of the internal audit results for 40 school/centers; the financial statements were fairly stated for all 40 schools. However, established payroll procedures were not followed at one school, resulting in overpayments to an employee, totaling \$3,500. He introduced Ms. Tamara Wain, District Director of School Audits to provide additional details on the item.

Ms. Wain presented the September internal audit report consisting of the audit results of 40 schools/centers and briefly summarized the audit report as follows:

- The audit scope for 23 of the schools and centers reported was two fiscal years ending June 30, 2021.
- The audit scope for 17 schools and centers was one fiscal year ending June 30, 2021.
- At 12 of these schools and centers, there was a change in principal or an administrator since the prior audit.
- The financial statements were fairly stated for all 40 schools/centers.
- Property inventory audit was conducted at 18 schools/centers. Property inventory audit results were satisfactory.
- The remaining schools' property inventory results will be reported later this fiscal year with their respective region center.
- One payroll audit finding at South Hialeah Elementary School. An employee was injured on the job, received workers compensation and was reported present for 70 days by the school. The overpayment was calculated at approximately \$3,500. Since the completion of the audit, the employee has submitted one payment of \$300 and was directed to submit any future payments directly to the payroll department. This employee has since resigned. The office also reviewed payroll records at the school for five pay periods during the 2021 fiscal year, and no other irregularities were noted.

Ms. Wain concluded and asked the ABAC members if they had any questions.

Board/ABAC member Ms. Rojas congratulated all the administrators and questioned if the workers' compensation is emphasized to principals when they go to these trainings as well as to the treasurers/secretaries at the schools. Dr. John Pace, Chief Operating Officer, explained that the issue is discussed and developed at the principals' skills meetings as well as with the assistant principals. Ms. Rojas asked if the administrators have proper training in this arena with the workers' compensation situation. Dr. Pace replied that they have proper training as well as the procedures manual that actually discusses how to handle that procedure upon happening.

Ms. Rojas questioned since the training is provided if there have been issues related to workers' compensation in the past from other schools and if it is excessive or just a few situations encountered. Ms. Wain indicated it was not widespread based on the past audits.

Ms. Rojas asked if employees overall, regular employees, not the administrators or treasurers, are cognizant of what happens, what they can claim, and what they cannot if they have a workers' compensation injury. Dr. Pace replied that in the opening of schools with all employees, they are made aware of what and who to report to in the school when they have a workers' compensation injury at the worksite and what procedures to follow. Ms. Rojas asked if employees that start after the beginning of the school year are also trained. Dr. Pace acknowledged the excellent point and stated that they would make sure that the Administration orients new employees and will follow up to ensure the message occurs with all full-time and part-time employees.

ABAC alternate member Father Roberto M. Cid inquired if the employee who refunded approximately 10% of the payroll overpayment gets to keep the remainder of the funds. Ms. Wain explained that the employee paid \$300 after she resigned, and she knows there's a remaining balance of \$3,200; however, if the payroll department does not receive payments, the balance will go to collections. Dr. Pace concurred with Ms. Wain's statement.

Board Vice-Chair Dr. Steve Gallon III joined the meeting virtually (ZOOM).

Mr. Goodman indicated OMCA staff will be conducting a comprehensive payroll audit this fiscal year. There were a lot of changes with the pandemic, how payroll is reported, and the sign-in process through the app, which were necessary actions, but they also increased the risk of things going wrong with the payroll process.

Fr. Cid inquired whether the type of software payroll processing system used at MDCPS was an in-house developed system or from a vendor. Mr. Steiger answered that the payroll processing system used is SAP.

There being no additional questions or comments made by the Committee, a motion duly made by ABAC member Mr. Kaufman and seconded by ABAC member Mr. Lopez, carried unanimously to recommend that the **Internal Audit Report – Selected Schools/Centers**, be received and filed by the School Board.

5. Office of Management and Compliance Audits' 2020-2021 Annual Report (ACTION)

Interim Chief Auditor Mr. Jon Goodman presented the OMCA FY 2020-2021 Annual Report in accordance with board policy 6835. The report reflects auditing and other activities conducted by the OMCA office during the past year and current staffing and budget information. The strengthening of cybersecurity audit and testing

functions continues in process, which will soon result in the issuance of an RFP for co-sourcing said services and potentially an additional cyber testing position.

Board/ABAC member Ms. Rojas stated that the report is comprehensive and addresses all the areas of concern that were brought up in the past meetings. She emphasized the importance of cyber security, and she considers it to be the greatest threat that Miami Dade County Public Schools is facing at this time.

ABAC member Mr. Lopez suggested including the budgeted hours associated with the audit fees and for the information to be presented to the ABAC before the start of the audit. Mr. Goodman responded that he is currently in the process of speaking with RSM and getting that information.

Mr. Lopez referred to the list of external audits reports listed on page 23 of the OMCA Annual Report and questioned if these external audit firms should be rotated or should there be RFPs. Mr. Goodman explained that the external audits such as Educational Facilities Impact Fee Funds go through an RFP process and are presented to the audit committee. However, for charter school audits, the charter schools select their external auditors. Other external audits like the Magnet Education Choice Association hire and pay for their external auditor. Mr. Goodman further explained that an RFP process is completed every three years and sometimes the same audit firm gets selected.

Mr. Lopez asked if there is training for cybersecurity for the OMCA staff. Mr. Goodman responded that the budget in the OMCA Annual Report included cybersecurity training for the OMCA office staff.

There being no additional questions or comments made by the Committee, a motion duly made by ABAC member Ms. Rojas and seconded by ABAC member Mr. Kaufman, carried unanimously to recommend that the **Office of Management and Compliance Audits' 2020-2021 Annual Report**, be received and filed by the School Board.

6. Office of Management and Compliance Audits' Activity Report (INFORMATIONAL)

Interim Chief Auditor Mr. Jon Goodman introduced the item and stated that this report details the status of audits and related activities taking place since the last ABAC meeting on July 20, 2021. Mr. Goodman stated that the Office of Management and Compliance Audits (OMCA) staff is currently finalizing the year-end inventory audit, conducting fieldwork for the district's issued instructional mobile devices audit, and began reviewing and analyzing charter schools' financial statements, which are due this week.

Mr. Goodman congratulated Ms. Patricia Tumelty, who was recently promoted to the position of Audit Specialist. Ms. Tumelty, holds a bachelor's degree in accounting from the Honors College and a master's degree in business administration, both from Florida International University. He also congratulated Ms. Pamela Davis, who was recently promoted to the position of Audit Coordinator II. Ms. Davis holds a bachelor's degree in accounting from Saint Augustine University in Raleigh, North Carolina, and is pursuing a master's degree in accounting from Nova Southeastern University.

Board/ABAC member Ms. Rojas congratulated the staff. She focused on the concern about the distribution of the devices. She asked about the accountability being maintained of the devices, the number of devices returned, the conditions of the devices returned, and if not returned, is there a financial obligation request from parents. Mr. Goodman explained that prior to the pandemic, the distribution of devices was about 10,000. During the pandemic, the distribution increased to about 170,000 devices; this was why the audit is currently in process. The audit involves a physical verification of the devices to see the process of distributing those devices, the process of tracking them, the conditions and locations of the devices. He also mentioned that he did not want to get into too much detail because the audit is currently underway. The audit is not yet complete, but it does focus on many areas of concern. Ms. Rojas asked when the ABAC is expecting to get the final district's issued instructional mobile devices audit report. Mr. Goodman responded tentatively for the February ABAC meeting.

ABAC member Mr. Lopez requested an update on the staffing of the OMCA office. Mr. Goodman stated that there are currently 41 positions, with the caveat that his office maintains the right to ask for an additional cybersecurity auditor. He explained that it has been a little bit challenging to fill the current open positions including the chief auditor and a grant position. The grant position was approved and added to the budget will be paid with ESSER funds. Mr. Goodman has been working with Human Capital and Financial Management to fill the grant position. It has been a slow process, but the position will be filled soon.

Board Vice-Chair Dr. Gallon addressed the delay to get the position filled if budgeted and approved by the Board. Mr. Goodman explained that since the grant position is new, there have been some issues with whether the position needs to be a contracted position. The position is also limited to three years since it is funded through ESSER funds and therefore presents additional challenges for someone to agree to take the position. Dr. Gallon emphasized his concern about the delay in hiring someone for the grant position. Mr. Steiger answered that the Administration offered the position to Mr. Goodman. The position was added to the budget; however, there were questions about the contract and whether a contracted position could be pay grade 19 or 20. The office is in the final stages of figuring out concerns and what the proper term should be. He assured that the Administration does not have any intent to delay the audit department from filling the position.

Mr. Goodman thanked Dr. Gallon for bringing up the issue and explained that a couple of adjustments are happening in the OMCA office, and he is eager to fill the open positions. He also commended Dr. Dawn Baglos, Chief Human Capital Officer, and Mr. Steiger for working with him to solve the issue at hand. Dr. Gallon requested a timeline of when the hiring process will be finalized. Dr. Baglos replied that an appointment could be expected for the October 20, 2021, board meeting.

Ms. Rojas thanked Dr. Gallon for bringing up this issue. She recalled many conversations, not only on a committee but also at board meetings, related to the topic of these new positions. She added that the hiring process needs to be completed expeditiously.

Acting ABAC Chair Mr. Norwood requested a clarification on the new positions.

Mr. Goodman clarified that there are two positions. A grants position offered by Administration to be funded by the ESSER fund, which Dr. Baglos indicated will be appointed by the October 20, 2021 board meeting. The second position is in the Information Technology Audit division, the Executive Director of IT Auditing. Mr. Goodman has requested to upgrade the position that is currently filled based on the addition of responsibilities, such as cybersecurity, overseeing PEN testing, and cybersecurity network testing. He has done the research and is aware of the market for this particular job with such responsibilities. Mr. Goodman added that the previous Chief Auditor started this request, the discussion is currently underway, and he believes it is moving forward.

Mr. Norwood wanted to make sure if Dr. Baglos is referring to the grant position that will be appointed in October or both positions. Mr. Goodman replied that he thinks Dr. Baglos referred to the grant position because there were some details that had to be worked out, whether it's a pay level 19 or 20 or contracted. He has been speaking with Administration, and he is expecting approval soon, probably by the October meeting for the IT Executive Director upgrade. He will follow up with the Administration after the ABAC meeting.

Dr. Gallon recalled the previous Chief Auditor, Ms. Maria T. Gonzalez, initiated the request for an upgrade for the IT Executive Director position. He requested an explanation from the Administration for the delay of this position upgrade where the requester has done the necessary due diligence. He also requested a timeline for when this position will be upgraded.

Mr. Steiger acknowledged he spoke with the previous Chief Auditor and the current Interim Chief Auditor, Mr. Goodman, about the promotion, and it is not his decision to make. When a promotion is requested, the person's supervisor must approve it, in this case, the Board Chair, Ms. Perla Tabares Hantman. There have been conversations between Mr. Goodman and Ms. Hantman, and when the decision is made, Human Capital will act accordingly.

Board Chair Ms. Hantman stated that Ms. Gonzalez previously requested the situation of the promotion. Ms. Hantman spoke with Mr. Steiger, and he said she had to approve the promotion; however, she is cautious when making a decision. She

spoke with Mr. Goodman about the situation and asked him to send her a memo indicating that this person had additional responsibilities and therefore needed the promotion. She knows that the person is a good administrator; however, he does not work under her. Ms. Hantman is waiting for the memo from Mr. Goodman to approve the promotion with Mr. Steiger. Mr. Goodman committed to quickly providing the memo to Ms. Hantman.

Mr. Lopez acknowledged that there are two positions. One is a promotion within the IT Audit Division. The other audit position is a need that the audit department has to cover cybersecurity, cyber risk testing, and make a cybersecurity plan. The new audit position is critical. This person and the cyber risk plan are needed to increase the cybersecurity experience in the internal audit department. The promotion within the department is different because that's going to be a supervisory type of position. Both positions are urgent, but the person who will cover the cybersecurity risk plan is more urgent.

Mr. Goodman replied that multiple issues are going on with multiple positions. He is contemplating whether to add another position in cybersecurity. The cybersecurity position is different from the grants position and the position upgrade. After the meeting, Mr. Goodman will complete the memorandum for Ms. Hantman.

Ms. Rojas suggested that Human Resources, Dr. Baglos, should address the questions about the personnel-related issues. Dr. Baglos replied that she suspects Mr. Goodman had a conversation with Mr. Steiger since the promotion would require additional finances; however, when Ms. Hantman approves, HR is prepared to assist as is necessary to move it forward with a D-21 item.

Ms. Rojas referred to Dr. Baglos and questioned the process for new positions and promotions and if the process changed recently. Dr. Baglos explained that she works together with Mr. Steiger. There are times when departments approach her about making moves in their offices, and she or the Bureau Chief has the conversation with Mr. Steiger regarding funds. Once it is approved financially, HR takes over and facilitates the placement on D-21. She suspects in this case it is slightly different because of where the position is housed. But HR will facilitate what is necessary to move this position forward. Ms. Rojas indicated that she understands that HR must get some input from others, but the final decision comes from the head of HR at the end of the day. Dr. Baglos answered that it is an HR function whether a position ends in agenda item D-21.

Mr. Lopez asked why Administration must approve a new position in the internal audit department. Mr. Goodman answered that he reports to the School Board, and they make the final decision. He works together with Administration to move forward, but the School Board decides whether he gets additional resources or requests an additional position.

Dr. Gallon asked if there is a new hiring process because this is the first time that Ms. Hantman is asked to potentially analyze job description duties and things of that nature to render a decision. He stated that if asked, board members might not have

the expertise to be able to determine whether a promotion is reasonable or not. He also asked if this is an isolated case because it's the first time it is discussed or a new process because it's the first time that he hears that Administration is awaiting a response from Ms. Hantman. Mr. Steiger replied that it is not a new process. The head of HR and head of Finance work together as a team; the relationship between HR and Finance is very important. Anytime there are questions about positions that report to the Board, HR and Finance work together with that department along with the Board Chair. This new position is being handled in the same way it has always been, in a collaborative process across departments.

Dr. Gallon stated the collaborative process appears to work inefficiently since there is a delay in the hiring and upgrading of a position. The process needs to be examined or create something better. In the past, there have been delays that had programmatic impacts on personnel that ultimately affected and denied services to children.

No other questions or comments were posed. This item was presented for informational purposes only; therefore, no transmittal to the School Board by the ABAC is required.

7. Office of the Inspector General Report – Miami-Dade County Public Schools Driver Education Program; IG-17-0001-SI (INFORMATIONAL)

Interim Chief Auditor, Mr. Jon Goodman introduced Mr. Thomas Knigge, Special Agent from the Office of the Inspector General, and his team to present the Miami-Dade County Public School's Driver Education Program investigation. Mr. Goodman stipulated a need to be copied on all correspondences related to this investigation and corrective actions taken.

Mr. Knigge stated that the report had been distributed to the Board Chair, Board Members, and Superintendent. Board Vice-Chair Dr. Gallon introduced H-15 which directs the Superintendent to initiate rulemaking procedures to School Board policy 2432 drivers' education. This will clarify the student population to be served and the requirements for reimbursement for the expenditures for drivers' education through the drivers' education safety trust fund held by the county. The Superintendent has accepted the recommendations and shows a commitment to follow those recommendations. The district has purchased 23 vehicles to be used for drivers' education. At the last School Board meeting, the Superintendent stated that 2 adaptive vehicles will be purchased for students with disabilities. The Office of the Inspector General has asked for a 90-day status report and will continue to monitor the progress and process of the recommendations and asks that they be included in any meeting at the School Board and Miami-Dade County.

Mr. Knigge concluded and asked the ABAC members and Administration if they had any questions.

The Superintendent stated that the Administration accepts the recommendations after careful review and does not dispute any of the findings. He stated that the

current CFO, upon appointment, began exercising greater caution in the reimbursement process.

The Superintendent assured the following:

- Commitment to the full implementation of every single recommendation in the report.
- Replacement of the adaptive vehicle and one additional vehicle.
- Replacement of adaptive drivers' education instructor and one additional instructor.
- Maximize reimbursement opportunities through the county.
- Within the next 24 months, have a program that will be at least three times the size of what the program is today.

ABAC member Mr. Stephen Hunter Johnson asked when high schools were audited if vehicles were looked at because the vehicles would have been listed in a schedule of physical property and should have come up. Mr. Goodman stated that there is a process where inventory and property are audited, and the equipment's location and condition are verified. He called Ms. Wain to weigh in. Ms. Wain stated that there is a property audit staff comprised of four employees. The employees audit property items with a cost of over \$1,000. She added that she had to verify if vehicles are included in property audits and would follow up on the issue.

The Superintendent stated that the impact was unfortunately across the Board to the entire educational community. He stated that issues have risen to his attention over the years, such as certain schools, particularly in the inner city, lacked AP classes and IB programs. Mandates were imposed to allocate resources to every school in Miami to ensure they had AP classes, art and music programs, and foreign language programs. He added that, unfortunately, the drivers' education program issue was never advocated to him. A principal did not reach out to him, Ms. Brown, former COO, or Dr. Pace. Many issues have been addressed, such as the issues of choice, work in progress, digital equity, and disbursement of technology to communities without access. It has been discussed with staff that the drivers' education program is viable but has been deteriorating. Protocols have been developed that will soon be announced to the Board and the community, internally through School Operations, about what must be done.

Board member Ms. Lucia Baez-Geller joined the meeting.

Board/ABAC member Ms. Rojas thanked the Office of Inspector General for the comprehensive report given at the School Board meeting on September 9, 2021, and the Superintendent for the memorandum sent to the Board dated September 3, 2021.

Ms. Rojas had the following concerns about the investigation report:

- M-DCPS knowingly submitted ineligible expenses for reimbursement.
- Miami-Dade County disbursed, and M-DCPS received \$6.2 million in trust fund proceeds.
- The response received from the Deputy Superintendent acknowledges that M-DCPS received reimbursements for ineligible expenses.
- Several people knew what was happening, yet at that time, did nothing about it.
- The reimbursements for ineligible expenses were deposited into the M-DCPS' general fund account and not used to enhance the program; instead, the funds were used to offset the ineligible expenses while the driver education program deteriorated.

Ms. Rojas had numerous questions about the investigation report including:

- What are the eligible expenses that the county and the Inspector General determined were inaccurately submitted for reimbursement? Mr. Steiger answered that the amount of ineligible expenses totaled \$6.2 million, for 2011-12 \$1.9 million, 2012-13 \$2.5 million, and 2013-14 \$1.7 million.
- What was that money used for when only six schools met all of the criteria for reimbursement? Mr. Steiger answered that the money was used for drivers' and instructors' salaries, but not all of the programs that those instructors were running were eligible because they didn't have 30% behind-the-wheel experience. All the money went to drivers' education and paid for drivers and instructors, but they weren't all eligible since they didn't have behind-the-wheel time.
- Could the Inspector General describe what ineligible expenses were? Mr. Knigge responded that there are some requirements for reimbursement from the trust fund. The fund requires a 30% behind-the-wheel driving experience, be eligible to non-public school students, only covers actual direct costs, not administrative costs, and be auditable to track the money. Reimbursements were ineligible if the school didn't have a range and could not provide that service of 30% behind the wheel. For schools that were eligible, the expenses were reimbursable, and the other schools were ineligible.
- Who decided to negatively impact the driver education program in Miami-Dade County Public Schools? Mr. Steiger responded that no one made a conscious decision to harm the drivers' education program in any way. Drivers' education expenses were submitted to the county for reimbursement. A portion of them were ineligible, but at no point was it anyone's decision to harm the drivers' education program.
- Why were non-public or public-school students whose high schools did not offer drivers' education programs not offered a summer program, after-school program or a Saturday program? Mr. Steiger replied that the program from 2008 to 2012 was run by workforce development. It came back to the K-12 program in 2012 and it was part of the day school. There was never a request made to extend it at night or over the summer. Students have access to the

class; even if it's not at night or over the summer, the statute was met. There was no conversation or report about actively trying to exclude it.

- Why was the driver education instruction to orthopedically impaired students not provided and why has M-DCPS violated the federal Individuals with Disabilities Education Act and other federal laws? Mr. Torrens answered that going forward, two vehicles will be purchased to provide the service. In 2015, the single vehicle available was decommissioned and the instructor who was conducting the program retired. The service was not available, but it was not requested. At that time, there was no vehicle and no resources. If requested, there would have been a need to contract the service out or expedite the purchase of the vehicle and hire an instructor.
- Why was a request by an instructor for an adaptive drivers' education car denied? Mr. Steiger answered that the request was done after the budget had already been balanced for one year. The request was never done again. At the time, there were many cases such as maintenance vehicles and there were a lot of requests for the case. Dr. Greenberg was notified that the request was late in the process and needed to go through the standard budget process. There was the assumption that if it were vital and would interrupt a service performance, the request would occur again. However, the request did not occur again.
- Was there any input from the ESE department who represent the children in the ESE program about the emergency of the adaptive drivers' education program? Mr. Steiger answered that he never received any communication from the ESE department.

Mr. Lopez wanted clarification on how this \$6.2 million will be paid back. The Superintendent responded that he had conversations with county entities at the highest level of the Administration at the county. Actions taken to fix the issue will not impact the budget negatively. Back in 2005, it was found that the county was overcharging the district about \$5 million, similar in terms of value. There were no hearings, no investigation; there was a recognition that something had happened, and there was an agreement on how to solve the issue. The reimbursable expenditures are a bit different. He reassured that 100% of the total value that would have been invested in the Drivers' Education Program was invested in the Drivers' Education Program. The big problem was that it fell short of the requirements and the ILA, which required 30% of their instructional time to be administered behind the wheel; therefore, there were ineligible revenues. There have been conversations with the county and assurance that nothing will be done that will negatively impact Miami-Dade County Public Schools budget programs. The Board will be informed about the details.

Mr. Lopez commented that putting policies and controls in place is good. However, to be aware that controls and policies are effective, as long as people execute them correctly. In the past, people in lower levels told people in higher levels that something was not right. There were policies in place and people decided to look the other way. Controls are only as good as the people that must execute. The

Superintendent replied that the conditions now are not the type that would allow the same to occur. This is where, at a certain level of budgetary decision-making, failed to incorporate not only a respect for the policy and an interlocal agreement and the necessary, indispensable consultation with a programmatic entity and voice that should have been enforced.

ABAC member Ms. Sharon Watson questioned how and when the Inspector General was alerted of the discrepancy. Mr. Knigge replied that the complaint was received several years ago in 2017 and was brought up by a confidential complainant.

ABAC member Father Cid referred to Mr. Lopez's previous question about the reimbursement. He explained that the report itself makes a recommendation about it. There will not be a reimbursement received in the future with submissions for reimbursements, it will be matched and compensated against the \$6.2 million.

Mr. Knigge stated there was a recommendation that the Superintendent has kind of expressed, a recommendation to get with the county and work out a process in which he is already doing. The OIG understands that trying to pay back that money in a lump sum would be detrimental for the school system and the drivers' education program. There was a recommendation that they discussed with the county to work out an arrangement.

Dr. Gallon wished everyone a good afternoon and thanked the Inspector General and his team for an outstanding investigation inquiry that brought some clarity and, hopefully, some resolution around a very significant issue.

Dr. Gallon recalled that in 1995 there was a program for training administrators which gave the opportunity to shadow a school site principal. The program also paired administrators with a district person to get a sense of what the district looks like from a broader, more bureaucratic lens, and he worked with the late Dr. Hinds. Dr. Gallon showed gratitude to Mr. Knigge for commenting on what was reflected in Dr. Hinds's reporting. He made a very significant material distinction that Dr. Hinds, no matter the circumstances, identified the school, which was a practice not completed subsequent to that. Dr. Hinds left the district in 2014 over seven years ago and left this earth around 2016, and he didn't understand why Dr. Hinds would have even been remotely referenced in the current situation.

Dr. Gallon referenced his time teaching law at Florida International University; there was always a provision about tort law. Tort law is when someone has been wronged when something has been wronged to a group of individuals or person, and the litmus test for tort law is whether one knew or should have known. To a greater extent, asking who was here, who is gone or whatever the case may be in this report and conversations, is very clear that the threshold was not passed for tort law to escape liability because there were enough people who knew or should have known the condition of some of these programs and the status of some schools. The question asked to Mr. Goodman, auditor, was not answered. Dr. Gallon recalled that there was a driving range when he was a high school principal, and the vehicles were on the inventory. The vehicles were in excess of \$1,000 so they were on the

inventory. There are rules by principals and administrators who would determine whether students and instructors are not utilizing a vehicle at a school site. There are some safeguards with the auditors that when assessing inventory, someone would have laid eyes on a vehicle and make some determinations. District staff is to provide some support for that program, and that support can't simply function from a centralized vantage point; it has to be operationalized from a decentralized vantage point. This means that people have to watch programs, whether or not it is vocational, athletics, or the arts. Those programs are usually visited at least once a year to look at the fidelity of implementation, instruction, compliance, resource, and personnel; there is some level of engagement at the district level to advocate to provide for and protect the program's integrity. Last, the buck starts and ends with the Superintendent, any programs on a day-to-day operation, all of the different bureaus, departments, principals, and staff. There was another layer of advocacy in November 2018; Dr. Karp brought agenda item H-12 which talked about the drivers' education program. Some of the recommendations of the item were to review and evaluate the drivers' education program within M-DCPS, including the conditions of the vehicles used for the program and whether purchased or leased cars were necessary. Other recommendations were to determine if the schools have certified drivers' education instructors, verify whether all external funds the district received for drivers' education are compliant with all requirements, and provide a response by the March 2019 School Board meeting. The recommendations really cut to the heart of what is discussed, reviewing and evaluating the program, looking at the vehicle's condition, looking at personnel, and looking at the utilization of the external funds and making sure that they are used for intended purposes. The item was co-sponsored by most of the board members. The H-12 item was in 2018; fast forward to this investigation, it appears that the elements of Dr. Karp's item were addressing all of these material issues with the Board's approval. As recent as 2018, the Board took some action to provide some provision, protection, and insurance of compliance relative to this matter. Dr. Gallon asked about the status relative to the response of this item and it being square with the current status.

Mr. Torrens responded that there was a memorandum response provided in March of 2019 to item H-12 relating to the program's status at that time. The response talked about thousands of students participating in the drivers' education course, which included the behind-the-wheel component and listed the four behind-the-wheel component schools. The response stated the status of the vehicles at that time that were mainly 1997 to 1999 vehicles; it listed the schools and which vehicles they had, how many, five and one for another, etc. The response also stated that a minimum 30% of the student's time must be behind the wheel to be eligible for reimbursement under the trust fund. The response was an update on the status at that time. Mr. Torrens offered to provide the memo to the ABAC members.

Dr. Gallon referenced his item H-15 and asked about the investigation's finding relating to disabled students.

The Superintendent responded that he does not believe that the drivers' education program is in full compliance. Based on a position informed by M-DCPS entities in

the legal department, there were no requests received for students who may have had a disability having access to that program. That falls short of the expectation that notwithstanding a lack of request for participation, that there may have been at least one student who could have benefited from the program. This is the quintessential build it and they will come. If there is no guarantee of an adaptive vehicle available, why would anybody register for the program? The staff mentioned that during that time period, there were no requests for participation in the program. From a practical perspective, two vehicles have been procured for that program to address the needs of students with physical disabilities.

Mr. Knigge wanted to clarify a couple of things. One of the issues not mentioned about the compliance with the car for disabled students because it was not a requirement for reimbursement. It is a requirement for the Federal Individuals with Disabilities Education Act, but it was not a requirement for the request in terms of reimbursement. He explained that when Dr. Karp's item came to the Board, the investigation was going on and they noticed that his questions were the same as the investigation. He is not aware of how Dr. Karp had obtained that information.

Dr. Gallon thanked Mr. Knigge for the clarification. He stated that he recognizes the provision relative to disabled students not being a requirement at that particular time. But Dr. Karp's item did not stipulate which funds he referred to; he just said funds received. Under that particular provision in the ADA, funds that require disabled students to receive certain access to educational services would fall under that provision outside of the ILA since Dr. Karp was not specific on which funds he referred to.

Mr. Johnson referred to the question asked earlier to Mr. Goodman and requested the audits between 2011 and 2017 for the seven schools identified in the IG's report. Mr. Goodman agreed to the request and added that he will be meeting with his team tomorrow to discuss the issues that were brought up as far as the property inventory process.

The Superintendent reassured that M-DPCS assumed the responsibility and accepted 100% of the recommendations made in the IG's report. He stated that if someone had advised to review the reimbursement's requests for the drivers' education program because they were submitted as if every single school had a behind the wheel component, at least three years the situation would have been dealt with. There are ways of immediately dealing with an issue. By 2017, 2018, 2019, 2020, 2021, no reimbursements for ineligible expenditures were sought, but this could have been addressed much faster. There were 35 schools in the District that presumably had drivers' education programs and the vast majority did not have a hands-on program, but reimbursement was requested for all of them. The challenge and mistakes made are recognized.

Mr. Norwood concluded the item by thanking the Committee for the work and the debate. He stated there is no better time spent doing labor of this level; it shows the District's commitment.

No other questions or comments were posed. This item was presented for information purposes only; therefore, no transmittal to the School Board by the ABAC is required.

8. Update on Chief Auditor Search (INFORMATIONAL)

Acting ABAC Chair Mr. Christopher Norwood introduced Dr. Dawn Baglos, Chief Human Capital Officer, who oversees HR to provide an update on the Chief Auditor search.

Dr. Baglos wished everyone a good afternoon. She stated that she is in the process of polling for the following special ABAC meeting to conduct oral interviews with the three candidates. The meeting has been confirmed for September 21, 2021. She recalled questions about recommendation letters for two candidates; those concerns have been resolved and will be discussed at the meeting.

Ms. Rojas asked if the meeting location had changed. Dr. Baglos replied that the meeting will be held in room 559, which is a large conference room. It will be conducive for an interview process and there will also be the ability for the candidates to interview via zoom (video conferencing tool). Ms. Rojas asked if there will be enough space for social distancing. Dr. Baglos replied that they will make sure that there is adequate space.

Acting ABAC Chair Mr. Christopher Norwood thanked Dr. Baglos.

No other questions or comments were posed. This item was presented for information purposes only; therefore, no transmittal to the School Board by the ABAC is required.

9. Establish a Date for Pen Test Results Confidential Session (INFORMATIONAL)

Interim Chief Auditor Mr. Goodman introduced the item and stated that the Network Security Test (PEN Test) was conducted by RSM US in accordance with the School Board agenda item H-14 proffered by Board member Ms. Rojas and approved at the Board meeting on September 9, 2020. The project was planned and facilitated by the Office of Management and Compliance Audits (OMCA) and presented to the School Board last week in a confidential executive session. The item is for the ABAC to determine a date to have a confidential session for the PEN test results. Mr. Goodman anticipates having the meeting in the month of October and a poll will be sent to the ABAC members to determine the date.

Mr. Norwood asked about how much time is needed for the meeting. Mr. Goodman replied that at least two hours are needed.

No other questions or comments were posed. This item was presented for information purposes only; therefore, no transmittal to the School Board by the ABAC is required.

OLD BUSINESS

The Committee did not have any old business to discuss.

NEW BUSINESS: COVID Related Funds Update

Acting ABAC Chair Mr. Christopher Norwood introduced Mr. Ron Steiger.

Mr. Steiger stated that there are three covid related funds, ESSER 1, ESSER 2, and ESSER 3. ESSER 2, part of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), has allowed Miami-Dade County Public Schools (M-DCPS) to fill out the application. 50% of the funds were received in an advance lump sum and funds have been withdrawn at the end of last fiscal year and at the beginning of this fiscal year. ESSER 3, American Rescue Plan, the state has not yet allowed the District to fill out the application. The federal government guarantees the funds. Mr. Steiger stated that he has allowed colleagues to spend the funds even though the funds have not yet been received. The federal government sent a letter to districts in states where funds take longer to be received. The letter stated that districts may spend the funds prior to receiving them. M-DCPS will receive a total \$1.1 billion dollars. The school year started, and M-DCPS's plan could not wait to receive the funds. The Board has seen and approved the plan, and the Board and community will continue to get updated.

Mr. Norwood asked about the budget for M-DCPS for the 2021-2022 fiscal year. Mr. Steiger answered that the budget is over \$7 billion dollars.

Mr. Lopez asked if the mask mandate issue will impact the funds. Mr. Steiger answered that there's uncertainty on whether the mask mandates will prevail or not. Broward County Public Schools had funds withheld. The federal government made it clear that ESSER funds are available to pay for funds withheld. Also, a separate grant is available from the federal government specifically for districts that have had funds withheld by the state government for violating the mask mandate prohibition. If M-DCPS gets funds withheld from the state government, then the federal grants option would be explored, and proper action would be taken accordingly.

ADJOURNMENT

Since there was no further business to come to the Committee, Mr. Norwood adjourned the meeting at 4:21 p.m.