



# Committee Transcript

**Red Clay Community Financial Review Committee  
June 11, 2019**

## **I. Minutes**

The May 2019 Minutes and Transcript were reviewed. Mr. Pappenhagen moved to accept the minutes and Mr. Schwartz seconded. The motion carried.

## **II. Monthly Expenditure Reports**

Ms. Floore distributed a copy of the May expenditure reports. We are at 98.65% revenues received. Last year we were at 98.66%. The interesting thing is the largest fluctuation on State Division 1 funds. At the end that will be 100%. Right now, the State is trying to predict the last two payrolls and only fund that much. They do this for every single district. They are still really close.

On Division II, we went over. We were down students but increased units. Units come not only with the teacher part of it, but the utilities as well. And we receive it twice. We get an energy calculation on the number of students as well as an all other costs on supplies and materials.

Summer school is in the bridge phase. There are students who do not yet know if they have failed. Those registered now, know they are in need of credits they need to make up. The last day of school is tomorrow. Those who graduated are done, but others are taking finals this week.

We are in great shape on the revenue side. Still low on indirect charges at 3%. We were at 20% last year. Ms. Floore does not believe we will reach the full amount, but if it isn't fully funded there, it is funded through the grant. It is an administrative cost taken off the Consolidated Grant. Our administrative costs are a calculation and really low as a district. More is funded from the State.

On the expenditure side, we've seen some improvements to the areas we've been watching closely, while not totally within budget. Line 53 Local Salaries is at 91.2%, we're at 24 out of 26 pays. It is lower than we would have been at this time, it's because we've hired more therapy contractors for those related services. We see some savings on the teachers' side. In essence, they balance each other out. It is a large pool of people. The reason related services went down in the percentage of over budget, is when we earn units, we earn them on the traditional children you have. There are other categories of academic excellence, which supplement the unit count. So many units earned in a building of teaching staff, counselors, etc. Then, special education earns related services units based on the category of those students. As a district, we hire psychologists, educational diagnosticians, but we have the option with the State earning the AE units, we can use them as units or we cash them in. We make an estimate in December as that is when the deadline is for the cash-in. We use most of the units, but we had a cash-in of 30 plus units for contractual services. That will offset the budget. There is a related



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services cash-in on the revenue side. On the expenditure, report there is no cash-in line, so there is an expenditure reduction. That is why it is 124% over budget. Much of it is in encumbrances to pay contracts through June.

Special services is up and that is our contractor for alternative placement in-house. They have their own site. They are not students who have been expelled or gone through the expulsion process. It is a K-8 program called Positive Change. Mr. Chase asked if there were two of them. Ms. Floore explained those are for expelled students, Kingswood and Parkway. Those students go through due process and were expelled, but the law requires we supply free and appropriate public education. They are provided a truly alternative service but we buy seats in it. It is a consortium that all the districts buy into. Mr. Chase asked if the students show up.

Mr. Schwartz asked if these were the grants from the State or the federal grants. Ms. Floore answered that the State budget process has traditionally had School Improvement Plan funds set aside. In years past, however, some of the focus money was State money. Bill Doolittle, a former member of the CFRC, would often question the State on what they were doing with the multi-million allocation in the State budget for School Improvement and where did it go? Ms. Floore believes what happens is that there is money reserved at the State level and there are 19 different districts. She believes they combine the money before distributing it. They take off part of the grants before it comes to us. That is part of the ESSA plan, is the administrative oversight of School Improvement. There is a State allotment and a federal allotment. It is why it is one-way one year and the other the second year. Right now, it is Stanton, Shortlidge, and A.I. Middle Schools. Her understanding is Stanton will receive a considerably larger grant than the other two.

Mr. Schwartz asked if that was separate from the State SIP. Ms. Floore explained there is the School Success Block grants. Those were they funded their initiatives: the K-3 Special Ed and K-4 Reading Teachers. The Opportunity funds are also State funds, but funded in a different area. Again, they are using one-time money over 3 years. They are sitting on one-time revenue. Right now, the news release is they will enhance them next year or that is the budget proposal. Mr. Schwartz asked how much restriction or guidance is given on how it's spent. Ms. Floore explained that it is changing. Last year the Opportunity Grants were designated. There was a lawsuit stating we have nothing in place for students in poverty in the formula or ELL students. Last time they did a calculation by school with poverty, ELL, and thresholds. This current fiscal year, Red Clay got a list stating Baltz earned one amount for ELL and another amount for poverty. Some schools had both. Highlands only earned under poverty. Richey earned under both. It was only elementary schools. The threshold was pretty high. 70% threshold for concentrated poverty. A school with 65% received nothing. The school districts pushed back stating they weren't being helped.

Now, it is calculated on a per student basis. They are putting more into it, but we are seeing less out of it because we received a lot the first round. Now that they are widening the net, we will receive an additional \$1 million from the State. That is 10 full



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positions or 11 depending. We received \$1.8 million this year at the elementary. The teams are developing a plan to address ELL and poverty on a district basis. We can then coordinate what they are doing with the CSI plans and where are we going to direct resources. There is no appetite for the \$1.8 million that is allocated to be taken away. We hired English Language Development teachers. They are full time with a caseload and track the access tests. We feel they will continue the plan. We will use the additional money to supplement some missing pieces, particularly how it can supplement the middle schools as the restriction to elementary schools is no longer there.

Mr. Pappenhagen stated that one school has 49% ELL. Ms. Floore added that it is sad they wouldn't have met the threshold. It was legitimate push back. We have to sign off on how it will be used, as does DOE. Unfortunately, we can't wait until September; we have to hire these people now. They are doing it so we have approved plans by July in time for school to start. There is a need to be proactive. Also, we are in a critical shortage of these teachers. Mr. Chase asked if other than personnel, would this pay for translators. Ms. Floore answered that yes, districts have the flexibility. We have had things like the SIOP program, which is instructional materials. Carol Beck, our ELL Supervisor, has been able to use the Opportunity Grants to support staff, and we've taken all staff out of the Title III grant. Therefore, she is planning on a K-12 curriculum purchase that we don't currently have. Mr. Chase had the experience with a student who spoke no English, only Spanish, and his curriculum had no Spanish support. An ELL para was there but was often pulled for substitute services. Other students helped translate, but they are students. We'll have a better support next year with the curriculum.

Expended and encumbered we are 91.4% last year at 83.7% expended with one month to go. We will come in under budget. We will have \$15 million for the carryover balance. Which is a very healthy position to be in. The schools are allowed to carry over 15% of their balance to the following year especially if they have upcoming larger projects. We had an unusual year. An interim superintendent who was also the CFO so there was less spending and a time of uncertainty. We were able to bring him with a cushion.

Tuition programs are doing well. The bills have gone out. With the related services adjustment, everyone is tracking. The only thing that is over is Meadowood transportation, and there's nothing we can do about the additional transportation needs of the students. You can never predict exactly where the students will be coming from each year and much of that is door-to-door service with very specialized equipment.

Ms. Floore distributed the supplemental appropriations bill, which speaks to the Opportunity Funds. On Line 56, you can see they added \$37.5 million, which is spread over 3 years. There are a number of bills that passed. The K-3 Spec Ed bill, which passed, and more money was placed toward that. Part is the bill for mental health. Some will be an allocation for those districts who earn counselors, psychologists contracted or employees. Some are called school success block grant and some are called the opportunity grant. It is one-time money. We will still have to give back \$3 million next



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year. Ms. Floore will give an update on the State budget to the Board at the next meeting.

Mr. Schwartz asked by not just not give us the \$3 million. Ms. Floore explained it gives us the flexibility of where to take it from. Drivers' Ed, salaries, professional development, etc. Every district chose to do it differently. We cashed in 18 units including administrative, teaching, secretarial and custodial. That way one part wasn't particularly harmed. If they withheld \$3 million, they could decide where it comes from. It's very complicated. It comes out better for us to do it this way.

### **III. 3 Tier Transportation**

Ms. Floore updated the committee on the 3-tier transportation program that was started this school year. We were saving money for the State but not getting credit for it. She is happy to report a piece of epilogue in the proposed budget that allows the district to apply for a waiver to the DOE approved by OMB that allows us, if we can demonstrate the savings, to recoup our expenses. The State saved \$1 million on our plan. We can apply for credit back for that. We are very happy for that. Kim Williams and Mike Ramone fought for that.

### **IV. Public Comment**

There was no public comment. There was an email from Jack Wells, community member, received through the CFRC web mailbox. It spoke to the referendum reform bill.

### **VI. Announcements**

The next meeting will be Tuesday July 9, 2019 in the Baltz District Office Board Room at 6:30 PM. This location is a change from the original schedule.