

**Early College High School at Delaware State University
Finance and Facilities and
Citizen Budget Oversight Committee**

Minutes of April 23, 2020 Meeting

Location: Zoom: <https://zoom.us/j/8943901242>

Time 3:00 pm – 3:30 pm

Facilitator: Ms. Ayeda Silent, Chair

Committee

Members Present: Dr. Marsha Horton, Dr. Evelyn Edney, Lois Hobbs, Charles McDowell, Robin Demby

Committee

Members Absent: Crystal Gillis-Hammond, Ronald Pinkett

Others in

Attendance: Dorcell Spence (Neely & Spence), Nyia McCants (ECHS), Timothy Yancy (ECHS)

I. Call to Order

Ayeda Silent

A. Made by Ayeda Silent @ 3:00 p.m.

II. Update on Financial Results (as of 03/31/2020) and FY2020 Budget

Dorcell Spence

A. Certified enrollment (as of September 30 Unit Count) – 421 Increase of 28 students from FY19
Division I Teacher Units: 22.27 Increase by 1.2 from FY19

B. Receipts:

1. Web Report reflects receipts of 100.5% per All Funds Total;
2. Concerns:
 - a) Per pupil amounts are down for following districts: Caesar Rodney, Cape, Christina, Seaford, and Smyrna, which impacts ECHS revenue;
 - b) In addition, for the past 3 years, this school has been impacted by the \$26M education reduction;
 - c) Student fee adjustments for the districts are not known until late August or September, making a severe handicap to planning;
 - d) Cafeteria Revenue is in arrears due to lack of contract with Aramark, which was settled during the Month of February 2020. The DOE will not release federal reimbursement prior to December 2019 for a loss of an estimated \$26,000. School Leadership is sending a letter of appeal to the USDA and hopefully the school can recoup the estimated loss from August – November 2019;
 - e) Projected Cafeteria Revenue will fall short of what has been projected due to lack of participation caused by COVID-19;

3. Local Funds reflect a collection of \$43,098.59 in excess of what was budgeted. Interest even though not budgeted can be used to aid in paying down the Line of Credit and/or budgeted items that may fall short in collections;
4. One Degree change was approved adding an additional \$5,458 to the budget.

D. Expenditures:

1. The Account Code Expenditure Detail Report reflects 66.1% of the budget for all funding sources has been expended;
2. The ratio for State and local funding reflects 69.4%;
3. Categories which reflect expenditures beyond time of year are:
 - a) Acct Code 55010 – Med Related Services- inflated by prior year payable- 101.4%;
 - b) Acct Code 55031 – Student Support Services-funding disbursed to subgrantee- 92.4%;
 - c) Acct Code 55035 – Central Administrative Services – Audit Firm paid in full – 100.0%
 - d) Acct Code 55452-Insurance-is not cyclical where payments are made on a specific date cycle-100%
 - e) Acct Code 56145 – Computer Supplies- One-time expenditure for the category, and a budget adjustment will be applied-100%
 - f) Acct Cod 56150 – Instructional Supplies – still awaiting a final determination on the FY2019 DSU Lab Fees Invoice – 52.9%
 - g) Acct Code 56960 Athletic Supplies – not cyclical where payments are made on a specific date cycle, but as needed for the sport in season – 100%
 - h) Given the current COVID-19 environment, it is not clear impact to financial picture for the remaining 3 months of FY2020. There are budgeted items that have been identified as savings due to the lack of activity in specific area;
 - i) Projected State/Local Savings and Recommended Redirection
 - a. Projected Savings:

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|--------------------------------|---------------|
| i. Child Nutrition Services | \$ 57,465 |
| ii. Student Activities | 9,784 |
| iii. Unbudgeted Local Interest | 43,100 |
| iv. 2% Contingency | <u>87,480</u> |
| Projected Savings | \$197,829 |
 - b. Potential Redirection to One-Time events:

| | |
|-----------------------|---------------|
| i. LOC | \$137,431 |
| ii. Staff Bonus 3% | <u>60,398</u> |
| Potential Redirection | \$197,829 |
3. 20 of 26 payrolls have been expended for a ratio of 76.9%;
 - a) State and Local payrolls-based upon the time period completed 76.4% salary and 70.3% OEC;
4. Web Reports reflects 67.1 % of the budget for all funding sources has been obligated and expended, while the ratio for State and local funding reflects 70.5%;
5. Budget for FY2020 is currently funded by One-Time funds of \$168,451 excluding the Accounts Payables amount of \$39,878 supported by State/Local, of which
 - a) Line of Credit has additional support of \$100,000;
 - i. LOC Balance as of 04/06/20 was \$507,984;
 - b) One-time purchase of furniture - \$25,310;
 - c) Safety & Security, a 3 year state grant had a continued amount of \$11,606;

- d) Remaining \$31,535 (\$168,451 - \$100,000 - \$25,310 - \$11,606) reflects one-time resources in support of ongoing operations.

E. Contingencies

- 1. 2% Contingency - \$87,480
 - a) This amount would be continued into next fiscal year or use to further pay down line-of-credit balance.
 - b) Set-asides (excluded from budget)
 - 1) Summer Pay - \$378,698
 - 2) Strategic Plan - \$27,939
 - 3) APPR 98079 Contingency Balance \$416,790.00
 - c) Dr. Horton would like to revisit contingency balance in June of 2020 to determine if any additional funds can be used to pay down the Line of Credit;

F. Unallocated (Restricted resources that operate within separate appropriations and can only be expended to the level that has been received and for a specific purpose.)

- 1. Donations - \$471.00
- 2. Reserve Tech - \$14,145

III. COVID-19 Update

Dr. Evelyn Edney

- A. Awarded \$109,613 in funding to aid with offsetting COVID-19 related expenditures;
- B. Ms. Spence advised there are no specific guidelines at this time for usage of funding and not sure if funds will be received in this fiscal year or next.
- C. Dean Horton requested a list of COVID-19 related expenses to date;
- D. Some Expenditures already incurred are:
 - 1. Building cleaned
 - 2. Subscriptions/Licenses – Zoom
 - 3. Technology for computers (chargers)
 - 4. Software updates to Dell Computers and Chromebooks
- E. Transportation- commitment to continue paying bus companies even with no services being provided; Legal Counsel is putting together a MOU with specific terms.

IV. Adjournment: at 3:30 p.m. (Motion – Lois Hobb, 2nd – has been adjourned)