



# Meeting Minutes Duval County Public Schools

## February 23, 2022, Sales Surtax Oversight Committee Meeting

**Committee Members Present:** Hank Rogers, Nate Day, Kelly Pourciau, Diana Galavis, Dr. Pamela Richardson Wilks, Dr. John White, Rachel Duff, Delmas “Dedee” Harper, Monique Tookes, Brian Evans, Lawrence Dennis, David Hathaway, Joe Carlucci, Alberta Hipps, and Allison Busutil

**Board Members Present:** Vice Chair Kelly Coker, Board Member Cindy Pearson, and Board Member Elizabeth Andersen

Duval Superintendent of Schools Dr. Diana Greene (non-voting) was also present.

### Call Meeting to Order

Vice Chair Day called the meeting to order at 10:04 a.m.

### Public Comment

Marion Tischler

Ms. Tischler spoke regarding the letter that she sent in December to the Committee. Ms. Tischler also mentioned how charter schools should be submitting supporting documents such as contracts, lease agreements, and invoices for monies spent using sales surtax funds.

Robert Stafford

Mr. Stafford asked questions regarding Jacobs Engineering and why they are not doing life cycle management.

### APPROVAL OF THE FEBRUARY 23, 2022, AGENDA

#### **Motion:**

**That the Sales Surtax Oversight Committee approve the agenda for the February 23, 2022, meeting.**

#### **Vote Results:**

**Motion: Brian Evans**

**Second: Joe Carlucci**

**PASSED**



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## APPROVAL OF MINUTES – NOVEMBER 17, 2021

### **Motion:**

**That the Sales Surtax Oversight Committee approve the regular meeting and new member orientation minutes of November 17, 2021.**

### **Vote Results:**

**Motion: Dr. John White**

**Second: Diana Galavis**

**PASSED**

### **Items to be Discussed**

#### FINANCE UPDATE & REVIEW OF CHARTER SCHOOL QUARTERLY REPORTS

Chief Financial Officer Michelle Begley gave a presentation on the Finance Update (see attached) and reviewed the third quarterly reports for charter schools. Ray Poole, Office of General Counsel, joined the discussion with Ms. Begley.

Discussion included:

- The ending balance that is reflected by the charter schools is held in a bank account under the name of that school.
- In general, charter schools have spent their funds on allowable expenses.
- Mr. Poole provided information to the Committee related to FL Statute 212.055.
  - Statute was revised July 1, 2020 and included reference to charter school use of sales surtax funds.
  - For school districts, surtax revenues may be used to service bond indebtedness to finance projects authorized by this subsection.
  - Surtax revenues shared with charter schools shall be expended by the charter school in a manner consistent with the allowable uses set forth in Section 1013.62 (4).
  - When Section 1013.62(4) was originally enacted in 2001, it was broad as it related to charter school expenditure of sales surtax funds. Charter schools were able to use outlay funds for anything. Two years later, the Legislature revised the statute and eliminated “any capital outlay purpose” and provided a list of items that charter schools could use capital outlay funds for. Over the years, the Legislature has added to that list.
    - What is not included on the list is any reference to bonds, interest payments, mortgage payments, or otherwise.
- Letters were sent to charter schools on December 15<sup>th</sup> whose reports for the second quarter showed improper expenditures.
  - All schools responded that received a letter. Two schools made corrections to expenditures. The attorney that responded on behalf of three other schools stated that the expenditures were allowable and explained how they interpreted Statutes 1013 and 212.



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- Mr. Poole added that with the legislation being so new, he has not seen anything on the rights and responsibilities of what the Committee or school district can do about improper expenditures.
- Ms. Begley stated that the 2021-2022 school year is an audit year where the Auditor General will come and audit our records for finance and operations. On the operational audit, they can go back as far as they want to and will be looking at everything related to sales surtax – revenue, programming, and how we oversee charter schools.
- After receiving response letters from charter school attorneys, nothing has been done yet on the district's side. There needs to be more discussion to figure out what can be done.
  - The Auditor General has their own legal department so if there is something they find in their audits, it is sent to their legal department for review.
- The allowable expenditures chart is not published on the website; however, the chart is always placed on the PowerPoint presentations which is available to the public and provided in charter school training.
- After discussing the allowable expenditures chart, the Committee requested that the chart be simplified. Ms. Begley will review the slide to update.
- While the charter school finance team was reviewing reports, there was one charter school that did not file a report, but they have since filed this morning.

### REVIEW & RECOMMENDATIONS FOR ANNUAL REPORT

Before getting into the Committee's annual report, Chair Rogers wanted to discuss an item that was reported in the media regarding Northwestern Legends. Northwestern Legends was not paid from sales surtax funds. Dr. Greene, along with the School Board, merged the schools together prior to the passage of the half cent sales tax.

Chair Rogers commended the Committee as their 1-year anniversary was in January. He went through the 2021 Annual Report and after discussion, the Committee produced the following additions/edits:

- Update the financial info on page 11 and update the allowable expenditures chart based on earlier discussion.
- Adding the statement: "The Oversight Committee is pleased with the progress of the district's transparency and compliance with implementing the Master Facility Plan in accordance with the requirements in the resolution. During a pandemic, the Oversight Committee appreciates the Board and Superintendent for their visionary leadership and keeping the promises made to the community. While we appreciate the district's reporting, the Oversight Committee continues to be concerned with the lack of transparency of some of our charter schools' reporting."
- Committee's Review
  - The Committee would like to continue to see the district promote participation and opportunities with minority and small businesses
  - The Committee provided oversight of the following highlighted projects within the district:
    - Rutledge Pearson Elementary School Replacement
    - Chaffee Trails New 6-8
    - Highlands Elementary School Replacement
    - Southside Estates Elementary School Replacement
    - North Shore Elementary School Deferred Maintenance



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- Forty-two projects are currently on track as outlined in the Master Facility Plan
- According to the dashboard, the district has invested nearly \$5 million dollars into the county (exact amount will be confirmed and updated in report accordingly).
- The Committee makes the following recommendations for the upcoming year:
  - The School Board and Superintendent should work with an outside agency to develop a charter school dashboard that is housed on the same website as the district's dashboard.
  - Utilize other communication methods to ensure information is being disseminated to all members of the community instead of relying on the half-penny website. This could include having city council members include sales surtax updates in their newsletters or at their town hall meetings, broadcast on local radio stations, or utilizing local news outlets and their social media sites to provide updates.
  - Advertise "Your half-penny at work" signs in front of each school with an active project.
  - The School Board and/or Superintendent should determine whether to pursue an outside opinion on the clarity of the allowed uses of expending sales surtax funds.

**A motion was made to approve the draft annual report and the Committee's Review and Recommendations.**

**Vote Results:**

**Motion: Nate Day**

**Second: Brian Evans**

**PASSED**

### CHARTER SCHOOL QUESTION TEMPLATE

The Committee reviewed the attached question template and produced the following additions/edits:

- On question number 2, spell out the acronym PECO (Public Education Capital Outlay)
- Add the following question: What is it that your school is doing differently or unique from other schools?

**A motion was made to approve the charter school question template with the changes provided.**

**Vote Results:**

**Motion: Nate Day**

**Second: Diana Galavis**

**PASSED**



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## OTHER BUSINESS

- Assistant Superintendent of Operations Paul Soares spent time responding to questions raised during the public comment portion of the meeting.
- Chair Rogers will begin inviting charter schools to present at the meetings. It will not be mandatory. Some charter schools have asked to come before the Committee so they will be the first ones to present, and each school will be allowed 20 minutes for their presentation.

## NEXT MEETING

Next meeting is Wednesday, April 20<sup>th</sup> at 1:00pm

## **Adjournment**

### ADJOURNMENT

**That the Sales Surtax Oversight Committee moved to adjourn the meeting at 11:42 a.m.**

### **Vote Results:**

**Motion: Brian Evans**

**Second: Diana Galavis**

Minutes were taken by Katrin Perez Gonzalez, Coordinator, Strategic Planning