



Committee transcript

Red Clay Community Financial Review Committee Tuesday, April 12, 2016

I. Minutes

Suggestions were made to the presentation of the minutes. The main items will be on the actual minutes template used by Red Clay District. A summary of the discussions will be placed in a separate format. The CFRC would approve the minutes only and not the summary. The new separated document will be used from this meeting forward. Any items not requiring a motion would be noted in the minutes but only that they occurred.

A correction was made to the March Minutes as Ms. Seifred was the member who seconded the motion to accept the February monthly reports.

Ms. Thompson made a motion to accept the amended minutes and Ms. Henry seconded. The motion carried.

II. Monthly Reports

Eric Loftus, Financial Analyst for Red Clay presented the monthly expenditure report for March 2016. Mr. Loftus prepares this report for the CFRC each month as well as detail in forecasting 2017. At this time in the year, we expect to be 75% on budget for the items.

Ms. Thompson asked if that was 75% expended or 75% expended and encumbered. Mr. Loftus explained at this time we'd like to see expended close to 75%. If we know what our utility costs were for the remainder of the year, we would encumber those funds now. Generally, we would then use the encumbered funds to pay the invoices as they come in.

The two largest line items are State and local salaries. The State salaries are in the Division 1 revenue line. To ensure that everyone who is be paid from a grant is not being paid from the Division 1 line. At this time, he doesn't have any concerns. The schools are trending. Schools spending less than expected are normally planning a large purchase this summer. From this point until June, our office will spend time with each principal reviewing their budget and what expenditures should be expected.

Mr. Pappenhagen asked about Student Services and Special Education. Mr. Loftus explained that the payments could have made without using the purchase order. We have contracts with vendors for physical, speech and occupational therapy as well as with Christiana Care for services. We then provide a purchase order encumbering the funding for those contracts. If an invoice is paid not using that purchase order, it places the cost in two places. Ms. Rattenni stated it looks to be an encumbrance that is putting it over and not the expenditures. Mr. Loftus explained that it may be a vendor we are no longer using that has been encumbered or a vendor that has been over encumbered. We look at



Committee transcript

those purchase orders at this time of year and lower the encumbrance. Ms. Thompson asked why the expended is 100%. Mr. Doolittle explained that federal dollars may be involved and had to be used by a specific date. Mr. Loftus explained that federal dollars don't flow through this budget but understands those funds are expended first. Ms. Thompson noted that last year they were at 54%. Ms. Rattenni stated that at last month's meeting, Ms. Floore explained that these were encumbrances for therapies and would be reviewing them.

Mr. Loftus reviewed the federal grants with the committee. Each grant has its own purpose and the funding can only be spent for that purpose. As expected, all of the FY14 grants have been expended and closed. We always spend the federal dollars first before local funding. If we have any federal funding left at the end of the grant, it is returned to the State. FY15 can be expended with clean up through this year. We have been given the FY16 funding and have begun using that as well. The federal calendar does not align with the school year calendar.

Page 6 is reporting of tuition and special programs. We are currently in the middle of billing for the programs in which we service the children from Red Clay as well as those from other districts. We are also receiving invoices to pay for Red Clay students in other district's programs. There is a lot of cooperation that goes on between Red Clay and Christina due to programs as DAP (Delaware Autism Program), Meadowood and First State Schools. Ms. Thompson asked if we were billing for next year or this year. Mr. Loftus explained we prepare the bills in an estimate for each district what we expect their bill to be for this year. Then, we do an actual roll up of last year. This is a true up period. For example, if we charged a district \$100,000 but the actual is \$110,000 then the true up will be the \$10,000. Ms. Thompson asked when they pay the estimate of next year. Mr. Loftus explained that is all in one bill. They pay for this year now. There are students moving in and out of programs consistently. Ms. Thompson stated then we're carrying the cost through the year. Mr. Loftus explained this billing program has been going on for many years. It is set up with the State Code. We don't receive the forms for billing from DOE until November. Once we prepare the forms, they are sent to DOE for approval before being sent to the other districts. The closer we get to the end of the year, the more accurately we can estimate next year's enrollment. Mr. Doolittle added that it also works the other way in students coming in at the end of the year. The payments are between May and June. First State School has had expenses we did not anticipate as we had a new contract with Christiana Care and an increase in the rate. We also added more services to the school due to the students we have attending. We are still on budget.

Looking at page 7, the tricky part of budgeting this year was the inclusion of students into their feeder schools. Fortunately, Meadowood, wasn't impacted as much. We were able to anticipate our budgetary needs. We are slightly below where we thought we would be at this time.

Page 8 is the Richardson Park Learning Center. It used to include the now closed Central School. Last year at this time we were at \$10.8 million in expenses. This year we are at



Committee transcript

\$6.5 million. This is a direct result of inclusion of Central students and grades 1-4 of RPLC matriculating into the other schools. We are still trending well.

The last page highlights district expenses. The largest line item is the substitutes. We monitor that line vigorously. We are comfortable where we are and feel we will come in on budget. If substitutes are used with programs by DOE or UD, we make sure we are reimbursed for them. Ms. Thompson asked if those substitutes go through the service we contract. Mr. Loftus answered, yes. If a teacher was going to DOE for a program, DOE will send us an email stating the teachers who are invited and asking how much the substitutes are for those teachers. Mr. Loftus pulls the report from Kelly Services and sends the cost to DOE for reimbursement to the district.

III. Turn Around Schools

Mr. Harold Shaw, Red Clay Manager of School Turnaround distributed a packet to the committee for his presentation. Mr. Shaw explained that he took over the program from Amy Grundy last October. He was asked to come to the meeting to discuss priority school funding.

There was initial discussion and conversation last January regarding a larger budgets. The original budget for Highlands Elementary was \$945,000; Shortlidge was \$700,000 and Warner almost \$1 million. Below are the actual approved amounts of \$350,000 range. The actual budget in the end was \$300,666 for each school for year 1. Our understanding from the State is that we will have the opportunity this spring to review the budget and make adjustments. Mr. Doolittle added that the amount is basically set unless they raise it. Mr. Shaw agreed but changes in program can be made. Ms. Thompson stated that when the priority school plan was announced, it was \$1 million per school, and the plans were built around that amount. She explained it was the state who faulted on the amount. Mr. Shaw and Dr. Broomall have visited the schools gathering feedback from the staff. There is a lot of frustration around that dollar change. Ms. Thompson stated it is a huge problem not just with priority schools but any promise from the state for funding that ultimately does not comes through.

Mr. Shaw gave an overview of items on a priority budget. Contracted services, personnel, extended day EPER, EPER for parent engagement stipends to bring more teachers onto leadership teams, commitment rewards and technology. Chromebooks came to most through the Technology one-to-one initiative, however, Shortlidge purchased some themselves as well as their grade configuration wasn't impacted by the Technology initiative.

As an example, the group reviewed Shortlidge's budget. The two funding sources were priority and Title 1. The items of note are the Partnership with University of Virginia for \$40,000. That is only for Shortlidge's participation as it does encompass the other 2 schools. Commitment reward is \$65,000. Each teacher signing on received a commitment reward of \$2,000 which can be used to purchase instructional materials, attend conferences aligned to the work done at their priority school. Many of them have



Committee transcript

used the money to purchase items to support the clothing cabinet at their school and PBS events. There is some unspent money in those rewards which we will work on as there is a timeline for when the financial system shuts down. The Chromebooks are unique to Shortlidge. The other schools did purchase some technology as well.

Mr. Shaw explained that PBS is Positive Behavior Support. It is a tiered approach to proactively address student behavior. You create common-wide school expectations and reward them when they are met. Rewards are through school-wide events or class events.

Ms. Rattenni asked regarding the purpose of the priority school designation and how those schools were selected. Mr. Shaw said they are in part selected by test scores. Ms. Thompson stated it was unclear to the Board at the time as they were selected by the State. Mr. Doolittle added it was a school rating system run by the State. Mr. Shaw also has exit targets for the buildings which are three years out based solely on Smarter Balance testing. We have concerns regarding the formula that doesn't match the numbers at the end. Mr. Doolittle added there is a new building rating system and a new configuration of students. Mr. Shaw explained that if all of our schools in the state are judged with multiple measures, why we are given a single data point to measure progress in these three buildings.

Mr. Pappenhagen asked if the exit targets are the means to deem the project successful. Mr. Shaw stated at this time, yes. He will present to the Board later this year the multiple data points he is looking at and showing progress.

Ms. Thompson asked what UVA is being paid to do with our schools. Mr. Shaw talked about the remaining balances are higher than we hoped at this time of year. Ms. Thompson asked if we weren't spending the \$300,000 per school. Mr. Shaw stated that the commitment rewards need to be used. The summer programming is built into the budgets that hasn't been reflected in the expenditures. Mr. Loftus also stated that these budgets don't end in June. Mr. Doolittle explained that Christina just got their \$1.1 million a few weeks ago. Mr. Shaw is insuring that the funds are spent in the most meaningful ways. One of the ways he believes would be most useful is identifying or contracting with someone who could provide direct support around social and emotional issues that we are seeing in our 3 buildings. Often times crisis situations distract those in the building from instruction. But providing this with one time supplemental funding is next to impossible because it rips supports out from schools after a short period of time. Mr. Shaw walks biweekly with a representative from the State in the buildings. The representative informed Mr. Shaw that she had initiated that conversation and had some ideas on how they could support us in that area. She mentioned that the State had looked at setting funding aside for social workers contracted to our schools. That is more planning for next year. Mr. Doolittle also stated that there is great turnover at DOE.

Mr. Shaw explained the UVA overview. They look to support schools in 4 areas: Building leadership capacity, not just the principal. If your principal leaves, you don't want them taking the leadership with them. Differentiated support and accountability which speaks to each site potentially having their own priorities and own focus areas. All



Committee transcript

three buildings are not treated the same as they may not have the same needs. Talent management looks at the right people in the right place through hiring and development. Instructional infrastructure is what we've dedicated the most time to. Mr. Doolittle added there is a large knowledge gap between what knowledge the teachers have coming out of school and what they need to know to working in high needs schools. Mr. Shaw stated what they've been working on with UVA is to focus on the data we have at our fingertips, formative and summative assessments and make decisions on instruction. One comment at the last BOE meeting was referring to the amount of paperwork the teachers have. Mr. Shaw believes they were speaking to the professional learning communities they are trying to foster. Structures have been put in place for teachers to identify gaps in learning. Then, plan to impact that through instruction. It is valuable work. The data we've been seeing will show the BOE the progress we've made.

Ms. Thompson asked if UVA was in our schools and are they recommending things. Mr. Shaw explained they are in the buildings but in a minimal amount. They provide technical support and professional development. We had teams attend a retreat last summer in Virginia. They identify goals and actions through a 90-day plan. The 90-day plan is 8 pages of ideas they can focus on. Mr. Shaw distributed a sample of the plan.

Last November, Amy Grundy and Mr. Shaw attended the Shepherds Summit to support the transition of leadership. There are weekly site visits Mr. Shaw has with the principals, having conversations regarding these focus areas. Talent management, what are they doing to promote growth of their teachers. What do they do with a teacher who cannot grow, how do they handle that process. As well as sitting in professional development activities. He is there to be a coach as well as a liaison to the district to get things related quickly. In the fall and spring, UVA does come to the buildings. They have conversations with the principal and district level management. They then give us written feedback on what they see as the next steps. As an example, the spring visit to Highlands there was a conversation on extended day opportunities. It was obvious that the principal wasn't happy with the product. At the end of the day, the written report recommended to look over the intervention program they were using. Mr. Doolittle added that UVA looks at many schools over the area. Mr. Shaw explained that there is a DOE person who does the walks through with him and then he comes back another day without that person. UVA stated that was an opportunity for mismessaging or misalignment between the two visits. A consultant then walked through with the next two visits to help with the alignment. Mr. Shaw states the teachers are feeling over monitored. To be fair to them, what change can you see in one week? We give the principal building recommendations. We are down to every other week. In the future months, she and Mr. Shaw will be meeting to look over social and emotional piece and budgets in a monitoring role.

Mr. Shaw also spoke about the retreats the teachers have attended. 3 days in January which were 10-12 hour days of professional development. Paul Bambrick-Santoyo, Newark, NJ, gave the presentation on data driven instruction.



Committee transcript

The 90-day action plan priority No. 1 is listed as Instructional Delivery. At the start of the school year Barbara Land identified a need to provide a consistency to professional learning communities, as did the other principals. What is listed are the revised action steps around these structures for the second semester. The time line in this document is missing from a priority plan. The schools are also working on school climate/culture and data driven instruction. There are action steps and time lines with those responsible so buildings can move it forward.

Mr. Doolittle spoke to data driven instruction as it is overview as well as individual targeting. Mr. Shaw feels this is the most important aspect of what UVA has brought to us. We are seeing the outcomes in student performance as a whole. Each building takes a Scott Foresman assessment at the end of a language arts unit. Teachers then in their PLC look at the unit assessment results. Data Service Center provides data on how many students got which question incorrect. They then can analyze the gaps and link it back to a common core standard. Once they have identified the gaps in student learning, we have the teachers go through a 6 week action plan. In that plan, they identify what we can do on a group level to reteach this concept. What can be done in the small group and then individual? It is a 3 tiered plan. It is individualized enough within the professional learning community that if one class is having difficulty with a concept but the other is not, the two classrooms can focus on separate challenges. That process has been going on since November. In January we added a weekly data protocol. Now, within the 6 week plan, we can embed smaller formative assessments, maybe one extended response question at the end of the week. The teachers can have a conversation around that to see if they are making progress. These are works in progress.

Mr. Thompson had questions regarding the exit targets for this year and next. Mr. Shaw explained they are Barbara Land of Highland's targets. She calculated a 15% increase which is actually a reduction in non-proficiency. Grades 3, 4, and 5. Grades 1 and 2 do not do Smarter Balance.

The principal, DOE representative and Mr. Shaw walk through the schools. 60 minutes in the classrooms and 30 minutes debriefing what they saw. They receive written feedback based on a rubric that DOE provided. What we get feedback about is not classroom specific. It is trend observations across 6 to 8 classrooms. Ms. Thompson asked if we are developing our leadership teams, why just the principal in the walk throughs. Mr. Shaw explained the challenge there is the other people are teaching. It may be valuable for them to swap out the assistant principal at times.

The challenge is you have multiple research based strategies one week and the next week you may not see that. When we were doing it every week, it was intrusive. Ms. Thompson related that we are teaching to the common core standard. How can you assess that? To some extent it's seeing what the objective is and if it aligns with what they are working on. If you do this across 4 or 5 classrooms and the one bullet point comes back. Ms. Thompson asked if the objective not posted. On occasion, it isn't posted, but not often. Sometimes the work being done does not match the objective but is constructive in other ways. Ms. Thompson asked if they are dealing with misbehavior in



Committee transcript

the classroom, do they get knocked down for that. Mr. Shaw stated there is a whole section in the rubric on student engagement. We're not seeing that, however. We are seeing a need for more student centered activity, but not misbehavior.

Ms. Rattenni stated there is a great deal of emphasis on parental engagement. How is that coming along? Mr. Shaw explained that it is a challenge. Warner and Shortlidge have a slightly higher parental involvement. Warner and Shortlidge have two community school liaisons provided by Children and Families First, dedicated people in the building whose responsibility is getting parent involved through events. Highlands does not. We're hoping that we can do that for Highlands next year.

Ms. Henry asked why we went to UVA. Mr. Shaw stated it was decided before he came on board. Ms. Henry stated we are paying UVA \$120,000 for these three schools. If we wanted to include more schools, it would cost \$40,000 each school. We could work with a local university and cultivate it in-house. Mr. Doolittle shared that he felt that those in Delaware don't have this capability. Ms. Henry stated read assist is one that does.

Mr. Doolittle stated what is missing is the extended learning opportunities funding. This encompasses extended day, weekend and summer learning. The practice is not here yet.

Ms. Rattenni stated that they will be focusing on the expenditures. Mr. Shaw noted there are some large charges that haven't hit the budget as yet. Mr. Doolittle stated that the new 1003G grants and what opportunities they provide. Ms. Rattenni asked if the budget was included in the grants pages on the expenditure reports. Ms. Grundy applied for the grant last year and Mr. Shaw will work with the State and the re-application process.

Mr. Shaw was thanked for his presentation.

IV. WEIC

In Ms. Floore's absence Mr. Doolittle offered to update the Committee on the WEIC progress. Mr. Doolittle explained that the proposal has passed the State Board. There is \$4 million in the Governor's budget for the transition. Mr. Doolittle will be meeting with members next week to go over it, as we really need \$12 million. Ms. Thompson added that WEIC stated that the funding should be \$7-11 million for year one.

Mr. Doolittle reiterated that the budget is missing a part for what WEIC wants to fund is \$22 million. Ms. Thompson stated that the money that WEIC has put forward is only for enhanced student funding. It doesn't take into account for the other costs. They are not in the letter sent to the State Board which only included that enhanced student funding. It did not take into account fixing the schools, do we need new schools, professional development, curriculum. Mr. Klampett added that the structural shift to the district was also not included. Mr. Doolittle disagreed. Ms. Thompson feels they are approving a program without knowing what it costs. Mr. Doolittle disagrees. He feels the legislature does know what it costs. Ms. Thompson states that it isn't in any of the WEIC materials.



Committee transcript

Mr. Klampett interjected that the thought was if we didn't get the funding we needed for the program, WEIC would not go forward. What is that level of funding? Ms. Thompson does not know. Mr. Doolittle stated the Comptroller General's office did a fiscal analysis essentially based on WEIC's model, it would be \$7-11 million to go forward. Mr. Klampett asked if WEIC is dead as the Governor only put in \$4 million. Mr. Doolittle explained that there is currently a big push for funding for children. Even if WEIC dies, something may still move forward.

Ms. Thompson stated the \$7-11 million is only for the first year and doesn't include any of the other costs, such as capital improvements. Mr. Doolittle stated it will now go to the JFC. If the legislature wants it to go forward, they will find the funding. Mr. Loftus, stated there are two things to be funded. The first is moving the students from Christina School District to Red Clay and educating the same way they are now. The second part is the WEIC Commission did the work on the improvement of the education in Wilmington that we need to add funding based on poverty and ELL. Ms. Thompson stated that is the \$7-11 million. That is only the State portion, not the local portion. Mr. Doolittle explained that is the question as well, will there be more funding as the higher concentration of poverty or a 70/30 split across the board.

Mr. Klampett asked what is the Board's understanding of what the out of pocket would be to Red Clay. Mr. Piccio stated that the understanding is that we were to remain neutral. Ms. Thompson added that we're not even close. Mr. Doolittle explained it will impact us if they don't consider high concentrations of poverty at a higher unit rate. Ms. Thompson doesn't believe it will be even. Needs based funding, ELL funding and poverty funding, the local portion will still go up. Looking at what is needed, the current formula would give us an additional 138 units. But we would still have to fund the local portion of those unit salaries. Ms. Rattenni asked about the increase of property taxes from Christina and how that would impact. Mr. Doolittle explained that is one of the areas of negotiation on how that will be addressed.

Mr. Klampett asked if Ms. Floore has looked at this as to when that would put us to another referendum. Ms. Thompson explained that part of this is that we wouldn't go to referendum, but simply raise the needed taxes through Board approval. Mr. Loftus added that the first 46 cents of the local school tax gets put into the pool of the County in the districts of Northern Delaware and disbursed in a certain way. The answer to the gap is that disbursement needs to be readdressed. If Christina gets a portion because they educate that portion of Wilmington, reason would dictate that they would no longer receive that funding. That is a negotiation that needs to go between the 4 districts. It is a relic of when the districts were reformed in 1981.

Ms. Thompson explained that Red Clay did get an opinion from our lawyers that the action that WEIC is taking is unconstitutional. They cannot change the school district boundaries without a referendum from both districts.



Committee transcript

VI. Public Comments

There were no public comments at this time via email.

Mr. Klampett asked about public notices. We are the only Committee not on the Public Notices on the web page. We should note our meeting notice on that portion of the page.

In respect to minutes. He suggests that minutes should stand on their own without notice of attachments. The minutes can note that there are notes available. The meeting notes should be a separate document.

Mr. Klampett went to the last Red Clay's Board Policy meeting. Red Clay is not unique to this committee but Red Clay is not in compliance with Delaware Law as it applies to this committee. They are trying to make some amendments to the Board Policies, the work would be presented at the Board meeting.

The financial expenditure report that is presented each month, when compared to the final budget, the expenses differ by \$50,000. Maybe because of the way the budget was put together. Between the preliminary and final budget, we added \$50,000 for Dickinson 6-8 and it wasn't rolled up into district-wide services subtotal. He doesn't know what it would take to put in a revised budget. Mr. Loftus acknowledged the changes. The \$50,000 never got added into the total for that item. It was a strategic decision at that point not to confuse the overall budget number by adding that in.

Mr. Klampett also asked about the priority school budget. Is it in these expenditure reports? Mr. Loftus said he would circle back to it as it would be in the grant reports.

Mr. Klampett stated we should look at the distribution of staff vs. class sizes at the high schools. There is a balance part of its electives, needs, etc. We need to do the analysis. Mr. Shaw stated that coming from a middle school with classes of 30-35 students and it wasn't shown on those web pages. What impacts those is co-taught classrooms. Psychologists, advisors, etc. all count as regular units, it may give it a low average.

VII. Announcements

The next meeting will be held Tuesday, May 10th in the Brandywine Springs School Teachers' Lounge at 6:30 PM.