

**SIGNIFICANT  
BUDGET  
CONSIDERATIONS**

**FOR**

**CHRISTINA  
SCHOOL  
DISTRICT**

**DRAFT**

**April 20, 2006**

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## **1. EXECUTIVE SUMMARY**

Following a request made on March 31, 2006 to the Secretary of Education by Dr. Lillian Lowery, Superintendent of Schools for Christina School District, a team of state and school finance experts was convened to review the financial condition of the Christina School District (CSD or the district). The 'state group' conducted the review by interviewing CSD staff members and analyzing requested information made available through CSD staff and the state accounting and payroll systems. The group's analysis is limited by the availability of information and time constraints and all conclusions and recommendations should be viewed as estimates of expected future outcomes.

The '05-'06 budget information provided to the state group did not contain that level of detail that would be needed to effectively manage and monitor district expenditures and revenues throughout the year. Additionally, the organizational structure of the district office created an environment where very few individuals were given sufficient information and access to data to have a comprehensive view of the financial position of the district. Program managers and building level administrators were not given regular financial updates or information to allow them to manage their costs.

Several areas reviewed have shown that district practices were not compliant with Delaware Code. Analysis of state unit allocation has revealed that salary costs were being improperly charged to state funds. Review of the tuition program revealed that salary costs were being improperly charged to tuition accounts and that funds were improperly moved from tuition accounts to the district's current expense account. Additionally, of the nine major federal programs reviewed, eight are projected to be over budget for salary and OEC costs for the grant period. All of the above listed issues warrant further, detailed review to capture the magnitude of the compliance problems. The resolution of these issues will negatively impact the availability of local dollars but an accurate estimate cannot be generated until further review is completed.

Preliminary staffing analysis revealed that a large number of positions (approximately 145) are supported completely by local funds. Additionally, 90% of the district's approximate expected discretionary funds in FY06 (local taxes, Equalization, Tax Relief and Senior tax relief) are committed to payroll costs. If local tax revenue is isolated, the group's projections estimate that 107% of those funds are committed to salary and OEC costs for FY06.

The scope of this review was not comprehensive in nature and the time constraints involved limited the depth of the analysis. Several areas, including food service, major capital projects and procedures for setting district tax rates were not reviewed so any impact on local funds in those areas has not been factored into the analysis.

The state group has concluded that the Christina School District faces a budget deficit for fiscal year 2006. While the exact magnitude of the deficit could not be determined at this time, preliminary analysis of available information indicates that the district needs over \$13 million in addition to projected revenue to meet its obligations through June 30, 2006. In addition, the district faces major structural problems and organizational capacity issues that will need to be addressed to close the deficit and prevent further financial distress.

## 2. INTRODUCTION

Delaware Secretary of Education Valerie Woodruff received a request from the new Superintendent of Schools for Christina School District (CSD), Dr. Lillian Lowery, to assist her in providing a financial review of the Christina School District financial records.

The Director of the Office of Management and Budget, Jennifer Davis and Secretary Woodruff convened School and State finance experts to perform the requested financial review. Throughout this report the selected individuals who performed the financial review will be referred to as “the State group.”

In the time permitted, the State group:

- Interviewed employees in the district office;
- Reviewed financial data made available to the State group;
- Reviewed information provided to the Christina Board of Education that was made available through CSD staff;
- Reviewed financial records in the Delaware Financial Management System (DFMS) and the State Payroll System - PHRST;
- Reviewed official financial reports submitted to the Department of Education and the Office of Management and Budget on behalf of the Christina School District;
- Created projections for CSD obligations and expenditures based on the information available;
- Identified areas that need to be reviewed further to ensure compliance with State Code.

The state group requested a substantial amount of information, both financial and narrative, to be used in the review. The CSD staff was unable to provide all of the information requested and much of what was provided was incomplete or insufficient to be used in the analysis. Additionally, CSD had not submitted a final budget as approved by the School Board as required by Section 17 of Epilogue language in House Bill 300. As a result, the state group relied on documentation from DFMS, PHRST and projections generated by group members. Attachment 1 is a compilation of the data requested by the State group and the information received.

The Delaware Financial Management System (DFMS) is the official accounting system for all State Agencies and School districts. The DFMS contains all transactions processed against the accounts maintained by state agencies or school districts. The state group did not review or analyze any account maintained outside of DFMS.

Because of the time constraints and the lack of complete information available to the State Group, all analysis and recommendations contained in this report can be viewed only as projections or forecasts and not as statements of fact about any future outcomes.

### **3. REVIEW PROCESS**

The State Group used the following as their sources of information to develop the conclusions that are published in this report:

- Information received from the interviews conducted with Christina School District central office staff;
- Financial data from the Delaware Financial Management System (DFMS);
- Financial data from PHRST
- Data provided by Department of Education staff;
- Reports provided by the Christina School District Central Office Staff;
- Board Minutes and a partial compilation of handouts provided to the Board from July 1, 2005 through February 2006.

The State Group used March 31, 2006 as the beginning point in examining the financial data. The following reports generated from DFMS provided the account balances and historical expenditures used in developing projections for the CSD:

- Cumulative Budgetary Activity;
- Daily Validity;
- Payroll Transactions on Document Suspense File (kickers);
- Monthly Appropriation Balances;
- Payroll Posting Report and;
- Appropriation Expenditures by Object Code.

Moreover, the state group had to request during the course of the review that all movement of funds between appropriation accounts cease during the review period. The State Group specifically asked that DFMS Cash Adjustments (CA's), Intergovernmental Vouchers (IV's) and Expenditure Correction (EX's) document processing cease until the review was completed. This request was made so that the State group could, with some level of confidence, project available funds and expenses in CSD appropriations.

#### **4. INTERVIEWS WITH STAFF CSD CENTRAL OFFICE STAFF**

The State Group interviewed the following individuals:

Jeff Edmison, Assistant Superintendent, Chief Operating Officer  
Kathy Dick-Frederick, Acting Chief Financial Officer  
Denise Glover, Manager I, Financial Services and Internal Control  
Christine daCosta, Payroll and Position Control Supervisor  
Margaret Sharp – Executive Director, Curriculum and Instruction

The following represents questions asked of CSD staff and responses received:

1. Does anyone have any concerns about the financial stability of the District (in all areas)?
  - The initial responses were mixed. They are as follows:
    - Concerned with the district meeting their obligations through June 30;
    - The district would “squeak through”;
    - As of April 7, there was enough to get through June 30;
    - There might be problems in the Federal Programs area but understood there were sufficient local funds to get through June;
    - There were weaknesses in the systems and procedures that were causing things to be red flagged.
2. What is the plan to get through the Fiscal Year in all accounts?
  - No one was aware of a plan to get through fiscal year 2006 other than the final budget presented to the Board found on the web.
3. What is the plan to meet local obligations through October 2006, which is when the district will get the first large infusion of local tax receipts?
  - Interviewees thought it would be permitted to use state preload dollars that are provided by the State on July 1 and then recode the expenses to local funds once the tax receipts come into the district in October.
  - Another interviewee thought that the district could use Tuition receipts and then at some point recode to local tax receipts when those funds were available.
    - a. And then through June 2007?
      - None of the interviewees knew of the budget plan to get the district through June 2007.

It is important to note that staff members interviewed consistently stated that financial reports were not routinely provided to building level administrators and district level program managers. To quote one interviewee, “Systematic discussion of the budget-revenues, projections, door openers, etc. did not happen. There was no systematic approach to checking on the balances of various programs and accounts. There were no monthly reports given – no way for the program/building level administrators to check on their spending.”

5. STAFFING

UNITS EARNED THROUGH STATE FORMULA

POSITION  
REVIEW  
MARCH 31, 2006  
PAYROLL

Actual	Earned	Actual	Earned	Actual	Earned	Actual	Earned	Actual	Earned	Actual	Earned
Principals		Assistant Principals		Teachers		Paras		Clerical		Custodians	
27	27	33	35.6	1296	1296.79	165		101	108	181	188
				Cadre	1					Reduction	-1
				Reading	19						
				Math	3						

Actual	Earned	Actual	Earned	Actual	Earned	Actual	Earned	Actual	Earned	Actual	Earned
Visiting Teacher		Psychologist		Speech		Driver Ed		Nurses		Academic Ex	
4	5	28	29.8	37	45.27	8	10.2	36	31	76	73.75

Actual	Earned	Actual	Earned	Actual	Earned	Actual	Earned	Actual	Earned	Actual	Earned
Superintendent		Directors		Administrative Asst		Supervisors		Specialists		Other Admin	
1	1	13	10	1	1	9	8	4	1.33	4	3
		1									

Actual	Earned	Actual	Earned	Actual	Earned
Asst Supt		Thera/Interpret		Coordinators	
3	4	13	25.75	2	
		5			
		4			
		22	25.75		

Transportation Supvr  
CN Supvr  
B&G  
Supvr

The State Group is unable to provide a complete analysis without examining each employee record to determine the Clerical levels (Administrative Secretary, Financial Secretary, Secretary, and Clerk). In addition, the review could not reconcile the Paraprofessional employee group to determine the actual units converted to those units earned.

**PROJECTED POSITIONS FUNDED BEYOND THOSE PROVIDED THROUGH THE STATE FORMULA**

<b>POSITION</b>	<b>Local</b>	<b>Sarah Pyle</b>	<b>Tuition</b>	<b>Tech</b>	<b>Totals</b>
Administrators	10	4	5	3	22
Teachers	46	13	20		79
Paras	73	2	10		85
Clerical	13	1		1	15
Technology	1	1	9	21	32
Other	2		1		
	<b>145</b>	<b>21</b>	<b>45</b>	<b>25</b>	<b>236</b>

The following funding sources are used to pay 100% of the costs for salaries and OEC's. There is no state contribution for these obligations. The above 236 positions are in addition to the positions provided through the state formula.

**Local / Discretionary**

Salaries and OEC's for 145 positions are paid using the discretionary funds available to the district outside of the State formula.

**Sarah Pyle**

Section 426 of the Epilogue of the Operating Budget Act for FY2006, House Bill 300 authorizes Christina School District to operate the Sarah Pyle Academy as a special program and charge tuition for the support of the Academy during the 2005-2006 school year. The Salaries and OEC's for the 21 positions are paid through the collection of Tuition Tax. (**Attachment 2**)

**Tuition**

Salaries and OEC's for 45 positions are paid through the collection of Tuition Tax.

**Technology Maintenance**

Salaries and OEC's for 25 positions are paid through the Match Tax

## **6. OVERVIEW OF SIGNIFICANT BUDGET CONSIDERATIONS (Attachment 3)**

The State Group used the March 31, 2006 DFMS reports to begin the development of the Significant Budget Considerations worksheet.

Although requested, the State group was not given a detailed FY06 budget approved by the board. The State group was able to access financial documents on the Internet that included a final FY06 Financial Plan (Executive Summary) which totaled \$298,437,710 (See Attachment 4).

The State Group determined that it would be necessary to examine the discretionary funds projected to be available for CSD to meet major expenses such as salaries, other employment costs (OEC's), energy and resolution of payroll expenditures that were not processed in DFMS due to insufficient funds in accounts. Note, all accounts with salary transactions in suspense for any reason must be resolved prior to the close of the State fiscal year – June 30, 2006. In addition, a review of 9 major Federal Program accounts was completed for the existing salary and OEC budget with projections calculated through June, September (end of the contract period) and December 2006 (end of the grant period). Furthermore, the State group completed a review of the Tuition Tax, Tuition charges to other districts and to CSD.

Time did not permit the State Group to review the projected operational costs for the district associated with the instructional programs for CSD.

The CSD needs a projected \$12,547,406 to meet their local salary and OEC obligations through June 30. In addition, the projections indicate salary and OEC shortfalls in Transportation, Federal Programs, Full Day Kindergarten, Professional Development and Teacher Cadre accounts. The projection *does not* include any costs associated with Extra Pay for Extra Responsibility (EPER), Retirement or Termination Pay, as these projections were not made available to the State group. Local funds will need to be used to meet this obligation. Moreover, the CSD must repay Tuition and Minor Capital Improvement accounts through the use of local funds for the improper movement of such funds. The CSD must also provide funding to satisfy prior year audit findings. The State group was able to identify School Choice payments due to other school districts and projected energy and substitute teacher costs that will need to be paid prior to June 30. The projected June 30, 2006 balance in local funds is **-\$13,976,213**.

The use and obligation of local tax receipts must be part of the equation to understand the shortfall that is projected for CSD. The current projection is that the CSD will receive \$55,287,726 in local tax receipts. The projected Salary and OEC costs through June 30 are \$59,265,749. In other words, the CSD has obligated 107% of their local tax receipts for salaries and OEC's.

Furthermore, the total available funds for salaries and OEC's from discretionary accounts are projected to be \$65,656,424 (Local Tax Receipts projection of \$55,287,726; State Equalization of \$6,676,868; Tax Relief of \$3,691,830). Thus, over 90% of all discretionary funds are obligated for salaries and OEC's before any of these funds can be used to provide instructional materials or supplies.

At a minimum, The CSD will need to factor into their FY 2007 budget the projected shortfall for Federal Program salaries and OEC's as well as the energy inflation costs that are currently being considered by CSD.

## 7. AREAS FOR FUTURE REVIEW

- Cafeteria Funds

The State Group has been unable to determine if there are enough funds to cover the salary and other employment costs for Child Nutrition employees. A comprehensive review of the available funds and projected expenditures will need to be completed prior to the close of the fiscal year.

- Employees funded 100% from Local Tax Receipts

The annual cost of employees paid 100% from local tax receipts/discretionary funds is projected to be \$7,190,582 (Salaries/OEC's).

- Authorized Positions to include verification of State Share of Salaries;
- Detailed review of the billing of Tuition Tax to receiving school districts;
- Repayment of district expenses charged to Tuition Tax inappropriately;
- Special Schools affiliated with the Christina School District
- Federal Funds Compliance

A compliance audit will require copies of semi-annual certification for every employee paid 100% from Federal Funds. In addition, those split-coded using a portion of Federal Funds will need monthly Time and Effort reports (OMB A87).

- Monthly Budget Reports to the Board of Education

During a review of the Board minutes for the period July 2005 through February, 2006, there are only two dates in this period where there was a review of the budget by the Board of Education (Attachment 5).

- Inappropriate use of State Funds

The CSD has used the All Other Costs funds to pay employee benefits. This is an inappropriate use of state funds according to the Delaware Code.

## **ATTACHMENTS**

**Attachment 1 - Compilation of Information Request**

**Attachment 2 - Sarah Pyle Epilogue Language**

**Attachment 3 - Significant Budget Considerations Christina School District (95 33)**

**Attachment 4 - Final FY '06 Financial Plan Executive Summary**

**Attachment 5 - Recap of CSD Board Meeting Minutes**

**ATTACHMENT 1**

	Request	Received Y/N	Was document complete and sufficient for use in analysis?
1a	Board Minutes (July 05- March 06)	Yes	Yes
1b	Monthly Financial Reports	No	
1c	Preliminary Budget	Yes	No
1d	Final Budget	Yes	No
1e	FY06-07 Prelim Budget and supp. Documents	No	
1f	Documentation for Tax Rate	Yes	Yes
2a	Projected local receipts thru June	No	
2b	Projected local salaries and OECs thru June	No	
	Doc. that salaries are being paid in accordance with		
2c	authorized unit structure	No	
2d	Number of locally funded positions	No	No
2e	Projected EPER payments through June	Yes	Yes
2f	Projected receipts from discretionary funds	No	
	Are encumbered balance sufficient to cover non-		
2g	personnel obligations through June 30	No	Yes
2h	Federal funding questions point person	Yes	Yes
3a	Listing of all vacant positions and funding source	Yes	Yes
3b	Projections for Termination pay	No	
3c	Projections for Retirement pay	Yes	No
3d	Salary projections for 2007	No	
4a	Projected Utility Costs	Yes	No
5	Vendor Contracts	Yes	No
5a	Are payments up to date?	No	
5b	Total obligations through June 30	No	
5c	Terms of each contract	No	
5d	Copies of all contracts in excess of \$25,000	No	
6a	Leases and Rentals for portable classrooms	Yes	Yes
6b	Copiers	Yes	Yes
6c	Office Space	Yes	Yes
6d	Other leases and rentals	Yes	Yes
7a	Consultant contracts in excess of \$25K	Yes	Yes
8a	Substitute Services contracts- paid to date?	No	
8b	Biweekly cost for subs	Yes	Yes

	Request	Received Y/N	Was document complete and sufficient for use in analysis?
9a	Outstanding Audit findings	No	
9b	Status of findings	No	
9c	Financial implication of audit findings	No	
10	Collective Bargaining Agreements		
a	Language on RIF in CBA's	Yes	Yes
b	District RIF Policy	No	
c	Expiration dates of all CBA's	Yes	Yes
11	Referendum		
a	copy of 2003 referedum ballot	Yes	Yes
b	Information distributed to the public	Yes	Yes
c	District meeting spending promises?	No	
12	Tuition		
a	Payments made to other districts	Yes	Yes
b	Billings to other districts	Yes	Yes
c	Internal billings for Christina	Yes	Yes
d	Remaining balance owed to Christina	Yes	Yes
e	Private Placement	No	No
f	Sarah Pyle	Yes	No
g	Are 8200 funds sufficient to cover special schools?	Yes	No
13	Tuition Tax rate formulation	Yes	Yes
14	Charter School Payments and documentation	Yes	No
15	Choice Payments and documentation	Yes	No

Additional information requested during meetings

Staff member responsible	Was it received?
KDF Documentation required for position coding	No

## **ATTACHMENT 2**

### Epilogue of FY 2006 Operating Budget Act House Bill 300

Section 426. Notwithstanding the provisions of 14 Del. C. §203, §604 or any sections of this Act to the contrary, the Christina School District is authorized to operate the Sarah Pyle Academy as a special program and charge tuition for the support of the Academy as provided in 14 Del. C. §604 during the 2005-2006 school year. The Academy shall operate as a one year, academic recovery, drop-out prevention pilot at no additional cost to the State. This program shall be for the express purpose of providing educational services for students in high school who are no less than 16 years of age, who have less than five credits toward graduation, and have a documented family or personal situation that indicates traditional school enrollment is not feasible. This program shall not be a discipline program as defined or authorized by 14 Del. C. c. 16. An independent evaluation, with oversight by the Department of Education, shall be conducted at the expense of the Christina School District. A final report shall be provided to the Secretary of Education, the Director of the Office of Management and Budget, the Controller General, and the Co-Chairs of the Joint Finance Committee by June 15, 2006

ATTACHMENT 3

Significant Budget Considerations Christina School District (95 33)							
Identified Issues as of March 31, 2006							
		Projected Receivables Through June 30	Projected Expenditures Through June 30		Comments	ATTACHMENT OR SOURCE	
Appr							
<b>Fiscal Year 2006</b>							
<b>State</b>							
	0287	27,507			Unencumbered Balance, Appr 0287 FY 05 and 06	Monthly Appropriation Balances F25M0405 as of 03 31 2006	1
		63,278			POs to be Closed	CSD District Office	2
<b>Local Funds</b>							
<b>8000</b>							
		10,175,087			Unencumbered Balance Local Funds, Appr 8000 FY 05 and 06	Monthly Appropriation Balances F25M0405 as of 03 31 2006	3
		450,000			Projected Tax Revenue	CSD District Office	4
		13,002			Reserve Account, Appr 8001	Monthly Appropriation Balances F25M0405 as of 03 31 2006	5
		143,815			School CHOICE Receivable	DOE Spreadsheet	6
		66,852			Unused POs to be Closed	CSD District Office	7
		10,939,540					
			(381,115)		Prior Year Audit Findings	Audit Findings	8
			(517,339)		Private Placement costs due to DOE	DOE Worksheet	9
			(12,547,282)		Projected Salary and OEC Shortfall, Appr 8000	Appropriation Expenditures by Obj. Code F25RS405 as of 04 13 06	10
			(1,895,389)		Projected Transportation Salary and OEC Shortfall, Appr 0150	Payroll Posting Report F25U5405 as of 04 13 06	11
			(1,500,000)		Projected Energy Costs	State Group Analysis	12
			(1,586,315)		Projected School CHOICE Costs	DOE Worksheet	13
			(666,651)		Repay Tuition for Improper Cash Movement , Appr 8200	DOE Worksheet	14
			(480,000)		Projected Substitutes Cost	CSD District Office	15
			(212,738)		Projected Salary Shortfall PCD, Appr 0197-Code Local	Payroll Posting Report F25U5405 as of 04 13 06	16
			(32,483)		Improper Contractual Option Charge, Appr 0188	Payroll Transactions on Document Suspense File F25R4505 as of 03 30 06	17
			(19,931)		Repay Tuition for Improper Cash Movement (2), Appr 8200	DOE Worksheet	18
			(1,203,216)		Analysis of Tech Maintenance, Appr 8425	State Group Analysis	19
			(1,245,966)		Federal Salary/OEC Shortfall/Kickers-Code Local	State Group Analysis	20
			(267,000)		Payroll Kickers-Expired Federal Grants	Payroll Transactions on Document Suspense File as F25R4505 as of 04 13 06	21
			(225,789)		Projected Shortfall/Kickers Indirect Cost Salary, Appr 8910	Payroll Posting Report F25U5405 as of 04 13 06	22
			(1,678,192)		Additional tuition owed to Special Schools	State Group Analysis	23
			(95,981)		Projected Salary Shortfall/Kickers-Prof Devel/Teacher Cadre, Appr 0205/0206	Payroll Posting Report F25U5405 as of 04 13 06	24
			(104,671)		Projected Salary Shortfall-Full day Kindergarten, Appr 9302	Payroll Posting Report F25U5405 as of 04 13 06	25
			(255,695)		Tuition due to other District's Special Schools	State Group Analysis	26
			(24,915,753)				
<b>Projected June 30, 2006 Ending Balance</b>			<b>(13,976,213)</b>				
<b>FY 2007 Significant Budget Considerations</b>							
			(1,891,318)		Federal payroll July through Sept 15	Federal Program Analysis	
			(2,845,565)		Federal payroll Sept 16 through Dec 31st	Federal Program Analysis	
			(2,000,000)		Energy Inflation	CSD District Office	
			(2,000,000)		General Reserve Fund: Budgeted but spent	Final budget presented to Board of Education	
			(2,000,000)		Next FY Opening Expense	Final budget presented to Board of Education	
			(600,000)		Board approved Budget for Admin. Perf Pay	Board Minutes - Action Item	
			(420,000)		Estimated Summer School Costs	CSD District Office	
			(300,000)		Temporary Employee Contracts - July to Sept	CSD District Office	
			(200,000)		Liability Insurance	FY 2006 Costs	
			(168,000)		Termination	CSD District Office	
			-		FY 07 Teacher Contract increase	All Salary funding sources	3.25% per Christina DeCosta
					Cost of Administrator Increases		
					Retirement		
					Movement on Employee Pay Scales		
					Collective Bargaining Agreement Commitments		
			<b>(12,424,883)</b>		<b>These are not all local funds commitments</b>		
04 21 06 - 1							

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## ATTACHMENT 4

**CHRISTINA SCHOOL DISTRICT  
FINAL FY '06 FINANCIAL PLAN  
EXECUTIVE SUMMARY  
2005-2006**

<b>INCOME</b>	<b>FINAL FY'06</b>
<b><u>A. LOCAL FUNDS (REGULAR SCHOOL PROGRAM)</u></b>	
1. Property Taxes	
a. Current Tax	\$ 52,444,475
b. Tuition Tax	\$ 16,500,000
2. Interest	\$ 1,254,180
3. Miscellaneous	\$ 400,000
4. Elderly Tax	\$ 1,269,413
<b>TOTAL LOCAL (REGULAR SCHOOL PROGRAM)</b>	<b>\$ 71,868,068</b>
<b><u>B. STATE FUNDS (REGULAR SCHOOL PROGRAM)</u></b>	
1. Division I	
a. Salaries	\$ 68,975,222
b. Other Employment Cost	\$ 17,243,806
2. Division II	
a. Energy	\$ 2,389,702
b. Other	\$ 2,800,200
3. Division III	\$ 5,344,000
4. Education Tax Relief Expense Fund	\$ 3,700,000
5. Excellence Block Grant	\$ 500,000
<b>TOTAL STATE (REGULAR SCHOOL PROGRAM)</b>	<b>\$ 100,952,930</b>
<b>TOTAL (REGULAR SCHOOL PROGRAM)</b>	<b>\$ 172,820,997</b>
<b><u>C. OTHER INCOME(SPECIAL PROGRAMS)</u></b>	
1. Debt Service	
a. Local	\$ 10,470,131
b. State	\$ 2,890,002
2. Annual Maintenance (State)	\$ -
3. Transportation (State)	\$ 11,000,000
4. Federal/Special Programs	\$ 12,000,000
5. Food Service	\$ 3,622,140
6. Private Placement	
a. Local	\$ 1,222,500
b. State	\$ 4,075,000
7. Fringe Benefits (State)	\$ 22,160,127
<b>Total Other Income</b>	<b>\$ 67,439,900</b>

**D. MAJOR/MINOR CAPITAL PROJECTS**

1. Minor Capital Outlay/Match	
a. Local	
1. Improvement	\$ 717,172
2. Technology	\$ 880,827
3. Vocational Equipment	\$ -
b. State/Vocational Equipment	\$ 40,017
2. Major Capital Projects	\$ 56,538,797
<b>Total Major/Minor Capital Outlay</b>	<b>\$ 58,176,813</b>
<b>GRAND TOTAL INCOME</b>	<b><u>\$ 298,437,710</u></b>

**CHRISTINA SCHOOL DISTRICT  
FINAL FY '06 FINANCIAL PLAN  
2005-2006**

EXPENDITURES	<u>FINAL FY'06</u>
<b><u>A. SALARIES (REGULAR SCHOOL PROGRAM)</u></b>	
1. Administration	
a. Salary	\$ 8,671,948
b. Other Employment Cost	\$ 3,562,336
2. Instruction	
a. Salary	\$ 75,150,275
b. Other Employment Cost	\$ 14,425,788
3. Operations	
a. Salary	\$ 8,246,758
b. Other Employment Cost	\$ 2,459,222
4. Reported Time	
a. Salary	\$ 5,101,310
b. Other Employment Cost	\$ 1,224,314
5. *State Allocation-Other Employment Cost	\$ 19,160,251
<b>TOTAL SALARIES</b>	<b>\$ 138,002,201</b>
<b><u>B. OTHER COSTS (REGULAR SCHOOL PROGRAM)</u></b>	
1. Fringe Benefits (Local)	\$ 11,903,025
2. Purchased Services	\$ 13,275,000
3. Supplies and Materials	\$ 3,500,000
4. Capital Outlay	\$ 100,000
5. Reserve Funds	
a. General Reserve Fund	\$ 2,000,000
b. Next Fiscal Year Opening Expense	\$ 2,000,000
6. Special Services	\$ 500,000
7. Excellence Block Grant	
a. State	\$ 762,221
b. Local	\$ 623,636
<b>TOTAL OTHER COSTS (REGULAR SCHOOL PROGRAM)</b>	<b>\$ 34,663,882</b>
<b>TOTAL (REGULAR SCHOOL PROGRAM)</b>	<b>\$ 172,666,083</b>
<b><u>C. OTHER COSTS (SPECIAL PROGRAMS)</u></b>	
1. Debt Service	
a. Local	\$ 10,470,131
b. State	\$ 2,890,002
2. Transportation Services	\$ 11,000,000
3. Federal/Special Programs	\$ 12,000,000
4. Food Service	\$ 3,622,140
5. Private Placement	
a. Local	\$ 1,222,500
b. State	\$ 4,075,000
6. Fringe Benefits (State)	\$ 22,160,127
<b>TOTAL OTHER COSTS (SPECIAL PROGRAMS)</b>	<b>\$ 67,439,900</b>

**D. MAJOR/MINOR CAPITAL PROJECTS**

1. Minor Capital Outlay/Match	
a. Local	\$ 717,172
b. State	\$ 1,075,758
2. Major Capital Projects	\$ 56,538,797
<b>Total Major/Minor Capital Outlay</b>	<b>\$ 58,331,727</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b><u>\$ 298,437,710</u></b>

**ATTACHMENT 5**

<b>BOARD OF EDUCATION MINUTES</b>		
<b>BOARD MEETING DATE</b>	<b>BUDGET UPDATE PROVIDED TO BOARD</b>	<b>BUDGET TOPIC</b>
July 20, 2005 (ES)	NO	
July 20, 2005	NO	
August 9, 2005	NO	
September 13, 2005 (ES)	NO	
September 13, 2005	YES	<ul style="list-style-type: none"> <li>• Financial Position Report *</li> <li>• Authorization for spending into CSD Reserve \$3.5M for Instructional Material</li> </ul>
September 24, 2005 (ES)	NO	
October 11, 2005 (ES)	NO	
October 11, 2005	NO	
November 15, 2005 (ES)	NO	
November 15, 2005	YES	<ul style="list-style-type: none"> <li>• Financial Status provided to Board</li> <li>• Approval of FY 2006 Final Budget</li> </ul>
December 13, 2005 (ES)	NO	
December 13, 2005	NO	
January 06, 2006 (ES)	NO	
January 10, 2006	NO	
January 24, 2006 (ES)	NO	
January 24, 2006 (SS)	NO	
February 14, 2006 (ES)	NO	
February 14, 2006	NO	

\* As required under Section 1507, Title 14, Delaware Code

(ES) – Executive Session

(SS) – Special Session