



Committee minutes

Community Financial Review Committee		
10.13.2014	6:30 PM to 8:30 PM	Brandywine Springs Teachers' Lounge
Meeting called by	Jane Rattenni, Chair	
Type of meeting	Monthly Financial Review	
Facilitator	Larry Miller, Community Member	
Minutes	Laura Palombo, Red Clay	
Timekeeper	Larry Miller, Community Member	
Attendees	Bill Doolittle, Ed Gregware, Larry Miller, and Tom Pappenhagen, Community Members; Steven Fackenthall, RCEA Member; Mike Piccio, BOE Member; Jill Floore, Red Clay CFO Ted Ammann, Red Clay Asst. Superintendent; Richard Lynch, RCEA Executive Board Member	
Minutes		
	Larry Miller, CFRC Community Member	
Discussion:	A review of the September 2014 meeting minutes. Mr. Doolittle moved to accept the minutes and Mr. Piccio seconded. The motion carried. Due to K. Brake's travel, the update on Inclusion will be moved to the November CFRC meeting.	
Action Items	Person Responsible	Deadline
Attendance Zone		
	Ted Ammann, Red Clay Asst. Superintendent, District Operations	
Discussion	Dr. Ammann distributed information on the new Attendance Zone designations that will be presented to the BOE at the October meeting. Please see Section I attached.	
Action Items	Person Responsible	Deadline
Priority Schools		
	Jill Floore, Red Clay CFO	
Discussion	Ms. Floore began a discussion on the Priority Schools in Red Clay. Please see Section II attached.	
Action Items	Person Responsible	Deadline
Referendum Update		
	Jill Floore, Red Clay CFO	
Discussion	Ms. Floore presented the recommendation to the BOE from the CFRC that was prepared at the request of the Committee. See Section III attached.	
Action Items	Person Responsible	Deadline
Recommendation to be read at the upcoming BOE meeting.	Larry Miller	10/15/14
Monthly Reports		
	Jill Floore, Red Clay CFO	
	Ms. Floore presented the end of September 2014 monthly reports. See Section IV attached.	
Action Items	Person Responsible	Deadline
Announcements		
	Jill Floore, Red Clay CFO	
	The next meeting will be held November 10, 2014 in the Brandywine Springs Teachers' Lounge.	



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Action Items	Person Responsible	Deadline

Red Clay Community Financial Review Committee Monday, October 13, 2014

I. Attendance Zone

Dr. Ammann distributed information on the new attendance zones for Red Clay. The process began in December 2013 and it was decided that a person from each of the Board of Education member areas would be represented on the attendance zone committee. That would ensure that every geographical area of the district would be represented. There were 144 applications to be a committee member. The BOE then chose a member from their area by lottery. There were also members of the district staff on the committee.

The Committee reviewed the maps and submitted their own ideas of the criteria for rezoning the attendance areas. One of the requests was for students to be allowed to finish their academic career at the school they are presently attending even if their attendance zone changed. This is primarily for 4th grade students wanting to finish 5th grade at that school. This grandfathering of attendance would be handled through the choice system. The committee did not want to make this decision without the financial aspect of this decision being reviewed by Red Clay. We do not want to continue a bus through a neighborhood indefinitely. The other grades can choice as well, but all choice transportation rules would apply. One case in point, Highlands Elementary. Some of those students will now be in the feeder pattern for Lewis Elementary. Yet, due to the dual language of Lewis, a student in an older grade who has not had this dual language learning in the early grades, would not complete their elementary education in that environment. Working with Amy Grundy and Ariadna Castaneda, it was discussed how K-2 students were able to come to Lewis and assimilate quickly as the older children may not. Mr. Fackenthall asked how it was limited. Dr. Ammann stated that limited busing meant not door to door stops, rather a neighborhood stop as what is done for Cab Calloway.

Secondary is speaking to the middle school population. The high school students have so much choice attendance involved, it was decided they didn't need to be addressed at this time. The grandfather practice will apply to 7th & 8th in middle school as the committee understands the difficulty and changes of the middle school years. We will try to provide busing for those students but long term we will phase out choice busing for all grades.



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The last time attendance zones were changed was 10 years ago. It was decided at that time to provide some bus stops for choice students. Unfortunately, the choice busing never went away. That comes to approximately \$220,000 in additional busing the state does not cover. The elementary choice students have not had choice buses for some time. Now, we will phase out the stops over 3 to 4 years for these schools. Mr. Doolittle commented that there is a discussion going on nationally regarding choice and busing. At some point we may be forced to provide choice busing. Mr. Pappenhagen asked if anyone has looked at how removing choice stops would affect the choice system. Dr. Ammann stated that with the recommendation to provide the middle school busing over the next 3 years, we will be looking at how many people take advantage of that choice. The part that people struggled with over the choice stops wasn't that the district made a philosophical decision to make sure certain areas can choose. The problem is the current stops are all based on where students lived 10 years ago.

Ms. Floore asked about the stops for the 7th grades who want to stay, there will be 6th graders there. Dr. Ammann cannot tell a 6th grader that there is a stop there, but they cannot use it. What we can do, however, we will tell those families that the stop will phase out in 2 years. That way they will go into the decision to choose their student with the knowledge that the bus stop will disappear. Ms. Floore asked how we ensure that they are aware of it. Dr. Ammann stated it will be in the placement letter, the choice information letter of acceptance and on our website. It will be very clear and bold in those notices. This is all in the Board vote at the next meeting.

Mr. Miller asked where is the potential for additional costs based on these changes to the buses. Dr. Ammann stated that the potential savings over the long term will be \$200,000 as that is what we pay for choice bus stops. In the near term there would be an increase for the middle school choice and the elementary. The middle school is not a significant cost because of the way the reimbursement from the state works is a percentage of the route. One example was H.B. DuPont. Going a few blocks further for another stop is a minimal impact. It is hard to get a real count until we see what the students do. We estimate the impact to be \$20,000 to \$30,000. Mr. Miller asked what the funding source is. Ms. Floore stated that is local funds.

Mr. Fackenthall asked if Brandywine Springs area is very large geographically. Dr. Ammann stated that it was and still is. Dr. Ammann discussed the new lines as per the handout diagrams. Mr. Miller asked if there was a cycle in which attendance zones were looked at. Dr. Ammann stated that they only review zones when there is a new school. We do not look at simply the overcrowding of one school, but the entire district.

At this time there aren't too many significant changes. Those overcrowded schools, however, do have the larger changes. Brandywine Springs has a fairly significant part moving to the new school. That part, however, is not densely populated and has a fairly high private school attendance. That is something the committee struggled with as you can move the zone in the city one block and make a huge change to a school.



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Linden Hill is a school that was significantly overcrowded. A large portion of their attendance zone will move to Cooke Elementary. As is Brandywine Springs.

Heritage Elementary has a minor change. During the last change in attendance zones, a neighborhood was split between Heritage and Mote. That has now changed to keep the neighborhood together.

With new technology, we have ways to look at neighborhoods on a higher level. We worked with University of Delaware in mapping our neighborhoods.

Richey Elementary had no changes. As did Richardson Park's footprint. However, with the new inclusion proposal, there will be students who currently would go to Marbrook Elementary, who will return to RPES. At the same time, there will be classrooms from Richardson Park Learning Center that will be available due to those students attending their attendance zone schools. The vote for inclusion is the same night as the vote for the new attendance zones.

Highlands Elementary is close to or over capacity. There were student areas that are actually closer to Lewis Elementary so those areas are now in Lewis' attendance zone. As there was another Highlands feeder area closer to Shortlidge Academy that is now assigned to Shortlidge. There is also a portion of Highlands in Westover Hills that will now attend Brandywine Springs. There are few students in this neighborhood.

Baltz is another school that is overcrowded. The committee thought to move students from Baltz to Marbrook. Some of Baltz's feeder pattern allows students to walk to school. Therefore, two sections of Baltz did move, but the city of Elsmere remained within the Baltz feeder pattern.

The distribution also shows the number of students affected by the changes. There are 270 students coming from Brandywine Springs. There were 38 students attending Linden Hill even though they were closer to BSS. Now that BSS will have the room, those students can attend a closer school. Linden Hill has trailers/cottages. They will be removed when all of the changes and new school are in place. Mr. Doolittle asked if Marbrook was far under capacity. Dr. Ammann stated that Marbrook has a fair amount of students who will return to Richardson Park due to inclusion, ELL students. Marbrook will lose ELL students, therefore adding the new students will balance out.

Mr. Piccio stated that there are only 900 students affected by this change. Dr. Ammann stated yes, 900 elementary school aged children.

Ms. Floore explained if you put the actual school within each marked areas, it is not always in the center. We cannot always say the school will be in the center of the area as



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we cannot always control where a school will be located. In the case of Cooke, the district already owned the land.

Dr. Ammann explained that there are also areas that are potential to be developed. In an established community, we need to use the schools available. Ms. Floore also explained that the charter schools have also changed a lot of our attending population. Dr. Ammann explained that the University of Delaware has done attendance zones for every district in the State. It has been made more difficult as you try to estimate what your charter school enrollment will be. And looking at the elementary schools all feeding into middle schools, you take into account those students attending Cab Calloway, Conrad, Brandywine Springs and private schools.

Mr. Fackenthall asked if with the opening of Cooke and the lessening for students in other schools draw back students from charter schools or private schools. Dr. Ammann stated that they did not look too much into that with elementary schools. However, when North Star opened, they did see a fair amount of children coming to North Star as there was no school in that area. In the area of Cooke, there are schools already in place. Our theory is if a student is attending a private school, there are other reasons for their choice.

Mr. Fackenthall asked if any schools were closed to choice. Dr. Ammann stated that no, technically, at this time all schools are open to choice. There is a change in the choice law; we can no longer close a school to choice. In the past, if a school was above capacity, we would close that school to choice. Now we have to accept the application, but if there is not capacity a student would not receive a choice invitation. Unfortunately, the down side is that leaves parents with false expectations.

Dr. Ammann talked to the point of middle school. There is no fix as we have no middle school capacity in the city. Our smallest school, A.I. Middle, is the closest to the City of Wilmington. There are 29 combinations of elementary to middle schools at this time. The committee took the desires of students to continue with their co-students as well as mapping into consideration. Now, if you go to one elementary (without choice) you will know what middle school you'll attend. Warner had to work into 2 pieces due to the size of the area. However, 95 makes the dividing line and works well with the neighborhood feel.

Mr. Miller asked if the changes drive any changes in services the schools receive? The committee took the approach of geography and proximity. We aren't looking at socioeconomic status. After the lines were drawn, we looked at the needs of the schools, i.e., Title I schools. Mr. Stewart, in charge of Red Clay Title I, was on the committee. He noted that we may find a school now has more poverty students than before and would receive Title I funding.

Mr. Doolittle asked regarding capacity and the move of Central School students going back to their feeder schools. Nothing we did gave us more capacity. Dr. Ammann stated



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that middle school was full before and it is full now. Mr. Fackenthall asked about Brandywine Springs Middle School. Dr. Ammann explained that BSS middle school is all choice. As is Conrad and Cab middle schools. Many students who attend BSS elementary choose to stay for the middle school. We have no reason to believe that will change.

Mr. Doolittle asked what our long term plan for middle schools is. Do we have a 5 year plan for overload? Dr. Ammann stated that the most concrete program is the IB middle school program at Dickinson. This will draw students from all of our schools. There is a capacity of 300 students in that program over time. We are not looking to build a middle school in the next 5 years.

Mr. Gregware asked about the IB program at Dickinson. If students from all over the district chose to go there, are they all bussed there? Dr. Ammann stated that we could bus them on the district's cost. It could also be as the middle school at Conrad and Cab and the whole district would be the attendance zone. We would still cover our share, but the state would also take their share.

II. Priority Schools

Ms. Floore explained the proposed federal funding that is being given to Red Clay and Christina school districts for priority schools. \$5.6 million will be given to 6 identified priority schools that include Warner, Shortlidge and Highlands. They were designated lowest performing by the Department of Education.

In looking at Red Clay's history, the same month that the Board of Education voted to go to capital referendum, is the same month we accepted the partnership zone. We have gone through this process before with these partnership zone schools. We worked with the unions, as well as DOE, and the schools have done well with the PZ funding but there have been a lot more issues this time in how it was communicated and the regulations associated with it.

Our issue is the hiring of the principal and their salary base as well as all teachers at those schools would have to reapply for their positions. The true dollar figure for the \$5.6 million is divided by 6 schools over 3 years and comes to \$200,000 per year per school. That's 2 teachers.

Mr. Fackenthall stated that DOE is undermining what teachers do. Our state funds do not give us smaller class size. The DOE is citing charter schools in the city as examples, yet they don't have the same rules. Until the state changes the way our schools are funded, it will always be an uphill battle. Also, charter schools can expel children who are behavioral challenges where we cannot. The number of special education students is very low at these example schools as well.



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Mr. Miller added that these funding programs are Band-Aids. These new strategies do not look at the infrastructures already in place. With the student success strategy there are models you can look at to deal with children who have significant challenges. The second part looks at is equity. If I'm a high performing principal at another school, why should the new principal receive more money to lead this school? There needs to be a long term process. As soon as he heard federal money, Mr. Miller knew the money would be short term fixes. If a model was developed with these funds, and then a funding mechanism would be modified to accommodate those changes, it would be worthwhile.

Mr. Doolittle states that he feels there is an opportunity at this time that the process will begin for needs based funding for these students. In his opinion, the MOU is funded 25%. The district will have to come up with \$2 million. Mr. Miller doesn't see the state revenue stream increasing in the near future. Mr. Doolittle agreed but said if we started today to develop a system; it would take 2 to 3 years before it can be implemented.

Mr. Pappenhagen said he feels this is an unfunded mandate. If we look at the implementation cost, it doesn't add up. Mr. Fackenthal added that there is a \$50,000 planner for 3 months as a consultant.

Ms. Floore explained the proposal we are offering to DOE as a response. Several people have asked if this is the reason we are going to referendum. This is a totally separate issue. Our base needs to be addressed. What we are talking about with Priority Schools is supplemental funding. The other question asked is if we can do these things in the referendum. Ms. Floore explains that it is fiscally irresponsible to try and hire dozens of people from local funds. We would be bankrupt quickly.

Mr. Miller stated until you address the core issues that these students face before they come into the classroom, there won't be a fix. It is cheaper to educate than incarcerate.

Mr. Piccio asked how much we have accrued in legal fees for this MOU. Ms. Floore does not have this information at hand, and it's not over yet.

III. Referendum Recommendation

A copy of the recommendation to the Board from the CFRC regarding the upcoming referendum was distributed. Ms. Rattenni is unable to attend the BOE meeting. Mr. Miller will be reading the recommendation at the meeting.

Mr. Pappenhagen suggested a change to the last two sentences of the first paragraph:

Once those grant funds are depleted, any positions or programs that were part of those grants ended. The District is then placed in the position of finding ways based on the state formula to sustain the most beneficial positions in order to preserve these critical initiatives.



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Mr. Pappenhagen asked are there carry overs from the RTTT funds. Ms. Floore stated that if we kept some programs, we cut something else. Mr. Pappenhagen suggested a change. Ms. Floore proposed:

Once those grants funds are depleted, any positions or programs that were part of those are no longer funded. The District is then placed in the position of finding ways based on the state formula to sustain the most beneficial positions in order to preserve these critical initiatives.

Mr. Fackenthall stated that at the September Board meeting, he spoke as an RCEA member in favor of the referendum.

Mr. Fackenthall made the motion to accept the statement as amended. Mr. Pappenhagen seconded. The motion carried.

Ms. Floore explained that one of the public comments she received was can we do \$.20, \$.10 and \$.05 for the 3 year tax increase. Instead of \$.25, \$.05 & \$.05. This means we would move \$2.5 million from year one to year two. This means a longer implementation plan for technology. We can look at leasing and alternative financing and she believed it was doable without major disruptions.

Ms. Floore reported on the September 30th count and we are down units. We came in at 98% of last year. This in large part to the opening of charter schools. We have 6 charter schools scheduled to open next year in New Castle County mostly at the secondary level. This makes planning very difficult not know where students will be. And we need to offer contracts to teachers this May. This year we had late registrations that hindered the process as well. Mr. Piccio asked if we get the figures wrong in May, does it all then come from local funds. Ms. Floore stated that we sit down with DOE in April and are given a guarantee of 98% of your estimated units so as long as we don't staff over that, we are safe from a unit perspective. It will be a messy staffing year this year. Mr. Doolittle stated that with our new school, we will have choice spots opening up.

IV. Monthly Reports

Ms. Floore presented the monthly report for September 2014. We are at 54%, slightly ahead of where we were on revenues last year. Our expenses are 21% expended and expended and encumbered at 24.2%.

Ms. Floore wanted to point out the previous budget year expenses on Page 3. \$12 million. This number is increasing. School districts run on a cash basis not an accrual basis. When we receive state funding, we budget on a fiscal year. The federal is a different fiscal year. Our main operating budget is spending FY2015 funds. The state financial system goes down in June and comes back in July. If we have summer purchases, i.e., a computer lab. We create a purchase order in June to encumber the funds in the one year but it is paid in the next fiscal year when the items are received. The entire report is what is going against FY2015. Except for the last line of previous



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year expenses. In previous years it was much less. The reason this is so much larger is due to the fact that major capital is in that amount. When the state agreed to fund the new elementary school and Cab Calloway and AIHs, they were funded as FY2013 funds. Now, those expenses are being paid and they are going against the prior year. Ms. Floore would like to know if the committee needs more detail to this line. Mr. Doolittle asked for a split of capital and operating. Mr. Fackenthal asked if that is part of the 15% of what the schools can carry over one year to another. Ms. Floore stated no, that 15% turns into cash in their next year's budget.

Mr. Miller asked why we couldn't reflect in the revenue category, balances carried forward. Ms. Floore stated she presents that in the budget but it is not reflected in the revenue. The purpose of this report is to project our local funds balance. Mr. Miller stated it looks like an expense without revenue. It could be a separate page, but not combined in this category to distort revenue. Ms. Floore stated we could track against encumbered.

Mr. Doolittle asked about the legal operating unit being expended 40%. Is it due to our case load going up, cases taking longer or DOE costs, the committee would like that as part of the legal presentation this year. Mr. Piccio asked about teacher negotiations in the legal process. Ms. Floore stated that is a 3 year cycle. She also mentioned that legal settlements are in the amounts.

V. Announcements

Our next meeting will be held at Brandywine Springs School teachers' lounge on Monday, November 10, 2014 at 6:30 PM.

There have been no public inquiries to the CFRC.