

Granite School District

Board of Education Meeting Study Session March 19, 2013

A study session for Granite School District was held in Auditorium D at the Granite School District offices, 2500 South State Street, Salt Lake City, Utah. President Gayleen Gandy called the meeting to order at 5:06 p.m., those in attendance:

Terry Bawden	Vice President
Connie Anderson	Board Member
Sarah Meier	Board Member
Connie Burgess	Board Member
Dan Lofgren	Board Member

Excused:

Gayleen Gandy	President
Julene Jolley	Board Member

The following members of the administration were present:

Martin W. Bates	Superintendent
David Garrett	Business Administrator/Treasurer
David Gourley	Assistant Superintendent
Mike Fraser	Assistant Superintendent
Jim Henderson	Assistant Superintendent
Linda Mariotti	Assistant Superintendent

Steven Powell, Communications Department, and Merilynn Boekweg, Board Recorder, were in attendance.

STUDY SESSION:

1. Request For Proposal (RFP) Regarding Fee Collections

Mr. Fraser explained that many things have changed regarding secondary school registration in the past 25 years. Recently, in order to register for school in a more efficient manner, it has become the norm to register online. In the past if school fees

were not paid, students did not get their class schedules. This has changed with new technology. Students are given their schedules with or without payment of fees. Some fees are paid online but it has become evident that others are not paying online or coming to the school to pay their student fees. Their fees remain unpaid. When collected, fees are deposited to school funds. Uncollected fees have a significant impact on the schools budgets.

Utah State Rule R277-407. School Fees, outlines the law regarding payment of fees. The law requires public schools (any school that receives public funds) to enroll students even when fees are not paid. It does not permit public schools to withhold class credit if fees are not paid. Schools are allowed to charge fees that are annually approved by the local Board of Education. The law does not allow schools to limit or penalize students in regular classes if they have not paid their fees.

Most uncollected fees consist of general class fees, lost books and lost or damaged equipment. Some fees are owed for extra-curricular activities. Schools can limit participation if fees are not paid. Granite District does not have protocol to collect outstanding fees when school efforts for collection have been unsuccessful.

Paul Hansen, High School Director, School Accountability, presented a three year history of uncollected fees in Granite's high schools. The combined total for the last three years was approximately \$1.8M. Individual schools have tried to encourage payment by not allowing students with unpaid fees to participate in graduation exercises (they will still receive their diploma), official transcripts will be withheld, students may not purchase a yearbook or register to participate in future extra-curricular activities until fees are paid.

Fees may not have been collected because students leave or withdraw early, a textbook refund (\$10) is much less than purchasing a new one, address and phone numbers change, or if qualified, parents fail to fill out a State Fee Waiver Form. Notification of outstanding fees are made by placing numerous phone calls to parents/guardians, online student account notification, letters mailed home, and contact with the student.

It was proposed that a collection agency be considered to assist in collecting delinquent or unpaid fees. Jared Gardner, Director of Purchasing, has drafted an RFP to solicit response proposals from various collection venders. The Board's approval to pursue the RFP was requested. (Exhibit #13-50)

The Board discussed the efficiency of a collection agency and if the money recovery was enough to warrant contracting with one. Mr. Gardner stated that agencies take a percentage of the base collection (30-40%). Once the debt is transferred for collection, everything is handled by the company. A smaller amount is realized by the school when using an outside vender but the amount will still increase school funds and decrease the debt.

Mr. Lofgren suggested that input from outside companies be gathered and considered before the RFP is finalized. When the RFP is complete he would like the Board to read it before it goes out to the public.

2. School Foods Contract & RFP

Superintendent Bates told the board that because of changes in Utah statutes food service contracts must be rebid this year. He acknowledged that some board members had questions regarding the RFP process. Information regarding this subject would help them answer inquiries from the public.

Mr. Garrett presented information on contracting services, specifically school foods. He explained that contracting or outsourcing was “the assignment of the operation of certain non-core departments or functions to a firm whose core business is the operation of those departments or functions.” Service providers specialize in their areas of expertise and are able to deliver quality service at competitive prices.

The American School & University Survey reported that facility management, food services, transportation, vehicle maintenance, special education and at-risk programs are the most common contracted services within the 290 districts responding. He commented that the primary benefits to contracting services in a district was to improved efficiency, lower costs, increased financial management, elimination of waste, improved facility, improved learning and increased academics. Outsourcing can also allow for improved quality and performance by adding resources and expertise. The “on-site” director and supervisory team have greater access to skills training. Their focus on the contracted areas leaves more time to focus on Granite’s core business of education.

Divisions within Granite outsource many services. Administration contracts for legal services. Business Services outsource banking services, debt collects, bonding, food services, independent audits, appraisals and real estate sales. Teaching and Learning Services outsource after school programs, musical instrument repairs, nursing services, outside consulting and coaching services. Educator Support and Development Services through its Human Resources Department contract for differing insurances, and varied consulting services. The Support Services Division works with outside architects, engineers, construction contractors, equipment maintenance/repair, garbage disposal and various building maintenance services.

Mr. Garrett presented an overview of the food services in Granite District for the

past 70 years. Granite contracted with Marriott Corporation in 1989 for food services. The reason for outsourcing was not financial. The board members at that time wanted a different lunch experience for students including an improvement in the quality and to keep students on campus during the lunch period. In 1998 Sodexo absorbed parts of the Marriott organization and acquired the Granite contract. Federal regulations require school food contracts to be re-bid every 5 years. Because of major changes to the food nutrition regulations the State has required the contracts be bid one year early. Mr. Gardner has written the RFP for school foods and it has been approved by the Utah State Office of Education (USOE) and is ready for distribution.

Food Services operation for 2011-12 in Granite shows a total revenue (\$26,727,388), less expenditures and indirect costs (\$23,667,673), with an operating balance of \$3,059,715. Sodexo Expenses totaled \$1,042,377 leaving an excess of \$2,017,338. Sodexo's contract guarantees a pre-established profit figure. The excess would be restricted to the School Lunch Fund. Lunch prices are set by federal formulas based on "free and reduced" data and cannot be lowered. Sodexo's management team represents many years of combined school experience and they understand the importance of food safety.

Mr. Garrett stated, "Granite has a major responsibility to provide wholesome, nutritional, affordable meals for both breakfast and lunch. We want to provide the finest product that we can and we think Sodexo has helped us to achieve these goals. Granite has the lowest lunch prices in the state and still provided the largest new income for 2012. That's an efficient operation."

The Board agreed to have the RFP sent out with the understanding they could study the proposals when they came back in.

Motion: **I move we adjourn.**

Made by: Dan Lofgren

Seconded by: Connie Anderson

Called for vote: Vice-President Bawden

Results: Motion Passed

The meeting adjourned at 6:25 p.m.