

TO: DCSD Board of Education (BOE)

FROM: DCSD Fiscal Oversight Committee (FOC)

SUBJECT: SY 23-24 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 23-24 District Budget as presented to FOC on June 08, 2023.

- We commend the District staff for providing a detailed budget and related information to FOC. We are confident this will be beneficial as the BOE navigates the next school year.
- The compensation recommendations are significant and unsustainable without additional funding. The proposed budget including retention payments, staff pay increases, to address staff comparison salaries and no employee increase for benefits are all significant increases.
- The Site Based Budgeting (SBB) is an important tool that allows the local school to make decisions that follow their specific needs. Changes made in the last two years will help students needing additional resources to succeed and the small school factor 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.
- Several factors have contributed to increases in undesignated reserves. This appears to be an unsustainable event that is not likely to continue. Using some of the undesignated reserves to create designated reserves for “operating” and “capital improvements” will provide greater stability for the BOE to adapt to the unknown financial needs in the future.
- The budget provides a glimpse of the expected funding available and the expected expenses to match that revenue. The BOE might find it helpful to see annual unfunded maintenance and ongoing capital needs to provide a better picture of district financial situation.
- Although not mentioned in the budget, it is implied that additional funding is needed in the near-term. If the State revenue continues its current path, some of the needed funds will come from the State. We will be providing recommendations soon on needs for an additional Mill Levy Override and Capital Bond funding.

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