



General Library Item

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Scarsdale Board of Education Business/Education Report Meeting Highlights - April 25, 2022

Board of Education:

Karen Ceske, President
Amber Yusuf, Vice President
James Dugan
Carl Finger
Robert Klein
Jessica Resnick-Ault
Ron Schulhof

Superintendent of Schools:

Dr. Thomas Hagerman

Superintendent's Cabinet:

Gerald Crisci, Director of Instructional Technology and Innovation
Stuart Matthey, Assistant Superintendent for Business and Facilities
Dr. Edgar McIntosh, Assistant Superintendent for Curriculum, Instruction and Assessment
Rachel Moseley, Director of Informational Technology, Chief Information and Data Protection Officer
Ray Pappalardi, Director of Physical Education, Health, and Athletics
Dr. Drew Patrick, Assistant Superintendent for HR and Leadership Development
Eric Rauschenbach, Assistant Superintendent for Special Education and Student Services

Audit Committee Meeting

At 6:03 p.m., Karen Ceske, President of the Board of Education, convened the Board as the Audit Committee to review a draft proposal for an internal audit from Cullen & Danowski. The Committee discussed the scope of services and asked questions of Donald Hoffman and Richard Coffey as representatives of Cullen & Danowski. The Board reached a consensus to reconvene as the Audit Committee at a Special Meeting next week or May 9th to take action on the proposal.

Business/Education Report Meeting

At 6:45 p.m., Ms. Ceske convened the Education Report Meeting, noting that all Board members were present as well as Dr. Hagerman and his Cabinet members. Ms. Ceske provided the following update on the investigation of the IRS matter:

Last Monday, April 18, the Board met in executive session with counsel to discuss the need for an investigation of the IRS matter before us and potential investigator services. We reviewed three recommendations from counsel and two additional options put forward by Board members. The Board met with Attorney Anthony Brock in executive session on Wednesday, April 20th and determined that Mr. Brock is the most appropriate individual to lead an investigation that focuses on timeline and communication. The Board has appointed Mr. Brock as special counsel/investigator, and he began his investigation today, April 25th. His contract is posted on the District website under IRS Matters within Site Shortcuts on the main page. We expect that Mr. Brock's investigation will assist us in determining appropriate next steps. While the exact timeline of the investigation is not certain, we expect that Mr. Brock's work will be done thoroughly and expeditiously.

Update on the tax payments, penalties, and lien:

Tax counsel has provided the following update on the status of the Q4 2020 matter: First, the Appeals Officer confirmed that the Q4 2020 tax payment of \$843,558 has been posted to the District's account and has been properly applied to the outstanding Q4 2020 tax. Therefore, as of April 13, 2022, the outstanding balance in Q4 2020 is a total of \$460,609, comprising a failure to deposit penalty in the amount of \$410,178 plus interest, a failure to pay penalty in the amount of \$38,138 plus interest, and a lien fee of \$80 plus interest.

As instructed by the Appeals Officer, the District has made a payment in the amount of \$85, representing the lien fee plus interest. Tax counsel has been told by the Appeals Officer that the Appeals Officer is in the process of drafting a final penalty abatement recommendation for the Appeals Officer's manager to approve and sign. This process takes approximately two to three weeks. If and when the final penalty abatement recommendation is approved, the Appeals Officer should instruct that penalties and the related interest be adjusted to zero. This process takes approximately another two to three weeks.

Once the District's account for Q4 2020 is fully paid, meaning the tax is paid, the lien fee plus interest is paid, the penalties are abated, and the interest is adjusted to zero, the District should receive a notice from the IRS stating that the balance of the District's account for Q4 2020 is zero.

The Appeals Officer has advised that the lien should then self-release 30 days after the balance of the District's account for Q4 2020 is zero. The District should receive a notice from the IRS when the lien has self-released.

After receiving this notice, the District anticipates pursuing the additional steps of having the lien fully withdrawn from all records by submitting a petition to the Appeals Officer, who has agreed to assist in submitting the petition to the Advisory Office.

After the Advisory Office considers and hopefully grants the District's request for lien withdrawal, the Appeals Officer should issue a written decision, which will comprise only a very brief summary of what occurred over the course of this case as well as the final disposition of the matter. The Appeals Officer predicted that a decision will be issued no earlier than mid-July.

Additional IRS notice received by the District:

The Board and the District's tax counsel have recently been made aware by District administration of another notice received for a similar issue to the Q2 2021 issue. On April 4, 2022, the District administration received a Notice CP207, dated March 28, 2022, for Q3 2021. Specifically, this notice alleged that, like in Q2 2021, the District failed to submit or failed to submit a properly completed Schedule B with its Q3 2021 Form 941. However, we note that, unlike the Q2 2021 issue, this Q3 2021 notice is only a request for more information, not a penalty.

The District's administration submitted a response to this notice on the same day that it was received. Both the Board and the District's tax attorneys were made aware of both the notice and the response to the notice only after the response had been submitted by the District administration. The District's tax attorneys have reached out to the Revenue Officer with which they have been working on the Q2 2021 issue to also discuss the Q3 2021 issue, but have not yet received a response. The District's tax attorneys will continue to provide updates to the Board on both the Q2 2021 and Q3 2021 matters as they arise.

Process for an internal audit, enhancements to internal controls, and accounting:

Earlier this evening, the Audit Committee, composed of the seven members of this Board, met with our internal auditor, Cullen and Danowski LLP, to discuss a proposal for an internal audit. As stated at our April 4th Board meeting, the Board has called for an audit of the District's payroll tax processes, including a review of internal controls. The services proposed to be provided by our internal auditor is a potential option as we determine how best to conduct a review of internal controls.

Regarding the accounting treatment of this issue, District administration has advised the Board that the District's external auditors, EFPR Group, have stated that the matter is being accounted for correctly. The Board is scheduling a meeting with the District's external auditor to discuss this matter as part of the Board's oversight responsibilities.

The Board will continue to discuss this matter to determine the appropriate next steps. In addition, the District is working on an internal controls report, which outlines enhanced steps that are being taken, such as additional employee verification of submissions, or will be taken to prevent the circumstances that gave rise to the IRS matter.

The events of the past few weeks have been very difficult for all of us, but I want to assure the community that the Board is committed to investigating the circumstances of the IRS matter, reviewing and improving controls to limit the chance of similar issues in the future, providing oversight, and also providing as much transparency to the community as we can within legal constraints. We thank you for your patience and for sending your feedback and questions, which we will answer as we can. The Board has created a page on the website entitled [IRS matters](#), which can be found on the Board's homepage and on the District's homepage under Site Shortcuts.

On behalf of the Board, Ms. Ceske also wished to honor Faculty and Staff in advance of teacher appreciation week.

Dr. Hagerman's remarks included a recognition of Scarsdale teachers in advance of Teacher Appreciation Week. He also reminded the community about the upcoming National Denim Day, which protests the misconceptions around sexual assault as part of Sexual Assault Awareness Month. He also recognized the All District Jazz and All District Orchestra concerts, which were hosted at Scarsdale Middle School and the Heathcote School last week. Congratulations were extended to Scarsdale Middle School's Science Olympiad team, who won the New York State championships, and will be competing in the National Championships next month. Accolades were also shared for the Scarsdale High School students who participated at the Regeneron Westchester Science and Engineering Fair, 17 of whom were recognized with awards of Genius, Excellence, or honorable mention.

In Board member reports, Ms. Yusuf reported that she, Ms. Ceske and Mr. Dugan held the first Board coffee on Thursday, April 21st. Two members of the press, eight current parents, and one future parent attended. On Friday, Ms. Yusuf and Mr. Matthey presented the budget and answered questions during the Quaker Ridge PTA meeting.

Mr. Klein reported on teacher tenure and probationary reviews. He observed four such meetings with Dr. Patrick and Dr. McIntosh, which included student input and parent feedback. He said it is by design that teachers are nurtured and stay for a long period of time. He said it is unfortunate the community cannot observe such a quality discussion and the amount of time spent to ensure newer teachers to achieve success. Our teachers are amazing and worthy of the accolades they receive. Ms. Resnick-Ault echoed his sentiments and said she is consistently blown away not just by the quality of the faculty, but also the caliber of the work created by students regardless of grade level. She said it was an honor to observe the tenure process.

Mr. Schulhof reported on the SHS/SMS multicultural lunch, which he described as a fantastic day, and a wonderful example of the great partnership between the PTA and the District. He also said he attended the Heathcote PTA Budget presentation, as well as SAFE coalition community book read. April 30 from 10 am- 2pm will be a drive thru prescription drug take back event from 10 am-2 pm in the lower lot of Scarsdale Village Hall. There is also a drop box at the Scarsdale Police Department that is available all day. The Drug Disposal Unit is located on the 2nd floor of the Police Headquarters lobby, and can be accessed by elevator.

Personnel Report

Dr. Patrick presented the *Personnel Report*, and introduced Mr. William Yang as the new K-12 Coordinator of Digital Learning & Literacy, Ms. Jeannie Crowley, as the new Director of Technology & Innovation, and Lauren Weisholz as the new Library Media Specialist for Fox Meadow Elementary School.

Hearing From Those Present

Members of the public were invited to address the Board. Two audience members spoke in person. There were two virtual participants.

Consent Agenda

The Board approved the items on the *Consent Agenda*, including the *Personnel Report*.

Information and Discussion Items

The Board considered items under the Information/Discussion portion of the agenda.

- **Education Report:** Dr. Edgar McIntosh, Ken Bonamo, High School Principal, and Chris Welsh, High School Assistant Principal, presented the *Tri-States Review of Advanced Topics (AT)*. The report can be viewed [here](#).
- **Education Report:** Mr. Crisci along with District computer teachers Chris Casal, Paul Tomizawa and Michael Pincus presented *Technology Innovation with a Focus on the new Technology Plan*. The draft Scarsdale Technology Plan, 2022-25 can be viewed [here](#).
- **District-wide Safety & Emergency Management Plan:** Mr. Rauschenbach presented the draft 2022-23 plan and the redline version with recommended changes. He noted the addition of cybersecurity and a long-standing bus policy to the plan. Additionally, community members have 30 days to comment on the plan before it is presented to the Board for approval at the June 6th Board meeting. The draft District-wide Safety and Emergency Management Plan, 2022-23 can be viewed [here](#).
- **Proposed Summer STI courses:** Dr. McIntosh and Ann Marie Nee, Director of the Scarsdale Teachers Institute (STI) presented the Summer 2022 course proposals that were reviewed and approved by the STI Accreditation Committee. Ms. Nee noted that the new courses for the summer term semester will be presented to the Board later in the meeting for approval.
- **First Reading of Draft McKinney Vento Policy and Proposed Changes to Existing Policies:** Mr. Rauschenbach explained that the McKinney Vento Act is a federal law ensuring students experiencing homelessness can receive uninterrupted education during the time they are homeless. Due to recent reauthorization of ESSA (Elementary and Secondary Education Act) the State requires school districts to have all policies for Title 1 funding in place. Mr. Rauschenbach presented the first reading of new policy 5151 - *Homeless Children*, and revised policies 5100, 5150, and 5420. The second reading of these policies will be presented to the Board at the May 9th Board meeting.
- **Proposed New Textbooks for the High School:** Dr. McIntosh presented the proposed textbooks for the High School including two social studies textbooks, *Debating Reform* and *The Politics of Power*; and a transfer of licenses from Senderos to Encuentros from Vista Higher Learning to better address the needs of students.
- **Succession Planning for the Superintendent:** Mr. Schulhof provided an update on the request for a proposal (RfP) process for superintendent search firms, reporting the RfP is nearly complete and ready to release.

Action Items

The Board approved the proposed STI courses for the summer 2022.

Hearing From Those Present

Members of the public were invited to address the Board for the second time. One person spoke in person, one spoke remotely.

Meeting Dates for the Coming Month

Ms. Yusuf presented the meeting dates for the upcoming month:

Wednesday, April 27, 2022:

- Indoor Board Coffee, 5:30 p.m. - 7:00 p.m., Room 170-172, High School

Monday, May 9, 2022:

- Meeting with a Designated Group, 5:00 p.m., Learning Commons, High School
- Statutory Budget Hearing, 6:30 p.m., Room 170-172, High School
- Business Meeting, immediately following, Room 170-172, High School
- Executive Session, if needed

Tuesday, May 17, 2022:

- Public Budget Vote and Board Elections, 7:00 a.m. - 9:00 p.m., Scarsdale Middle School gymnasium
- Special Meeting to Certify Vote Results, 9:30 p.m., Scarsdale Middle School gymnasium

The Board adjourned the meeting at 10:11 p.m.

The Board meeting may be viewed on the District website, under Scarsdale Cable TV/Board of Education VOD, [here](#).

Administrative Content

Executive Content

Last Modified by Honore Adams on April 28, 2022