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LEWISVILLE INDEPENDENT SCHOOL DISTRICT

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Board of Trustees
Lewisville Independent School District

August 8, 2022

Denton Central Appraisal District Board of Directors
3911 Morse Street
Denton, Texas 76208

To the Board of Directors for the Denton Central Appraisal District:

As you no doubt are aware, there has been great concern communicated by and between DCAD taxing entities regarding the budget proposed and approved by the Board of Directors on July 28, 2022. We also know that at least one entity, thus far, unanimously approving a resolution that disapproves of the DCAD budget. As we are, by far, the largest taxing entity you serve, Lewisville ISD is particularly concerned with the state of your organization. Our primary concern is not the approximately $500,000 increase in the Lewisville ISD portion of the DCAD budget; rather, we write this letter to explain our much greater concern regarding the lack of competent leadership within DCAD that we believe is necessary to ensure that these additional funds are spent appropriately and actually produce the desired result – fulfillment of DCAD's obligations to the taxing entities. Specifically, the actions and behavior of Chief Appraiser Hope McClure have caused a significant erosion of trust in the ability of DCAD to function effectively, regardless of how much money or how many new employees are committed to the cause.

LISD received notice on July 21, 2022, that we would once again not receive certified values from DCAD by the July 25th deadline. On July 27, 2022, at 10:31 a.m., LISD Chief Financial Officer, Paige Meloni, sent a letter to Ms. McClure expressing the District's concerns and the potentially negative financial impact that will likely result to the District. At 12:36 p.m., Ms. McClure had already drafted and transmitted her response letter to Ms. Meloni. Rather than make any attempt to initiate a discussion with Ms. Meloni, find common ground, or discuss solutions, Ms. McClure's letter puts the blame for DCAD's failings back on LISD and the other taxing entities and accepts no personal or organizational responsibility for the failings within DCAD.

- "As Chief Appraiser, I have done everything in my power. Truly, all the power to change Lewisville ISD's future certified rolls and property value study, lay in your own hands."

- "Denton CAD cannot approve its own budget and an increase to FTEs. That can only be done by the Denton County Taxing Entities."

- "Denton County Taxing Entities have the **power** to change that for the Denton Central Appraisal District. I ask you to be part of the solution and help us solve the problem at hand."

Ms. McClure's statement that only the taxing entities have the power to approve the DCAD budget is patently false. Section 6.06 of the Texas Tax Code explicitly sets out the process for approval of the appraisal district budget. The DCAD Board of Directors shall hold a public hearing to consider the budget and shall finally approve a budget before September 15. The taxing entities have no authority to approve the DCAD budget.

LISD may pass a resolution to disapprove of the budget, but that action only has legal effect if a majority of the taxing entities pass similar resolutions. In effect, individual taxing entities have no power to demand action or performance by the Chief Appraiser, direct the operations of DCAD, or modify the DCAD budget. Only the DCAD Board of Directors has the authority to address this situation.

> *Texas Tax Code Sec. 6.05*
> *(c) The chief appraiser is the chief administrator of the appraisal office. Except as provided by Section 6.0501, the chief appraiser is appointed by and serves at the pleasure of the appraisal district board of directors.*

DCAD's response to the Western Valuations Report is further evidence of a Chief Appraiser who is unwilling to reflect on her own performance or the performance of the organization under her leadership. Rather than make a commitment to improve culture within DCAD, Ms. McClure instead attacks the auditor and attempts to discredit his conclusions. Rather than outline solutions for internal issues identified, DCAD's response document reads as a resumé and letter of recommendation for Ms. McClure herself. It is difficult to reconcile Ms. McClure's constant claims that DCAD is underfunded and understaffed with the expenditure of significant DCAD personnel time towards drafting this self-serving personal advertisement.

Our concerns center squarely on Chief Appraiser Hope McClure's refusal to accept responsibility for the failings of DCAD and refusal or inability to engage in a productive conversation about the issues within the organization that require correction. Ms. McClure's message has been heard loud and clear: She wants money without accountability. She does not intend to be partners with LISD or other taxing entities in addressing these challenges together. As we said at the outset of this letter, our primary concern is not the budget increase but the lack of trust that these additional funds will correct the issues within DCAD. We recognize that staff increases may be necessary for DCAD; however, we have serious reservations as to the leadership of Ms. McClure and her ability to shepherd DCAD through and out of this situation.

As has been stated in previous correspondence from the LISD administration: An estimate in lieu of certified values creates confidence issues for school district revenue projections within the constraints of the House Bill 3 timelines for setting the tax rate under the Education Code. In light of the issues outlined above and in previous correspondence from the LISD Administration, we believe that a leadership change at DCAD is needed to ensure that the needed improvements are made in serving the interests of the taxing entities. The DCAD taxing entities and taxpayers deserve a Chief Appraiser that will issue certified values on time, believes in true accountability, and will work in good faith to create and maintain positive relationships with the taxing entities for the betterment of our communities.

We trust that you will take into consideration the concerns we have laid out within this document and the concerns that have and will continue to be expressed by the DCAD taxing entities.

With Appreciation,

Lewisville ISD Board of Trustees

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