

**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.

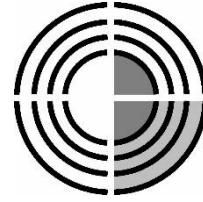
Signed: 

Date: August 22, 2017

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 2016-2017 there was one Office of Civil Rights complaint filed against the District and Prairie View High School. The complaint alleged racial discrimination based on a lack of playing time on the varsity football team. OCR has completed their investigation but a final disposition has not been received by the district or school as of this writing.

An additional Office of Civil Rights complaint was filed against Landmark Academy. The complaint alleged issues with the website not being complete accessible to individuals with vision disabilities. The complaint was withdrawn upon Landmark Academy, through National Heritage Academy, upgrading its website.

During 2016-2017 three issues arose within the Special Education department at various schools:

A mediation was conducted in response to a complaint being filed with the Colorado Department of Education against Landmark Academy alleging a violation of FAPE (Free Appropriate Public Education) as a result of an untimely response to a parent's request for an evaluation. Although mediation was unsuccessful, this complaint was ultimately resolved in favor of Landmark Academy and subsequently dismissed.

A mediation was conducted in response to a complaint being filed with CDE alleging a denial of FAPE due to a failure to implement the student's behavioral intervention plan as outlined. This matter was concluded through successful mediation and the state level complaint was subsequently dismissed.

A mediation was conducted in response to a complaint being filed with CDE alleging the content and implementation of the student's Individual Education Plan not being implemented appropriately. The matter was concluded at mediation and the state level complaint was subsequently dismissed.

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 24 and 25, 2017.

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

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. However, despite a decrease in claims, the total financial impact of all claims filed in 2016-17 was \$388,503 which was an increase over the prior year.

| 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 |
| 2016-17 | 60 | 9 | 69 | \$388,503 | \$5,630.47 | 16526 | \$0.34 | 1972 | \$2.86 |

These efficient training practices and decision-making processes have also positively impacted the safety of the student environment. Despite having an employee increase of approximately 105 people, the District had two fewer property or liability claims filed during 2016-2017 than in 2015-2016. The total of these claims also decreased over the prior year.

| 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 |
| 2016-17 | 1972 | 16526 | 19 | \$61,265 | \$3.71 | \$31.07 | \$3,224.45 |

Finally, the District received the following letter from the Rocky Mountain Risk Group referencing our ongoing commitment to training and safety.

August 10, 2017

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 FY 2016–2017 are listed below:

| | |
|---|----|
| Active Shooter | 22 |
| Adams County Crisis Response | 99 |
| AED | 1 |
| Back Injury and Lifting | 72 |
| Bloodborne Pathogen Exposure Prevention | 81 |
| Bedbugs in Schools | 1 |
| Browser Security Basics | 1 |
| Bully Recognition and Response | 27 |
| Bus Behavior and Discipline | 28 |
| CPR | 1 |
| Child Abuse Identification and intervention | 22 |
| Child Abuse Mandatory Reporting | 10 |
| Civil Rights in Food Service | 15 |
| Chain Saw Safety | 22 |
| Compliance with Internet Protection Act | 1 |
| Concussion Awareness | 2 |
| Conflict Management | 55 |

| | |
|---|-----|
| Crisis Response and Recovery | 61 |
| Cyber Security Overview | 1 |
| Diversity Awareness | 24 |
| Drug Free Workplace | 26 |
| First Aid | 27 |
| Food Safety and Kitchen Sanitation | 7 |
| Food Service Equipment: Safe Use | 8 |
| Food Service Equipment: Sanitation | 7 |
| Foodborne Illness | 7 |
| Hazard Communication | 52 |
| Head Lice | 1 |
| Managing Difficult Behaviors | 1 |
| Nutrition Basics | 8 |
| Performance Evaluations | 1 |
| Playground Maintenance | 2 |
| Playground Supervision | 26 |
| Safety Orientation | 2 |
| School Meal Compliance | 8 |
| Sexual Harassment Policy and Prevention | 3 |
| Slips and Falls Prevention | 80 |
| Special Ed. (Lifts and Transfers) | 4 |
| Special Ed. (Safety in the Classroom) | 3 |
| Tactical site Surveys | 1 |
| Terrorism Awareness | 1 |
| Threat Assessment | 1 |
| Visual Weapons Screening | 1 |
| Total | 823 |

A very nice increase in participation of 245 additional classes was noted from the previous year!

Sincerely,

Mike Sowder
 Director Risk Management, Safety and Environmental Health

Conclusion: I report compliance

PART II–FINDINGS RELATED TO FINANCIAL STATEMENTS

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 “G” 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 General Counsel, 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).

The District’s independent auditors presented one finding in the FY15-FY16 financial audit. A significant deficiency was identified for financial statement review and reconciliation. The

implementation of a new reporting and accounting system during fiscal year 2016 coupled with change in personnel created a lack of internal control checks and balances over key financial processes that included timely reconciliations of account balances and financial statement review processes. The District's independent auditors recommended that the District continue working with the reporting and accounting system liaison to ensure the system is enabling the staff to perform necessary review and reconciliations. The District has reviewed and implemented additional internal controls over key reviews and reconciliations and reporting to ensure controls are appropriate and timely.

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 July 24, 2017, the Office of the State Auditor (OSA) staff released its annual Fiscal Health Analysis of all 178 Colorado school districts. This analysis covered the fiscal years ending June 30th, 2014, 2015 and 2016. 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 FY15-16.

Financial Accreditation: On April 27th, 2017, the District was mailed a letter from the Colorado Department of Education (CDE) noting that the FY15-16 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, Foundations Academy and Landmark Academy. In addition, the letter identified no audit finds related to CDE grants. CDE did provide comments related to the Notes to the Schedule of Expenditures of Federal Awards (SEFA). No formal response was required by CDE.

PART III – FEDERAL AWARD FINDS AND QUESTIONED COSTS

The auditors presented no additional finding information in the FY15-16 A-133 audit which was presented to the Board of Education at the December 13th, 2016 meeting.

Conclusion: I report Compliance.