

**Dallas School District No. 2
Finance Committee Agenda
Thursday, February 16, 2023**

5:30 in the District Office Board Room

1. Call to Order and Introductions – Dave Morris

2. Approval of January 19, 2023 Minutes

3. Staff Reports

- a. Legislative Update
- b. Construction Excise Tax
- c. Middle School Athletics History

4. Discussion - All

- a. Recommendation(s) to the Board
 - i. Content
 - ii. Timeline
 - iii. Next Steps
- b. Construction Excise Tax
- c. Financial Reporting Transparency
 - i. Review samples of Financial Reports

5. Reports (Written)

- a. Monthly Financial Board Report
- b. Monthly Enrollment Report
- c. Budget Timeline

6. Future Agenda Items - All

7. Adjourn – 7:00 p.m.

2022-23 Meeting Schedule

Finance Committee - Thursday, March 16, 2023

Budget Committee #1- Monday, Apr 24, 2023 (2 open positions)

Budget Committee #2 - Monday, May 8, 2023

DALLAS SCHOOL DISTRICT NO. 2 FINANCE COMMITTEE MEETING MINUTES

Thursday, January 19, 2023 at 5:30 p.m.
Dallas School District Board Room

Present: Dave Morris, Tami Montague, Steve Spencer, Trista Girt, Matt Woolsey, Kelli McGuire, Lu Ann Meyer, Mike Bollman, Robert Spivey

Absent: Ed Dressel, Charlotte Riester

1. **Called to order** at 5:33 p.m. by Dave Morris.
2. **Approval of December 14, 2022 Minutes:** Motion by Matt Woolsey. The motion passed unanimously.
3. **Introductions** for new member Robert Spivey.
3. **Legislative Update:** Steve reminded the group that we are only 3 days into the session. He shared some information that was sent to superintendents recently summarizing the difficult work ahead for K-12 school funding given the high needs in health care, mental health, housing and public safety. Advocacy groups will continue to collaborate and push for \$10.3B. Steve asked Tami to share the email he received with the group which was sent the morning of January 20th. Steve also shared that the statewide enrollment decrease is now closer to 36k vs. the 30k pre-pandemic decrease shared previously. Steve also revealed that the homeschool enrollment has only decreased by 16 and that at this point, we are unlikely to recover the enrollment loss in Dallas. There was a brief discussion about how the State School Fund would recalibrate their formula and how that might translate to Dallas SD and the state K-12 per student funding. Finally, Steve shared that ODE has asked Colt Gill to remain in his position until the session concludes for the sake of continuity in light of his recent retirement announcement which he has agreed to do.
4. **2021-22 Audit Update:** Tami shared the untimely status of the 21-22 audit. Although the business office completed the field work with Pauly Rogers & Co. audit firm in late September, the final audit document wasn't received until January 19th. Steve praised Tami for persistence and diligence in working with the audit firm to minimize the possible financial hardship of having a late audit delay the January State School Fund payment. We did receive our January payment as the firm submitted a draft audit document prior to the due date. Both Tami and Steve shared that many districts have late audit submittals and many missed their January payments. Tami shared that there were likely many reasons for the delay including unclear expectation for districts and auditors on how to implement the new GASB 87 requirements. The district is considering doing a Request for Proposals for audit services in the future.
5. **Discussion – Financial transparency and financial reporting:** Dave revisited the concept of priority based budgeting and the committee's role in that process. Steve's goal of aligning the budget with the needs of the students was stressed again. How can we clearly and transparently communicate and/or provide a direct crosswalk between our priorities and the budget? That will likely be a lengthy and ongoing process and will require a shift in staffing and analysis to class size.

The idea of putting an operating levy on the ballot was discussed at length. A clear message to the community communicating what the funds would be used for such as mental health resources or building the CTE program, etc. would be necessary. Tami shared that the issue with operating levies is that they expire in 5 years so the stability of that funding is shaky depending on what is happening in the community when it is up for renewal. The timing would also play a role, as other city and county levies

may compete. Construction excise tax was also discussed. Excise tax can be put in place by the board, not through election. Initially the community may find it unfavorable but there is no expiration making it more stable in terms of longevity, but it also depends on the construction market in the area so inconsistent in funding level. It would also need to be used for facilities and maintenance improvements only. There was some reminiscing about previous discussions on both the operating levy and the excise tax. Historically the board has been against using either option as an alternative funding source. Board representative members expressed that they may be more in favor of it given the uncertainty of adequate funding going forward. Tami shared that the state set for an excise tax cap of 1% in 2021. The district cannot collect more than 1% (or whatever the capped rate may currently be) but may collect any amount under that cap.

Tami shared various financial reports, both used internally and externally. She called on the committee to do some research and review the reports and provide feedback on how we may improve our reports to meet the needs of the various stakeholders in a clear, concise and succinct manner.

6. **Adjourn:** 6:48 p.m. by Dave Morris.

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