

**MINUTES OF THE SCHOOL BOARD AUDIT AND BUDGET ADVISORY COMMITTEE  
OF MIAMI-DADE COUNTY PUBLIC SCHOOLS  
REGULAR MEETING  
September 19, 2022**

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The School Board Audit and Budget Advisory Committee (the ABAC or the Committee) met on Monday, September 19, 2022, in the School Board Administration Building, SBAB Auditorium, at 1450 N.E. Second Avenue, Miami, Florida.

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**Call to Order**

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ABAC Chair, Mr. Christopher Norwood, J.D., called the meeting to order at 12:34 p.m. All ABAC attendees, including non-voting members, introduced themselves.

The virtual presence of Dr. Bendross-Mindingall, School Board Member was recognized for this ABAC meeting.

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**1. Welcome and Introductions**

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<b>ABAC Members Present</b>
Mr. Christopher Norwood, J.D., ABAC Chair
Mr. Stephen Hunter Johnson, Esq., ABAC Vice Chair
Ms. Chloe Bordon-Gillenwater, ABAC Member
Ms. Anna Hochkammer, ABAC Member
Mr. Jeff Kaufman, ABAC Member
Mr. Julio C. Miranda, CPA, CFE, ABAC Member
Ms. Mari Tere Rojas, School Board Member/ABAC Member
Ms. Sharon Watson, ABAC Member
Mr. Erick Wendelken, CPA, ABAC Member
Mr. Ron Y. Steiger, Chief Financial Officer, Ex Officio (Non-Voting) Member of the ABAC
Mr. Jon Goodman, Chief Auditor
<b>ABAC Members Absent</b>
Mr. Juan del Busto, ABAC Member
Mr. Albert D. Lopez, CPA, ABAC Member
Ms. Zeida Sardiñas, ABAC Member

Others in Attendance	
Dr. Bendross-Mindingall, School Board Member (Virtual)	
Mr. Walter J. Harvey, School Board Attorney and General Counsel	Mr. Michael Hernandez, CPA, Audit Supervisor, OMCA
Dr. Dawn M. Baglos, Chief Human Capital Officer	Ms. Sandra Lainez, Audit Specialist
Mr. Jose Bueno, Chief of Staff	Mr. Alejandro Santana Alvarez, IT Auditor, OMCA
Mr. Carl Nicoleau, Chief Maintenance/Operations Officer	Mr. Hector Ortiz, Assistant Inspector General OIG
Mr. Raul F. Perez, Chief Facilities Design/Constr. Officer	Mr. Thomas Knigge, Supervisory Agent, OIG
Dr. John D. Pace III, Deputy Superintendent	Ms. Samantha Liberal, Senior Investigator, CIU
Mr. Eugene P. Baker, Chief Information Officer, ITS	Mr. Keith Mitchell, Senior Investigator, CIU
Ms. Charisma Montfort, Chief Procurement Officer	Mr. Erick O. Blanco, Cybersecurity Analyst, OMCA
Ms. Daisy Naya, Controller	Mr. Jerold Blumstein, School Bd. Member's Chief of Staff
Ms. Lisette Alves, Assistant Superintendent	Ms. Marlene Hernandez, School Bd. Chief of Staff
Ms. Tamara Wain, CPA, Assistant Chief Auditor, OMCA	Ms. Lourdes Amaya, School Board Admin. Assistant
Dr. Gloria Arazoza, Region Administrative Director	Ms. Carlota Noguera, School Bd. Chair Admin. Assistant
Ms. Melba Brito, Administrative Director	Ms. Jaanelle Yee, School Board Administrative Assistant
Ms. Meyme Falcone, Administrative Director	Ms. Elsa Berrios-Montijo, District Analyst, OMCA
Ms. Melissa Latus, Administrative Director	Ms. Latisha Green, Assistant to the Chief Auditor, OMCA
Mr. Luis O. Baluja, CISA, District Director, OMCA	Mr. Al Chicoy, Creative Director, WLRN
Ms. Teresita Rodriguez, CPA, District Director, OMCA	Mr. Gustavo Hernandez, Sr. TV Director, WLRN
Mr. Richard Yanez, CPA, District Director, OMCA	Mr. Nicholas Moreton, IT Support
Mr. Edward McAuliff, Executive Director	Mr. Brett Friedman, Partner, RSM US LLP (Virtual)
Mr. William (Bill) O. McAuliff, Jr., Executive Dir., MECA	Mr. Ben Launerts, MECA Board
Ms. Elvira Sanchez, Executive Director, OMCA	Ms. Debra Simmons, Executive Director, MECA
Mr. Neil Singh, Audit Director, OMCA	Ms. Mina Hosseini, Executive Director. P.S. 305

## 2. **Approval of the Minutes of the School Board Audit and Budget Advisory Committee Meeting of July 19, 2022 (ACTION)**

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ABAC Chair, Mr. Christopher Norwood, presented the minutes of the July 19, 2022, ABAC meeting.

There being no questions or comments, a motion duly made by ABAC member Mr. Stephen Hunter Johnson and seconded by ABAC Member Mr. Julio Miranda, was carried unanimously to approve and file the **Minutes of the School Board Audit and Budget Advisory Committee Meeting of July 19, 2022.**

## 3. **Miami-Dade County Public Schools - Annual (un-audited) Financial Report Fiscal Year End June 30, 2022 (INFORMATIONAL)**

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Chief Auditor, Mr. Jon Goodman, stated that Mr. Ron Steiger, CFO, will make the presentation.

Mr. Ron Steiger stated that this is the Annual Financial Report (AFR) for the 2021-2022 school year, and that it shows the District ending the year in good financial health and with a really healthy reserve. He thanked Ms. Daisy Naya, the Controller, and her entire team for their really hard work. This year, in particular, was difficult with a historical

amount of Federal grants coming our way, each with its own rules and their own funds, and many new things. This creates a lot of extra work, and the AFR is always on a very short time frame. There are very strict guidelines that must be followed for the Board and the State, and we have to get the AFR to the Board in a very short period of time, so I am always impressed with our entire team for how they are able to get it done. This year, in particular, districts from around the State were calling and asking if I was going to ask for an extension for the AFR, but obviously we did not have to. I was really impressed with our team because we are the biggest District with the most complexities. If you have any questions, either Daisy or I are happy to take them.

Ms. Mari Tere Rojas, School Board Member/ABAC Member, stated she had no questions but wanted to commend Mr. Steiger, Daisy, and the rest of the members of the team for doing such an outstanding job. We are very pleased with the outcome that we have in front of us.

Mr. Erick Wendelken, ABAC Member, asked how much of the reserve is already allocated to specific expenses.

Mr. Steiger asked if he was referring to government-wide results, and Mr. Wendelken answered yes. Mr. Steiger then stated that the government-wide net position to him is never all that relevant because there are so many things going on. He looks specifically at the General Fund's net position. The General Fund's net position ended the year with approximately \$260 million in it, and this \$260 million carries forward. The 2022-2023 budget is ready, and this \$260 million is our beginning fund balance. So, to determine not committed, I look at the ending fund balance for the following year, and that is what is truly not committed. My ending fund balance for the following year is roughly \$93 million. The rest of it is committed in some form or fashion. Each year some of it is a true reserve. We have an assigned fund balance for possible property tax shortfall. We have to reserve that. It is not unexpected. And if this year ends the way the prior years have, I can expect it to end above \$93 million if we have many more vacancies than we planned on having. What can protect the Board for a rainy-day fund is about \$93 million.

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

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Chief Auditor, Mr. Jon Goodman, introduced Ms. Tamara Wain, Assistant Chief Auditor, to present the item.

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

- The audit scope for 19 schools and centers reported was two fiscal years ended June 30, 2022.
- The audit scope for 21 schools and centers reported was one fiscal year ended June 30, 2022.
- At 23 of these schools and centers, there was a change of principal or administrator since the prior audit.
- Audits conducted at all 40 schools disclosed that records were maintained in good order and in accordance with prescribed policies and procedures.

- Property inventory was conducted, and results reported, at all 40 schools. In addition, we reported property inventory results for three schools that had their internal funds results reported back in July 2022.

Ms. Wain concluded the presentation and indicated that her office and the Office of School Leadership and Performance were available to answer any questions related to the report.

Board/ABAC Member Ms. Rojas stated she was elated to see this report. She thanked everyone that made this possible. She thanked all the Principals doing such an amazing job, Assistant Principals, the Treasurers, everybody involved in this process, as well as the audit department and Mr. Goodman. District and Region personnel also play a role in making sure we have these types of audits. She stated she does have concerns related to the situation with Treasurers. She stated that she has been personally out at schools, at all her schools every year. There are not Treasures at all schools right now. There is a lack of human capital in all arenas including teachers, substitute teachers, custodial personnel, etc. That includes Treasurers. She stated that she has a major concern when a new Principal and a new Assistant Principal are in a school that does not have a full time Treasurer and has addressed this. She thanked Dr. Pace and recognized that he is working tirelessly with the Office of Human Capital and that the two are doing everything they can to remediate these situations as quickly as possible. She thanked Dr. Baglos as well. But Ms. Rojas stated that she needed to know how many new Principals in schools right now do not have a Treasurer, and how quickly are you going to address the one school I have alluded to, and any others in a similar situation.

Mr. Christopher Norwood, ABAC Chair, addressed Dr. Pace and asked that before he answer that question, if he could please surmise what a treasurer is at a school?

Dr. John D. Pace III, Deputy Superintendent from the Office of School Leadership and Performance, responded to Mr. Norwood and stated that a treasurer is the position that oversees any incoming or outgoing monies and transactions taking place at a school. The treasurer also assists with the payroll transactions and with overseeing the operation of payroll that happens with full-time and hourly personnel at the school. They prepare and review before the Principal and Assistant Principal have the opportunity to review and sign off on payroll. Dr. Pace addressed Ms. Rojas and stated that he is very aware and appreciates her concern, as it is a major concern of his any time there is a treasurer opening at a school, but specifically when there is a treasurer opening at a school with a new Principal, and in this case, also with a new Assistant Principal. Dr. Pace stated that we are working with the Office of Human Capital to identify a person very quickly. The school in question does have a treasurer that comes over from a nearby school to work and to ensure everything goes according to plan. However, getting a full-time treasurer for that school is of top urgency. Fortunately, and unfortunately, that is the only school right now with new administration and a treasurer opening. All other schools that have new Principals do have a Treasurer at this time. That allows our focus and priority to be on the school that you are speaking of. We are also working with the Office of Human Capital to look at different ways to address these types of situations, as you stated, especially shortages, and how we can think different.

Once we get this Treasurer position filled, Dr. Pace stated that he would notify Ms. Rojas.

Ms. Rojas thanked Dr. Pace for answering both of her questions and then asked an additional question. How many openings for Treasurers do we have under Principals that are experienced Principals?

Dr. Pace replied that at this time they have 11 Treasurer openings across the District.

Ms. Rojas, recognizing Dr. Baglos' presence, asked how quickly they will have those 11 positions filled, considering that it is soon the end of September.

Dr. Pace stated that three of the 11 have found candidates and they should be hired by the end of September or the first week of October. Regarding the other eight openings, they are still looking at all the applicants, and that is updated daily. As of last week, there were 13 applicants and they found two applicants for two schools. Dr. Pace stated that this is a fluid on-going process, and the goal is to fill all open positions as soon as possible.

Ms. Rojas recognized that Dr. Baglos was nodding in agreement with Dr. Pace's comments. Regarding the schools with open pending positions, particularly the eight schools where there is no one identified yet, Ms. Rojas further asked if any of those schools have been cited in the past for having audit exceptions in this arena.

Dr. Pace replied no, they are not. None.

Ms. Rojas further asked if they have part-time treasures that are going to those schools from other locations.

Dr. Pace replied yes.

Ms. Rojas expressed concerns with a topic spoken about in the past regarding lack of human capital in some areas and looking at other options to address this. But we have also talked about a succession management scenario where we can have others working in the office that can be trained and prepared to take on these positions when they open up. She asked if someone could provide an update on where we are with this program of succession management and helping to prepare those that would like to move up the career ladder and have the potential to do so to take on some of these openings.

Dr. Pace stated that he will ask Dr. Baglos to speak of the details, but he explained that in the school sites and in our offices, we always make sure there is cross training amongst the different positions, such as school treasurer, school secretary, data input specialist and even the community involvement specialist. We make sure that they are cross trained and understand the different roles of the clerical staff in case there is ever an opening or an opportunity of advancement to ensure that people from within have the first opportunity, as well as to assist us anytime we have an open position.

Dr. Dawn Baglos, Chief Human Capital Officer, confirmed that individual school sites do provide that cross training. Additionally, the Office of Professional Development is in the process of expanding the treasurer apprentice program which has been in operation for the last several years. The program is being opened to a larger pool of candidates who may want to move into the treasurer position within the next couple of years, in order to provide them with a greater opportunity.

Ms. Anna Hochkammer, ABAC Member, directed her comments at Mr. Goodman and stated that she has noticed that when we meet and review the property audits at individual school sites, we are maintaining the threshold of \$1,000 for the items we are tracking. She stated that she thinks it is spectacular that among 40 schools they have not lost a single item. She stated she is also aware that the State has changed the standard for property audits to a \$5,000 threshold and wondering why the District continues to maintain the \$1,000 threshold. She asked if there any plans to change.

Mr. Jon Goodman, Chief Auditor, replied that we have been and are in the process of meeting with the Administration to see what the appropriate threshold would be. We have a tentative start date for a new threshold of July 1. We have been discussing the issues, and my team and I spoke with Mr. Steiger and Mr. Bueno last week, and we had a robust conversation about that. It takes a little time to do something like that. It is quite a large jump to go from \$1,000 to \$5,000, so we have to be somewhat cautious. We also checked to see what other large districts are doing, such as Palm Beach and Broward, and they are also both in the process of contemplating what we would do here. Mr. Goodman asked Mr. Steiger and Mr. Bueno if they wanted to weigh in on this.

Mr. Ron Steiger, Chief Financial Officer, stated that the Administration and staff are on board. We'd like to take it to \$5,000. The statute still says that we have to track attractive items. So regardless of the increase, it comes down to making sure we can go to \$5,000, but also manage to do it by asset class. There are some asset classes that are going to have to be tracked even though they're below a threshold, and he explained that the District's entire system has been set up so that it's just a dollar threshold. For example, music instruments sound like an attractive item. It's something that can potentially walk. But it's not a \$5,000 item. It's less than that, but how do you change that when you're in an environment with a dollar threshold. We have to transition to asset class, and once we do, I don't think any of us have a problem going to \$5,000.

Mr. Goodman added that we also met with Ms. Daisy Naya, the Controller, and she was instrumental in the process too. She provided a great deal of good information regarding how many items are in each cost threshold to give us an idea as to how many items we would be eliminating in this process. I wanted to ensure Ms. Naya is recognized for that effort.

Ms. Anna Hochkammer stated that it's a very important conceptualization process and that she appreciates the effort that is going into it to do it coherently.

There being no additional questions or comments made by the Committee, a motion duly made by Board/ABAC member Ms. Mari Tere Rojas, and seconded by ABAC Vice Chair Mr. Stephen Hunter Johnson, carried unanimously to recommend that the **Internal**



**Audit Report – Selected Schools and Centers**, be received and filed by the School Board.

## **5. Internal Audit Report – Audit of Internal Controls and Processes Over Federal COVID-19 Funds (ACTION)**

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Chief Auditor, Mr. Jon Goodman, stated that the audit before you is an audit of the internal controls and processes over the pandemic related ESSER funds. It is one of multiple audits that have and will continue to be conducted of ESSER by multiple auditing entities with various objectives and scopes. For example, the external audit firm RSM conducted the Federal Single Audit for the year-ended June 30, 2021, and the Florida Auditor General has begun the Single Audit for the year-ended June 30, 2022. Through the testing conducted during this audit, we found:

1. Controls have been established and are in place to monitor that ESSER funds are used for allowable expenditures and prior to the expiration of applicable grant periods.
2. The Administration has contemplated and developed strategies for the conclusion of the receipt and expenditure of the ESSER funding, commonly referred to as the “Fiscal Cliff”, ending in September 2024.
3. To date, ESSER funds allocated to M-DCPS have been properly received and recorded, and the District has complied with applicable reporting requirements to the Florida Department of Education.

Ms. Teresita (Terry) Rodriguez, CPA, District Audit Director, served as the Auditor-in-Charge of this audit. Good afternoon Ms. Rodriguez. We are prepared to address any questions or comments the Committee members may have.

Board/ABAC Member Ms. Rojas commended everyone in the process, Mr. Steiger and his team, Ms. Rodriguez and everyone else that has been involved, and of course Mr. Goodman and his team, as they conducted the audit. Ms. Rojas stated that with ESSER funds, 100% of the funds have been spent prior to the deadline. She asked if that was correct. Ms. Rodriguez confirmed yes. Ms. Rojas further stated that now we have ESSER II and ESSER III. We have timelines and it is extremely important that these expenditures are drawn down to the last penny so that we take advantage of every cent that has been given to us. 100% is spent on ESSER I. I believe ESSER II is somewhere in the 80% mark. Ms. Rojas asked what is the correct percentage?

Ms. Rodriguez replied that it is 83%, almost \$300 million. For ESSER II, the spent amount, also including encumbrances, is \$299.5 million.

Ms. Rojas then asked what is timeline for ESSER II?

Ms. Rodriguez replied that for ESSER II, it is September 2023.

Ms. Rojas asked if ESSER III spending at about 35% was correct, and also asked until when do they have for all those funds to be used or completed.

Ms. Rodriguez replied that for ESSER III, it is September 2024.

Ms. Rojas stated that she was happy to hear that because it makes her feel comfortable that for ESSER funds we used all available funding within the timeline. And with almost 85% spending for ESSER II, and with the amount of time we have left, which is one year, we are in good shape. And with ESSER III, even better. My other question is with some of these ESSER funds that have been given to us, and which we have been able to hire human capital. It has always been a concern for me that when we no longer have grant funded positions, that we take care of these employees. Have these employees been informed or apprised in writing that once these ESSER funds no longer exist, that there is a possibility, if we can no longer fund it, that these individuals will be going back to their positions?

Mr. Goodman stated the short answer is yes. He explained that when the position is advertised or someone is put in a position, it is made known that it's a temporary position, probably for two or three years, and grant funded. So yes, it has been communicated. But he asked Mr. Steiger and his team to elaborate more on that.

Mr. Steiger stated that yes, they sign something that states they are in a grant position, and they know it will expire. But we do not guarantee that they will get their old job back. We do not make that guarantee. We just state that their position will expire in two years, and we will do our best effort to find them a job.

Ms. Rojas thanked Mr. Steiger for the clarification. If it's in writing and they understand that, then they agreed to it. She stated that was her concern. After one year, if you are out on leave, you can go back to the same position, at least it used to be like that. But with these grants, she asked that whether it's a year or more, do they understand that they cannot go back to their former positions?

Mr. Steiger replied yes, they understand that. It is a risk they take. However, from our end, we have not invested in a substantial way in full-time positions through any of the ESSER grants. For small areas, for administrative positions such as in procurement, and grants accounting where there have been bottlenecks because of all this extra money, they are one hundred percent aware that their position might not exist in two years. We are doing our best in planning for that. We do it in places where we know retirements are coming. When that person who retires exits the position, the grant person can enter that retirement position. The one area that is different is for student support specialists. Mr. Steiger commented that he saw Dr. Baglos walking to the podium. He stated that the HR team is doing an extremely good job to make sure those employees are not left high and dry.

Dr. Dawn Baglos thanked Mr. Steiger and stated that she is excited to share about a partnership that they have recently crafted and agreed to with Florida International University (FIU). We are working with FIU to allow up to 50 of our individuals who are in this position to obtain their guidance counselor certification. The State has an alternative certification route for school counselors, and we are working with FIU to provide them that opportunity to become a school counselor, so that at the end of their time, they would also have an opportunity to be hired by one of our schools. The second piece that the HR team is currently working on with this particular set is surveying them to see if any of them are interested in obtaining their teaching certification. Therefore,



they can fill potential vacancies with one of these individuals into an area of interest they may have, provide them support in order to pass the subject area certification, and then hire them as a teacher.

Ms. Rojas thanked Dr. Baglos and asked that if there is teacher that falls in one of these categories where they are temporary right now, and you give them time to pass the test and pass certain areas, and if they are evaluated and they are performing at an acceptable level, do they have to take certain tests?

Dr. Baglos explained that they still have to pass the tests in order to obtain a teaching certificate. They still have to pass a subject area certification and a general knowledge exam. They just have a longer window in which to do so.

Ms. Rojas asked that if the teachers are high performing individuals in their assessment results, are there any areas of the test that they do not have to take?

Dr. Baglos stated that there were changes in this latest legislative session that allowed for greater opportunity, particularly for veterans' pathways and some other alternatives, but even those require subject area knowledge because you have to have a Bachelor's degree. The Bachelor's degree in that area would typically speak to your subject area certification. But you still have to demonstrate some level of subject area expertise. But we are actively working with individuals on a case-by-case basis to help them find the certification pathway that best works for them using any variance that may be permitted.

Ms. Rojas asked Dr. Pace if he had any further input regarding what Dr. Baglos just explained.

Dr. Pace asked for some time so that he could look up something, and then come back to the question. *(The additional responses to Ms. Rojas' question continue further below, in two pages, so the order of the ABAC meeting minutes remains consistent with the order of the meeting discussions).*

Mr. Norwood stated that he will move on now, and that later Dr. Pace can revert to the question asked.

There being no additional questions or comments made by the Committee, a motion duly made by Board/ABAC member Ms. Mari Tere Rojas, and seconded by ABAC Member Mr. Erick Wendelken, carried unanimously to recommend that the **Internal Audit Report – Audit of Internal Controls and Processes Over Federal COVID-19 Funds**, be received and filed by the School Board.

## **6. Audit of the District's Construction Warranty Process (ACTION)**

Mr. Goodman stated that in this audit we reviewed and tested the District's construction related warranty controls and processes. This included testing the use of warranties on components such as roofs, HVAC systems, and other equipment items. We found that improvements are needed to better track and exercise the subject warranties. We made three recommendations starting on page 3 of this report. The Administration concurred with our findings and recommendations and has provided responses for planned

corrective actions. Mr. Neil Singh, CPA, Construction Audit Director, served as the auditor-in-charge of this audit. We are prepared, along with applicable senior Administration, to address any questions or comments the Committee members may have.

Ms. Anna Hochkammer, ABAC Member, asked if there is money in the upcoming budget to procure the software that is recommended in this audit.

Mr. Raul Perez, Chief Facilities Design and Construction Officer, stated that they are looking at dollars that are in the comprehensive needs or critical system needs budget line item to address the potential system that we will be looking at and purchasing.

Ms. Rojas stated that the report states that, in over 20 years, the District has not updated this. She asked is there any reason why this area has not been looked at in over 20 years?

Mr. Perez stated that this warranty tracking software was developed in the mid to late 1990s. It has been functioning. However, regarding the areas identified and the tracking that is recommended, this software just does not have this capability, especially under the extended warranty items. At this point, we are having to come up with a new software that would address that. Right now, the current software tracks the projects completed and their warranty timeframes but does not have the detail of specific items within that warranty or the scope that's under warranty. That would have to be looked at through our specifications and our drawings. The software we are looking for is to incorporate that as well so that when you bring up a project, it can tell you what components were in that scope and what warranty timeframes they have, and especially extended warranty items, so that maintenance could look that up when they get a call from a school and then determine if the item is under warranty or not.

Ms. Rojas provided an example of a roofing project that took place at an older school, and asked if the information regarding warranties is available, even though it might take a lengthy period of time to obtain such warranty information.

Mr. Perez stated that yes, they do have that capability right now, but it is a manual capability. He stated that if there was a roofing issue at one of our schools, maintenance would flag that and would contact our warranty administrator, who would then look in the system to see when that project was completed. The time frame of when the project was completed would be given to maintenance, and that would determine if that item was under warranty or not. But again, it is not an automated process, but a manual approach. But we do have that capability.

Ms. Rojas asked how many warranty administrators do we have for a District of this size.

Mr. Perez responded that there is one warranty administrator for the District.

Ms. Rojas asked Mr. Perez if that suffices for a District of this size with so many projects that we are engaged in.

Mr. Perez stated that increased staffing may be needed in this area. With the amount of work that has been undertaken through the GOB, and currently being undertaken as we complete the GOB and through the 5-year capital plan, which is close to approximately \$1 billion dollars through 2026-2027, he stated that he believes that this office requires augmentation.

Mr. Christopher Norwood, ABAC Chair, stated he was curious, and although he didn't want to put Mr. Nicoleau, Chief Maintenance and Operations Officer, on the spot, he asked Mr. Perez if he had any information about the capacity of our schools and these warranties.

Mr. Perez stated that he did not.

There being no additional questions or comments made by the Committee, a motion duly made by Board/ABAC member Ms. Mari Tere Rojas, and seconded by ABAC Member Ms. Anna Hochkammer, carried unanimously to recommend that the **Audit of the District's Construction Warranty Process**, be received and filed by the School Board.

Mr. Norwood reverted to the earlier discussion and question from Ms. Rojas and asked if Dr. Pace had a response.

Dr. Dawn Baglos responded and confirmed that this was the response to the alternative certification question. She stated that the information Ms. Rojas was seeking was specific to the District's MINT 2.0 Program. Those are individuals who come in and are considered career changers. They have a Bachelor's degree and the State has already issued them a temporary teaching certificate. They already have a Bachelor's degree that speaks to a body of knowledge in an area. They come in as a career changer, they get a temporary teaching certificate from the State, they enter into either our MINT 2.0 Program, which we call an OPI or an EPI, which is another way to obtain a professional certification program without being a college of education major. Or they enter into a local college's EPI Program, and Miami Dade College has one. Those individuals, during their temporary teaching certificate period, if they are highly effective, they can waive a professional education test. That is why I stated that our team works one on one with those individuals in order to find the appropriate pathway of certification for their professional teaching certificate that would apply for them. But they already have a temporary certificate and a Bachelor's degree that speaks to that body of knowledge that they have.

Ms. Rojas thanked Dr. Baglos and stated that the MINT Program was exactly what she was referring to. Then Ms. Rojas inquired if they have received their evaluations showing whether they are effective or highly effective at this point in time, so if someone has to waive this, they have that capability to do so. Ms. Rojas asked if the evaluations had already been completed and submitted to them for their performance.

Dr. Baglos replied that they have not completed the evaluation portion for teachers from last year because they wait for those individual's scores, their Value-Added Model (VAM) or their alternative test data that we use for teacher evaluation. They have eight standards. Standard number one is student evaluation data. Once we have that, then

we combine all in order to generate a unified summative rating. That process usually occurs between October, November, and December, depending on when the data is cleaned. And then we also wait for teachers to implement their Instructional Performance Evaluation and Growth System (IPEGS) review request process before we finally complete all the summative evaluations with a summative rating.

Ms. Rojas thanked Dr. Baglos and recommended that it might be a good idea to review how many people are eligible that may miss it if they did not get that evaluation status as soon as possible. It could mean the difference for them of not having to take a certain assessment that could have been waived if they had received their evaluation.

Dr. Baglos responded that their team does that. The MINT 2.0 team has strategic individuals who work in professional learning to ensure they are successful. She stated that she is incredibly interested in the MINT 2.0 Program and that her own daughter is part of the MINT 2.0 Program as a career changer Art teacher. She reaffirmed that they get hand holding in order to move them forward in a successful way.

## **7. Office of Management and Compliance Audits' 2021-2022 Annual Report (ACTION)**

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Mr. Jon Goodman stated this is the Annual Report of my Office for the 21-22 fiscal year as required by School Board Policy 6835. The report summarizes audits and nonaudit activity conducted during the last year and also provides staffing and budgetary information. I am prepared to address any questions or comments the Committee members may have.

Ms. Rojas thanked Mr. Goodman and his team and stated that he has done an exceptional job, and it has been an absolute pleasure working with him. She appreciated his expeditious responses to her many phone calls and questions for the department. She stated that she greatly appreciated his professionalism, dedication, and commitment.

Mr. Goodman thanked Ms. Rojas.

Mr. Stephen Hunter Johnson, ABAC Vice Chair, asked Mr. Goodman if he has been able to address staffing needs, or if he was still hiring at this point.

Mr. Goodman responded that we have essentially solved our staffing needs. We are basically fully staffed. We have 44 total positions, and there will always be a little turnover. We currently have two open positions, and we are interviewing for them in the next two weeks. So we are good.

There being no additional questions or comments made by the Committee, a motion duly made by Board/ABAC member Ms. Mari Tere Rojas, and seconded by ABAC Member Mr. Jeff Kaufman, carried unanimously to recommend that the **Office of Management and Compliance Audits' 2021-2022 Annual Report**, be received and filed by the School Board.

## **8. Office of Management and Compliance Audits' Activity Status Report (INFORMATIONAL)**

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Mr. Jon Goodman stated that this is his Office's Activity Report delineating completed projects and status of those in progress. In the Civilian Investigative Unit Mr. Ray Montano was promoted from Executive Director to District Director of the CIU. Also, on the departure of the office's former supervisor, there was a slight restructuring of the CIU. He introduced Ms. Samantha Liberal and Mr. Keith Mitchell who were both promoted from Investigators to the Senior Investigator positions at the September 7<sup>th</sup> School Board meeting. Ms. Liberal holds a Bachelor's degree in Science from Florida State University. Mr. Keith Mitchell holds a Bachelor's degree from St. Thomas University and a Master's in Public Administration from Capella University. He is also a retired military officer. Mr. Goodman stated that he was prepared to answer any questions or comments regarding the Activity Report.

Mr. Christopher Norwood welcomed the two individuals to their promotions.

## **OLD BUSINESS**

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### **Memorandum Follow-Ups - ABAC of July 19, 2022 (INFORMATIONAL)**

- IT Related RFPs
- Potential School Security Related Audit
- External Auditors Hours/Fee Reduction
- Magnet Educational Choice Association (MECA)

Chief Auditor, Mr. Jon Goodman, explained that the memorandum presented here outlines the follow-up for four items discussed at the July 19<sup>th</sup> ABAC meeting. They included 1) OMCA's role in reviewing information technology related RFPs, 2) potential school security related audits that we could perform, 3) use of OMCA staff to assist the external auditors and thereby result in a fee reduction, and 4) MECA.

Regarding MECA, Mr. Goodman explained that the direct support organization has had fiscal management and governance issues for more than several years. ABAC and School Board members, primarily Board Member Ms. Rojas, have been requesting a five-year plan to address MECA's fiscal issues and viability. The five-year plan was on the ABAC's July 19<sup>th</sup> Agenda for presentation but had to be deferred until today's meeting due to a misunderstanding as to the funding of the Executive Director position. However, as described in my memorandum, although we had been aggressively reaching out to MECA officials since immediately after the last ABAC meeting, MECA only provided the revised plan a day before finalization of the Agenda package. Additionally, the revised plan contained new assumptions, calculations, and changes that have not been reviewed or vetted by us and remain unclear to us. Therefore, at this time, we are not able to provide the ABAC and School Board any level of assurance as to MECA's fiscal management and viability going forward.

We have present officials from MECA, applicable school District administration, and OMCA staff, and we are prepared to address any questions and comments from the Committee members.

## **IT Related RFPs**

Mr. Christopher Norwood asked to begin with the first item, the IT related RFPs.

Ms. Rojas stated that she was glad to see that management did follow-up and she stated that a notification of IT RFPs is extremely important.

## **Potential School Security Related Audit**

Mr. Norwood addressed Mr. Stephen Hunter Johnson, ABAC Vice Chair, and asked if he had any questions or comments regarding this topic of a potential school security related audit.

Mr. Johnson stated that he did not have any questions, as Mr. Goodman already followed up with him, and he will later follow up again with Mr. Goodman.

Ms. Rojas asked Mr. Goodman to very strongly consider the security audits immediately, and she recommended that they include the audits of school crime, safety, and discipline reporting and any other related to safety concerns of our students and of our workforce. She stated that it is imperative that this be addressed and that the Board get proper responses to issues that have been addressed by my colleagues and myself numerous times in the past.

Mr. Goodman stated that when Mr. Johnson brought forth this topic, we thought of the security audits that we could do. Mr. Goodman stated that one of them could be about reporting events of crime, violence, or discipline issues. He recognized that this has been an issue for a long time but has come into clear view in the last couple of months, and it has implications for school security. That audit could be testing the process for reporting those numbers and ensuring the integrity of those numbers. The audit could ensure that the numbers are complete, ensure the integrity of the report, and that events are not underreported.

Mr. Johnson stated that Mr. Goodman and he discussed this. Mr. Johnson stated that his initial concern was school security in general, meaning outside threats. Then, when discussed with Mr. Goodman, school discipline was mentioned, and Mr. Johnson had some hesitancy there only because he is very concerned about the over disciplining, particularly of black children, in schools. If we were to conduct this, knowing that what may occur in one school might be reported one way, and what might occur in another school might be reported another way, and because those Administrators are aware of some surrounding factors or other issues, that might impact the perceived severity of it. I was concerned about standardizing it, and then perhaps over punishing or overloading the statistics with things that may have been inadequately handled at the school level. Mr. Johnson also commented that was and is an ongoing concern when he discussed this with Mr. Goodman.

Ms. Rojas stated that she understands Mr. Johnson's point. She noted that the Code of Student Conduct was an area of concern to her because in one school it was being interpreted in one way, and in another school, it might be interpreted in a different manner. She stated that she did want to see this also addressed and followed-up on



accordingly. I will probably be bringing a Board item to the Board related to this in the very near future.

Mr. Goodman stated that if we are directed to go forward with that audit, we would be careful to stick to the area that we are expert at, which would be the integrity of the reporting. There are a lot of moving parts which involve the District's alternative education program and success centers, and other things. Our audit would likely have a limited scope based on the reporting, meaning is the reporting accurate or not.

### **External Auditors Hours/Fee Reduction**

Mr. Norwood stated that Mr. Albert Lopez, ABAC Member, who is not here today, had some questions or concerns about this topic. He asked if anyone else has any questions. No comments were made.

### **Magnet Educational Choice Association (MECA)**

Mr. Norwood asked if there were any questions regarding Magnet Educational Choice Association.

Ms. Rojas stated that she has personally brought this up for years now, and she is still seeing a disheartening report coming from Chief Auditor right now. She stated that we have addressed it, been very positive, and given as many opportunities as possible. She stated that it is difficult to comprehend why at this point in time, after so many discussions, more than a year of addressing these issues, we are still not able to get a five-year plan or finalize the areas that we have discussed before. She was hoping that she would come here today and have a very positive report, especially after the last meeting where this was discussed extensively.

Mr. Ben Launerts, MECA Board Chair, stated that he wanted to address some things just stated. Regarding the five-year plan, he confirmed it was postponed in the July meeting because we had some wrong information regarding the Director's salary. He also confirmed that the five-year plan was only sent last Monday (a week prior to this ABAC meeting). There are three main line items of relevance in the five-year plan. One is the money in, which is the income we receive from the various organizations that we manage the money for. The second is the money out, which are the expenditures. The third is the administrative expense, which is largely our administrator. As you know, we had been in search of a replacement for Mr. Bill McAuliff for quite some time, and that line item could not be filled. We could not submit a new plan until we knew what that number would be.

Mr. Launerts also stated that in one of our previous meetings, a very aggressive salary structure had been put down. But upon further evaluation, and based on the amount of hours necessary, we realized that the salary structure did not need to be what it was. That was revisited. We are thankful and blessed to have Ms. Deborah Simmons, who has an incredible history, not only with an accounting background, but also within the system and schools. She is a gift for us. We are in a very fortunate position as far as our core factor, or what MECA does, which is to manage the money. We are in a better position than we have ever been. We were in the end of our salary negotiations and

vetting process in the last moments before submitting the five-year plan, and that was the reason for the delay of that plan. When I did submit it, I did add a column that had not been in the previous plan. It was a balance forward that I thought might be relevant or important. I also put in a subjective number for the additional income of an additional percent. The previous plan was submitted with a 2% strategy, and this was presented with a 3% strategy. But this is a subjective number. How we pay the administrative expense is what really matters, as this is our only real expense. There is a slight variation between what was paid to Mr. McAuliff and now to Ms. Simmons. We added 1% to our fee. The fee was previously 7% and we are moving it to 8%. We don't have any issues with the groups that we manage with this additional 1%, and this will cover financially that position. MECA has never been in a position of a shortfall or not being able to pay our bills, and I do not expect that going forward.

Ms. Rojas asked Mr. Goodman if he had already heard this explanation prior to this meeting.

Mr. Goodman replied yes, he had heard this explanation. Mr. Goodman explained that one of his issues was that after the last July 19<sup>th</sup> ABAC meeting, the Administration and his OMCA office reached out to MECA, and tried to get this five-year plan in order, so that what was done in July regarding having to defer the topic, did not happen again. He was upset about the lack of responsiveness to that. It took too long. Although we were aggressively trying to get the five-year plan and other information, it didn't happen until the day before we started producing our Agenda packet. And we certainly did not have enough time. There were a lot of questions that needed to be addressed. The salary of the new Executive Director is not clear. As Mr. Launerts mentioned, the percentages changed in a number of ways, but that was not clear to us. At that late date, my team and I were absolutely not able to provide you any assurance about the organization going forward, as far as its fiscal management and its viability as an organization. I will recognize that a new Executive Director has been hired, and I recognize that and appreciate that. But the District puts a lot of work into the oversight process and MECA, and I have been frustrated with the lack of responsiveness and that they do not do what they commit to at the meetings.

Mr. Norwood clarified that this was a follow-up from a discussion from the July 19<sup>th</sup> ABAC meeting, in which a five-year plan was requested, but which we do not yet have. Mr. Goodman agreed. Mr. Norwood stated that if we don't have a plan in front of us, there is not much to discuss. Mr. Norwood then asked the Committee members if we should continue forward with the meeting.

Mr. Erick Wendelken, ABAC Member, asked Mr. Goodman what was received on the 13<sup>th</sup>. He asked if we did not have a plan that you have reviewed and can comment on, or that a plan was submitted, and we haven't been able to review.

Mr. Goodman stated that it was the latter.

Mr. Norwood suggested that this discussion take place at the next meeting.

Ms. Rojas stated she understood but stated that we have had this discussion for many meetings. We cannot have this same discussion over and over. She hoped this is the

last time because it is a waste of everyone's time. She stated that we discuss this and don't see the results.

Mr. Norwood asked if anyone else had a comment.

Ms. Anna Hochkammer, ABAC Member, asked what is the endgame. She stated that we have been chasing paperwork with this organization for quite some time. If a plan has been submitted, and we are going to defer it the next ABAC meeting, to her it makes no difference, unless I understand what the consequences are of the outcome of the review of this plan. Are we suggesting that the association needs to be shut down? Are we suggesting that the association is in moderately healthy fiscal shape and needs new management? Are we suggesting that they be subject to a different type of oversight? But she did not see the point to be constantly coming back to this issue and asking them to produce documentation, with no endgame in sight. Ms. Hochkammer asked for clarification.

Mr. Goodman stated that it would not be his place as the auditor to recommend that the relationship be terminated. That would fall upon the District's Administration, and the Administration has been working with MECA. It appears that they are taking a position that they want to make this work. At the end of the day, the Administration will make a recommendation, but the Board will decide what to do. But all the issues you brought up are essentially on the table in my mind, such as severing the relationship or finding another way to get the funds. There are still donors out there and it's a matter of what mechanisms would be in place to provide those funds. Again, those are all on the table in my mind, but it is not my place to recommend something like that. The Administration has to do that and ultimately, the School Board has to make that decision.

Ms. Rojas stated that she realizes that the Superintendent recently inherited this. She heard that the Administration is trying to work cohesively with representation from the MECA team to try to come to a resolution, because ultimately MECA was doing a good job. But with the circumstances we have, we also need to have answers, especially dealing with the five-year plan that we have requested for quite some time. She asked Mr. Bueno, Chief of Staff, to provide a status of where they are with working with MECA.

Mr. Jose Bueno, Chief of Staff, echoing the Chief Auditor, also expressed some frustration. However, he stated that the Superintendent's office has had positive communication with MECA and is extremely happy that there is a new Executive Director and Mr. McAuliff can take his leave. Mr. Bueno also stated that they did provide the five-year plan and there were some questions about it. I will leave it up to the auditors to determine if there was an issue or not. I will continue to work with Ms. Lisette Alves and Ms. Melba Brito, who are individuals mostly involved with this. At this point in time, we do not have an inclination of dissolving our friendship with them. They do a lot for our schools. As you stated Ms. Rojas, something has gone wrong for the last year or so. It has not been like that in the past. It is a fine organization. I have met with Mr. Launerts in trying to get everything moving. I hope to have a five-year plan approved by the auditor, Mr. Launerts, and our folks at the next meeting. Mr. Bueno stated that the Superintendent has placed this on my agenda, and that he is dealing with this, and I give you my word that I will make it happen one way or another.

Ms. Rojas thanked Mr. Bueno and stated that this be done by a time certain, the next ABAC meeting on December 5.

Mr. Norwood stated that they have been dealing with this program for several years, but we do not have any five-year plan. Procedurally, there is nothing we can do yet. Staff has seen the plan, but we have not yet seen the plan. The process speaks for itself. We have been very transparent regarding what has been requested, provided, or not provided. There is fodder for the Administration to make recommendations and the information is there for the School Board to make decisions about the future of this organization. We are here to review documents. If we don't yet have documents to review, there is nothing for us to do. He stated that he will let the organization speaker conclude this discussion.

Mr. Ben Launerts stated that there were concerns regarding the financial numbers that had been presented. He did submit a revised plan that was more consistent with the original one. It has been mentioned that there are questions and concerns with some of the numbers, and he is here to provide whatever backup as to how they came to those numbers. We want to get it worked out and we will respect any deadlines. I don't recall any deadline given for this one, but I didn't want to give anything that was inaccurate or had to be revised. That one line item, the one variable expense that we have which is the administrative salaries, I just wanted to have that resolved before I submitted the plan. I apologize for the delay and for where this subject has taken us. But we are absolutely committed to meeting all deadlines and having all the information that you need.

Mr. Norwood asked Mr. Goodman by what date he would like this report submitted to him.

Mr. Goodman stated that he had expected it in the middle of August and we tried to communicate the urgency of that. He stated that we should have a plan within three weeks from now, which would be approximately October 10<sup>th</sup>. We need a chance to go over the plans and have a back-and-forth conversation, so that we can question the assumptions made, vet it, and find out the details. My team and I must have ample time to review it so that we can provide assurance that it is a viable plan and that it makes sense.

Mr. Norwood confirmed that by October 10, MECA will provide Mr. Goodman the five-year plan, and between that date and our meeting, you can have that discourse back and forth.

Mr. Goodman agreed.

Mr. Launerts stated that the most recent plan has been submitted, and he understands there are some questions, and stated that he can provide further backup. He just needs to know the backup needed or what the concerns are.

Mr. Goodman stated that he would like to meet within this week via phone or zoom, not just emails, so that we can iron out any concerns we have.

Mr. Wendelken, ABAC Member, stated that if we have set an October 10 deadline, what is due on October 10? If they have a meeting, is it going to be resolved by October 10?

Mr. Norwood reiterated that the recently submitted five-year plan was not in the Agenda packet, and the audit committee does not have this five-year plan before them, as the plan was provided by MECA to the auditors the day before the ABAC Agenda packet was prepared. Therefore, the auditor could not review the plan and in confidence could not give it to the ABAC. They will discuss the plan in these next days, have their back and forth, and by October 10, there will be a final plan.

Mr. Goodman stated that he will be speaking with MECA extensively this week and they will be ironing things out. If we do not have everything in order, I will raise a red flag. But by the next ABAC meeting on December 5<sup>th</sup>, it will be 100% ready.

Mr. Norwood stated that he feels it's important to establish a set deadline.

Mr. Goodman stated that he will ensure everything will be ready, signed, sealed, and delivered by October 10.

Mr. Wendelken suggested that the deadline of October 10 be an ABAC Committee request that the final plan be submitted by Mr. Goodman to the ABAC Committee.

Mr. Goodman replied that his preference is to maintain October 10 as an internal deadline. The internal deadline would be on MECA, the District Administration, and his office to have a stellar document ready. And this would be done by October 10 internally. But Mr. Goodman expressed that he prefers not to present something in isolation to the ABAC Committee, but rather report this at the regular ABAC meeting. He stated that he would like to adhere to the regular schedule and not send something piecemeal to the audit committee as everyone here has a lot going on, and it may also be confusing to people. He stated that his preference is to report this at the December 5<sup>th</sup> ABAC meeting.

## **NEW BUSINESS**

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There was no new business to discuss.

## **ADJOURNMENT**

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Since there was no further business to come before the ABAC, the committee adjourned at 2:02 p.m.

JG:ems