

2021 Annual Report

Sales-Surtax Oversight Committee

DUVAL COUNTY
PUBLIC SCHOOLS

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Letter from the Chair



In November 2020, the voters of Duval County approved a half-penny tax for a 15-year period to help raise funds for necessary school improvements. The sales-surtax went into effect in January 2021, with the first funds received in March 2021.

The district committed to putting the sales-surtax funds generated towards construction and renovation of schools, safety and security initiatives, maintenance, and technology projects. The district's Master Facility Plan (MFP) is a guide on how the funds will be spent for the district's traditional public schools. Charter schools are required to utilize the funds for similar purposes as outlined in Florida Statutes, Section 212.055 (6). The goals of the MFP include:

- Address more than $1 billion in maintenance that has been deferred more than 10 years because of state funding cuts
- Enable the district to "right size" and cut administrative costs
- Improve the safety and security of every school
- Remove most portables in schools
- Improve the learning environment for all students by renovating and/or repairing schools and reducing the average age of the district's school buildings

Following the passage of the referendum, an independent Sales-Surtax Oversight Committee was established consisting of twenty-two voting members (twenty active voting members) and two ex-officio non-voting members. The committee meets bi-monthly to review all expenditures using sales-surtax funds to ensure the District and charter schools are using the funds appropriately. I am honored to chair this committee, which is comprised of dedicated community leaders with a wide array of expertise and knowledge in their fields. These members care deeply about our district and the students they serve.

To keep the public informed on how and where their tax dollars are being spent, the District launched a Sales-Surtax Dashboard for traditional schools which went live in May 2021. The community can access the dashboard to see both the financial and project progress. The dashboard provides the timelines and expenditures of projects funded through the half-cent sales-surtax. Projects are also searchable by the name of the school, board member district, project type or project status. In addition to tracking how dollars are spent, the dashboard provides transparency regarding OEO participation. We are proud that the sales tax has generated $110 million, which is ahead of schedule.

The Committee is proud to publish its first annual report. We encourage everyone to read through this report and visit the half-penny website (https://dcps.duvalschools.org/half-penny) to learn about the great things happening in our District.

Thank you for your support,

Hank O. Rogers

Hank O. Rogers, Chair

Executive Summary

Per Board Policy 9.66, the purpose of the Sales-Surtax Oversight Committee is to review, monitor, make recommendations, for consideration, to the School Board and Superintendent, and inform the public on planning, progress, and implementation of the projects funded with proceeds from the School Board's levy of the sales-surtax as set forth in the School Board's Resolution on March 16, 2020, and approved by voters on November 3, 2020.

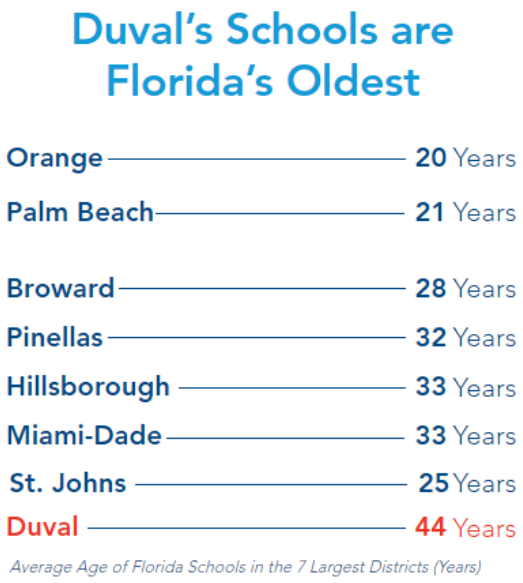
The Committee is established to provide transparency and instill confidence in Duval County taxpayers that projects funded by the sales-surtax proceeds are being delivered according to the Sales-Surtax Plan set forth in the School Board's Resolution.

History

On May 7, 2019, the Duval County School Board passed a resolution to embark on an initiative to ask voters to consider a sales-surtax referendum to fund improvement of aging facilities. State funding cuts since 2008 reduced funding by almost $300 million over 11 years. The reduction caused back-logged maintenance of $243 million at the time voters approved the referendum

This initiative aimed to address the following projects:

- The schools within DCPS are the oldest in the state and in need of basic maintenance and upgrades, like air conditioners, roofing, flooring, and window replacement,
- Some schools are small or operating below student capacity, wasting dollars to maintain the buildings,
- Safety & security are needed to fortify schools,
- New schools and expanded footprints to remove existing portables, and
- Improved investments in learning environments across the county to improve achievement



The initiative also provides a community-wide economic benefit. It will boost our economy, expedite the road to recovery, create thousands of jobs and help hundreds of businesses. It will increase the value of neighborhoods and homes while also improving schools.

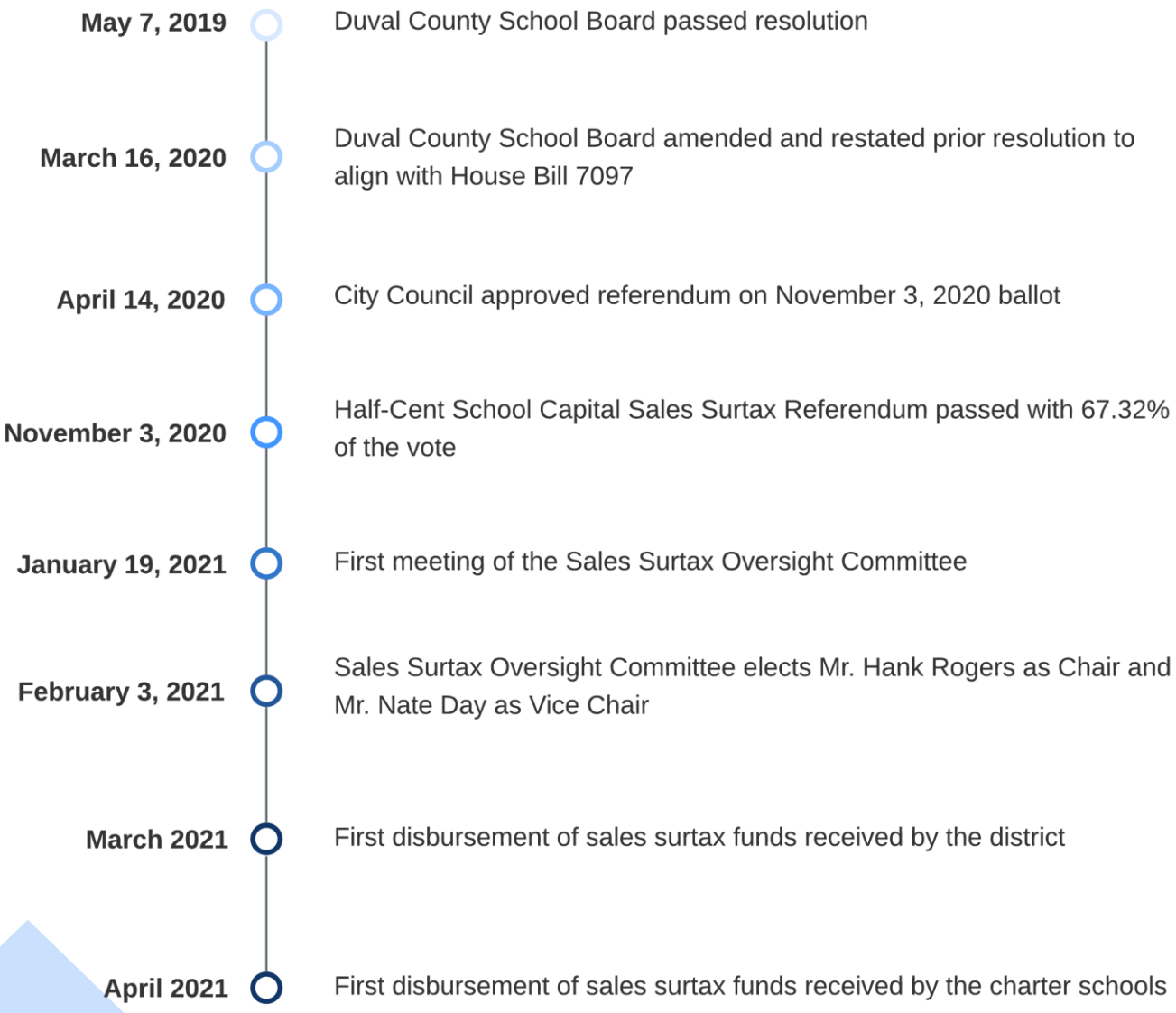
After the School Board engaged the City Council in spring of 2020 and garnered the support for the resolution to become a ballot initiative, Duval County voters passed the half-cent sales-surtax referendum in November 2020.

The district's Master Facility Plan (MFP) is a guide on how the funds will be spent. Overall, projects are specific to facilities, technology, and security projects over fifteen years. Major projects include:

- Construction of 27 new schools
- Improving school security at all schools in the first 5 years
- Remove nearly all portables
- Perform major repairs at all active schools

- Reducing average building age by 11 years (from 46 years to 35 years)
- Remove over 3,000 excess seats
- Perform 16 school consolidations
- Increase school utilization
- Remove over $1 billion in backlog repairs

Historical Timeline



About the Committee

Background

The surtax was overwhelmingly approved by voters in November 2020 and went into effect at the start of the year in 2021. In crafting the approved referendum, the School Board committed to public oversight to ensure revenue collected is spent as promised.

The sales revenue for the district is allocated to fund the majority of the district's $1.9 billion master facilities plan, which the School Board approved in 2019 following a series of community meetings and online public engagement. The facilities plan will address a backlog of maintenance that was deferred following state budget cuts going back to 2009. The plan will also improve the operational efficiency of the district, address safety and security at all schools, and reduce the use of portable classrooms in growing areas.

The Sales-Surtax Oversight Committee was established to provide transparency and provide taxpayers with confidence that sales-surtax proceeds are being used in accordance with the plan set forth in the Duval County School Board's resolution.

The committee is comprised of twenty-two voting members who are representatives of community organizations or an appointee from each of the seven school board members. Additionally, there are two non-voting members: Superintendent Dr. Diana Greene and a student representing the District Student Government Association. To serve on the committee, members must certify that they have no conflict of interest or any financial interest in the projects and initiatives funded through the surtax. The membership of the committee is set in School Board policy 9.66, Sales Oversight Committee.

Their role is to monitor how the revenue from the surtax is spent and to help keep the public informed on the progress and implementation of the sales-surtax plan as set forth in the school board's resolution leading to the referendum.

Responsibilities

- The Committee shall:
  - review and monitor the District's progress, and implementation of the projects funded by sales-surtax for District Schools and any charter schools.
  - advise the Superintendent and the School Board of the District's progress of implementation of the sales-surtax projects.
  - assist in informing the community of the sales-surtax projects and progress by the District; and
  - make recommendations on the use of any surplus sales-surtax revenue or unspent project allocations.
- The Committee shall provide the School Board with an update following each meeting of the Committee.
- The Committee's review and recommendations shall be reported on an annual basis to the School Board, Superintendent, and the community.

Committee Leadership

Hank O. Rogers, Chair

Representative of Jacksonville N.A.A.C.P



Chair Rogers graduated from the University of North Florida, where he received a Bachelor of Arts in Political Science. He went on to further his education at Troy University, attaining his Master's in Public Administration.

Mr. Rogers worked for the Florida House of Representatives for nearly 10 years; he resigned his position to focus more on volunteering and mentoring. He currently works with the I'm a S.T.A.R. Foundation, Inc., in addition he is a Guardian Ad Litem fighting for kids in the foster care system that have no voice, all while serving on various boards and committees, including the Jacksonville Branch N.A.A.C.P.

Nate Day, Vice Chair

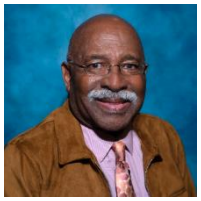
Representative of Northeast Florida Builders Association



Vice Chair Day is vice president of H. Smith, Inc., a local single-family residential development company that builds neighborhoods throughout Northeast Florida. Mr. Day is actively involved in the community, serving as the 2020 president of the Northeast Florida Builders Association, commissioner and 2012-2013 chair of the Jacksonville Planning Commission, and board member of Northwest Jacksonville Young Life.

Mr. Day is a graduate of Duke University with degrees in both electrical engineering and biomedical engineering.

Committee Members – Voting



George A. Barnes
School Board Member Appointee (District 5)



Terrie Brady
Duval Teachers United



Allison Busuttil
School Board Member Appointee (District 7)



Joe Carlucci
School Board Member Appointee (District 3)



Lynette Clinch
Jacksonville Fraternal Order of Police



Lawrence E. Dennis
School Board Member Appointee (District 1)



Rachel Duff
Jacksonville Public Education Fund



Brian Evans
Jacksonville Civic Council



Diana Galavis
Northeast Florida Association of Realtors



Delmas "Dedee" Harper
Greater Arlington/Beaches CPAC



David Hathaway
School Board Member Appointee (District 2)



Michael J. Hawk
DCCPTA (Parent Organization)



Alberta Hipps
School Board Member Appointee (District 6)



Maurice J. Martinez
School Board Member Appointee (District 4)



Kelly Pourciau
Jacksonville Regional Chamber of Commerce



Dr. Pamela Richardson Wilks
Edward Waters College (Post-secondary Institution)



Monique Tookes
Jacksonville Joint Planning Committee

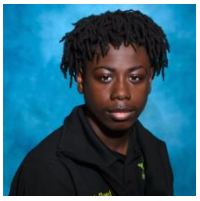


Dr. John White
City of Atlantic Beach (Non-consolidated Cities)

Committee Members – Ex-Officio



Dr. Diana Greene
Superintendent



Ja'Kori Reed
District Student Government Association

Meeting Dates and Topics

The Committee held its first meeting on January 19, 2021, and an orientation was given to all members. Training included the role of the Oversight Committee and Operating in the Sunshine. During its first year, the Committee met eight times and ultimately, at the September 2021 meeting, the Committee voted to meet on a bi-monthly basis, or as needed.

During the first few scheduled meetings, the Committee established its roles and procedures. Throughout the year, it has worked closely with Duval County Public Schools to review project statuses, review financials, and receive departmental updates.

At the February 3rd, 2021, meeting, members elected Mr. Hank Rogers as their Chair and Mr. Nate Day as Vice Chair. Per Board Policy 9.66, their terms of office shall expire the earlier of 2 years or the officer no longer being a member of the Committee.

All committee meetings are open to the public and community members are invited to attend and provide input during the public comment portion. Meeting notices and agendas are posted on the half-penny website at https://dcps.duvalschools.org/half-penny.

Date	Purpose
January 19, 2021	• Orientation for Committee Members • Purpose of the Sales-Surtax Oversight Committee • Florida Sunshine Laws was explained and the necessity of compliance.
February 3, 2021	• Chair and Vice Chair elected • Department overviews of Finance, Operations, and Communications • Financial reporting process was explained • District's Half-Penny website introduced
March 17, 2021	• Staff presented on District charter school eligibility and the Charter School Reporting Template • Committee members voted to send a communication letter to charter school principals regarding the reporting template • List of charter schools eligible for sales-surtax funds provided to the Committee
April 21, 2021	• Staff gave a demonstration of the referendum online dashboard scheduled to go live May 2021 • Discussion took place regarding the first disbursement of sales-surtax funds • Staff presented the charter school engagement timeline • Staff spotlighted Rutledge Pearson Elementary project and went over charrette schedule and conceptual layouts
May 19, 2021	• Staff gave an update on work in four major areas – Rutledge Pearson Elementary replacement, safety and security upgrade projects (Biltmore Elementary School, Lake Shore Middle School, Fletcher High School), RFQ's and Forms of Agreement, and PMIS Systems and Technology • Staff presented the Master Facilities Plan projection costs • Committee discussed sales-surtax collected so far for January and February which was over $13 million dollars • Committee members voted to not meet in July and August and to re-convene in September
June 16, 2021	• Staff gave an update on the community input meeting held for Rutledge Pearson Elementary • Staff reviewed the allowable expenditures for traditional and charter school with sales-surtax funds according to Florida Statute, Section 1013.62

Date	Purpose
	• Committee members were tasked with reviewing the first quarter charter school reports over the summer break and discuss at September meeting
September 15, 2021	• Committee members received updates on Rutledge Pearson Elementary replacement, Chaffee Trails New 6-8, Highlands Elementary replacement, Southside Estates Elementary replacement, and North Shore Elementary deferred maintenance • Staff presented feedback from the first charter school quarterly review • Resignations received for two members – Linda Lanier and Stephanie Garry Garfunkel • Committee members voted in favor of presenting the School Board with their proposed revisions to Board Policy 9.66 regarding the attendance policy • Committee members voted to change their meeting to every other month, on the third Wednesday
November 17, 2021	• Introduction of two new committee members Dr. John White (representing City of Atlantic Beach) and Rachel Duff (Jacksonville Public Education Fund) • Committee Members reviewed the Charter School Second Quarter Reports • Committee voted to send a letter to leadership of those charter schools whose reports appeared to not be in compliance of allowable expenditures.

Financials

Sales-Surtax Collections

Month	Charter	District	Total
January 2021	$907,748.27	$5,781,263.01	$6,689,011.28
February 2021	$918,407.84	$5,849,151.48	$6,767,559.32
March 2021	$1,166,732.57	$7,430,680.49	$8,597,413.06
First Quarter Discretionary*	$311,740.39	$1,985,410.79	$2,297,151.18
First Quarter TOTAL	$3,304,629.07	$21,046,505.77	$24,351,134.84
April 2021	$1,103,541.10	$7,028,227.48	$8,131,768.58
May 2021	$1,069,593.12	$6,812,019.78	$7,881,612.90
June 2021	$1,114,155.56	$7,095,828.84	$8,209,984.40
Second Quarter Discretionary*	$452,794.63	$2,883,756.38	$3,336,551.01
Second Quarter TOTAL	$3,740,084.41	$23,819,832.48	$27,559,916.89
July 2021	$1,074,297.57	$6,935,274.44	$8,009,572.01
August 2021	$1,007,992.14	$6,507,230.95	$7,515,223.09
September 2021	$1,038,536.81	$6,826,942.36	$7,865,479.17
Third Quarter Discretionary*	$523,891.91	$3,382,833.71	$3,906,725.62
Third Quarter TOTAL	$3,604,222.78	$23,692,777.11	$27,296,999.89
October 2021	$1,081,177.94	$7,107,248.70	$8,188,426.64
Survey 2 True-Up	$(283,599.64)	$283,599.64	
November 2021	$1,018,349.29	$7,191,144.64	$8,209,493.93
December 2021	$1,279,195.90	$8,271,654.14	$9,550,850.04
Fourth Quarter Discretionary*	$677,298.61	$4,379,610.36	$5,056,908.97
Fourth Quarter TOTAL	$3,772,422.10	$27,233,257.48	$31,005,679.58

**Florida sales tax collected from out-of-state vendors*

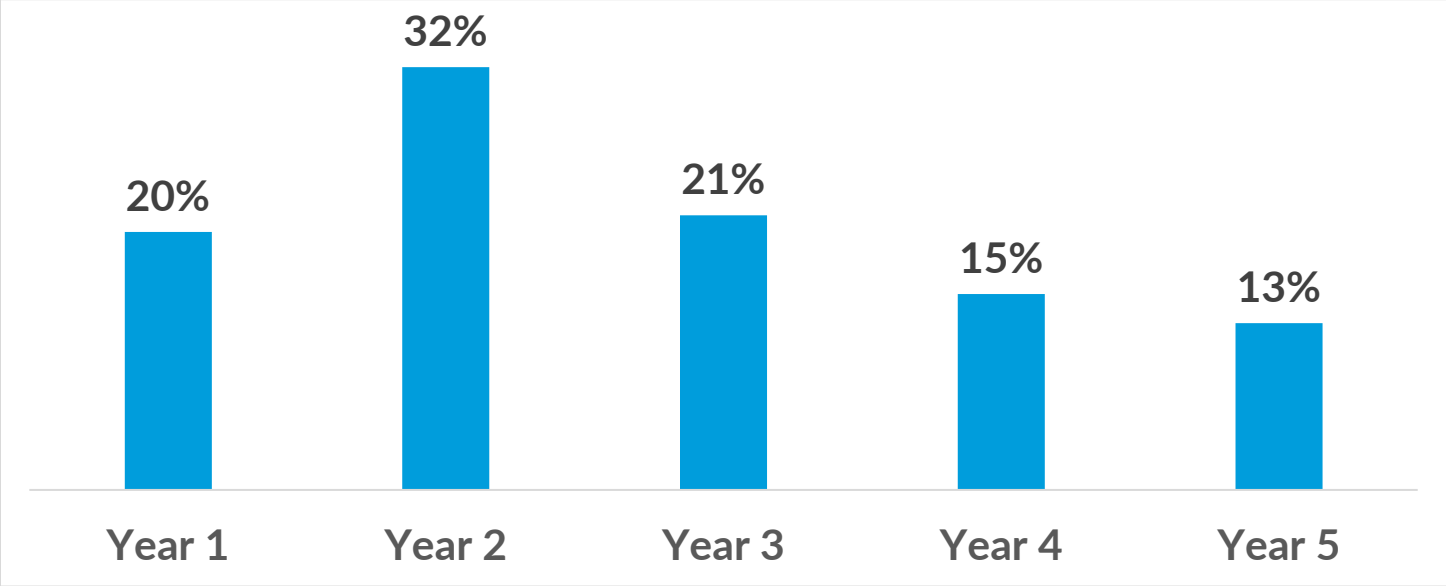
Sales-Surtax Expenditures

The revenues collected must be shared with eligible charter schools based on their proportionate share of the total school district enrollment. Pursuant to Section 1002.33(17), Florida Statutes, each charter school shall report its student enrollment to the sponsor as required by Section 1011.62, Florida Statutes and in accordance with the definitions in Section 1011.61, Florida Statutes. These statutes govern the reporting of full-time equivalent membership (enrollment) by schools and determines funding. The allowable expenditures table outlines the uses for the funds for traditional public schools and charter schools.

Allowable Expenditures

Usage Area	Public Schools	Charter Schools
Construction/Facility Improvement	✓	✓
Land Acquisition	✓	✓
Technology	✓	✓
Bonds	✓	✗
Accrued Interest	✓	✗
Purchase of Relocatables	✗	✓
Purchase of Student Transportation Vehicles	✗	✓
Purchase of Insurance	✗	✓
Motor Vehicles	✗	✓
Media Collections	✗	✓

Projected Annual Funding: Years 1-5



Sales-Surtax Oversight Committee Review & Recommendations

The Oversight Committee is pleased with the progress of the district's transparency and compliance with implementing the Master Facility Plan in accordance with the requirements in the resolution. During a pandemic, the Oversight Committee appreciates the Board and Superintendent for their visionary leadership and keeping the promises made to the community. While we appreciate the district's reporting, the Oversight Committee continues to be concerned with the lack of transparency of some of our charter schools' reporting.

- The Committee would like to continue to see the district promote participation and opportunities with minority and small businesses
- The Committee provided oversight of the following highlighted projects within the district:
  - Rutledge Pearson Elementary School Replacement
  - Chaffee Trails New 6-8
  - Highlands Elementary School Replacement
  - Southside Estates Elementary School Replacement
  - North Shore Elementary School Deferred Maintenance
- 42 projects are currently on track as outlined in the Master Facility Plan
- The district has budgeted $182,832,932, and contracted (committed) $6,276,282 in projects around the county.

The Committee makes the following recommendations for the upcoming year.

Recommendations

- The School Board and Superintendent should work with an outside agency to develop a Charter School dashboard that is housed on the same website as the district's dashboard.
- Utilize other communication methods to ensure information is being disseminated to all members of the community instead of relying on the half-penny website. This could include having city council members include sales surtax updates in their newsletters or at their town hall meetings, broadcast on local radio stations, or utilizing local news outlets and their social media sites to provide updates.
- Advertise "Your half-penny at work" signs in front of each school with an active project.
- The School Board and/or Superintendent should determine whether to pursue an outside opinion on the clarity of the allowed uses of expending sales surtax funds.