



## **Report to the Board of Education From the Community Financial Review Committee**

**By: Paul Lloyd, Committee Chair**

**Monday, November 12, 2007**

The Community Financial Review Committee met for its second time on Thursday, November 1, 2007 at the Linden Park Offices. All ten committee members were in attendance including seventeen members of the public. The committee is comprised of the following:

- (4) Community Representatives
- (1) Red Clay Education Association Representative (RCEA)
- (1) Red Clay Consolidated School District Representative
- (2) Members of the Board of Education
- (2) Representatives from the Delaware Department of Education (DOE) Financial Recovery Team

The agenda for the meeting included setting aside time for a report from the Organizational Subcommittee, a “Budget Building” presentation from the Finance Director, a discussion on the draft version of the monthly financial report, and a period for public comment.

### **Opening Discussion**

At the beginning of the meeting, Red Clay School Board President Mr. Irwin Becnel requested the floor to address issues surrounding recent adjustments to district staffing and services. He assured those in attendance that while the DOE Financial Recovery Team serves in an advisory capacity regarding budget cuts, it is the responsibility of the district administration to make all staffing decisions. The current round of staffing changes at various Red Clay schools was in response to the September 30<sup>th</sup> final unit count.

### **Organizational Subcommittee Report**

Since the Community Financial Review Committee is in its infancy, Jane Rattenni, Chairperson of the Organizational Subcommittee, and members of her group were tasked with coming up with the necessary guidelines under which the committee will operate. At the meeting, she presented her recommendations, which included the following:

1. Voting Members -
  - Community Representatives: John Allison, Paul Lloyd, Jane Rattenni, and Tom Shopa
  - RCEA Representative: Michael Bank
  - School Board Representatives: Jack Buckley and Gary Linarducci
2. Slate of Officers for Consideration –
  - Chair: Paul Lloyd
  - Vice Chair: Tom Shopa

- Recording Secretary: John Allison
- Note: All officers for consideration were subsequently elected unanimously
3. Length of Service –
    - Community Representatives were divided into two and three year commitments, so everyone's term would not expire at the same time
    - The Chair and Vice Chair would initially serve for three year terms
    - The RCEA Representative would also have a three year commitment
  4. Future Meeting Dates, Time, and Location –
    - The committee will convene its meetings on the first Monday of the month
    - Meeting times will be 6:30 to 8:30 PM
    - At least 20 minutes of each meeting will be dedicated for public comments
    - For the first six months the committee will meet at Linden Park and then rotate to other schools in the district
  5. Meeting Agenda –
    - The Chair will be the clearinghouse for agenda items
    - The Chair, Vice Chair, and Secretary will set the agenda and review with the Finance Director, Jill Floore, prior to the meeting
  6. Protocol for Monthly Reports to the Board –
    - The Chair, or other designee will submit a written report and then follow-up with a presentation to the board
  7. Media Liaison –
    - The Chair and Vice Chair will be the committee representatives to the media

### **Other Business**

A roundtable discussion followed the presentation of the Organizational Subcommittee focusing on what should be the committee's primary mission. All members agreed that one important task will be to review the monthly financial reports before they are submitted to the board. The goal is to provide financial oversight allowing community involvement in the budget process. Board members on the committee cautioned that we will not be setting district financial policy, or dictating how the administration spends its funding. That means that we will review financial reports, but not make or approve budget and/or expenditure decisions. The committee will be able to express concerns or make recommendations to the board, and that information can be acted upon at the board's discretion.

### **Financial Director's Presentation**

Jill Floore provided the committee with copies of Red Clay's FY 08 Preliminary Budget and reviewed its content, so committee members could see the various sources of revenue and how expenditures are categorized. Also, a draft copy of the monthly financial report was circulated utilizing the DOE standardized reporting format that is now required under Delaware General Assembly's House Bill 21. The monthly financial reports will have at least a one month lag time before the committee will be able to review its content, due to the time constraints it takes to close out the finances for the month and produce the report.

The committee also plans to look at the School District Financial Position Reports that are filed three times per year (February 1, May 1, and August 1), when they become available. The Financial Position Report underscores the total available funds available to the district, minus projected local obligations. It is a good tool to gauge the district's overall financial health.

Jill Floore reported that 79% of local school taxes have been collected and deposited by New Castle County, so far totaling \$31 million dollars. DOE has also met its financial obligations to date.

### **Public Comments**

Community comments during the meeting were centered on three major themes:

- Staffing cuts, particularly paraprofessionals at the Meadowood School, and the recent changes that occurred after the September 30<sup>th</sup> count, contributing to classroom overcrowding
- Funding that has been cut or frozen for school programs
- Discretionary spending decisions, such as the funding of positions solely with the use of local funds

### **Next Meeting Date and Time**

Monday, December 3, 2007, 6:30 - 8:30 P.M. at the Linden Park Offices.

### **Future Action Items**

At the next meeting we anticipate getting our first look at a monthly financial report that has real numbers. It will be for the month of October, and will be based on the new template being finalized by DOE. It is hoped that the Finance Director will have the report completed in time to send it out to the committee members before the meeting, so everyone will have time to review the document and prepare questions or concerns.

The committee now has its own link on the Red Clay website. Steps are underway to allow for people to email the Financial Review Committee and receive a response in return. Some logistics on this matter still need to be worked out.

On December 12, 2007, the Delaware School Boards Association (DSBA) will be holding a workshop so that attendees can learn the nuances of public school financing. Members of the Community Financial Review Committee are planning to attend. The time and location have yet to be determined.

Respectfully submitted,

*Paul Lloyd*

Paul Lloyd, Committee Chair