

School Finance Accountability Board

Date: Thursday, November 15, 2018 - 2:00 p.m. CST

Location: Capitol Building, Fourth Floor, Room 412
500 E Capitol Avenue, Pierre, South Dakota 57501

Public telephonic access: 1-866-410-8397/conference code: 6057735407

Present: Terry Nebelsick, President
Susan Proefrock, Vice-President
Jarod Larson, Member
Eric Stroeder, Member
Liza Clark, Member

Absent:

DOE staff in attendance: Matt Flett, Bobbi Leiferman, Holly Farris, and Olivia Waggoner

Others in attendance: Andrea Powell, Tripp-Delmont School District; Matt Jensen, Tripp-Delmont School District; Brian Sampson, Arlington School District; Justin Downes, Arlington School District; Britni Ross, Haakon School District; Jeff Rieckman, Haakon School District, and members of the public via telephone.

Call to Order and Roll Call:

Meeting was called to order by President Nebelsick at approximately 2:06 p.m. CST.

Adoption of Agenda:

Motion by Eric Stroeder, seconded by Liza Clark, to adopt the November 15, 2018, proposed agenda. Roll call, all present voted in favor. Motion carried.

Approval of Minutes:

Motion to approve the minutes from the March 12, 2018, meeting was made by Eric Stroeder, seconded by Vice-President Proefrock. All present voted in favor. Motion carried.

Public Comments:

No public comments were made at this time.

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Summary of General Fund Cash Balances & Calculations:

Matt Flett provided a summary of the general fund cash balances and calculations. Nine school districts exceeded the monthly cash balance allowance set out in SDCL 13-13-10.1. Four school districts will see a reduction in State Aid. Arlington School District, Haakon School District, Tripp-Delmont School District, and Highmore-Harrold School District. Highmore-Harrold School District is not requesting a waiver from the cash balance caps. Agar-Blunt-Onida School District, Elk-Mountain School District, Hoven School District, and Lead-Deadwood School District exceeded the cash balance caps, but do not receive general State Aid. Deuel School District also exceeded the cash balance cap but is exempt due to a reorganization of the Grant-Deuel School District.

Presentation of Waiver Requests by Districts:

Arlington School District:

Superintendent Downes and Business Manager Sampson provided testimony to the Board on behalf of the Arlington School District. The Arlington School District exceeded the General Fund Cash Balance by a dollar amount of \$36,444.

Haakon School District:

Superintendent Rieckman and Business Manager Ross provided testimony to the Board on behalf of the Haakon School District. The Haakon School District exceeded the General Fund Cash Balance by a dollar amount of \$130,984.

Tripp-Delmont School District:

Superintendent Powell and Business Manager Jensen provided testimony to the Board on behalf of the Tripp-Delmont School District. The Tripp-Delmont School District exceeded the General Fund Cash Balance by a dollar amount of \$31,494.

Board Action on Submitted Waivers:

Tripp-Delmont School District:

Eric Stroeder moved, seconded by Vice-President Proefrock that based on the information presented to the Board by the school district the Board determined that the Tripp-Delmont School District exceeded the allowable cash fund balance percentage, but the special circumstances have been shown and the board grant the application for waiver of the penalty imposed in SDCL 13-13-73.5 in its entirety. Roll call, all present voted in favor. Motion carried.

Arlington School District:

Eric Stroeder moved, seconded by Jarod Larson that based on the information presented to the Board by the school district the Board determined that the Arlington School District exceeded the allowable cash fund balance percentage, but the special circumstances have been shown and the board grant the application for waiver of the penalty imposed in SDCL 13-13-73.5 in its

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entirety. Roll call vote. Jarod Larson, yes; Liza Clark, no; Eric Stroeder, yes; Vice-President Proefrock, yes; President Nebelsick, yes. Motion carried.

Haakon School District:

Vice-President Proefrock moved, seconded by Eric Stroeder that based on the information presented to the Board by the school district the Board determined that the Haakon School District exceeded the allowable cash fund balance percentage, but the special circumstances have been shown and the board grants application for waiver of the penalty imposed under SDCL 13-13-73.5 in part in the amount of \$76,619 and that a penalty imposed against the State Aid adjustment for Fiscal Year 2019 in the amount of \$54,365. Roll call vote. Nebelsick, yes; Stroeder, yes; Proefrock, yes; Clark, yes; Larson, no. Motion carried.

Vice-President Proefrock moved, seconded by Eric Stroeder that the Board directs the Department of Education to prepare a report summarizing the results of the applications for waiver of the financial penalties imposed pursuant to SDCL 13-13-73.5 to forward to the Joint Committee on Appropriations for its consideration and to authorize the Board President to sign the report on behalf of the Board. Roll call, all present voted in favor. Motion carried.

Explanation of Next Steps in FY2018 Cash Balance Waiver Process:

Holly Farris provided a brief overview of what the expectations are going forward in the FY2019 Cash Balance waiver process.

Review of FY2018 Teacher Compensation Data:

Matt Flett provided a high-level summary on the FY2018 Teacher Compensation data, and what to expect for next year's School Finance Accountability Board meeting next year.

Future Meeting Schedule:

President Nebelsick determined that the next meeting of the School Finance Accountability Board to be held on Monday, November 26, 2018 at 11:00 a.m.

Adjournment:

Motion to adjourn by Liza Clark and seconded by Jarod Larson. Roll call, all present voted in favor. Motion carried.

The meeting was adjourned at 4:08 p.m. CST.