



Delaware Design-Lab High School

Board of Directors Meeting

Wednesday, 14 October 2016, 5:00 p.m.

179 Stanton Christiana Road, Newark, DE 19702

Meeting Minutes

Members Present

Matt Urban, Chair (by video)

Paul Miller, Vice Chair

Rebecca Collins, Mary Diamond, Don France, Rebecca Girten (by video), Joe LoPorto (by video), Aileen Murray

Also present: Cristina Alvarez, Joseph Mock, Martin Rayala, Christina Hembree, accountants Michelle Lambert and Richard Rajkumar

Mr. Urban called the meeting to order at 5:20 p.m.

FY17 Budget Amendment

Michelle Lambert and Richard Rajkumar circulated a proposed budget revision prior to the meeting. This budget is built on actual enrollment, whereas the current operating budget was built on an enrollment of 350 students. We lost over \$600k in revenue due to lowered enrollment. Some of that is offset by about \$250k in grant funding from XQ, although that amount is tentative.

The proposed budget has a deficit of \$550k and shows a reduction of \$365k in revenue. Ms. Lambert indicated that all items were reforecasted to ensure both accuracy and extremely conservative spending, but a few lines could be reworked to help trim expenses. The proposed budget assumes a cut of five positions and the remaining CMO payments for this year will be deferred to a future fiscal year, but a cash flow gap will remain unless the funding promised by XQ is distributed within the next 30 days.

If the funding is not distributed as expected, Ms. Lambert strongly suggests a full restructuring and reduction of staff, taking into account how positions can be consolidated based on teacher certifications. Mr. Rajkumar also suggested looking into a line of credit, or a non-traditional lending option as a bridge. Ms. Girten stressed that it was vital to rework as many lines as possible to reduce the impact on staffing, and Dr. Rayala noted the relationship between the number of staff and the continued integrity of program delivery to students.

It was agreed that Dr. Alvarez needed to immediately call XQ and push for a commitment on the distribution date, which would solve the cash flow gap. Otherwise, we need to identify which positions will be reduced and notify those staff members by the end of the calendar year.

A final version of the budget revision will be distributed before the January meeting for vote.

There being no other business, the meeting adjourned at 6:44 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads 'Rebecca A. Girten'.

Rebecca Girten
Secretary