



# Committee minutes

--Community Financial Review Committee			
12.8.2015		5:30 – 6:15 PM	
District Office Board Room			
Meeting called by	Jane Rattenni, Chair		
Type of meeting	Monthly Financial Review		
Facilitator	Jane Rattenni, Community Member		
Minutes	Laura Palombo, Red Clay		
Timekeeper	Jane Rattenni, Community Member		
Attendees	Bill Doolittle, Monica Henry, Larry Miller, Tom Pappenhagen, Jane Rattenni, Fairlight Zimmerman;		
	Community Members; Mike Piccio, BOE Members; Jill Floore, Red Clay CFO;		
	Victoria Seifred, RCEA Representative; Henry Klampett, Community Attendee		
Minutes			
	Jane Rattenni, CFRC Community Member		
Discussion:	A review of the November 2015 meeting minutes. Mr. Doolittle moved to accept the minutes and		
	Mr. Pappenhagen seconded. The motion carried.		
Action Items	Person Responsible	Deadline	
DOE Financial Committee training schedule to RCEA Rep, V. Seifred	Jane Rattenni		
Red Clay Financial Committee orientation to RCEA Rep, V. Seifred	Jill Floore		
Monthly Reports			
	Jill Floore, Red Clay CFO		
Discussion:	Ms. Floore presented the reports for the end of November 2015. See Section I attached.		
Action Items	Person Responsible	Deadline	
Request for presentation topics	Committee Members	January Meeting	
Copy of Dept. of Education Budget Requests	Jill Floore	January Meeting	
Realign the expense spread sheet alphabetically	Jill Floore	January Meeting	
WEIC Update			
	Jill Floore, Red Clay CFO		
Discussion:	Ms. Floore gave an update on the WEIC findings. See Section II attached.		
Action Items	Person Responsible	Deadline	
Announcements			
	Jill Floore, Red Clay CFO		
Discussion:	The next meeting will be held January 12, 2016 in the Brandywine Springs Teachers' Lounge		
Action Items	Person Responsible	Deadline	



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## Red Clay Community Financial Review Committee Tuesday, December 8, 2015

### I. Monthly Reports

Ms. Floore distributed a copy of the November 2015 Expenditure Reports.

In revenue we are 101.7% received for local funds. Most of our tax payments are in. However, two factors will occur in December. We make 35% of our charter payments as a preload in the beginning of the year. Which is one of the reasons we are required to have a balance at the end of the school year. The other is to cover salaries until our taxes are received. Now that 30<sup>th</sup> count has been completed, the 65% balance will be paid. This was, at one time, listed as an expense, but now is listed as a budget transfer directly from the revenue. This 65% comes to approximately \$6 million. We are also a net choice importer. We pay out for charter schools, however, with choice schools, we received as well as pay out depending on students locations. We are a significant net importer which means approximately 2,000 students come to Red Clay from other districts vs. 200 Red Clay students go to another district. The November report includes revenues received but not the net of choice and charter transfers so that is the reason we are currently over 100%.

Ms. Floore is currently working on the 2016 Final Budget for the Board. We are seeing an increase in students attending charter schools because the number of seats in charter schools are expanding and more schools are available to students. Charter School of Wilmington includes a Red Clay preference for example. Our local taxes support any student within Red Clay's borders regardless of the type of school (charter or tradition) or which district they attend. Delaware MET is a brand new charter school this year. The State Board of Ed will be voting in December on its future. The Accountability Committee is staffed by members of DOE and the charter school network. There has been a recommendation that there be a termination of MET's charter mid-year. This is highly unusual. Therefore, we are in a holding pattern on their payment. 50 students who attend MET have a Red Clay feeder pattern. We could potentially receive all 50 back mid-year. It is presently being discussed for a special choice option for those students for schools currently with open choice seats. These are 9<sup>th</sup> and 10<sup>th</sup> grade students. The State has made an assurance of the students will come with funding. There is a question of prorated costs and units. There are a disproportionate amount of special education students at Delaware MET. Part of the findings in the recommendation to terminate is that those students are all out of compliance. Extra work will be required to update IEPs. Ms. Rattenni asked when this was taking place. Ms. Floore stated next week. Mr. Doolittle asked if the Delaware MET transition will require a supplemental budget? Ms. Floore answered no we typically only have a preliminary and final budget.

For expenditures, our target at this point in the year would be 41.7%. We are at 41% expended and encumbered and 38.4% expended. Looking at last year, we are just below 38.7% expended at this point.



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Special education is only 37% expended but 93% expended and encumbered. This is an example of good budgeting. They have gone through their plan and contracted their speech, physical and occupational therapies for the students for the year. We have a new director of Special Education, Sarah Celestin, and she is working with our office on these contracts.

Referendum Technology and Instruction has a \$600,000 encumbrance. Which is the initiation of our one-to-one technology initiative. The items have been ordered and placed the access points in the schools. This initiative is for 3<sup>rd</sup>, 6<sup>th</sup> and 9<sup>th</sup> grades.

Division 1 salaries is 41.2%. We are on 11 of 26 payrolls. We are just slightly under the 42.3% we would expect to be. When we moved Central School and RPLC students to their feeder schools, those two together were balanced and predictions were made as to how many teachers were going to move out of Central and RPLC. All of the former Central teachers are paid from Division 32. We estimated that more RPLC teachers would leave. However, RPLC retained almost the same unit count due to the increase in needs for the 3 and 4 year old programs. RPLC has the 5<sup>th</sup> grade there this year, the autism program, as well as the 3 and 4 year old program. Expenses will be moved in the final budget so the expenses will be closer to budget and aligned with the progression.

The bottom line 38.4% expended and 41% expended and encumbered. Which puts us slightly under budget and exactly where we'd like to be.

For the benefit of the new members, Ms. Floore explained the history of the committee and the purpose of the expense report detail. Ms. Floore asked the members to consider what department presentations they would like to see in the upcoming months.

Ms. Thompson asked if the priority school was its own line on the expense report. Ms. Floore explained it is not on the report. The expenses are shown under School Based Intervention, line 55. The funding will be placed there for the final budget. When this preliminary budget was developed, we believed it was federal money coming in. It has actually been funded with State money. It doesn't show on the federal report, and it will be added in the final budget. It was \$366,000 for each school.

Ms. Thompson asked if the spreadsheet could be listed by alphabetically. Ms. Floore explained that we could list it however they'd like. We can do that next month to see how well that works for the committee.

Mr. Miller asked if while finalizing our budget for 2016, we are developing our 2017 budget. Ms. Floore stated that the Governor will come out with the State budget in January. We then we have a presentation in June on the 2017 preliminary budget. Mr. Miller asked if the State comes to us for additional information. Ms. Floore explained that there was a business manager meeting last week. The Dept. of Education had requests. The School Chiefs asked for band width. Many of us have pointed out that it conflicts with the WEIC discussions on funding ELL needs and poverty as poverty is a



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statewide issue. Ms. Floore will bring a copy of the Dept. of Education's budget requests to the committee.

Ms. Henry asked if DOE comes back to the districts if there is a deficit to ask us for recommendations on cut backs. Ms. Floore explained that we can make very little mid-year changes due to the contractual obligations to staff. The timing for cuts in the next year mean that we must know them in anticipation of the May statutory notice deadline. In 2008, we had large cuts. Many people went to Dover to protest. We need to let teachers know by the end of May of contracts for the following year. The state has to give us firm numbers by May. DOE is aware of the deadlines. Mid-year cuts are difficult on school districts as the majority of discretionary funds at that point are purely local.

Ms. Rattenni asked for a motion to accept the expenditure report. Mr. Miller made the motion, Mr. Pappenhagen seconded. The motion carried.

## **II. WEIC Update**

Ms. Floore distributed the funding pages of the WEIC. As requested by this committee, Ms. Floore has submitted the CFRC statement as public record to the WEIC report.

There was an initial draft on November 17<sup>th</sup> with a revision on December 1<sup>st</sup>. We are currently looking at the December 7<sup>th</sup> update. Every time there is a discussion, there has been some revisions going forward. WEIC is its own entity and they will have their own recommendations, but Ms. Floore feels they are accepting the input from Red Clay.

There is a meeting tonight at Warner Elementary that Ms. Floore is attending. There is another meeting this coming Monday at the City Council. Tonight is the last one that goes into the public record. The current estimate for transition year is 2018 start date.

## **III. Public Comments**

Mr. Klampett asked if there was follow-up on the CFRC question raised. Ms. Floore said she was researching. There are no further public comments to the CFRC at this time.

## **IV. Announcements**

The next meeting will be held Tuesday, January 12<sup>th</sup> in the Brandywine Springs School Teachers' Lounge at 6:30 PM.