

SOUTHEASTERN COOPERATIVE EDUCATIONAL PROGRAMS
(SECEP)
MINUTES OF MEETING
MARCH 24, 2021

The Southeastern Cooperative Educational Programs (SECEP) held its Joint Board Meeting via *Zoom* in Norfolk, VA on Wednesday, March 24, 2021,

PRESENT: Board Members: Mr. Thomas Mercer, Mr. Carlos Clanton, Mr. Vernon Tillage, Jr., Mr. William Worsham, Dr. Judith Brooks-Buck, and Mrs. Kimberly Melnyk

ABSENT: Board Members: Mr. Robert Holt and Mrs. Vicky Hulick

PRESENT: Committee of Superintendents: Dr. Jared Cotton, Mrs. K. Norletta Edmond, Special Education Director representing Dr. Tamara Sterling, Ms. Patricia Magner, Special Education Director representing Dr. Jim Thornton, Dr. Sharon Byrdsong, Dr. Gwendolyn Shannon, Dr. John Gordon, III, and Dr. Roni Myers-Daub, Special Education Director, representing Dr. Aaron Spence

ABSENT: Committee of Superintendents: Dr. Tamara Sterling, Dr. Jim Thornton, Dr. Elie Bracy III, and Dr. Aaron Spence

PRESENT: SECEP Staff: Mr. David Sadler and Mrs. Brenda Estes

WELCOME AND APPROVAL OF MINUTES:

Mr. Thomas Mercer, Chairperson, asked for a motion to approve the minutes from the February 3, 2021, Joint Board Meeting. A motion was made by Mr. Carlos Clanton and seconded by Dr. Judith Brooks-Buck. (Ayes 6, Nays 0). Motion carried.

COMMENTS FROM THE PUBLIC:

None

REPORT OF THE EXECUTIVE OFFICER:

SECEP FY2020 AUDIT SUMMARY:

Dr. Jared Cotton, Executive Officer, asked Mr. David Sadler, Executive Director, to update the Joint Board on the FY2020 Audit Summary which was conducted by Clifton/Larson/Allen. They are the same auditors who work with Norfolk Public Schools. The audit must be completed for Norfolk Public Schools before they can conduct and finish the SECEP audit. Norfolk Public Schools is SECEP's fiscal agent. Due to an illness of one of the primary stakeholders at Clifton/Larson/Allen, the Audit Book for FY2020 could not be completed in time for the board meeting.

SECEP FY2020 AUDIT SUMMARY: - (Continued)

The lead auditor for the firm was able to present a summary at the Superintendent's Meeting held earlier at 9:00 a.m. The audit was compliant with all fiduciary and accounting procedures. Norfolk Public Schools had an outstanding and clean audit, therefore SECEP's audit will reflect the same. The FY2020 Audit Book will be sent to all board members and superintendents once it is completed.

REQUEST FOR FY2020 CARRYOVER FUNDS FOR FY2021 – UNEMPLOYMENT BENEFIT COSTS:

Dr. Cotton asked Mr. Sadler to give an overview of the request for \$100,000 in carryover funds to cover the unemployment benefit costs which were greatly increased due to the COVID-19 Pandemic. Mr. Sadler stated that many staff applied for unemployment this past year. SECEP scrutinized the unemployment documents received and found that many of the staff were not eligible. However, SECEP still had to pay the bill to the Virginia Employment Commission (VEC), as Norfolk Public Schools (NPS) is self-insured for unemployment. Typically, the SECEP budget includes \$11,000 to cover unemployment costs. The bill SECEP received from VEC through NPS for the quarter ending 9/30/20 was over \$82,000. Teachers and Teacher Assistants should not get unemployment during the summer months of July and August. This is considered a natural break in their employment and they are not eligible. Unfortunately some of the SECEP staff were misinformed and did apply and received unemployment. SECEP worked with NPS and the VEC to inform staff who were not eligible that they must repay the monies received. As VEC receives money back from our staff, the amounts are being credited back to SECEP from NPS. SECEP received a bill from VEC for \$8,600 for the 3rd quarter of 2020. SECEP is over \$80,000 what was budgeted. Mr. Sadler is projecting that SECEP will have an additional \$17,000 based on the final quarter. The superintendents met earlier and recommended that the board approve the request for \$100,000 in carryover funds to cover the estimated unemployment costs. This will leave \$1,161,429 in carryover funds from the FY2020 to go into the Long-Term Project Fund.

Mr. Sadler answered questions from the board:

- Dr. Judith Brooks-Buck asked what happens to the funds when SECEP staff pay back the monies owed. Mr. Sadler stated that these monies will be credited back to SECEP and will reflect on the next billing statement received from VEC.
- Mrs. Kimberly Melnyk asked Mr. Sadler if SECEP staff were indeed going to pay back the monies they received in error. She stated that this has been a problem with Virginia Beach Public Schools, but on a larger scale – over \$2,000,000. Mr. Sadler stated that SECEP has dialogued with NPS Human Resources, and the letters that were sent out to staff stated that if they do not pay back the monies owed, then they were subject to a charge of fraud that will be leveled against them, and staff could end up in court.

REQUEST FOR FY2020 CARRYOVER FUNDS FOR FY2021 – UNEMPLOYMENT BENEFIT COSTS: - (Continued)

A motion was made by Dr. Judith Brooks-Buck and seconded by Mr. Carlos Clanton to approve the request for \$100,000 from the carryover funds from FY2020 to cover the unemployment costs. (Ayes 6, Nays 0). Motion carried.

FY2020 CARRYOVER FUNDS TO BE ADDED TO THE SECEP LONG-TERM CAPITAL PROJECT FUND:

Dr. Cotton addressed the board in stating that approval was needed to add the \$1,161,429 in FY2020 Carryover Funds to the SECEP Long-Term Capital Project Fund. These funds can be used by the school divisions for capital projects, as well as other needs, and in some cases to offset the increased cost in tuition as a short-term solution. With the approval of the Joint Board, the Long-Term Capital Project Fund will have \$7,001,557 distributed as follows:

• Chesapeake Public Schools	\$	280,343
• Franklin City Public Schools	\$	132,203
• Isle of Wight County Public Schools	\$	121,190
• Norfolk Public Schools	\$	1,295,441
• Portsmouth Public Schools	\$	674,385
• Southampton County Public Schools	\$	334,906
• Suffolk Public Schools	\$	388,746
• Virginia Beach City Public Schools	\$	3,774,342

A motion was made by Dr. Judith Brooks-Buck and seconded by Mr. Carlos Clanton. (Ayes 6, Nays 0). Motion carried.

FY2022 SECEP PROGRAM TUITION RATES INCREASE DISCUSSION:

Dr. Cotton shared that in the Superintendent Meeting held earlier at 9:00 a.m., concerns were brought up on the increase in tuition cost for the SECEP TRAEP Program. This is a concern for several of the school divisions. Some divisions are not using their FY2021 purchased slots. Therefore the divisions lowered their purchased slots for the FY2022. Some divisions did not lower their purchased slots until after the proposed budget was initially provided. Dr. Cotton indicated that a date would be set between the superintendents and Mr. Sadler each new budget cycle to determine how many purchased slots are being requested by school divisions prior to the SECEP proposed budget being drafted. Once the established date has passed during a SECEP budget cycle, changes to the purchased slots for TRAEP cannot be altered by a school division for the newly drafted proposed SECEP Budget. Dr. Cotton stated that the SECEP Joint Board will be updated on the decisions made.

Mr. Sadler indicated that due to a large decrease in commitments for FY2022 for the TRAEP Regular Education program and that SECEP TRAEP staffing was already at a minimum needed to provide educational services for grades six through twelve, the reduction in purchased slots necessitated a larger than normal

FY2022 SECEP PROGRAM TUITION RATES INCREASE DISCUSSION
(continued):

tuition cost increase, especially for the TRAEP Regular Education. This increase in tuition is also compounded by the proposed FY2022 increased costs of salaries, health care, etc. Mr. Sadler stated that a date needs to be established by superintendents to prevent divisions from requesting a change in their commitments after the proposed budget for the next school year has been shared. These committed numbers are currently asked for and received by mid-February each budget cycle. The committed numbers for the FY2022 proposed budget were received and Mr. Sadler built the budget based on these numbers. Once the proposed budget was sent out, a division lowered their committed slots due to proposed costs exceeding what they had budgeted for FY2022. Discussions with Mr. Sadler, and the superintendents will take place on how this can be avoided in the future as much as possible in future budget cycles.

Mr. Carlos Clanton, board member from Norfolk Public Schools, stated that a closer look must be made on the commitment numbers based on the needs of each school division prior to a budget being approved.

Mr. Thomas Mercer, Chairperson, confirmed with Mr. Sadler that the committed slots were taken away due to the increase in cost in tuition. He asked if there was some way that the school divisions could know the approximate cost per committed slot prior to decisions being made on the number of slots needed.

Mr. Sadler stated that school divisions typically begin working on and developing their budgets for the next school year each November. Mr. Sadler reminded the board that SECEP follows Norfolk Public Schools proposed budget process as the fiscal agent. SECEP's budget is based on the NPS budget, whether it may be an increase or a decrease in compensation. SECEP receives proposed budget information from NPS typically by mid-February. But this year was not a normal year due to COVID-19. SECEP did not receive proposed budget information until the first week of March 2021.

Dr. Sharon Byrdsong, superintendent of Norfolk Public Schools, shared with the Joint Board that information regarding the proposed budget is not shared with any outside entity prior to it being reviewed by the Norfolk School Board. This year the NPS Board did not meet until March 3, 2021.

Dr. Judith Brooks-Buck, Vice-Chairperson, asked Mr. Sadler how SECEP was preparing to meet the needs of the SECEP students and how school divisions are planning for the placement of special needs students into SECEP during the course of the remaining school year and next year as the students return in person.

Mr. Sadler stated that when the SECEP budget is developed, he builds in growth. Teachers are added to the budget to accommodate growth, but the positions are frozen, therefore no expense is realized until staff are needed and hired, based on

number of students being served. In the event students are added to the program, SECEP is able to utilize the frozen positions to provide a new classroom.

REPORT OF THE EXECUTIVE DIRECTOR OF SECEP:
PROGRAM UPDATES:

Mr. Sadler stated that after Spring Break all school divisions will be back for in-person teaching. This will allow a large percentage of the SECEP students to be back in the school buildings and staff are looking forward to this. In regards to COVID-19 restrictions, SECEP follows each of the division's guidelines. Mr. Sadler indicated that SECEP has appreciated the Personal Protective Equipment (PPE) that has been provided to us by the divisions, and SECEP supplements all other PPE that is needed. All SECEP teachers are providing in-person as well as virtual teaching. It has been a challenge, but our staff have been amazing in their ability to adhere to providing sound instruction.

PROGRAM ENROLLMENT REPORT:

Mr. Sadler reviewed the enrollment and referral information presented on each of the five programs SECEP operates. Both the TRAEP and Re-ED Programs have been greatly reduced in the number of students attending due to COVID-19. Most of the divisions are not approaching the utilization of the guaranteed numbers at this time. Mr. Sadler gave a comparison in the number of referrals as of March 15, 2021 at eight (8) versus March of 2020 which was forty-eight (48) referrals. The anticipated need is much less and has driven down the projections for next school year. The referrals may go up as more students are coming back into schools. Mr. Sadler also shared a chart showing the percentages of students who have, or are planning on returning in person. The percentage of students returning in person is over two-thirds, and about one-third of the students are remaining virtual until the end of this school year.

Mr. Carlos Clanton asked Mr. Sadler a question in regards to the projected numbers and enrollment for the various programs in particular for Norfolk Public Schools for the TRAEP and Re-ED Programs. Mr. Clanton also asked Mr. Sadler what type of students were placed in the TRAEP Program.

Mr. Sadler discussed the guaranteed numbers for the TRAEP and Re-ED Programs, and at this time NPS is not utilizing the 21 purchased slots for the 2020-21SY. This is a big revenue loss to NPS. Mr. Sadler stated in looking over the trend for the past years for NPS, that the slots were not totally utilized. He was not surprised when NPS did not purchase any slots for the 2021-22SY for TRAEP – Regular Education students. He went on to explain how TRAEP is set up. TRAEP is the acronym for Tidewater Regional Educational Program. SECEP inherited this program back in 1994 from Portsmouth Public Schools. It is a program for students in grades 6-12 who need a discipline placement.

PROPOSED OPERATING BUDGET FOR FY 2021-2022:

Mr. Sadler stated that the Proposed Operating Budget for FY 2021-2022 was presented for review and discussion.

Mr. Sadler proceeded to highlight and discuss the proposed budget:

- The overall Proposed Budget for FY2022 is \$56,817,933, a 1.89% increase over the FY21 operating budget.
- Revenue continues to come primarily from student tuition provided by our participating divisions.
- The only other revenue comes from the Virginia Department of Education grants for the Tidewater Regional Alternative Education Program (TRAEP), projected to be \$658,915 for FY2022, and \$52,000 in technology funds that SECEP has received each fiscal year for the past several years.
- Norfolk Public Schools (NPS) proposes to raise the Teacher Salary Schedule at Step 1 to \$47,000. This is an increase of 6.29% over the FY21 \$44,220 Step 1 salary. The subsequent steps of the NPS Teacher Salary Schedule will receive an adjustment to provide an average overall teacher salary increase of 5.1% in FY2022. The 5.1% average increase includes a one-step advancement on the NPS Teacher Salary Schedule for FY2022. The NPS FY2022 Proposed Budget provides classified employees a one-step advancement on the Classified Salary Schedule to provide an overall proposed salary increase of 5.0% for all classified positions. NPS proposes to provide a step advancement for all employees on the Administrative Salary Schedule with an overall salary increase for these employees of 3.0%.
- NPS has also included in the FY2022 Proposed Budget a Teacher Stipend for teachers who concurrently teach students in-person and students virtually during the same class periods. This stipend is also included in the SECEP FY2022 Proposed Budget as SECEP anticipates having teachers who will provide instruction to students concurrently in-person and virtually during the same class periods starting in September 2021.
- NPS is projecting a 6.6% increase in Health Insurance Premium costs to begin in December of FY2022. This will affect both the employer (SECEP) costs as well as the employee's monthly premium cost.
- NPS is not projecting any changes to Virginia Retirement Systems (VRS).
- In addition to the above NPS Salary and Fringe Benefit increase, SECEP proposes to continue the following benefits which have been provided in previous SECEP budgets: Continue to provide bonuses to Teachers (\$1,000) and Contract Teacher Assistants (\$1,113) for filling difficult to staff assignments.
- Continue to provide \$88,000 for Tuition Assistance as part of the overall budget. These funds primarily assist provisionally licensed teachers to complete required coursework to gain full licensure. Currently, 30% of SECEP teachers are provisionally licensed for the 2020-21SY.

PROPOSED OPERATING BUDGET FOR FY 2021-2022: (CONTINUED)

Mr. Sadler stated that a primary focus on the retention of our teachers and instructional staff continues to be an on-going goal and focus for FY2022. Also maintaining safe and inviting classroom/center environments is important to both student and staff morale. These two goals have influenced the development of the proposed budget for FY2022.

The REACH Program is projected to increase due to students who typically go to school in either Norfolk or Virginia Beach and will remain restricted to the St. Mary's Home facility due to the COVID-19 pandemic. SECEP has been including these students in our instruction at St. Mary's Home during the 2020-2021SY.

The majority of the SECEP programs have had a significant reduction in student enrollment for the FY21.

- The Autism Spectrum Program (ASP) is projecting a decrease in memberships. There will be a reduction in teacher positions of five (5), and a reduction in teacher assistant positions of nine (9) for FY2022. These reductions will be accomplished through the elimination of unfilled positions from FY21.
- The Re-ED Program – Guarantees will decrease to 277 for the FY2022 Proposed Budget, a reduction of 16 students from FY21 which was at 293. This will result in a reduction of four (4) teacher positions for FY2022. There is a proposed increase from 23 to 25 teacher assistants to help facilitate a more equitable distribution of TAs across the five SECEP centers. TAs help with the delivery of instruction, provide behavioral support, and act as substitute teachers in the absence of a teacher at a center.
- The EBICS Program will have a decrease in two (2) teacher positions for the FY2022 Proposed Budget.
- The TRAEP Regular Education Program will have a reduction in Purchased Slots from 114 students to 82 for FY2022. The TRAEP Special Education Program will remain at 46 for FY2022. SECEP TRAEP teacher positions cannot be reduced for the FY2022 Proposed Budget because the positions are needed to provide the needed academic instruction across multiple subject areas and grade levels (grades 6-12). The overall rates for TRAEP Regular Education have risen by 27.91% and TRAEP Special Education has risen by 14.00%. There will be a reduction of one (1) education specialist position from the TRAEP Program for FY2022. This will be accomplished through personnel retirement.
- There will be a reduction of 29.5 positions across all of the SECEP Programs in the FY2022 Proposed Budget.

Mr. Clanton asked if the reduction in staffing was going to result in letting staff go, or if they were currently unfilled positions. Mr. Sadler stated that staff would not lose their jobs, but that unfilled FY2021 positions and positions vacated through normal attrition were just eliminated from the proposed FY2022 budget.

Mr. Sadler stated that this is still an on-going process and that Norfolk Public Schools will be presenting their budget to the city council for final approval in May.

Mr. Sadler stated that the final approval of the SECEP 2021-2022 School Year Budget will take place at the May 26, 2021 meeting.

2021-2022 JOINT BOARD MEETING DATES:

The dates for the SECEP Joint Board Meetings for 2021-2022 SY were established:

Wednesday, September 29, 2021

Wednesday, February 2, 2022

Wednesday, March 30, 2022

Wednesday, May 25, 2022

JOINT BOARD ITEMS FOR DISCUSSION:

None.

PERSONNEL DOCKET:

A motion was made by Dr. Judith Brooks-Buck and seconded by Mr. Carlos Clanton to accept and approve the Personnel Docket as presented. (Ayes 6, Nays 0). Motion carried.

NEXT MEETING DATE:

The next meeting of the SECEP Joint Board will be held on Wednesday, May 26, 2021.

Mr. Sadler thanked each of the board members in attendance for their support and feedback at the meeting. He also stated that the next Joint Board Meeting to be held on May 26, 2021, is an important meeting and a quorum will be needed to pass the FY2022 SECEP Budget.

Mr. Thomas Mercer, Chairperson, also recognized and welcomed Mr. William Worsham, the new board member from Southampton County Public Schools.

ADJOURNMENT:

The meeting was adjourned at 1:20 p.m.

Respectfully Submitted,



David B. Sadler
Clerk of the Board

APPROVED:



Thomas Mercer, Chairperson