



Committee Transcript

**Red Clay Community Financial Review Committee
November 10, 2020**

I. Minutes

The October 2020 Minutes and Transcript were reviewed. Mr. Chase moved to accept the minutes and Mr. Matthews seconded. The motion carried. Due to scheduling conflicts, Dr. Ammann is unable to speak to the Committee this evening regarding the pop up classrooms.

II. Expenditure Report

Ms. Floore presented the October 31, 2020 expenditure report. This is the report we have been waiting for as it carries the bulk of our tax revenue. The tax bills were due September 30th. Because of the COVID, we were concerned as to how much we would see from that. We received 98.96%, receiving the vast majority of what was due. We are down slightly from last year, but not by multi millions, which was our fear. Last year, it was 101%. This number, when the charter payments are made, because they are not an expense, but a revenue reduction, the money will be deducted from receipts. At some point, the revenue will be over 100% and then it will drop back down when we make the charter payment.

This year unit count ends November 13th. Pulling the numbers today, we have fewer charter school students this year than last year. That is a first, as there is an increase each year in the past. The payment is \$13.7 million. We have made a prepayment of 35%, as charters need to start their school years as well. We will true up the 65% after unit count. We have made the \$4.8 million payment.

The question remains will we still meet 100%? The payments do still come in late, but we don't feel we will see as many.

We still have to give back \$3 million to the State. Therefore, the numbers on the State revenue are also still not final. The give back comes from several appropriations. State Technology is currently at 170%, for example. In December, we will give the State where to apply the reductions. Ed Sustainment is 104% as another example. The State takes the entire reduction now from Division 2. As you can see in the Preliminary Budget, the Division 2 is \$4.9 million, but we have only received 47%. Once we give the deduction plan and distribution, it will even out over program areas as well as positions.

The good news is that we are 91.91% received compared to 91.21% last year.

DEFAC is slightly up for this year. The out year projections are up over the budget estimate for FY22, which is the next budget they are working on.

On the expenditure side, Dr. Ammann's budget for Assistant Superintendent for Operations, at 83% which last year was 5%? In large part, that is due to the pop-up



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classrooms. Red Clay schools and additional money left over from the CARES grant and from New Castle County. You may hear that many of our elementary schools put in applications to New Castle County. Summer school cost was reduced for students this year. That will be recoded to the CARES funding. Performing Arts is the perfect example of an area where we had to pivot. In many cases, the pop-up classrooms are wonderful, but in many cases, there are things we cannot do inside. Cab wants students to sing outside in the pop-up classroom. There are different opportunities that are able to occur outside. The pop-up classrooms will not disappear as we return to in-person. Also, the students who have chosen to remain online learning, there will be options for programming for the asynchronous learning currently taking place on Wednesdays. Labs or other programs more easily done in-person rather than online. There is also a bus that goes along with the pop-up classrooms. We pivoted in fourth and fifth grade performing arts, as recorders cannot be played in this environment. Therefore, ukuleles were purchased. The children and very pleased.

We are a third of the way third of the way through the fiscal year expecting to be at 33% we are 32.6% almost exactly where we were at this point last year. We've been asked lately if we've save money with COVID. There are things like fuel, when the buses weren't running the first 6 weeks, there were savings. That also means, we received less money in from the transportation formula. Not really a savings, but a net reduction.

The other question is regarding saving money on substitutes. Obviously, we didn't have the traditional daily substitutes for the teachers during the online portion of the learning program. But we are making up for it, as the new hybrid-learning program requires more staff. Even if we have someone approved to telework at the high school level and the teacher is zooming in, we are hiring classroom monitors to be with the in-person students. We are doing both in advertising and Facebook as well as working with Delta-T network of recruiting as much staff as we can. They aren't instructional staff as the teacher is zooming in. But there are technology issues or behavior issues that need an attendant. The classes are only half filled as they have in-person cohorts.

Another is supplies. We are buying different supplies. In the first six weeks students were sent home packs of not only Chromebooks, but classroom supplies, district wide.

Also, DIAA allowed fall sports to happen. Red Clay allowed only varsity. There is very limited after school activities outside of varsity sports. There are no middle school or junior varsity sports. We pay EPER three times a year. These are the types of programs EPER is offered to pay for coaches and any after school clubs. We see that in November. We won't see that net reduction yet. Many of the clubs and activities are normally funded from our Strategic Plan grants. For example, Warner's after school Thunderbird program. These funds are from our match tax, as we the district assess for after school programming. It isn't in the general operating line. It won't go away; it just means that in the future, there will be more after school activities available. You will see it salaries. Line 41 is State, Line 53 is local. On the Division 1 salaries, we are at 34.6%, which is normal. That is the State share of the teacher, para, and custodian salaries. Which is higher than 33.3%. Looking at the local it is 32.7%, and we are running slightly below



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which would include the local stipends paid to those handling after school programs. Or professional development that takes place after hours. It will widen further in November. This month ending 10/31 is actually 9 out of 26 payrolls which means we are tracking against 34% and not 33.3%. So, in looking at Division 1 salaries, we are not actually a whole percentage point higher. The local is slightly below the target.

In looking at the CARES funding, we have talked about purchases from last year that pushed us over budget. We have recoded them and fixed the charges. However, there's no way redo a past budget that is closed, so it was officially over budget with the knowledge that the CARES funding was coming. We are not putting the money in revenue. That would distort the picture on how much funding we received in a year. We do have prior year money that we keep in FY20 and not mix it into FY21. That is the recode of technology from the CARES funding, just over \$2 million. Of the \$5 million in CARES funding, we have recoded \$2.4 million. We are well on our way to use the funding. We also just wrote a new application for \$333,000 for recovery services for students. As we monitor and review the IEPs and students who have lost progress and need recovery services. Safely, as is available, tutoring and related services needed. DOE is running that as a separate CARES application. Ms. Thompson asked if we've spent the whole \$5 million. Ms. Floore explained that we've spent it; we're in the process of recoding it.

What we predicted in April for COVID, in this ever-changing world, is not how it turned out. We predicted in April that we could have summer school. We had very limited summer school, and no in-person. We did evaluations. In the past, we've had Title 1 and ELL summer school as well. Our original plan was to make up the learning loss in the summer. We cannot do that now either. The money we had marked for summer school in the CARES grant will now pivot to something else. We hope to have the flexibility to do summer school in the following year.

Ms. Rattenni asked if the \$5.2 million has to be expended by December 31, 2020. Ms. Floore explained that we can process the payments after the date but the funds must be obligated or committed by December 31st, and we have some time to code it and process the paperwork in January. Ms. Rattenni asked that the \$2.8 million that was recoded was from the original FY20 budget. Ms. Floore explained that it was. Ms. Rattenni asked if the purchases now have come from the FY21 budget or straight from the CARES grant. The purchases came from the CARES funding and will not reduce the budget in FY21. For example, in Curriculum, the budget is their own, but another part is in the CARES budget. The only thing we couldn't do it for was last year's funding. We knew the funding was approved at that point. There is a line in the budget called ESEFR on page 5, Line 11. ESEFR stands for Elementary Secondary Education Federal Relief.

Ms. Rattenni asked if we are preparing for FY22 if federal funding will be available for support. Ms. Floore stated it is purely speculation. Many believe there is another stimulus package coming, however, we will have to wait and see. The outcome of the election makes it possible for more support for public education.



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Ms. Rattenni asked if we have given any thought to adding to the contingency. It may be premature. Knowing what we've spent on PPE and cleaning, and what will need to continue throughout next year. Ms. Floore stated that there's been so much talk about a vaccine and how it will be distributed to the population. We have a \$3 million reserve on top of the balance increasing the contingency, which we haven't had to touch as yet but we are looking closely at that. This is a question we'll have to determine in June for the preliminary budget. \$5 million is a lot of technology, PPE, and curriculum support. Ms. Floore didn't feel the need to build in an increase to the contingency especially now with the other grant we applied for and the New Castle County grants the individual schools received. We have to look to how we return to school. Will school look like the traditional model or completely different. We would be looking at major capital for significant facility overhauls. We will look at it again in June depending on what happens over the next six months.

The State has a focus on recovery, lapses of learning loss. It isn't something that can be taken care of overnight. It is something we can marry with our Strategic Plan. Also, something we can look at 21st Century grants for summer school if we can. The immediate plan is returning to school. The focus is directly on that. We do plan long-term, but we have to focus on the immediate. Statistically, in the district 55% came back in-person and 45% remained online. That is globally, it varies school by school.

Ms. Floore recapped the highlights of the report for those who just joined the meeting.

III. COVID Update

Ms. Floore included the COVID funding CARES grant in her expenditure presentation. Ms. Floore explained there were over 100 pop-up classrooms. At least 30 buildings used them. When scheduled, the buildings scheduled three at a time. We are still using them for choir and for groups that don't have a space to meet outside. The New Castle County grants are being used for outdoor classrooms. HB DuPont Middle School has an outdoor structure. Structures like that one are in the works at many of the schools through the CARES grant that was administered through the County.

Ms. Floore has a student who participated in a 9th grade biology pop-up classroom. It was a great experience. This was well before in-person instruction.

IV. ACLU Lawsuit

Ms. Floore and Ms. Thompson had been having discussions regarding the lawsuit settlement. In the News Journal there was an article about property reassessment. It was very disheartening. In the article, Lassiter stated that he has no authority or ability to make this ongoing. This will be a one-time reassessment. Ms. Thompson stated that the parties are talking about making it ongoing, but he wants to get at least this one in place. Ms. Floore explained that it spoke about the process. It will go into effect in 2024. People will start protesting in 2023 and the bills would pass in 2024. Ms. Thompson



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stated it is a four-year process. Ms. Thompson added that the legislature also needs to call for rolling reassessment.

Ms. Floore quoted the article: “While the Plaintiff’s attorneys told Lassiter they had hoped to see a settlement where the counties would regularly reassess the properties, the judge indicated he was unlikely to require it. That is because the law leaves the discretion with lawmakers, Lassiter told attorneys last month. He added that he does not want the lawsuit parties to delay fixing the problem by worrying about future reassessments.”

Ms. Floore stated that is crushing for future generations meaning we’ll be right back here in twenty years. Unless someone acts. Ms. Thompson added why can’t the Redding group do that. Mr. Matthews added that Redding hasn’t acted since seven years ago. Mr. Matthews continued that the teachers in the city schools have not seen any difference in the funding, class sizes, and structure. We have classrooms in the city with 24 students in a classroom. Ms. Floore added that Redding and the settlement; the scales are tipped and if we weigh ELL and poverty the same, the resources school receive is imbalanced. The schools are telling Redding that when the reassessments go into effect, they have to look at how the resources are distributed. Right now, it is based on an arbitrary DOE formula. It needs to be nuanced. If someone in the county for 3 years is further along in their learning their needs are different from a student who is new to the country and English. Just like special education, which has basic, intense and complex, there needs to be tiers of ELL and poverty. That would target levels making sure the school would receive the resources they need. Right now, it is just a blanket. Ms. Thompson added that that the lawsuit didn’t address that. Mr. Matthews feels the settlement is just awful in that it deals with the right now and not refigure the formula. Ms. Thompson added that it is a step forward with more funding per student. Ms. Floore just wants to make sure it goes to where it is needed the most. It is double what was given before, true. It is not part of the unit count it is how the legislation is written. Ms. Floore added it should not be just elementary but secondary as well. The need is there as well or greater.

Ms. Thompson stated that redistricting is still an option that the Redding group is considering. Ms. Thompson stated she feels WEIC overreached. \$100 million to move the district lines in 2016 numbers. Ms. Floore sits on the finance committee of Redding with Mr. Green. There are several different committees. They will continue to meet. Ms. Floore feels there will be bills that come from the Redding Commission in the spring.

Redding is also looking at referendum reform. It is an immediate action item. We’ll need fewer referendums if there are regular and reoccurring reassessments. It is still needed for growth and small programmatic changes. Otherwise, taxes will increase as the reassessments happen. Ms. Thompson doesn’t believe that reassessment will bring us more funding. Ms. Floore believes that the bill giving the district the ability to raise the taxes 2% each year would still be necessary if there is not a provision for regular recurring reassessments.

V. Public Comment



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There was no outside public comment. Mr. Green is working on the committee for new members.

The final budget will be pushed forward as it is based on unit count. This year's unit count will not be completed until November 13th. Ms. Floore will bring the final budget to the Committee in January or February.

VI. Announcements

The next meeting is December 8, 2020 at 6:00 PM in the Baltz District Office Board Room with call-in access.