

Early College High School at Delaware State University

**Finance and Facilities And
Citizen Budget Oversight Committee**

Minutes of October 24, 2019 Meeting

Location: Early College High School at Delaware State University

Time Scheduled: 4:00 – 5:00 p.m.

Facilitator: Ms. Ayeda Silent, Chairperson

**Committee
Members Present:** Dr. Marsha Horton, Dr. Evelyn Edney, Robin Demby, Lois Hobbs, Charles McDowell, Dara Savage, Richard Riggs and Crystal Gillis (by telephone)

**Committee
Members Absent:** Ronald Pinkett

**Others in
Attendance:** Dorcell Spence (Neely & Spence), Timothy Yancy (ECHS)

Others Absent: Nyia McCants (ECHS)

I. Call to Order Ms. Ayeda Silent

A. Made by Ayeda Silent @ 4:06 p.m.

II. Update on Financial Results (as of 9/30/2019) Ms. Dorcell Spence

A. Receipts:

1. Web Report reflects receipts of 64.9% per All Funds Total;
2. Ms. Spence presented report reflecting historical data for the past four years under the current administration;
3. Report presented included information on Enrollment, State operations average-per-pupil, Local funds school district average-per-pupil, and Summer Pay-Contingency;
 - a. Per-pupil amount is down in Caesar Rodney, Cape, Christina, Seaford and Smyrna due to external items/events out of the school district's control;
 - b. The ECHS Budget currently reflects the reduction;
4. Dr. Horton inquired what effect the impact of hiring will have on the current budget;
 - a. Ms. Spence was unable to give a response due to unavailability of all pertinent figures at the time of the meeting;
5. Mr. Riggs inquired if money from Christina district had come in;
 - a. Ms. Spence advised that school districts are just now starting to throw in 35%, and remaining 65% would not come in until between November and January;

B. Expenditures:

1. Account Code Expenditure Detail Report Reflections:
 - a. 20.7% of the budget for all funding sources has been expended;
 - b. The ratio for State and Local funding reflects 22.5%;

- c. Several Categories are above the regular spending level at this time:
 - 1) Acct Code 55010 Med Related Services- 49.2%.
 - a) Partially due to prior year accounts payable paid this year;
 - 2) Acct Code 55452 Insurance is not cyclical where payments are made on a specific date cycle-100.0%.
 - 3) Acct Code 56150 Instructional Supplies- tendency is to buy supplies at the start of the school year; purchased computers for new students and furniture-69.9%;
 - d. Staff vacancies and other account codes are still awaiting final budget determinations;
- 2. 7 of 26 payrolls have been expended for a ratio of 26.9%;
 - a. State and Local payrolls- based upon the time period completed 23.9% salary and 23.1% OEC;
 - 1) These numbers will be tweaked when additional staff is hired;
 - 3. The Web Report reflects 21.4% of the budget for all funding sources has been obligated and expended, while the ratio for State and Local funding reflects 23.3%;
 - 4. The budget for FY2020 is currently funded by One-Time funds of \$88,471 excluding the Accounts Payables (budgeted prior year but not paid until the current year) amount of \$39,878 supported by state/local;
 - 5. The Line of Credit has additional support of zero (0);
 - a. If the 2% required contingency amount of \$84,843 is not used it would minimize a negative impact to the Financial Framework; In addition, the board could choose to use a portion to further pay down the Line of Credit.
- C. Contingencies:
- 1. The current contingency (2%) is \$84,843;
 - 2. Safeguarding summer pay as well as continuing funds can minimize the ability to deficit spend the budget;
 - 3. APPR 98079 Contingency balance is currently \$416,790.00; Notes to Budget (for set-asides excluded from budget) totals \$486,617.00;
 - 4. If all stars continue to align, the Board can decide to approve an additional \$100K to pay down the line of credit;
 - a. Continuing in this mode can lead to the line of credit being paid off in four years;
 - 5. Dr. Horton acknowledged Dr. Edney and staff for doing a great job is safeguarding funds to build up the contingency balance;
 - 6. A determination will have to be made on how much reserve to have for emergency funds and/or pay down the line of credit;

III. Update on FY2020 Planning Budget

Ms. Dorcell Spence

- A. Transportation (Bus passes);
 - 1. Discussion of providing bus passes to students:
 - a. Target number of students;
 - b. Budget for providing bus passes to students;
 - c. Legal obligation of providing bus passes to students;
 - d. Options in providing the bus passes;
 - e. Discussion of the possibility of eliminating hubs to provide funding for bus passes;
 - f. Loss of students if Hubs are eliminated;
 - g. The effect of staff and students (increase/decrease) on transportation budget;

2. Dr. Edney stated that feelers were put out as to whom might be interested in bus passes;
 - a. ECHS purchased 10 passes at \$450.00 p/pass which were distributed on a first come, first serve basis;
 - b. Giving out bus passes does not fulfill the legal obligation of fulfilling transportation requirement;
 - c. It is prohibited to charge a fee for the bus passes;
 - d. Request made by Dr. Horton for Dr. Edney and staff to provide proposal of various scenarios, i.e. if purchase bus passes for students to use up North, leading to the elimination of 2 hub stops, what will that equate to in budget savings, which then can be used toward paying down the Line for credit;

IV. Enrollment Update

Dr. Evelyn Edney

- A. Enrollment update presented;
- B. ECHS staff have already begun working on recruitment for next year;

V. Facilities Update

Mr. Timothy Yancy

- A. Grossley Hall is expected to be completed within the next week;
 1. Two classrooms and a bathroom waiting for inspection;
 2. No specific date mentioned when ECHS will be moving into Grossley Hall;

VI. Status of Year-End Audit FY19

Mr. Charles McDowell

- A. The Financial Audit has been completed and submitted;
 1. Audit Committee has not yet had an opportunity for an Exit Conference with Auditors; It's scheduled for October 30, 2019;
 - a. Confirmation needed on which audit committee members would be attending;
 - b. This will not be a closed meeting;
 2. It was a "clean audit";
 3. The auditors' opinion is "unmodified" meaning that the financial statements present fairly, in all material respects, the financial position of the ECHS as of June 30, 2019 in accordance with GAAP;
- B. Mr. McDowell raised as a concern the slow rate at which the line of credit is being paid down, but credits the school's management for managing the budget well during the year, finishing with a surplus;

VII. Web Report

- A. Motion to approve the web report – Moved-Ayeda Silent, 2nd – Dr. Marsha Horton;
- B. Motion unanimously approved;

VIII. Minutes

- B. Moved- Lois Hobbs, 2nd – Dr. Marsha Horton;
- C. Motion unanimously approved;

IX. Roll Call

Ms. Ayeda Silent, Chair

VIX. Adjournment: at 5:03 p.m. (Motion – Ayeda Silent, 2nd - has been adjourned).