

**Agenda Item VI.A, Board Action on Finance and Infrastructure Committee
recommendations concerning Finance and Infrastructure Committee charter
amendments**

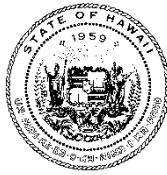
General Business Meeting

November 7, 2017

At its October 17, 2017 meeting, the Finance and Infrastructure Committee approved a motion to recommend that the Board of Education adopt the Finance and Infrastructure Committee Charter, as attached as Exhibit B of Board Member Kenneth Uemura's memorandum dated October 17, 2017. Board Member Uemura's memorandum is attached as **Exhibit 1**.

Exhibit 1

Board Member Kenneth Uemura's memorandum regarding Committee Action on Finance and Infrastructure Committee Charter (dated October 17, 2017)



**STATE OF HAWAII
BOARD OF EDUCATION**
P.O. BOX 2360
HONOLULU, HAWAII 96804

October 17, 2017

TO: Kenneth Uemura
Committee Chairperson, Finance and Infrastructure Committee

FROM: Kenneth Uemura
Committee Chairperson, Finance and Infrastructure Committee

AGENDA ITEM: Committee Action on Finance and Infrastructure Committee Charter

A. BACKGROUND

As the Finance and Infrastructure Committee (“Committee”) Chairperson, I reviewed the Committee Charter pursuant to Section V.O of the charter, which provides that the Committee “[a]nnually evaluate the adequacy of this Charter and recommend any proposed changes to the Board for approval.”

I am proposing the revisions described in the memorandum. I have considered input on the charter from the Senior Assistant Superintendent and Chief Financial Officer of the Office of Fiscal Services and the Assistant Superintendent of the Office of School Facilities and Support Services and have accepted comments where deemed valid. The overall intent of these revisions is to update the document so that it reflects current practice or desired practice, ensure that essential functions are addressed, and reorganize and streamline the document.

B. DESCRIPTION OF REVISIONS

The original charter (attached as **Exhibit A**) (“Original Charter”) was divided into six main sections: Purpose, Committee Membership, Meetings, Authority, Responsibilities, and Annual Goals of the Committee. The proposed charter (attached as **Exhibit B**) (“Proposed Charter”) retains the basic structure, but deleted the last section, “Annual Goals of the Committee” because current practice is for each committee to adopt strategic priorities, which do not have to be memorialized in the committee charter. A redline comparison of the Original Charter and Proposed Charter was not included because the significant organizational and structural changes made a redline comparison essentially useless. A description of the major changes made to each of the six main sections are described below, with highlights of significant changes and clarifications.

1. Purpose. Few substantive changes were made to this section. Many of the changes made were to make the wording and structure consistent with other committee charters.

2. Committee Membership. Most of the substance in this section was retained, but there is a new section (Proposed Charter §II.A), which specifies that the Committee will have three or more members, as determined by the Board. There is another new section (Proposed Charter §II.G), which provides that Committee members will either possess or obtain basic abilities in financial matters.

3. Meetings. Most of the substance in this section was retained. There was one new subsection added to memorialize current practices. A new section (Proposed Charter §IV.C) clarifies the process used to promulgate Committee agendas. Committee agendas are promulgated by the Committee Chairperson with input from various individuals.

4. Authority. This section was revised to make it consistent with other committee charters, clarify activities that were authorized in the Original Charter, and to clarify that the Committee has authority to approve and adopt documents.

Section V.C of the Proposed Charter is a new subsection that clarifies that the Committee has the authority to approve and adopt reports, reviews, and other documents. It is arguable that the Committee already had this power, but the intent of this subsection is to clarify this authority.

5. Responsibilities. Much of the substance of the Original Charter was retained, but this section was reordered, reorganized, and reworded.

C. RECOMMENDATION

I recommend this Committee and the Board adopt the Proposed Charter, as attached as **Exhibit B**. I proposed the following motion:

“Moved to recommend the Board adopt the Finance and Infrastructure Committee Charter, as attached as Exhibit B of Board Member Kenneth Uemura’s memorandum dated October 17, 2017.”

Exhibit A

Original Finance and Infrastructure Committee Charter

**BOARD OF EDUCATION
FINANCE AND INFRASTRUCTURE COMMITTEE CHARTER**

I. PURPOSE

The Committee on Finance and Infrastructure (“Committee”) shall be responsible for assisting the Board of Education (“Board”) in fulfilling its policy-making, support and oversight responsibilities relating to:

- A. Financial operations;
- B. Physical infrastructure;
- C. Food service;
- D. Student transportation;
- E. Safety, security, and emergency preparedness

The Committee will make recommendations to the Board and perform tasks delegated by the Board.

II. COMMITTEE MEMBERSHIP

- A. The members of the Committee and its Chair and Vice-Chair shall be appointed by the Board at a regularly scheduled meeting, and shall serve one year terms or until their successors are appointed or their earlier resignation or removal.
- B. In the event of a vacancy, the Board shall appoint a replacement as the Board shall determine is appropriate.
- C. The quorum requirement for the Committee shall be determined by the Board.
- D. In the absence of the Committee Chair, the Vice-Chair shall chair the meeting; and in the absence of both the Chair and the Vice-Chair, provided that a quorum is present, the remaining members present shall elect one of their number to chair the meeting.
- E. The Committee shall promptly inform the Board of the actions taken or issues discussed at its meetings.

III. MEETINGS

- A. The Committee shall meet at least six times per year, with prior notice and publication of the agenda as provided by law.
- B. The Chairman of the Committee may call a special meeting of the Committee upon due notice to all Committee members and to the Chair of the Board, and with prior notice and publication of the agenda as provided by law.

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- C. A majority of the members present shall decide any question brought before the Committee.

IV. AUTHORITY

The Committee shall have the authority, at the expense of the Department of Education (“Department”) so long as the expense is approved by the Board, to retain such independent auditors, consultants, lawyers or other advisors as it shall deem appropriate.

V. RESPONSIBILITIES

The Committee will:

- A. Review and recommend to the Board strategic
 - o Financial Plans,
 - o Infrastructure/Facility Plans, and
 - o Information Technology Plans.
- B. Review and recommend to the Board approval of operating and capital budget requests.
- C. Review and recommend to the Board approval of budget adjustments required by legislature or governor.
- D. Review and recommend to the Board approval of the priorities of capital expenditures approved by the legislature in the budget bill.
- E. Review and recommend to the Board approval of six-year capital and operating expenditure plans that implement the Department’s strategic plan.
- F. Monitor financial performance of the Department, as a whole, and tis component parts against budget, economic trends and industry trends and benchmarks.
- G. Review quarterly the operating expenditures as compared to the budget by major programs.
- H. Review quarterly the progress of implementing capital improvement projects.
- I. Review financial aspects of major proposed transactions, new programs and services, as well as the discontinuation or alteration of programs or services, and make recommendations to the Board

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- J. Review plans for and implementation of major information technology infrastructure.
- K. Review and recommend to the Board approval of meal price increases that exceed the minimum required by statute.
- L. Review and recommend to the Board approval of school bus fare increases.
- M. Periodically review balanced scorecard metrics relevant to finance and infrastructure.
- N. Periodically review Board Policies and Administrative Rules relevant to finance and infrastructure and recommend to the Board changes as appropriate.
- O. Annually evaluate the adequacy of this Charter and recommend any proposed changes to the Board for approval.
- P. Annually evaluate its performance as a Committee and report its conclusions to the Board.

VI. ANNUAL GOALS OF THE COMMITTEE

The Committee will:

- A. Evaluate the need for a long range planning process for
 - o Finance,
 - o Infrastructure/Facility, and
 - o Information Technology.
- B. Review budgeting, financial procedures and Act 51: Reinventing Education Act of 2004 to ensure appropriate fiscal accountability.
- C. Review budget reductions and make recommendations using best efforts to mitigate potential impacts on student achievement.

Exhibit B

Proposed Finance and Infrastructure Committee Charter

**BOARD OF EDUCATION
FINANCE AND INFRASTRUCTURE COMMITTEE CHARTER**

I. PURPOSE

The Finance and Infrastructure Committee (“Committee”) is responsible for assisting the Board of Education (“Board”) in fulfilling its policy-making, support, and oversight responsibilities relating to:

- A. Financial operations and the financial condition of the Department of Education (“Department”);
- B. Facilities and physical infrastructure; and
- C. Other Department support services, including food service, student transportation, and safety, security, and emergency preparedness.

The Committee shall conduct reviews, receive reports, provide direction to the Department, and make recommendations to the Board concerning matters within its scope of responsibility.

II. COMMITTEE MEMBERSHIP

- A. The Committee will comprise of three or more members as determined by the Board.
- B. The members of the Committee and its Chairperson and Vice-Chairperson shall be appointed by the Board at a regularly scheduled meeting, and shall serve one year terms or until their successors are appointed or their earlier resignation or removal.
- C. In the event of a vacancy, the Board shall appoint a replacement as the Board shall determine is appropriate.
- D. The quorum requirement for the FIC shall be determined by the Board.
- E. In the absence of the Chairperson, the Vice-Chairperson shall preside over the meeting; and in the absences of both the Chair and the Vice-Chair, provided that a quorum is present, the remaining members present shall elect one of their number to preside over the meeting.
- F. The FIC shall promptly inform the Board of the actions taken or issues discussed at its meetings.
- G. Committee members shall possess or obtain basic ability in financial matters, including familiarity with financial management, accounting, budgeting, forecasting and reporting.

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III. MEETINGS

- A. The Committee will meet at least six times annually, with prior notice and publication of the agenda as provided by law.
- B. The Chairperson of the Committee may call a special meeting of the committee upon due notice to all committee members and to the Chairperson of the Board, and with prior notice and publication of the agenda as provided by law.
- C. The Committee agenda shall be promulgated by the Committee Chairperson, with input from the Superintendent, relevant Assistant Superintendent or Director, and Board Members.
- D. A majority of the members present shall decide any question brought before the Committee.

IV. AUTHORITY

- A. The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from the Hawaii State Department of the Attorney General, accountants, or other advisors, as necessary to perform its responsibilities.
- B. In carrying out its responsibilities, the Committee also has the authority to meet with and seek any information it requires from the Department and its employees, Board Members, or external parties.
- C. The Committee further has the authority to approve and adopt the reports, reviews, and other documents submitted to it as the Committee deems necessary and appropriate. The Committee will provide its recommendation to the Board regarding approval and adoption of the reports, reviews, and other documents.

V. RESPONSIBILITIES

To fulfill its responsibilities, the Committee will endeavor to engage in the following activities:

- A. Review and recommend modifications to system resource allocation strategies as needed to achieve the Board and Department's Joint Strategic Plan ("Strategic Plan") goals and objectives.
- B. Determine the adequacy, condition, and use of existing facilities and technology infrastructure.
- C. Review and recommend a long range physical planning and technology infrastructure policy or master plan.

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- D. Review projections of future facility and technology infrastructure needs and requirements including capital programs and deferred maintenance.
- E. Review the annual operating budget for adequate and appropriate funding levels for plant operations, maintenance of the physical facilities at an acceptable condition with an understood degree of deferred maintenance and technology infrastructure.
- F. Review and recommend new, or changes to existing, financial policies and to ensure compliance with state law and regulation and promote greater efficiency and effectiveness.
- G. Review and recommend new, or changes to existing, financial policies and to ensure that the appropriate Strategic Plan goals are supported.
- H. Review and recommend the Biennial and Supplemental Operating and Capital Budgets to the Board.
- I. Review and recommend the annual Department spending plans and allocation of state appropriations to the Board.
- J. Monitor financial performance of the Department, as a whole, and its component parts against budget, economic and industry trends and benchmarks.
- K. Review and recommend to the Board the operating and capital plans that support the successful implementation of the goals and objectives of the Strategic Plan.
- L. Annually review and report to the Board the progress of the implementation of the Department's operating and capital plans.
- M. Review and recommend to the Board approval of meal price increases that exceed the minimum required by statute.
- N. Review and recommend to the Board approval of school bus fare increases.
- O. Annually, or as necessary, evaluate the adequacy of this Charter and recommend any proposed changes to the Board for approval