

District Response to Financial Recovery Team (FRT) Report

December 19, 2007

Dear Members of the Red Clay Community:

On behalf of the Red Clay Board and administration, I want to thank Dorcell Spence, the Financial Recovery Team, and Secretary of Education Valerie Woodruff for their time and assistance in examining financial issues facing the District. The financial review process within the District has been ongoing since the fall of 2006, several months before the Financial Recovery Team began working with district officials. Financial warning signs were noted last fall, and spending reductions were implemented as early as January 1, 2007.

I accept the findings of the Financial Recovery Team which help clarify our concerns with business processes and procedures within the District. The Financial Recovery Team, with its state-wide perspective, has offered valuable suggestions for best practices in state budgeting and accounting areas that we will carefully consider. Red Clay staff has been working collaboratively with the Financial Recovery Team to implement changes in district budgeting and staffing procedures for the past four months. This recovery process has been intense but well worth the effort. The District has prepared a financial "report card" of its own, identifying our responses to the Financial Recovery Team's report.

We are also pleased to acknowledge the work of the Red Clay Community Financial Review Committee that began meeting in October 2007. Mr. Paul Lloyd serves as the chair of this committee, and we are very appreciative of the time that he and other committee members have volunteered to provide financial oversight and reporting to the Board, administration, and community.

With the assistance of the Financial Recovery Team and the leadership of Jill Floore, Red Clay's Director of Finance, we are now fully informed as to what took place in fiscal years 2007 and 2008 that contributed to the current financial condition.

The District has always been committed to providing maximum financial support to our schools. In some areas, the District provided financial support to schools beyond what state funding formulas allocate. I regret that we can no longer maintain our previous levels of financial support in some key personnel areas, including para-professionals, secretaries, technology support personnel, and administrators. We no longer have sufficient local money to supplement existing state funding formulas in these areas. The District will, however, continue to provide maximum support to our schools within reduced budget allocations.

This has been a very difficult time for me, as it has been for all of you. As the leader of this District and a member of the district staff for 30 years, I want to personally apologize to everyone who has been hurt by the current financial conditions. I also want to assure you that I am committed to seeing that the financial recovery moves forward. With your support, the

District will regain the trust of our community and regain our status as the premier school district in the state.

In closing, Red Clay has a proud tradition of excellence in serving students and families. As we look ahead to the New Year, the District administration and Board reaffirm their commitment to providing you with more open and effective communication in all areas of district operations. We also reaffirm our commitment to providing the best possible educational experience for the students we serve.

Sincerely,

Robert J. Andrzejewski, Ed.D.