

Report to the Board of Education
Tuesday September 10, 2019
Subject – August 2019 CBOC Meeting
Citizens Budget Oversight Committee

The Citizens Budget Oversight Committee met on August 21 to review the District financial reports for July. Attending the meeting were Laura Nash, Monica Moriak, Dr. Naveed Baqir, Katie Gifford, Bud Mullin, CFO Bob Silber and Board Member Fred Polaski.

The Financial Reports reviewed for July were prepared by the District utilizing information from the State Accounting System. The balances from these internally generated reports align with reports generated by the State Accounting System. The reports provided by the District include a record of current expenditures and revenues. The documentation includes encumbrances, expenditures, and remaining funds available, as required by Delaware Administrative Code. In addition, the reports provide operating expenses identified by source of funds: State; Local Restricted; Local Unrestricted; Capital; and Federal.

For Agency 3300 receipts for the month were \$112.1 Million. State revenue for the period was \$111.4 million which represents the initial loading of appropriations by the State. Local revenue for the period was ~\$0.6 million. Primary source of funds were Cafeteria and Tax receipts.

Non-Federal operating expenses year to date are ~\$18 Million, representing 9.01% of the preliminary budget. No were no unusual expenditures to report. All variances are timing related or reflective of payments for services provided and encumbered in the prior fiscal year. The state has implemented modifications to the account codes available. This provides opportunity for greater transparency. All questions raised by members of the committee were answered during the meeting.

Receipts for the Special Agencies are below. Expenditures are aligned with approved preliminary budgets. Funds received for the period represent the initial loading of appropriations by the State.

	Receipts for the Period	Expenses YTD	Percent Of Preliminary Budget
Delaware School for the Deaf	~ \$6.8 million	~\$0.9 Million	~7.39%
District Programs (ILC & REACH)	~ \$14.6 million	~\$1.8 Million	~7.58%
Delaware Autism Program	~ \$20.8 million	~\$2.8 Million	~7.90%

The CBOC also discussed a number of topics. One of particular interest was the Board having to approve all expenditures over \$20,000. In the past, the Board approval was at a level of \$50,000. Our CFO shared that Boards throughout the State have different practices. Some Boards authorize the spending through the Budget approval process and rely on District leadership to execute against the plan. Others are aligned with the State procurement guidelines. We asked the CFO if the current Board limits create operating challenges, and his response was yes, in his opinion. Mr. Silber explained that since the Board meets monthly and action items of the board are posted one week in advance of the meeting, this causes delays in purchasing, and in his opinion may prevent building leaders from requesting approvals. The current limit actually hampers the operations of the district in that if an expenditure of over \$20,000 was needed (say for a new boiler), the district would have to wait for the Board to meet in order for this to be approved, unless determined an “emergency”.

We also discussed the number of contracts the Board approves in combination. Mr. Polaski explained that this used to be handled during the Consent agenda and if a Board member wished to talk about an item, he/she would just pull it from the agenda for separate voting.

Our next meeting is scheduled for Wednesday, September 18 at Gauger-Cobbs Middle School, in the Professional Library with a start time of 6:30pm. Please join us if your schedule permits.

Respectfully submitted,
Bud Mullin, Co-Chair
Citizens Budget Oversight Committee