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Red Clay Community Financial Review Committee December 10, 2019

I. Minutes

The November 2019 Minutes and Transcript were reviewed. Mr. Matthews moved to accept the minutes and Mr. Chase seconded. The motion carried.

II. State Grants Presentation

Over the years, there have been a number of initiatives from the State to fund very specific categories. During Governor Markell's tenure, there was a significant decrease in revenue which resulted in budget cuts in many of those programs including extra time, Minner teachers, as well as others. Then, when revenues improved they went to put some of the cuts back into the budget, the funds became Ed Sustainment so that it would provide flexibility since all the cuts weren't restored.

The Carney administration had a similar revenue shortfall which resulted in the \$3 million cut. As revenues improved, we got more back and they also gave ability for the local to match. This time they were more specific than Ed Sustainment and K-3 Basic Special Education and K-4 Reading Specialists. They have been there for 3 years. When they added a K-4 reading specialist, \$892,000 there is also a local match to that because they are teachers which would have a split in salaries between local and state. Representative Williams' initiative along with the DSEA and PTA have made a coalition to improve the K-3 special education funding. Ours has grown to \$582 from the State and \$249 that is rounding about eight positions.

The State then created Opportunity Grants. The first is the ELL/Poverty. The State gave us one lump sum allocation. They did designate by school. This last year, they designated by student with \$500 per ELL student and \$300 per every student in poverty and \$800 if the student is both.

There is also an Opportunity Grant for mental health that was new this year. There was originally a separate bill for mental health and it was incorporated as an opportunity grant in the final budget. As districts have asked for additional units that would be built into the count, the State has relied on grant funds instead as they are reluctant to build anything new into the unit count since it is already growing just based on an increase in students. The fear from the district side is that these new pots of funds will be the easiest to cut in the future when there is a revenue shortfall as they are not unit based funding as the unit count is guaranteed. These are all filled with positions.

Just last year, they announced that we can match the Opportunity Grants. We took a small step last year and matched a penny, which allowed us \$542,000 to supplement to those that weren't getting the grant by formula.

The state funds bucket is now+ \$6.7 million, which is in excess in what our cut was. However, if you go back to 2008, we are still not ahead in discretionary funds.



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Mr. Miller was always concerned with our safety and security allocations. The State has put one in for safety and security as well. This is the second year of those funds. Dr. Ammann is here to speak to the safety and security grant.

Ms. Thompson asked if we match the state funds dollar for dollar with the match tax. Ms. Floore explained that we cannot. It is always a little bit different, but it is usually limited to a 70/30 split. Even though our salary schedule is 60/40, it depends on how they write the epilogue, but most are on a 70/30. So we match 30%. Mr. Chase asked where does the local come from. Ms. Floore explained it is the Match tax within our local tax rate. Mr. Chase asked other than the opportunity grant match tax are the other two match taxes. Ms. Floore stated yes, as in K-3 it would be the 30% salary match to their 70%. It is a raise in tax that the board votes on that is specifically authorized in epilogue by the State legislature.

It originally started as the match for Minor Capital Improvements. Then when Gov. Minner wanted to put a reading specialist in every elementary school and a math specialist in every middle school, the districts said they couldn't afford it as the State only funded their share of the position. They provided authorization to allow us to match the positions based on a board vote of the match tax. There is no other way to cover that local share. Ours match tax has grown from \$.02 cents to \$.07 cents for a number of things added to it but it is still the smallest tax category by far. When Ms. Thompson goes to the School Board Association, she said there is a lot of resistance to the match tax. They feel the State is putting a responsibility on the shoulders of local districts that should not be there. Ms. Thompson said there is a belief that it is a shifting of funding. Ms. Floore said it depends on the how the tax is identified. If it is matching a new state appropriation, then the state isn't shifting because they are also contributing new funding. However, there was a time that the state proposed that they would cut funds and the district could tax to make up the cut which is when a lot of the discussions from school boards came up and there was resistance to accept that change because it was a true shift.

Ms. Rattenni asked what the limitations on Match Tax are use-wise. Ms. Floore answered it is used in the spirit the appropriation is funded. For example, K-4 reading specialist cannot be used for art teachers. They must be the local share of the reading specialist in the buildings. We can go through the staffing roster and know exactly who the people are. Same with K-3. K-3 is broader as it is K-3 special education. We can use it for teachers in elementary buildings; classroom or pull out special Ed based on caseload of basic special education students. Mental health is it is a broad definition of what the funding is used for. We can have psychologists, social workers, any type of counselors or a reading specialist. The interesting thing is the value that each school got was based on the ELL and poverty data, not caseload or any measure of mental health so it is not necessarily correlated to need. Because it was given over 2 years, the ELL/poverty funding is broader as a more district-wide plan rather than an individual school plan. There are individual applications for each school plans for mental health. Ed sustainment is one pot of money we send one email a year detailing how we are using it. All the individual grants are now specific and increased the paperwork tenfold. They want to know how we are using the funds. Mr. Green is the Chair of the committee for



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Opportunity Grants. The legislature wants to know if they are getting their money's worth. It is really hard to prove, however, that one teacher or reading specialist in one school is going to turn around an entire school's scores. Of course, it makes a difference, but it will be an exercise and process to document how we have improved as a result of it. Mr. Green's task force is to monitor and track the success of these grants. Our fear is if it is difficult to show gains, or quantitative proof that it changed the outcome, will they take it away. Mr. Schwartz asked if it is test scores. Ms. Floore explained it can be a number of things- they are monitoring it at DOE as well as contracting out that monitoring, so part of the money is going to a 3rd party vendor for evaluation. We understand the intent, but on the school side, it is hard to show that test scores improved due to one teacher.

We did not have a class-size waiver this year. We met class size by ratio. By ratio means, we have these K-3 special education teachers in the rooms, giving two adults in the room. We have extra supports so not to have to use our unit count for a social worker, and then it allows smaller class sizes. Not only a direct result of a reading specialist, but the specialist not pulled from your unit count allows smaller class sizes. Mr. Chase added that is class size by ratio, not by number of students in the room. Ms. Floore confirmed. Mr. Chase feels it can still be just as chaotic. Ms. Floore added that if you took ratio out of the equation, our class sizes are still significantly lower than they were 5 years ago based on all the new additional supports. They are even lower due to excellence units and extra supports in the highest needs schools. Mr. Schwartz stated that it could be a core teacher and para and the class would be divided by 2. Ms. Floore answered that in that instance a para counts as half a teacher, so by 1.5. Mr. Matthews would like to see the district/board receive a presentation on the math that the DOE allows to be legal.

Safety and Security has been an area the legislature has supported. Dr. Ammann informed the group that the state security amount allocated to Red Clay this year was \$561,000. Security cameras was a great need, more so at the elementary level as high schools were already equipped. Cameras were initially necessary for tracking discipline, but over time, it became more for intruders in the building. State police will often stop by to see footage from our building as something happened in the area. We had schools that had no cameras, some needed more cameras and some needed replacements due to technology or age. Mr. Nowell, head of our security, listened to the schools requests and did an outstanding job in fitting in their requests.

Entrance halls were another piece. Red Clay was the first district in the state that schools could not be entered with unauthorized personnel wandering a building. We then added to that so that people are buzzed into the main office, but they cannot leave that office until they are authorized to do so. Access is controlled with card swipes. The third piece is classroom locksets. Therefore, if there is a call for shelter in place, they can unlock any classroom and get in for safety.

Emergency radios were another part of it. We all think cell phones are the best way, but we had an earthquake several years ago, and cell phones would not work. In case of an emergency handheld base station and handheld radio as well in every school. The



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Operations group would help in that situation. Bus security is 4%. That was for additional bus cameras. In each of new buses from the State, we have to cover our share. Cameras were added to those buses. Lighting was also something we added. When you have a large sporting event, with many people leaving a building, we have portable lighting we add to the parking lot so that people arrive and leave safely.

Portable gates was another addition for evening activities. It is very difficult in the evening with sports practices to close off areas of the building. We put funds in place to have the portable gates so that people aren't roaming the school or being locked in. We have an anonymous tip line for students to report anything from criminal activity to bullying and any other concern they want to share. We also have a 1% for signage to inform visitors of the procedures.

Funding this year based on our new unit count is still about \$500,000. Unfortunately, the one limitation on the State funding is that it cannot involve people. But security is people. SROs, Constables or bus aides. The only State funded aides on buses are for students with an IEP requiring the aide. If you want one for behavior issues, it cannot come from this funding at this time. Many of the districts have asked for that to change which will be discussed in the FY21 budget process.

Mr. Chase asked about the lighting. Are they solar powered? Dr. Ammann stated that we have to run the wires. The solar lighting isn't bright enough. It has gotten cheaper. Dickinson has LED lighting as well as Conrad. Double edged sword as soon as we did Conrad, we received calls from neighbors stating that it was too bright. Two weeks before the lighting, however, on 3 incidents, the press box on the football field was vandalized. With the lighting, there is less likely chance of vandalism. The lights are on a timer. We have to follow County code for brightness and times. They are not currently motion-sensor lights.

The Committee thanked Dr. Ammann for his report.

III. Monthly Expense Report

Ms. Floore distributed the November Expenditure Report. We are in the same situation we were in last month, as in over in revenue at 101%. We still have to make the Charter transfer, which will be over \$9 million. We will also receive a choice transfer to us. Therefore, there are several ins and outs before the final revenue amount. Last year at this time, we were at 106%. Each month we also receive delinquent taxes. The only thing is consistent is State Technology is at 188% and Ed Sustainment is 110%. This will change with the \$3 million giveback. It will be after the final budget is completed when these numbers will reflect the amount available in the appropriations.

The expenditure side regarding salaries, Line 53, last year we were at 41.1% and this year we are at 41.1%. Even though the amounts are totally different, as we have increased over \$1 million in salaries, we are at the same percentage in terms of budget. Ms. Thompson asked if the people employed due to Opportunity Grants are included in the Line 53. Ms. Floore explained that they are not. In the budget, there is local revenue and



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then there is Match Tax revenue. They are accounted for together. The local salary is for employees, which are non-tuition and non-match tax positions. Even though Match Tax is a local fund, it has strings and conditions. Ms. Thompson asked if those teachers from Opportunity Grants in the unit count. Ms. Floore explained that they are not. Governor Carney and his staff has not placed any of these into the unit count. They see the pressure of special education. The legislature understands that the State is putting much more into education, but that is due to special education. The legislature doesn't believe the numbers because it is expensive. If it is in the unit count, they have to fund it. Funding a unit is 70,000 and funding an ELL student is \$500. Ms. Floore added that the school administrators know that unit count is the only thing that protects the school district. If all of a sudden you move to block grants, they can disappear and you're left without. Unit count is transparent, reliable, and sustainable. We know if we have 100 more special education students who come in and be funded by the unit count. There is intense fear if the unit count goes away, the State will cut the amount that goes to education. Every district would be a loser.

We are at 44.4% expended. Last year we were at 39%. We are on track. Next month, Ms. Floore will present the final budget. Nothing is going off track. The question will be what happens the next year. We know we don't have enough for the next 2 or 3 years. We have a new Superintendent. We are looking at our strategic plans. Our next referendum may be similar to Appoquinimink as in capital and operating. The problem is we have older buildings that need to be maintained. So much depends on what comes from the upcoming State Budget.

Mr. Chase asked if the idea of allowing the districts to raise taxes without a referendum included capital funding. Ms. Floore answered no. All of the districts are asking for Pre-K funding for construction but it is not provided for in State Code as part of the formula. Pre-K has intense pressure. The question is, are there these programs that will earn recognition in the capital funding formula when it already has so much pressure for K-12.

IV. Public Comment

There was no public comment.

Ms. Rattenni noted that since Mr. Miller was not able to return to the Committee after his absence, could we recognize him in some way for his years of service to this committee and community. Possibly a thank you letter or notice of some type from the School Board. The Committee would like to nominate him for the Red Clay Education Foundation's Night of Stars. It is a very selective program. Ms. Thompson agreed. Mr. Miller has a son and daughter-in-law that teach in the district.

Ms. Rattenni will pen a letter from the Committee as well.

Mr. Chase asked with building going on at the GM Plant site and Wegmans' plans for building in the area, is that our district. Ms. Floore explained that it is. She sits on the County council and they had a meeting today. The new company which purchased the



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acreage from Harvey Hannah on the Boxwood Road site and they submitted a plan for a 5-story building. That is moving forward. That will be a few years before we see anything from the assessment, but it will increase for Red Clay. Barley Mill's process is moving forward as well. The plans have been submitted but no building permits have been pulled yet.

V. Announcements

The next meeting will be held on January 14, 2020 at the Brandywine Springs Teachers' Lounge at 6:00 PM.