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Red Clay Community Financial Review Committee January 12, 2021

I. Welcome New Members

Ms. Rattenni welcomed the new Committee Members to their first official CFRC meeting and thanked them for their interest and time. Ms. Floore explained the need for the new members training and acceptable use policy for their Red Clay email access. Once the State training is completed, Ms. Floore will meet with the new members for an informal training on Red Clay reports and practices.

II. Minutes

The December 2020 Minutes and Transcript were reviewed. Ms. Floore pointed out that at the time of the last meeting, she believed the approval of the new members, after the selection committee had recommended them, was needed by the Board of Education. While meeting with the selection committee, the bylaws were reviewed, and it was clear that the selection committee was the final step. Therefore, once the selection committee approved the new members, they are in fact members. This information does not change the minutes, but should be noted. Mr. Chase moved to accept the minutes and Mr. Schwartz seconded. The motion carried.

III. Unit Count Update

Ms. Floore explained that Mr. Green made the recommendation to the Board that the Final Budget for FY21 go to the Board in February due to the delayed unit count. Therefore, the next CFRC meeting will be longer in order to review prior to the Board. In late December, the unit count updated. In State Code, when a district's unit count of September 30th falls below 98% of your estimated unit staffing, they are guaranteed the 98% funding from the State for the current year. We came in below the 98%, but there was discussions at the State level and they did authorize funding at 99%. The 98% guarantee, we were funded for Division 1, but all of the other funding lines were based on the actual unit count. Had we not been funded at 99%, it would have been an even bigger hardship as districts were not anticipating 98% or even less. What the State did was not fund the 99% units, but created a separate appropriation for the value of an average unit allowing every district to have the same value of a unit. Our allocation was \$1,079,081. We were certainly grateful that the State recognized the need. The State numbers were up, and that was the final numbers in December before the legislature comes back. The interesting thing is they would be able to fund it if we were at 100% of our unit count. The argument all along was that the State was saving money with the declining units. It was generous, but we were already staffed so it is not extra.

All of the funding happened so late in December, that we agreed that the budget would have to wait until February. It means a lot of what we review tonight is in anticipation of putting together the final budget.



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Mr. Matthews stated that several RCEA members had questions regarding the unit count. Their concern is for School year 2021-2022. If our enrollment is slightly down as we've lost students to private school or we've lost kids because they have gone missing in the virtual environment. Everyone is expecting those children to return once the vaccine is out, hopefully by fall. What is our 2021-2022 allotment be? Will it be based on this year, or possibly our previous year? Ms. Floore explained that there are two answers to that. In April is when we set the estimated unit count. We work with DOE and let them know what our estimated enrollment will be. It is a give and take as we want it as high as it can be and DOE wants it as low as it can be to guarantee the 98%. That is what sets our staffing. We don't make commitments on teacher contracts unless we can guarantee for the school year. That is why the 98% guarantee works. We go through the actual unit count in September. If more students show up than we anticipated, we would have seen that in the registrations and we'll get credit for that. If we're at 104% of the estimated unit count, we get credit for every student. We only get funded if they come before September 30th.

In August, if everyone is registering, that's not when teachers are available. That's why we end up competing with private schools, Maryland, Pennsylvania, etc. We have 98% certainty, but we're not going to make an offer until we know our classrooms of students who need it. Mr. Matthews explained that to his members as a surge in the summer would be seen in the September count. However, that may make for larger class sizes in September. Ms. Thompson added that if the surge is after September 30th, we are in trouble. Ms. Floore agreed. Also, if a student comes in and we don't have time to properly evaluate their educational needs, they may be under classified in special education. We want them categorized correctly, but we may be underfunded in that regard.

Mr. Ochoa asked if we are in a period of online and hybrid and it toggles back and forth, depending on the severity of COVID, are we speaking of the unit count of the in-person or the hybrid students. Ms. Floore explained that there is no distinction between in-person or hybrid student. There is no salary distinction on teaching in the school or virtually.

Ms. Miller has witnessed in her tenure teachers being hired the first day of school, as students are walking into the building. As the numbers go up, the hiring goes up. Ms. Floore added that this current situation increases the probability of that. Mr. Chase also experienced this hiring practice that then could turn into a long term contract. Mr. Chase asked if the unit count was going to be re-done in January. Ms. Floore stated there have been proposals for that action, but nothing has been passed. This November count was unusual. The September 30th date in the past was untouchable. It was shocking that it was changed even during a pandemic. We don't know what may be changed with the start of this new legislative session. The issue is, if you have students move in, you have to provide services regardless of not receiving the additional funding. The flip side, if a student moves out of state, we still keep that funding. In certain instances, it could pit districts against each other. If we have 5 students move from a classroom, our funding doesn't change, and our commitment to that teacher doesn't change. If the funding



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followed the student in Delaware, and a student left in November, it would be problematic. Districts have said that the additions are fine, but please don't do the subtractions as we don't have the ability to adapt to that.

IV. COVID Update

Ms. Floore spoke to the committee regarding the CARES II stimulus package. Allocation for education may be based on the Title 1 formula. Ms. Floore received an email regarding the approval of the funding. DOE is waiting for additional guidance. The ESSR information should come through early next week.

Ms. Floore reminded the group that the last funding was passed in March 2020, but we did not receive the funding until October. The stimulus checks this round did move faster to the average citizen. This new CARES funding has a broader application. Ms. Thompson had asked prior for a report on what was done with the first CARES funding. The largest percent was used for technology. We provided Chromebooks to all of the students. We didn't have them on hand and had to purchase them as well as the carts, tech bus for repairs and online services. In CARES II, we will more than likely see a large recovery services component. We don't know what that will look like at this time. Curriculum & Instruction are working on that now. We can use it for HVAC systems. We will be looking at that as well. It all depends on the status of COVID and PPE needed. The good news is that this continues. We were rushing to use the first wave by the December 31, 2020 deadline. Now, there is an extension on that for another year. We are almost expended on that funding, but we do have \$1 million left. The funds have been committed, we are waiting for the transfers. We don't know what the new amount will be. The last CARES funding helped State and local governments, but that is not in this second funding.

Ms. Thompson explained that she asked for this information to be placed at the end of the expenditure reports for tracking and asked Mr. Matthews to share it with the Union. Ms. Thompson had been asked by some Union members for this information.

Red Clay returned to in-person instruction this past Monday. We are using a hybrid program. Families had the choice in the fall for remote instructions, asynchronous instruction (a self-direction model), and the in-person hybrid model.

Ms. Rattenni asked if the district is planning on providing the nutritional program this summer that it did last summer and through the remote instruction. Ms. Floore does not anticipate that to change at this time. Those plans are currently underway. At this time, we don't know the regulations. As we heard from Ms. Terranova's presentation at an earlier meeting, the Nutrition's revenue source has disappeared. They have been doing a lot with a little. We didn't use CARES funding to supplement the Nutrition Department in the first round, but we may have to in the second round. We believe it to be an important initiative to continue. With summer school, there will be a huge push. However, we don't know what COVID will look like and how the vaccine will roll out.



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We would hopefully get closer to normal and programs continue. Schools were running after school tutoring programs for program support. With COVID, we've not had any after school programs. Our strategic plan grants support those programs. Our budget has spent next to nothing.

We received a second round of the CARES I funding for support for our related services and special education students. It was \$300,000.

Ms. Medine asked regarding the free meals for the students who are on campus and meal distribution program for off campus, will that continue to the end of the school year. Ms. Floore answered yes. Mr. Ochoa stated that the meal payments were refunded to the parents. Ms. Floore explained for the time the students were not in school. We have a school eligibility program which means school-wide everyone becomes eligible. That has to be at a CEP school, therefore, not every school received that refund. The amount the funding the school would have received while the school was in session, the school received debit cards. A few months ago, the Nutrition Manager gave a presentation regarding COVID. Since there is an interest in getting an update on Nutrition's programs, will have that for next month. That funding did not come from Red Clay.

Mr. Ochoa asked about learning loss and our financial responsibilities, after school programs. Ms. Floore answered that every school can apply for the after school strategic plan grants. But the grants must be tied to outcomes. Reading basketball is a good example. Several schools apply for grants for this program. And there is a component for an outcome of learning as well as tying it into an enrichment fun activity. The components of assessment and reporting.

Mr. Schwartz asked if the Strategic Plan funding that has not been used, will carry over to next year. Ms. Floore stated that it will. This funding comes from the Match Tax. It is an extra time match. The State used to give us significant funding for extra time for programs. In 2008, that was cut, but for any district that was matching that in their tax, could continue to do so. Red Clay kept the match and fund these programs. If we kept the tax, we would have a double year. It is a 1 cent tax of \$500,000. If we carry over \$450,000, we have that plus next year's funding to have a very robust after school program, weekend and summer programs as well.

V. Expenditure Report

Ms. Floore presented the December 2020 Expenditure Report. We are at 91.94% revenue received. We are ahead of where we were last year. This is the time of year when all of the transfers take place, therefore, these numbers will dip down. The charter and choice transfers. Right now we are at 96.74% of Actual Budget. We are slightly down on tax received. The other thing that was due end of December is the State give back. In 2016 there was another downturn, there was significant revenue decline and the State made significant reductions. As part of that, the formulas were not changed, we were allowed to take the cut where we decide. Red Clay's version of that is \$3 million every year. The



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deadline now is January 31, 2021. We take it from a number of categories. Why we have 188% in one line, that line will give a part of the giveback.

On the State's side is 85%, and they funding the 99% of the estimated unit count, there will be a new line here of \$1 million. That will help with expenditures changing the other lines. It will be clearer next month. We did make some gains on the local receipts. We are \$500,000 total in receipts under where we were last year.

It is the same two categories, in this report, it will always show over budget. Drivers Ed had a significant amount of backlog for students who needed driving hours. We did use some of the CARES funding for that. Summer school is the other. That is a credit recovery program and this year we offered it for free to students. Normally, students pay for the recovery as they failed the class during the year. It is an online program.

We are at 47.6% expended, not even a full point under where we were last year. Most of our budget is taken up by salaries. Most of any adjustments we make, are not the salaries, but the professional development and EPER and coaching responsibilities. We still had coaches for our varsity at the high school level, we did not have the after school activities. Therefore, teachers and paras are making less than they did last year due to COVID. The vast majority of the budget, is the full-time salaries.

Our payroll schedule is a 26 pay schedule. Therefore, December 31st is not halfway through the schedule. We are at 14 out of 26 pays on December 31st. One percent of our budget can be a large amount. The local side is 51.6% rather than 53.8% as there isn't the overtime for custodians, or after school clubs. There is some coaching and Yearbook as well as an instructional club done virtually.

The State has one budget and that is it. The County has budget amendments with ordinances. The district has a preliminary budget as an estimate based on enrollment. Then, we have the final budget based on the final student count. That is true for every district and charter school as well.

The last page looks at what we have spent the CARES funding on at the schools. There was some national controversy at the start that some of the money would go to do the private schools. Ultimately, it was found that they were eligible but at a much lower amount than what was believed. Therefore, we are under an obligation to provide an allocation to the non-public schools in our district. In our case it is \$190,000. Credit Recovery and summer program was done through the Latin American Community Center, Communities in Schools as well as the Boys & Girls Clubs. We had teacher professional development for remote teaching. We had additional psychological support for students so we hired additional staff. Part of it was for personal protective equipment, and Plexiglas for secretaries and in classrooms. Mobile classroom was made. The largest portion was the Chrome Books, web cams, projectors for the remote learning through the classrooms. At the secondary levels have 2 cohorts. A-L goes in person Monday and Tuesday, Wednesday is asynchronous for everyone, and M-Z is in person Thursday and Friday. While A-L is in person, M-Z is zooming in, make all of the students learning at



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the same time. The ZOOM while one cohort is in person, is in the secondary level. In elementary, there is a separate ZOOM classroom. There is also Peardeck for art programs through remote learning. The technology number in the second CARES funding will not be as large. We'll definitely still have to do replacements as the computers go out of date on a cycle. Not everyone gets it at the same time. That was based in our operating budget for Grades 3-12. Now all of our students have the Chromebooks Pre-K through Grade 12.

Ms. Thompson asked if that also included internet access for students. Ms. Floore explained that it does. Red Clay worked with a number of providers, Nerdit Now, Comcast, etc. for hot spots. Community providers worked with families to provide access.

The Federal Funds run on a different cycle than the district fiscal year. Some have a November 30 end date. We are in fiscal year 2021, but the funding doesn't expire until 2022. We just started spending from that funding.

Minor Cap and Debt Service is always running in arrears as we have two years to spend that funding. For the most part, COVID made it different. We had a lot of projects done without students in the building. They usually happen in seasonal peaks through the school year.

We are over budget in Related Services. Those are our staffing contracts for speech, occupational and physical therapists. Sometimes we contract out for psychologists. The largest one, however, is OT/PT and Speech as we cannot hire enough staff in those services. We are not over budget in Operations/Utilities as it appears. We have done an encumbrance reserving the funds for the full amount of funding we will receive in that category. We have the ability to request that the State move from energy to Division 2 for all other costs. Often times we are running over on Local Salary and Benefits. These are the adjustments we look for in the final budget.

Ms. Rattenni asked if the overage in Related Services is where we are currently or where we expect to be at year end. Ms. Floore explained those were numbers based in June, they will be adjusted for the final budget. Our preference is to hire these employees as Red Clay staff members. The way the world works in those specialized therapies, if a therapist wants to work 3 days a week, we cannot do that. We have full time positions. Many times, private vs public, you give up the pension and the flexibility and a higher salary. If you work for example EBS, you can set your hours and what schools you work. They are in such tremendous demand. Occupational Therapy and Speech Therapy, especially bilingual are in great demand. In some cases it is more expensive, and some not. A 30 year speech therapist is just as expensive as a contractor. These are our highest needs in special education in the tuition based programs dealing with feeding tubes, etc.

Ms. Thompson asked if we are finding a greater need for this type of staff in the COVID time with students not in school. Ms. Floore explained there is always the need. The



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problem is quarantine. If a teacher has been exposed and has to quarantine, at the secondary level, where half the students are ZOOM, we've had teachers who had to do the ZOOMing in. We then hire classroom monitors to be the adult in the classroom. That is an additional expense. We've hired permanent building substitutes rather than the substitute service doing it day by day. The additional subs are for that emergency COVID call. We have increased the hours as well to get through the therapy minutes and evaluations. Additional needs due to remote, we are trying to reach every student. Mr. Matthews explained that Dr. Sarah Celestin, Director of Special Services, has discussed with the union that there may be a need down the road for recovery services. As determined maybe by the IEP team in areas of serious regression of skills. We are not at the point to make those assertions. Ms. Floore believes that is where most of the language for CARES II funding will be. Recovery on special education and general education.

Ms. Rattenni asked about state of mind and mental health of students who have experienced some level of trauma being at home these months. Many are nervous about coming back into the classroom. She believes that will be a transitional need.

Ms. Thompson asked about a need for a referendum or are we in good shape at this time. Is it premature as the budget isn't out yet? Ms. Floore mentioned that she will also be speaking about the Governor's Budget out at the end of next month. Ms. Floore does not anticipate a referendum this year. The planning meeting would take place in the summer. It depends on the CARES funding and where we end this year, but Ms. Floore does not anticipate having a referendum for the next 12 months. Ms. Thompson added that it is a terrible time to go out for one now. Ms. Floore agreed that we would want to go out at a smart plan. We have critical staff needs and facility needs. She would not be surprised if it was a combined operational and major capital referendum. We have had one or the other during her time here. The CARES funding has helped our bottom line especially with the dip in tax revenue. Mr. Schwartz was the co-chair of the last referendum. He was not part of the CFRC at that time. The CFRC did make a recommendation to the Referendum Committee.

VI. Public Comment

There was no outside public comment.

VII. Announcements

The next meeting is February 9, 2021 at 6:00 PM via ZOOM. The Final Budget will be presented.