



Meeting Minutes Duval County Public Schools

September 7, 2023, AUDIT ADVISORY FINANCE SUBCOMMITTEE MEETING

Committee Members Present: Dan Edelman via Teams, Steve Apple, Mindy Menzel, Mark Sizemore.

Board Members Present: Dr. Kelly Coker, Cindy Pearson, Charlotte D. Joyce, April A. Carney, Lori Hershey, Warren A. Jones, and Darryl Willie.

Call Meeting to Order

The meeting was called to order at 9:30 a.m.

WELCOME AND INTRODUCTIONS

Staff members who were also present:

- Dr. Dana Kriznar, Superintendent
- Michelle Begley, Chief Financial Officer
- Anthony Cobb, Executive Director, Financial & Business Services
- Erika Harding, Assistant Superintendent, Chief Operations
- Jim Culbert, Chief Officer Technology Services
- Victoria Schultz, Assistant Superintendent, Human Resources
- Ashley Barr, Director, Strategic Planning & Grants
- Connie Ricks-Henley, Administrative Assistant to the Board

Items to be Discussed:

1. BUDGET ANALYSIS

Mr. Edelman expressed appreciation for the Board Members' attendance and Dr. Kriznar's engagement in this process. Appreciation was also expressed to the staff for responding to the questions. He expressed his desire to begin the process with the budget earlier to meet the timeline of the Board's approval. He reminded the committee of their responsibility to provide the Board with information and it is not the committee's responsibility to make the decisions of the Board. He stated the most important questions are numbers 1, 2, 3, and 5, and stated this is the focus of the conversation for the meeting.

Discussion was held on the following questions:

Question 1:

The General Fund's Fund Balance has gone from a balance at the beginning of fiscal 2021/2022 of \$111,144,173 to a tentative balance at the end of fiscal year 2023/2024 of \$50,139,856. What is the reason for this decline? This negative trend will be below the required minimum as of the end of fiscal 2023/2024 and what is the outlook three years beyond fiscal 2023/2024?

Dr. Kriznar and Mrs. Begley joined in the discussion on the following:

- Recent decrease of district staff and budget cuts except for Transportation and Maintenance.



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- What is included in the General Fund balance.
- Outstanding items that still need to be paid from Fiscal year 2022-2023
- Revisions to the \$50 million difference.
- Changes to Family Empowerment to the budget.
- The location of the information for the Bond money was explained.

Question 2:

The large decrease in fund balance has been dramatic over the last few years and it is not sustainable. How is this being addressed? With such a large increase in revenues budgeted, why is there such a big deficit expected/budgeted? What is the reason for using up reserved funds in a period of increased revenues? It was thought that the idea of using reserved funds was for times of revenue decreases.

Dr. Kriznar and Ms. Schultz joined in the discussion on the following:

- Elementary and Secondary School Emergency Relief Fund (ESSER) and timeline of spending was explained.
- Planning for the end of ESSER funding and communications to schools and public.
- A list of required contracts by State Statute will be sent to the Board.
- A list of reoccurring and non-reoccurring contracts list will also be provided to the Board.
- A list of all positions funded by ESSER was requested.

Question 3:

Explain decrease in federal funding in 2022-2023 and then increase in 2023-2024.

Dr. Kriznar and Ms. Harding joined in the discussion on the following:

- Size of district/bridges.
- State Statute requires transportation at 2 miles, District provides it to 1.5 miles.
- Magnet schools.
- HB 1 funding.
- Previously workshopped transportation audit.
- Jacksonville Transportation Authority (JTA) advantages and disadvantages.

Question 5:

The current proposed budget for Food Services is to spend 124.52% of the budgeted revenue. Why is there such a large, proposed budget deficit for this fiscal year when this has not been the historical practice?

Dr. Kriznar and Ms. Harding joined in the discussion on the following:

- Additional federal funding received during Covid allowing free breakfast and lunch to be provided. Also includes various projects to enhance the food service program, including equipment purchases, cafeteria upgrades, etc.
- Limitations by Federal regulations of ending fund balance.
- Fully executing food service capital plan.



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- Possibility of charging those who do not qualify for free/reduced breakfast and lunch.
- Competitive bidding and Request for Products (RFP).
- Only large district that contracts food services out. May need to review this.
- A request to have food services, transportation and maintenance reviewed and compared to other districts.

Question 10:

Explain large increase in general administration. This area has trended at \$16 per Full-Time Equivalent (FTE) over the years, and the budget is \$40 per FTE. Seems out of line with historical spending. Dr. Kriznar and Mr. Culbert joined in the discussion on the following:

- Many operational items were moved over to the IT department.
- Capital budget revenue.
- Comparison to other districts.
- Changes to the copier and internet services.
- Possible changes to the Master Facilities Plan (MFP).

Additional discussion was held on the following:

- Succession planning given the recent changes in positions.
- Internal Board Auditor's position.
- Appreciation was expressed to the Finance Subcommittee for their work.

ADJOURNMENT

The meeting was adjourned at 11:26 a.m.

CRH