

TO: DCSD Board of Education (BOE)

FROM: DCSD Financial Oversight Committee (FOC)

SUBJECT: SY 21-22 Budget

The FOC primary function is to assist the BOE in fulfilling its fiscal oversight responsibilities with integrity and reliability. As such, the following comments are regarding the SY 21-22 District Budget.

- We commend the District staff for providing a detailed budget and information that will be beneficial as the BOE navigates the next school year.
- The compensation change recommended is reasonable. We suggest that staff above their pay band due to past performance pay, not be penalized in the plan. The proposed compensation planning is an important function that will help with future budget planning. We are hopeful that a performance piece will become part of the planning outcomes. We recommend caution on having an outcome that would make it apparent that funding through a tax increase is needed when it is not approved.
- The Site Based Budgeting (SBB) is important tool that allows the local school to make decisions that follow their specific needs. Recent improvements that provide additional funds to schools that have students needing additional resources to succeed will be helpful. We believe benchmarking, other than just getting the money out, should be part of determining if the new SBB formula is helping students in need.
- After a year of uncertainties surrounding the pandemic, it appears that targeted Federal funding and additional State funding for the District is near. The result of this funding has/will increase the District overall reserves. We recommend creating designated reserves for “operating” and “capital improvements” with some of the increase. These additional designated reserves will provide greater stability for the BOE to adapt to the unknown financial needs in the future.
- With the continuation of the low interest rate environment, we recommend the District continually review existing bonds and COP lease payments for potential savings from lower rates or combination of lower rates and reduced terms.

The BOE and the District leadership team play key roles in the education of students in the District. Being good custodians of taxpayer funds and clearly communicating with staff, parents and taxpayers is critical. We thank the BOE for working with the FOC and we look forward to assisting the BOE with its fiscal oversight responsibilities. If additional information or clarification is needed, we would be happy to respond.

DCSD FOC