



Committee minutes

Community Financial Review Committee		
2.9.2015	6:30 PM to 8:30 PM	Brandywine Springs Teachers' Lounge
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	Jane Rattenni, Bill Doolittle, Ed Gregware, and Tom Pappenhagen, Community Members; Steven Fackenthall, RCEA Member; Mike Piccio, BOE Member; Jill Floore, Red Clay CFO;	
Minutes		
	Jane Rattenni, CFRC Community Member	
Discussion:	A review of the January 2015 meeting minutes. Mr. Piccio moved to accept the minutes and Mr. Pappenhagen seconded. The motion carried.	
Action Items	Person Responsible	Deadline
Referendum Update		
	Jill Floore, Red Clay CFO	
Discussion:	Ms. Floore gave an update on the upcoming referendum. See Section I attached.	
Action Items	Person Responsible	Deadline
Financial Position Report		
	Jill Floore, Red Clay CFO	
Discussion:	Ms. Floore presented the January Financial Position Report. See Section II attached.	
Action Items	Person Responsible	Deadline
Monthly Reports		
	Jill Floore, Red Clay CFO	
Discussion:	Ms. Floore presented the reports for the end of January 2015. See section III attached.	
Action Items	Person Responsible	Deadline
Announcements		
	Jill Floore, Red Clay CFO	
Discussion:	The next meeting will be held March 9, 2015 in the Brandywine Springs School teachers' lounge.	
Action Items	Person Responsible	Deadline



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Red Clay Community Financial Review Committee Monday, February 9, 2015

I. Referendum Update

Ms. Floore gave an update of the Referendum outreach. The Red Clay record is being prepared to send out detailed information to the community. Staff is attending information meetings to explain the referendum including PTA and PTO meetings including the most recent Charter School of Wilmington meeting. A lot of the information is being distributed by the parent led committee, including social media. The Red Clay Parents for Students Facebook page has been up for some time and has 670 “likes”.

The majority of questions have been about other things going on such the Priority Schools. The main message has been consistent and that the Referendum is not about a specific issue but it is about basic funding for all schools and students. The numbers of supporters has been very positive but you never know going into Election Day.

Ms. Rattenni explained that the Christina School District is also going for a referendum on the same day we are. Ms. Floore stated that Christina’s requested tax increase is larger than Red Clay’s. Mr. Fackenthall asked when Christina last went to referendum. Ms. Floore explained it was May 2010. They had a referendum 2007 and then in 2010. Our last referendum for operating expenses was 2008.

At the end of January, the Governor released a recommended budget. Part of the proposal of the budget on the revenue side was to decrease the senior tax exemption for school taxes. The state offers a property (school) tax credit to seniors based on age. The maximum is \$500. The senior gets the credit but the State would then pay the school district the money making us whole. If it didn’t exist, the senior would have to pay the entire amount. The district is made whole either way. It is not a Board or school district decision. The proposal in the budget is to cut the credit maximum in half or by \$250. This makes a referendum extremely difficult for the seniors. We need an increase but the state just proposed doubling what seniors would pay. We have no numerical data on seniors’ opinions and voting but this proposal certainly won’t be helpful.

There is a pep rally the night before the vote. Elementary schools are making “wagon” floats and students and athletes are performing. We held a similar rally in 2008 and found that after a long 6 months of preparing rallying that last momentum of energy right before Referendum day was really helpful for the volunteers. Many schools are having performances at their schools in the evening to encourage parents to come out to vote. We face a significant problem because voting does not begin until 10:00. It is 7 am for general elections. This is a huge disadvantage for working parents who drop their kids



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off at school and may not make it back. Mr. Doolittle stated he has heard dissatisfaction among parents in general but not enough not to fund the students.

Ms. Rattenni asked about any new information on the task force that is reviewing the schools in the City of Wilmington and the possibility of merging the schools to Red Clay? Ms. Floore stated that the Wilmington Task Force released an interim report. The report is not just on education. The task force is chaired by Dr. Tony Allen and has made several recommendations. Now, they are collecting feedback and having town meetings. It has confused our voters. But there is nothing decided yet. The general idea of the recommendation is that Colonia and Christina no longer serve the City of Wilmington, and the schools therein would be rolled into Red Clay. There are other recommendations for funding streams for students residing in the city including a moratorium on charters. One of the recommendations is that they have a strategic plan for charter schools to better plan. There are three proposed new charter schools next year in the city of Wilmington alone.

The task force also stated that these are things that have been recommended for the last 20 years and no one has acted on it. Mr. Doolittle stated that there is also a separate bill on the moratorium of charter schools within the City. Ms. Rattenni stated that some charter schools have a preference zone and others do not. She feels that needs to be looked at. Ms. Rattenni also feels the education portion of these recommendations will not be shelved. The consensus of the state officials is that the City crime is linked to jobs and education within the city. Ms. Floore explained that the State PTA invited school business managers to a meeting as well as state legislators. The funding stream was discussed for the city schools including weighted student funding. This funding currently recognizes special education needs for children and funds their units accordingly. High poverty could be another high need and added into this formula but that would require additional funds.

Ms. Floore stated the issue for Christina is that it is noncontiguous. There is a Newark population and a Wilmington population. Ms. Rattenni stated it all ties back to community. If your community is Wilmington, yet you're attending school in Newark, there is no sense of community. She feels these issues will move more quickly than in the past.

Ms. Floore also spoke of the other education portion of the proposed Governor's budget. There was \$10.8 million for Dept. of Education for Race to the Top sustainment and initiatives at DOE. There is \$2 million in the budget for the school districts to split for ELL, reading specialists, etc. Statewide, there were no raises. However, they did fully fund teacher steps and units. The hearings will continue through the spring.



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II. Financial Position Report

Ms. Floore reported our budget shows we will end this fiscal year with a protected \$7.6 million. This is slightly ahead of the FY15 budget projection. We have not used the contingency funds at this time of the year. Ms. Floore also pointed out this revenue balance is in line with the budget but in no way does it impact the need for the referendum and the amount requested.

Ms. Rattenni asked about the Financial Position Report. Ms. Floore stated that this report evolved due to districts that were without funds at the end of the year to meet their obligations. Now, this form needs to be submitted to DOE twice a year to insure the funding will be there. The DOE states you have to have 1 month of payroll in the bank at the end of the fiscal year, June 30th. If we had \$4 million in the bank, we would not make it. Our charter payments are transferred out before we get our tax money. We need \$7 million to make our obligations. We are on track to end the year where we should.

Mr. Gregware made a motion to accept the Financial Position Report and Mr. Doolittle seconded. The motion carried.

III. Monthly Reports

Ms. Floore presented the January monthly report. At this time last month we had not received our senior property taxes. We have now received the 75% preload. We were \$2 million lower last month as we are now up to 98.4% of local funds received. \$895,000 is due in. That is due to foreclosures, late payments, and property tax collections through the end of the fiscal year.

On indirect costs, we need to make our transfers, so they are low this month. Also low is building rentals. We have more spring events than winter. We expect to be 53% where we were last year. Ccsr is down from last year, which is cost recovery from Medicaid. That is based on the billing cycle of federal funds and Medicaid.

Needs based funding is in; however, we have not made the transfer yet. The funding comes in under tuition tax. The State has only funded 75% of salaries at this point yet they have tried up the rest of the appropriations. Our excellence units are also not yet fully funded. We are at 85.8% to budget. We are a little lower than last year.

For expenditures, we have the Board at 97%, legal at 83%, public communications in a year with a lot of parent communications is higher. Mr. Gregware asked about Special Education. Ms. Floore explained that Special Education has a \$337,000 encumbrance for related services. Related services are speech, physical and occupational therapists. Those services are not just for Meadowood, but for students located in many schools. They will be relieved from some of those services with state funds when the funding comes through.



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The high schools are getting close to their budget. Dickinson at 75% as well as AI High School. These will go up further as the encumbrances are made for spring sports. Maintenance is at 91.7%. They have \$673,000 worth of encumbrances. These are maintenance contracts. The rest of \$174,000 is discretionary funds. To get through the rest of the year on this amount, is a concern. We are reviewing the encumbrances to see if we can free up more funds for upcoming fixes.

Mr. Doolittle questioned school based interventions. Ms. Floore explained this is school improvement money we received from the state. That is on the federal cycle and is related to Title I. We use the Title I funds first and then go to the SIP funds.

Our salaries should be at 58% at the end of January. We are tracking at 55% and even lower than last year. We have 26 pays per year. Some months have 3 pays so it can catch up. In the end we are 56.9% encumbered and 53% expended.

Looking at our Federal funds, many closed out in December 2014. We technically have until August 1st for completion. Ms. Roberts will be here in April to review those fundings with this committee.

The tuition budget is in good shape at 97% revenues received. We have not sent out the tuition billing at this time. For example, if Appoquinimink has a student who attends First State School, we will bill them for that tuition. We have not received any bills from other districts at this time either.

Consortium is always running high due to transportation costs. We will get that back from the state as they fund transportation for those programs.

Meadowood and RPLC we have two lines that are over budget. District Wide Services, which are our substitute teachers. We have a new system this year contracted both the substitute teachers and paraprofessionals. We used to bring the paraprofessionals in a day to day basis. The calls were made by the secretary and principal to find a substitute. Now we have the Delta T. This budget was estimated incorrectly and will be adjusted in future years.

Ms. Rattenni asked if Paras have benefits. Ms. Floore explained if they work for Red Clay they do, but not if they are contracted through Delta T as substitutes. Ms. Floore explained that the full time paraprofessionals are a separate contracted bargaining unit.

The largest line item is substitute teachers at \$1.5 million. We track it as closely as we track numbers of days, patterns, etc. We are very happy with Kelly Services and less than 50% expended. Ms. Rattenni asked if inclusion will make RPLC absorbed into the other lines. Ms. Floore explained that yes it is but RPLC will still exist for the preschool and autism programs. Next year they will also have a 5th grade to finish out the students



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currently there. Meadowood will still exist. Central School will be fully absorbed into the other secondary schools. Ms. Rattenni asked if RPLC will be a line in the other schools or on its own. Ms. Floore explained that needs based funds follow the student. That funding line will be under needs based line. Ms. Rattenni stated it will be a challenge for this committee to compare the expenditures across these lines. Ms. Floore stated the dollars may be higher in the schools the students now attend, but the percentages should be the same for the rate at which the funds are expended.

IV. Announcements

Next month, we cannot have our meeting at Cab Calloway School of The Arts as previously discussed. Cab has a program in the auditorium that evening. We will plan on having our meeting there in April.

Our next meeting will be held at the Brandywine Springs School Teachers' Lounge on Monday, March 9, 2015 at 6:30 PM.

There have been no public inquiries to the CFRC.