



Committee Transcript

**Red Clay Community Financial Review Committee
November 13, 2018**

I. Red Clay Preschool Program

Gail Mackenzie, Principal of Richardson Park Learning Center, spoke to the Committee regarding the program. The program is large and has grown to seven sites. There is only one true non-Title I classroom left and it is located at Lewis Elementary School. All other sites fall under the Early Years Program. We have continued to expand into other buildings due to the capacity in the schools. Ms. Mackenzie meets with the school leaders in the spring as well as the Red Clay Administrators to determine where the classrooms are available. This also impacts transportation.

We have one classroom at Lewis, two at Meadowood building but not part of the Meadowood Program for severe disabilities. We have two classrooms at Marbrook, 10 classrooms at the Learning Center, 7 classrooms at Warner, 6 classrooms at Baltz and 5 at Mote. Ms. Floore asked how many we had 5 years ago. Ms. Mackenzie answered that at that time Red Clay had four classrooms total. Mr. Schwartz asked if all of those classrooms were at the Learning Center 5 years ago. Ms. Mackenzie explained that was correct. The Learning Center, but not the Title 1 program. The Title 1 program did not have students with disabilities. All of our current classrooms have students with disabilities. We then invite community peers to come in at a monthly tuition charge to be a part of the preschool program.

Ms. Thompson asked if it was \$25/week. Ms. Mackenzie explained that the cost for full day preschool for 4 year old typical peers including lunch is \$125 per month. For the half-day program, it is \$70 per month. Ms. Thompson asked how we pay for this program in the district. Ms. Mackenzie explained that the early years program is unit and tuition based. Under needs-based funding we earn units, which is the State salary division and Division II and Division III other costs come with the funding. Because of the staff required to run the program and federal requirements to serve students with disabilities, supplemental funding is provided by tuition taxes. Say we earn 30 units for RPLC but we really have 60 staff members employed there due to the therapists and needs for 1:1 paraprofessional support. The 30 would be state but the other 30 would be 100% tuition.

Ms. Thompson stated that we have students with needs based funding, but typical students attend. How is the tuition funding for typicals. Ms. Floore explained we fund the program with the needs based and the typicals participate with no funding other than what they pay in tuition. The Chiefs have been having dialogue with DOE and even included an item in their budget request for assistance with PreK funding. The tuition funding is regardless of the typicals. The typicals pay a tuition, which recycles back into supporting the program but nowhere at the level of expenses. Ms. Mackenzie explained that the one area that has grown the most is the program for autism. In the past, the students would attend Brennan's statewide program. Most students are coming back to



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us and starting as preschoolers. Right now at the Learning center, we have five classes with autism, one at Baltz, and three at Mote. Ms. Thompson asked why they are coming back to us. Ms. Mackenzie explained that the other program doesn't have room for them and that we should be servicing our own students. Legally, there is also now a birth mandate and the student is identified as early as 18 months. We are notified that the child lives in our district through social services. Danita Gregory is the Red Clay liaison, we are informed and we participate right away. 18 months is usually the youngest. Mr. Schwartz asked if this was done through Child Find. Ms. Mackenzie answered that it can be. These are birth mandate which means they are identified between birth and age 2 ½ usually by the doctor and given a medical diagnosis. We would not give an educational diagnosis until at least 2 ½ years old depending on their needs. Mr. Schwartz mentioned that his own experience is that Easter Seals is also part of that support. Ms. Mackenzie agreed and added they have provided some of the services as a state vendor. Ms. Thompson asked that if the doctor would identify in the early stages and then it's Child Find. Ms. Mackenzie explained that it could be identified by the school, but that young they are identified by the doctor. Right now, currently, we don't take students under 2 ½ but there is talk of that mandate changing. Ms. Thompson asked if she as a parent thought their child needed services, they could have them tested without a doctor intervention. Ms. Mackenzie answered that it would be then through the Child Find screening. Again, at that young age, there are birth mandate guidelines. So then Child Find is called child development watch at that age. They may get their services from Easter Seals, Bayada or another vendor in their home or their preschool. However, we are aware of those referrals as well. Then if they are three by December 31st, the student comes into our program. We registered 62 children from the first day of school until today. Ms. Thompson asked with autism. Ms. Mackenzie explained no, but through child development watch so they include a wide range of disabilities.

Mr. Schwartz asked how many classrooms do we have compared to the four at the start? Ms. Mackenzie answered 28 classrooms as well as 2 itinerant teachers who go out to the community and provide services at all of the Head Start programs at LACC, Hilltop, and depending on student needs, we've gone to daycare programs to provide services.

Mr. Matthews asked about only having one Title 1 classroom. Why is it only one at Lewis, do other classrooms not qualify. Ms. Floore explained that there were times that we used federal Title I money when we got the stimulus but we found it was not sustainable. As it evolved, the money went away. The choice was to take it from our own Title 1 funding already being used to support kindergarten and first grade. If we used it for PreK we would be increasing class size and other supports at K/1. We could go back to that but it would take a significant number from our staffing levels. There is no specific pre-K Title 1 funding and only a small pot under IDEA. Mr. Matthews asked if we were going to phase out the Title 1 classroom at Lewis so that they are all early years funded. Ms. Floore stated there is not a plan to do that currently. Ms. Thompson stated that it sounded like we could recruit Title 1 students as typicals to participate in the program. Ms. Mackenzie stated that the problem is that typicals have to provide their own transportation and that is a huge barrier for some families. Ms. Thompson would like to see Red Clay really reach out to the poverty communities regarding this program.



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Ms. Mackenzie added that there are children who come in as community peers, and then we go through the Child Find process and find that they have a need an I.E.P. Mr. Schwartz asked if there's a strategy for classes to focus around the feeder patterns. Ms. Mackenzie agreed that this is centered around the structure for inclusion and the expansion of the Learning Center.

Ms. Thompson asked what we envision will happen with the program's growth? Is it limited by space? Ms. Floore answered it is limited by space. It is not limited by the tuition tax as we control that, but nothing is unlimited. Ms. Mackenzie's school is one of the hardest to budget for in the district due to the growth. It can't be limited by space if there is the need, and we have been creative in making space for the students who are identified. We also need to have typicals for the best model. We look at the classrooms and lists, and we project how many spaces for community peers. It then continues to grow as the students are identified. We can't predict who these students are, where they live, and if they go to daycare. We could have a child, who attends Baltz, but the parent changes daycare, and the student now attends Mote, and then change again and the student must attend Warner. Ms. Thompson asked how then do you get the child there. Ms. Floore answered that transportation is provided for the students with I.E.Ps. Community peers have to provide their own transportation. The transportation money that comes with the unit for the student from DOE is handled like all transportation funding. Ms. Mackenzie added there are walkers at all of our sites. Many parents could have Grandmom living near Mote though they live elsewhere. You can't make the judgement that the student isn't Title 1.

Ms. Mackenzie explained that RPLC also includes a complex program for students with autism for Kindergarten through 5th grade. These students are not part of Meadowood. We have satellite programs. We have complex students in all of the schools, but RPLC has the most complex students with autism. For example, a student in third grade and still non-verbal and behaviors. There are also classrooms at Mote, Shortlidge and Heritage. Ms. Thompson asked why the autism program isn't part of Meadowood. Ms. Mackenzie stated it is different approach to a different disability. They do inclusion at Richardson Park Elementary. All of the students are tagged to a homeroom at RPES, having lunch, recess and unified arts with those students. Some students can only go for 5 minutes. Some students have never made it to the cafeteria. But some are accessing 15 minutes of ELA and Math instruction. She has one student accessing most of his curriculum at RPES, but because of behaviors, has to be brought back many times throughout the day. Ms. Thompson asked what happened after 5th grade. Ms. Mackenzie explained there are classrooms at Stanton, Skyline and HBMS and high school is at McKean. These students, just like the Meadowood students, would continue education to age 21 at this time. Ms. Zimmerman asked if they were once all at Meadowood. Ms. Mackenzie explained that most of the students were at the DAP program or from our schools and really struggling. Ms. Thompson added that RPLC was once more than just autism. Ms. Mackenzie agreed that they were the more self-contained classrooms.



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Ms. McIntosh asked if students start at DAP, do they stay there. Ms. Mackenzie explained that this has been an ongoing discussion. We are working very closely with them. When they have a student who is offsite, which is a student accessing classrooms in the general curriculum, they will speak with us and the parents to see if the student can be served in their own community. We then transition the student to our schools. It has been more and more that the parents see the advantages to it. There are some students in high school that the school they're in is what they know. But more and more are coming back. They are reviewed at the district level of Special Services.

Ms. Floore explained that the overall budget of \$13.4 million. Of that, \$7 million comes from the State for RPLC. In Meadowood, \$14.5 million so they are comparably sized budgets but Meadowood has fewer students with higher complexity and much more medical and physical challenges. Of that \$14.5 million, \$8 million comes from the State. Gail has more intense students with local funds having to support. Ms. Mackenzie explained they have some basic special needs students in the PreK but only intense and complex in the K-5 autism program. Meadowood has no typicals, mostly complex over intense. Age 3 and 4 are earning state funding where they did not. A large portion is the therapies these students need.

Ms. Floore explained that eventually inclusion was supposed to save money in the long run. However, there are somethings that always cost more. We are providing the same levels of therapies for the children now at different locations. Ms. Mackenzie has a more difficult job managing where these therapists go to location rather than classroom to classroom. The tradeoff is they are closer to home, maybe where they will transition to, etc.

Ms. Mackenzie explained that since August, they have done 67 full evaluations. We have 62 students from those evaluations. We have many students who just qualify for speech services. We've had 35 of those students. We've had 54 CDW referrals for the 2.5 year olds since September. Ms. Thompson asked if Child Find screens all children. Ms. Mackenzie answered that yes, Child Find goes to all of the daycares and screens the children. They are Red Clay daycares. They could be living anywhere. If they don't go to daycare, there is an ages and stages questionnaire that is also being used in the medical profession. We have 6 screeners who are part time who go to head starts and day cares. Ms. Floore added that those staff members are funded by IDEA. This is another source of funding beyond State and Title 1 funding. It is smaller than Title 1 funding. This year IDEA is \$4.3 million. The scanners are paid by IDEA. Each district has their own Child Find team.

Ms. Thompson asked where do we see this going. Ms. Mackenzie explained that it is still growing. Space in our elementary schools is difficult to find. Ms. Floore added that part of the discussion is adding more space at Baltz Elementary moving district personnel to the Central building. Ms. Mackenzie added that Preschool fire code is that students must be on the main floor, or have their own access out of the building without other age children. Ms. Mackenzie mentioned it would be wonderful to have a PreK center. Ms. Floore stated that the school districts who put in for a Certificate of Need (CN) to DOE



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for a PreK center, was denied by the State. Mr. Schwarz asked if the State preferred to keep the PreK in the regular schools. Ms. Floore answered they are relying on a technicality of code in saying that the State doesn't fund PreK in capital facilities.

The Committee thanked Ms. Mackenzie for her time and presentation.

II. Minutes

The October 2018 Minutes and Transcript were reviewed. Ms. Zimmerman moved to accept the minutes and Mr. Schwartz seconded. The motion carried.

III. Monthly Expenditure Report

Ms. Floore distributed the monthly reports for October 2018. With two new members, Ms. Floore explained the report and offered the members to meet with her individually to better understand what the reports represent.

As of October 31st, we are above revenue at 101% received. We have not made our final charter payments. In part, we budget 99% of anticipated revenues. Every district has seen the collections increase. We don't know at this point, as it is hard to tell if the county's initiative to go after unpaid taxes and late payments on individuals or companies is the reason, but the program hasn't been in play too long. It is good news as we have seen a significant decrease in assessments. The taxes are due September 30th. This is the lion's share of what has been paid. There will be some throughout the year as late payments come in. Last year we were at 91%. Overall, we're at 92% revenues received. This is because the State funds us twice. They usually fund 75% at the beginning of the year. Then, they wait until the September 30th count and true up the account in January. Sometimes in the spring, they will give the remainder 25%. Assuming that our budget estimates are accurate, the lines will come at 99% or 101% depending on where we came in unit wise. Division 1 salaries are funded at 91% but by year-end, it will be funded 100%.

Expenditures expect to be at 33% at this time of the year. Our payrolls is 9 out of 26 payrolls at 34%. These are the targets we monitor against. Every so often, there will be a month with 3 pays. Our largest budget line is local salaries, line 53. That is at 32.8%, which is fabulous as we are running slightly under. In November, we make all of the fall coaching payments, so it will be truer next month in percentage.

We also track against where we were last year in this report. This time last year local salaries we were at 31.9% expended, slightly under. Last year we came in slightly under budget in salary and that is why we were able to give a slight salary increase this year. This report also includes the local salary increases that were negotiated with the unions.

The bottom line is we are at 31.9% expended, right on track and not terribly different than last year's number of 31.8%.



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Line by line we look through and see if there are any areas of concern. The Board is over budget as it had an unexpected expense with the Institute of Public Administration. What we will do is move that expense to the contingency line or Superintendent line, as it was an unanticipated expense.

Ms. Thompson asked about Special Services. Ms. Floore explained that is Special Education and the therapist contracts are made at the start of the year. They are 103% encumbered but not expended. The nurses' budget is high as they purchased defibrillators for all of the buildings last summer as well as bleeding kits. Special services is Line 77. It is still early. In April, May and June it gets closer to the wire. We certainly look at projections and trends. When lines get to 80% or 90%, we watch more closely.

Ms. Floore describes district finance like managing 300 checkbooks. Each has special rules and regulations. Some funds are given by the State, some are federal or tuition dollars that have certain rules that need to be followed. Each one is following. We have a general operating budget. The next is the federal funds. It goes line by line, grant by grant, how much we receive, how much we have expended and the end date of the grant. We are working on the FY 2019 grants now. It is a long lag. We have until November 2019 to fully expend 2018. Looking at Page 5, you primarily use it in the fiscal year you receive it. We will be close to 75% in the summer. Federal is a different fiscal year than the State fiscal year.

Page 7 has other tuition programs. Tuition tax and tuition budget supports RPLC and Meadowood. They have their own budget, their own divisions given by the State. Division 32 is all of our schools. The State accounting system accounts for RPLC and Meadowood separately. Tuition tax supports these schools as well as the consortium, which is students who have been expelled, it supports the First State School at Christiana Hospital, it supports ELL, private placements out of district, as well as inclusion. When Ms. Floore first began, there were zero tuition dollars supporting the regular schools as all of the special services were served in Central School, RPLC and Meadowood. Now, with inclusion, that has changed. There is \$8 million of tuition funds in the regular budget. We don't have Central School anymore. All of the students and staff moved into the regular schools, so it is not new money, it has simply followed the students. It is still budgeted in the tuition tax. When we go through staffing, there are staff that tuition tax supports for intense and complex students. The good news is we are 101% at received for tuition revenue. We don't have a contingency with tuition funding. We have seen some downturns in the past. We always budget at 99% of revenue. We are not going to referendum until next year and we will need every penny.

We have students in the consortium but they will only bill us twice a year. Right now, it is showing 0% expended and last year it was 3%. We spend as we get the bills. New Castle County Vo Tech is the fiscal agent who handles the billing. We know how many students we have there. Mr. Schwartz asked if the budgeted money carries over into the next year. Ms. Floore states that it does, but by the end of the year, it is fully expended. He noted that 2018 it was only \$10,198. Ms. Floore pointed out that when you look at



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June 30th, it was at \$340,000. The bills aren't done often. It isn't a vendor, it's an internal transfer.

Minor Capital is a different tax. Not related to tuition taxes. We will put a hard line between on future forms. Minor capital improvement is at 0%. We don't have the money yet. We wait until we receive our tax money. Then we petition the State for their portion. We are always running a year behind. We are currently spending 2018 funding. The majority of the work is done in the summer. Ms. Thompson asked where is that type of work done. Ms. Floore explained all over the district.

Debt Services are repayment schedule on major capital improvements. Ms. Floore has a payment schedule of payments due for the next 20 years. This runs on its own schedule depending on the bond sale. The bond sale is done by the State and each year it is different. We expended 33% this year and 44% last year, sometimes there are balloon payments due in April or maybe February. It is fully budgeted for our repayments and it is known.

The last two are Meadowood and RPLC. Looking at their salaries, they aren't going to have a lot of coaches, so 34% is right on target. The reason why last year was so low is due to the fact that last year the preliminary budget had budgeted a significant increase, but we received more State money as we grew in units. In the final budget, it was brought back down to be back on track. Meadowood is right on track. RPLC is running higher as Ms. Mackenzie had a number of last minute hires due to growth. There will be a small adjustment in the final budget.

We are down in enrollment but up in units due to the special needs students. A.I.DuPont High School is way down as many of the students in the City of Wilmington have been moving downstate. We are up 5 units and down 300 students. We had to hire extra autism teachers, but we didn't RIF the regular teachers, which is why we're making class size. We are getting fewer elementary students as well. Mr. Schwartz asked if anyone was tracking this and they are. Ms. Zimmerman added that at one time A.I.High had trailers to house the many students enrolled. Newark Academy and Odyssey Charter added high schools. We work with University of Delaware studying trends and planning facilities.

There were no further questions from the Committee.

IV. Public Comment

There was no public comment. No emails were received via the CFRC page this month.

V. Announcements

The next meeting will be held Tuesday, December 11, 2018 in the Baltz District Office Board Room at 6:30 PM. We will review the Final Budget.