

**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.

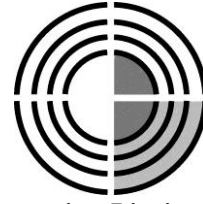
Signed: 

Date: August 23, 2016

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 2015-2016 there were no Office of Civil Rights complaints or other lawsuits filed against the District.

During 2015-2016 two special education issues arose, one at Brantner Elementary (issue resolved through formal CDE mediation) and one at Overland Trail Middle School (hearing scheduled for September 12th and 13th, 2016).

The first issue arose when parents alleged that their student was being improperly recommended for placement in a center-based program. Through mediation we agreed to have an independent evaluation conducted, and we further agreed to re-assess for possible revisions to student's IEP. This matter was concluded during the week of August 8, 2016.

The second issue arose in the spring semester when parents of a special needs student disagreed with the outcome of a manifestation determination review. Mediation through CDE was unsuccessful and a hearing is scheduled for September 2016.

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 28 and 29, 2016.

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
CMAS and PARCC Testing
Gifted and Talented Plan Submission
Vocational Educational Program Expenditures
Child Welfare Liaison
Student Handbook updated to website

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

Human Resources:

Teacher and Principal Evaluation
Non-Renewal Notices
Employee Investigations

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 or guidance were authored, modified, deleted, codified and implemented during the 2015-2016 school year in order to achieve governance compliance:

- IKF-R-1 Graduation Requirements
- IKA Grading and Assessments Systems
- JFABB Admission of Non-Resident International Exchange Students
- JH Attendance Policy
- JICI Weapons and Dangerous Items
- JK Student Code of Conduct
- JKD Due Process
- JLCB Administration of Medical Marijuana to Qualified Students
- KFA Public Conduct on District Property

Information Security Addendum

Holiday Decorations Guidance

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 2015-2016 school year 74 workers' compensation claims were filed with a total expenditure of \$304,538.00.

Adams Boces 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
2015-16	65	9	74	\$304,538	\$4,115.38	16791	\$0.25	1867	\$2.20

These efficient training practices and decision-making processes have also positively impacted the safety of the student environment as you can see in the chart below. While we only saw a decrease by three claims for 2015-16, the savings were significant: \$97, 224.00.

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
2015-16	1867	16791	21	\$72,871	\$4.34	\$39.03	\$3,470.06

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

August 10, 2016

Andy Pippin
18551 East 160th Avenue
Brighton, Co 80601

Dear Andy,

Rocky Mountain Risk provides both on line training and on site scenario based safety training for your employees. The classes completed for 2015 – 2016 are listed below:

Active Shooter	3
Adams County Crisis Response	83
Asbestos Awareness	1
Asbestos Certified Planner	1
Back Injury and Lifting	64
Blood-born Pathogen Exposure Prevention	58
Bus Behavior and Discipline	1
Civil Rights in Food Service	15
Crisis Response and Recovery	59
Defensive Driving	75
Emergency Operation Planning	2
Eye and Face Protection	2
Fall Protection	15

Family Reunification	2
Foodborne illnesses	8
Food Safety and Kitchen Sanitation	12
Food Service Equipment: Safe Use	9
Food Service Equipment: Sanitation	7
Hazard Communication	38
Hand and Power Tool Safety	2
Safety Orientation	2
Hot Work: Fire Prevention	18
Incident Command	1
Insurance and Liability	11
Lock Out Tag Out	11
Nutrition Basics	9
Playground Maintenance & Inspection	1
Respirator Training	2
Slips and Falls Prevention	51
Special Ed. (Lifts and Transfers)	4
Special Ed. (Safety in the Classroom)	4
Torch Safety	7
Total	578

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 FY2014 and FY 2015 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. The Office of the State Auditor (OSA) staff will be presenting the Fiscal Health Analysis of Colorado School Districts to the Legislative Audit Committee on August 22, 2016. We are not required to attend that hearing. Through communication with the Colorado Department of Education’s

Office of School Finance, the District was not cited in the Fiscal Health Analysis and was not asked to respond in respect to ratios or indicators for the FY14-15. The Fiscal Health Analysis has yet to be released to the Districts. The report will be distributed after the Legislative hearing.

- Financial Accreditation: On August 5, 2016, the District was mailed a letter from the Colorado Department of Education (CDE) noting that the FY14-15 data pipeline submission and audit were accepted by CDE. The letter included one area of concern that was corrected during the review process. The concern was 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 and that the District, going forward, should include food donations as part of the Nutrition Cluster on the Schedule of Findings and Questioned Costs. No formal response was required by CDE.

PART III–FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The auditors presented no additional finding information in the FY2014 and FY2015 A-133 audit which was presented to the Board of Education at the December 8, 2015 meeting.

Conclusion: I report Compliance.