

School Finance Accountability Board

Date: Friday, November 4, 2016-1:00 p.m. CDT

Location: MacKay Building Conference Room #5
800 Governors Drive, Pierre, SD 57501

Public telephonic access: 1-866-410-8397/conference code: 2543408891

Present via phone: Jarod Larson, Member
Mike Lodmel, President
Susan Proefrock, Vice President
Eric Stroeder, Member

Absent: Jason Dilges

DOE staff in attendance: Tamara Darnall, Travis Jordan, Susan Woodmansey, Bobbi Leiferman, Denise Bowman

Others in attendance: Other members of the public via telephone.

Call to Order and Roll Call:

Meeting was called to order by President Lodmel, at approximately 1:00 p.m. CDT.

Adoption of Agenda:

Motion by Eric Stroeder, second by Vice President Proefrock, to adopt the November 4, 2016, proposed agenda. Roll call, all present voted in favor. Motion carried.

Approval of Minutes:

Motion by Vice President Proefrock, second by Jarod Larson, to approve the October 3, 2016, minutes. Roll call, all present voted in favor. Motion carried.

Update on Teacher Compensation Survey:

Travis Jordan read an email from Mary Stadick-Smith Director of Operations and Information for the Department of Education to the board explaining why the teacher compensation survey was sent out. Travis Jordan outlined the three main areas that may contribute to districts not meeting the accountabilities as outlined in Senate Bill 131.

Review of Draft Waiver Request Forms:

Travis Jordan presented draft waiver forms to the board for their review. President Lodmel stated that he liked the forms. Vice President Proefrock asked if a reduction in FTE due to deficit spending would be a reason to come in front of the board for not meeting their accountabilities. Travis Jordan stated that would be for the board to decide, but it would fall into number five on the form: un-foreseen or

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extenuating circumstances. Jarod Larson asked the Department of Education when reviewing accountability documents from last year if accountability #1 is referencing new money only or if it is total expenditures on teacher compensation. Tami Darnall explained that Senate Bill 131 has always been based on the total increase in total teacher compensation, not just the new money.

President Lodmel asked if the board would benefit from adding the target accountability amounts to the form to display how much a school district missed each accountability. Travis Jordan stated the Department of Education will add the dollar amount missed and the FY17 reported compensation. Vice President Proefrock asked for a signature line and if the forms will be posted online. Travis Jordan stated that the forms will be part of the annual report and the verification process. Jarod Larson asked how schools will know if they met their accountabilities. Tami Darnall stated that it will be a report that individual school districts will review. President Lodmel stated that he would like to make sure there are no surprises for the school districts. Tami Darnall responded that the Department of Education will review individual districts and follow up with them if not meeting accountabilities.

The board decided to add a signature line and contact information to both forms. The board also decided to keep consistency between the two forms by adding a heading with the school district name.

Discussion on Draft Rules:

Travis Jordan presented the proposed rules asking board members to review the document. Jarod Larson asked if benefits, as defined, by the Department of Legislative Audit should be added. President Lodmel asked Travis Jordan to add in that clarification. Vice President Proefrock asked how hard it would be to change the proposed rules if needed. Travis Jordan replied that changes can be made until the public hearing. President Lodmel asked whether the first reading and public hearing process would be in person or via skype. Travis Jordan stated preferably skype for first reading and an in person meeting for the public hearing. Travis Jordan stated timeline for first reading could be December 7th or 8th and the public hearing would be after session in March. The board agreed to the first reading on December 8th at 1:00pm CST via skype.

Jarod Larson asked whether the proposed rules presented were for both teacher compensation and cash balance penalties. Travis Jordan clarified the proposed rules are only for teacher compensation and not for cash balance. The factors and proposed rules only correlate with the teacher compensation form as that is the only rule making authority this board has.

Travis Jordan asked the board to review section three of the proposed rules as they relate to the timeline for waiver submission and approval. Travis Jordan clarified the reason for the proposed timeline so that it coincides with The Joint Committee on Appropriations meeting schedule. The board discussed the deadlines for waiver submission and decided on the first Friday of November. The board also determined the waiver review timeline and decided a date no later than the last Monday of November. Jarod Larson asked if the Department of Education legal counsel will review the proposed rules. Tami Darnall stated that the Department of Education will try to have legal counsel review before first reading, but legal counsel will review before public hearing. It was also determined that in the proposed rules the Department of Education will notify school districts within ten business days of the Joint Committee on Appropriations decision.

President Lodmel asked for any final questions. Jarod Larson responded that he had a clarifying question for the Department of Education. He wanted to make sure he understood that the board has rule

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making authority for teacher compensation waivers but not for cash balance waivers. Tami Darnall responded the board does not have the authority to promulgate administrative rules for cash balance, only for teacher compensation. The board does have the authority to establish a form and process for cash balance waivers which is different than administrative rule.

Meeting Schedule for School Year 2016-2017:

President Lodmel discussed meeting dates with the board. The board agreed to keep December 8th at 1:00 P.M. CST via skype for the next meeting as discussed earlier.

Adjournment:

Motion by Jarod Larson, second by Vice President Proefrock, to adjourn meeting. Roll call, all present voted in favor. Motion carried.

The meeting was adjourned at approximately 2:00 p.m. CDT.

X T-Jordan 12/09/16

Travis Jordan