

**Global Executive Constraint
Policy 3.0**

To: Board of Education

From: Dr. Chris L. Fiedler, Superintendent of Schools

Re: Internal Report on the Expectations of the Board – 3.0 Global Executive Constraint

I hereby present my report on the Expectations of the Board through our Global Executive Constraint, 3.0 in accordance with the monitoring schedule as set forth in Board policy. I certify the information in this report is true.

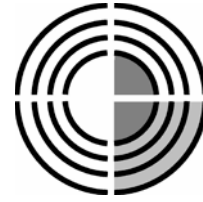
Signed: 

Date: August 25, 2015

Superintendent, School District 27J



**COLORADO SCHOOL DISTRICT 27J
GOVERNING POLICY OF
THE BOARD OF EDUCATION**



Executive Limitations

Policy 3 – GLOBAL EXECUTIVE CONSTRAINT

Date Adopted/Last Revised: January 27, 2009 Executive Limitations

The Superintendent will not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices.

I interpreted "unlawful" to mean:

any practice, activity, decision, or organizational circumstance (hereafter, "unlawful situation") which is determined to be contrary to applicable law by an agency of the state of Colorado or the United States, or by court of law. Other unlawful situations are those about which the Superintendent or in-house counsel knows or should have known and which are likely to be found contrary to clearly established law applicable in the state of Colorado, including but not limited to the delegation of legal responsibilities of the Board of Education to the Superintendent in a manner contrary to law.

I interpret "imprudent" to mean:

any situation which violates executive limitations, any ongoing violation of Superintendent Policy, or any failure to adopt any policy required by law or governmental regulation.

I interpret "commonly accepted business and professional ethics and practices" to mean:

- 1.) Operating limitations as established by board policy*
- 2.) Conduct standards that address the following topics:*
 - ethics, conflicts of interest, and nepotism policies which include substantive standards commonly found in policies/procedures adopted by other Colorado school districts*
 - bidding/procurement procedures which include substantive standards commonly found in policies/procedures adopted by other Colorado school districts*
 - internal controls for processing financial transactions which include substantive standards that reflects sound accounting practices as determined by the School District 27J independent auditors*
 - business functions within my operational span of control, but to exclude governance, other than advising the Board if I became aware of the Board's non-compliance with its own policies*

PART I – LEGAL

Data Reported:

Unlawful:

During 2014-2015 there were no Office of Civil Rights complaints or other lawsuits filed against the District.

During 2014-2015 two issues arose within the Special Education department at Turnberry Elementary School.

The first issue arose in September when parents alleged that their student had been improperly restrained by a paraprofessional. The issue was investigated internally, as well as by the Center for People with Disabilities. As a result of this situation the parents withdrew their student and the District agreed, without admitting liability, to reimburse the parents for educational programming materials they provided their student.

The second issue arose in the spring semester when a special needs student was allegedly sexually assaulted in the restroom. This issue was investigated internally as well as by the Commerce City Police Department. No charges were filed. However, the District, without admitting liability, has agreed to pay tuition and transportation costs for the student to attend the Joshua School in Boulder for the next two years. At the conclusion of this time period the student's academic needs will be re-evaluated for the possible return to 27J.

Conclusion: I report compliance.

Imprudent:

Operational guidelines are outlined in Superintendent Policies, driven by executive limitations, and district staff is required to adhere to those directives. As with any organization, there are also provisions to guard against individual choices that are detrimental to the school district.

At the beginning of each academic year mandatory training of administrators and supervisors related to the prevention, investigation and remediation of unacceptable employee conduct is provided and in place for all schools and District departments. This annual training was held on July 17 and 20, 2015.

The district is subject to audit by federal and state agencies, and engages its own audit firms to provide information that will assist areas of the district in making changes to better serve their internal and external customers while also remaining compliant. In accordance with Government Finance Officers Association (GFOA) best practices, we also persist in our internal audit efforts to ensure district entities are following state and federal laws, and district policies and regulations. If schools or non-school sites are found to be non-compliant, appropriate action is taken, including further training of site personnel in proper procedures. For example, we conduct monthly audits of purchasing card (p-card) transactions. The accounts are selected at random. Improper purchases or transactions lacking proper documentation are identified, recorded on an audit worksheet by the p-card administrator and the p-card user is notified. A card may be

revoked for improper use or repeated instances of missing documentation.

Another indicator of compliance is that statutory requirements are continually fulfilled by numerous staff members and members of Executive Leadership. With each new legislative session and subsequent statutory updates, the list of requirements grows ever longer. Examples of requirements fulfilled by each department are listed below. Please keep in mind that many of these requirements overlap into more than one area of responsibility.

Student Achievement :

Title I Parent Notification
School Accreditation Data
Count of Students with Disabilities
TCAP Testing
Gifted and Talented Plan Submission
Vocational Educational Program Expenditures
Child Welfare Liaison

Finance:

Online posting of financials
Charter School Overhead, Direct, and Purchased Service costs
Kindergarten & Preschool Count
ADE Pupil Reporting
Annual Budget Preparation

Operations:

Food Allergy Policy Implementation/Update
Public School Transportation Fund Reimbursement
Capital Construction Expenditures
Elections
Student Handbook updated to website

Human Resources:

Teacher and Principal Evaluation
Non-Renewal Notices

Superintendent:

Public Officials Honoraria Reporting
Election Requirements
Intergovernmental Agreements
School Goals and Objectives Submission
Board member and officer reports

Legal:

Student Handbook/FERPA updates
Policies
Charter School Liaison
Contracts

In addition to the statutory requirements and as a result of legislative changes, the following Superintendent policies were authored, modified, deleted, codified and implemented during the 2014-2015 school year in order to achieve governance compliance:

JH Attendance Policy
 JICG Tobacco and Nicotine Policy
 JICH Drug and Alcohol
 JK Student Code of Conduct
 JLIF Service Animals
 LBD Charter Schools
 LBD-R Charter Schools

Student Code of Conduct Handbook was also updated on district website

Another indicator of compliance is that during this reporting period there have been no claims filed against, or settled by, our errors and omission insurance coverage that is provided for members of the organization including the Board of Education for incidents of imprudence.

We believe that through efficient training practices and an organizational understanding of decision-making, we can positively impact the safety of the workplace environment. Despite increased training, during the 2014-2015 school year 75 workers' compensation claims were filed with a total expenditure of \$229,349.00. However, despite a decrease in claims, the total financial impact of all claims filed was higher than in 2013-2014.

Worker's Compensation									
Year	Med Only Count	Temp Disability/ Other Count	Total Claim Count	Sum of Total Incurred Cost	Average Cost Per Claim	Student Count	Cost Per Student	Employee Count	Cost Per Employee
2006-07	51	7	58	\$367,582	\$6,337.62	9926	\$0.64	1275	\$4.97
2007-08	66	6	72	\$210,335	\$2,921.32	11689	\$0.25	1308	\$2.23
2008-09	67	3	70	\$127,528	\$1,821.83	11685	\$0.16	1363	\$1.34
2009-10	62	13	75	\$427,025	\$5,693.67	12219	\$0.47	1436	\$3.96
2010-11	44	13	57	\$211,533	\$3,711.11	12546	\$0.30	1320	\$2.81
2011-12	69	9	78	\$640,234	\$8,208.13	11644	\$0.70	1319	\$6.22
2012-13	54	8	62	\$276,846	\$4,465.26	15034	\$0.30	1501	\$2.97
2013-14	71	5	76	\$198,023	\$2,605.57	16786	\$0.16	1393	\$1.87
2014-15	70	5	75	\$229,349	\$3,057.99	17004	\$0.18	1497	\$2.04

Property	and	Liability					
Year	Employee Count	Student Count	Claims Count	Total Incurred	Average Liability Cost Per Claim Per Student	Average Liability Cost Per Employee	Average Cost Per Claim
2006-07	1275	9926	31	\$110,000	\$11.08	\$86.27	\$3,548.39
2007-08	1308	11689	19	\$226,364	\$19.37	\$173.06	\$11,913.89
2008-09	1363	11685	12	\$95,536	\$8.18	\$70.09	\$7,961.33
2009-10	1436	12219	30	\$258,397	\$21.15	\$179.94	\$8,613.23
2010-11	1320	12546	24	\$30,174	\$2.41	\$22.86	\$1,257.25
2011-12	1319	11644	12	\$14,658	\$1.26	\$11.11	\$1,221.50
2012-13	1501	15034	14	\$43,615	\$2.90	\$29.06	\$3,115.36
2013-14	1393	16786	17	\$36,572	\$2.18	\$26.25	\$2,151.29
2014-15	1497	17004	24	\$170,095	\$10	\$114	\$7,087.29

These efficient training practices and decision-making processes have also positively impacted the safety of the student environment. Despite having an increase in pupil enrollment of 218 students, and an employee increase of approximately 104 people, the District only had seven more property or liability claims filed during 2014-2015 than in 2013-2014. Unfortunately, the total of these claims is the highest in five years, with five claims over \$10,000.00.

Finally, the District received the following letter from the Adams County BOCES referencing our ongoing commitment to training and safety.

August 7, 2015

Andy Pippin
18551 East 160th Avenue
Brighton, Co 80601

Dear Andy,

Rocky Mountain Risk introduced on line training four years ago. New employees are receiving training specific to the hazards of their work. Additionally, we provided several on site scenario based safety training sessions to your employees.

The classes taken for 2014 – 2015 with number of attendees are listed below:

Active Shooter	1
Adams County Crisis Response	67
Asbestos Awareness	1
Asbestos Certified Planner	1
Back Injury and Lifting	2
Bedbugs in Schools	1
Blood-born Pathogen Exposure Prevention	3

Bus Behavior and Discipline	2
Cardiopulmonary Resuscitation (CPR)	1
Child Safety Restraint Systems	1
Civil Rights in Food Service	15
Classroom Safety	1
Conflict Management: Staff-to-Staff	1
Common Illness Prevention	1
Crisis Response and Recovery	65
Emergency Planning: Building the Plan	1
Fall Protection	14
First Aid	1
Foodborne illnesses	13
Food Safety and Kitchen Sanitation	15
Food Service Equipment: Safe Use	15
Food Service Equipment: Sanitation	15
Hazard Analysis and Critical Control Points	14
Head Lice	1
Health Emergencies: Choking Child	2
Health Emergencies: Asthma Awareness	1
Hot Work: Fire Prevention	11
Insurance and Liability	11
Lock Out Tag Out	11
Medication Administration Basics	3
Nutrition Basics	12
Office Ergonomics	7
Playground Maintenance & Inspection	7
Playground Supervision	7
Playground Inspection	28
Respirator Training	8
Restraint and Seclusion	1
School Meal Compliance	6
Slips and Falls Prevention	12
Special Ed. (Lifts and Transfers)	3
Special Ed. (Safety in the Classroom)	5
Wheelchair Securement	1

Total attendance is 388

Sincerely,

Mike Sowder
 Director Safety and Environmental Health

Conclusion: I report compliance.

Commonly Accepted Business and Professional Ethics and Practices:

1.) *Operating limitations as established by board policy*

2.) *Conduct standards that address the following topics:*

- *ethics, conflicts of interest, and nepotism policies which include substantive standards commonly found in policies/procedures adopted by other Colorado school districts*
- *bidding/procurement procedures which include substantive standards commonly found in policies/procedures adopted by other Colorado school districts*
- *internal controls for processing financial transactions which include substantive standards that reflects sound accounting practices as determined by the School District 27J independent auditors*
- *business functions within my operational span of control, but to exclude governance, other than advising the Board if I became aware of the Board's non-compliance with its own policies*

Data Reported:

Since the adoption of Policy Governance® (January 27, 2009), numerous expectation reports have been submitted by the Superintendent of Schools to the Board of Education. Each report has been found to be transparent and, when appropriate, contained self-reported incidents of noncompliance. It is noteworthy that in a few instances the Board of Education found the report to be reasonable and merited Board approval even though the superintendent, through internal staff, self-reported isolated instances of noncompliance.

Superintendent policies specifically dealing with ethics, conflicts of interest, and nepotism can be found in section "C" when dealing with staff members, in section "J" when dealing with students and in section "I" when dealing with the curriculum. These Superintendent policies can be found on the school district website, in hard copies in the office of the Chief Legal Officer, via request from the secretary of the Board of Education as well as on the "S" Drive for employee access.

Superintendent's Policy addressing Staff Ethics, Conflicts of Interest, and Nepotism mirror the provisions commonly found in parallel policies adopted in the Aurora, Cherry Creek, Douglas County and Jefferson County school districts.

When appropriate, the School District 27J Department of Financial Services identifies and brings to the attention of the Superintendent items that may contravene commonly accepted business practices and professional ethics. As previously mentioned, p-card transactions are continually audited to validate proper use and accountability of School District funds.

The General Counsel and the Chief Financial Officer reviewed Superintendent Policies pertinent to the individual expectation report during each of the reporting periods. Furthermore the District's independent auditors reviewed the District's internal procedures concerning internal controls for financial transactions during the monitoring period. These reviews found that these existing policies include the provisions commonly found in policies/procedures adopted by other Colorado school districts, and that the internal controls in place in the finance department reflect sound accounting practices as determined by the District's independent auditor.

During the reporting period there have been no instances to report of Board violations of governance policies as required of me in Board Members' Code of Conduct 2.F(7).

PART II–FINDINGS RELATED TO FINANCIAL STATEMENTS

The District's independent auditors presented no finding information in the FY2013 and FY 2014 financial audit.

The following two issues related to our financial condition are on-going.

- **Fiscal Health:** The Colorado State Auditor has a Fiscal Health Program that was developed to assist local governments and school districts with identifying financial warning signs. On April 3, 2015, Brighton School District 27J received a letter from the Colorado State Auditor stating that the District has one negative indicator. The one negative indicator is the operating margin ratio which indicates the amount added to reserves for every \$1 in total general fund gross revenue. The District has been spending down the General Fund reserve to maintain educational programs and offset the impact of the School Finance Act negative factor. The Office of the State Auditor (OSA) staff presented the Fiscal Health Analysis of Colorado School Districts to the Legislative Audit Committee on June 2, 2015. We were not required to attend that hearing.

- **Financial Accreditation:** On July 15, 2015, we received a letter from the Colorado Department of Education (CDE) noting that the FY13-14 data pipeline submission and audit were accepted by CDE. The letter included two areas of concerns that were corrected during the review process. The concerns were (1) Lack of statement of changes in audit for pupil activities agency fund, and (2) concerns related to District's charter schools. In addition the letter noted CDE did not believe the District should have included some grant funds on the Schedule of Expenditures of Federal Awards. Both areas of concern were a repeat from FY12-13. No formal response was required by CDE.

PART III–FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The auditors presented no additional finding information in the FY 2013 and FY2014 A-133 audit which was presented to the Board of Education at the December 9, 2014 meeting.

Conclusion: I report Compliance.