



# Committee Transcript

## **Red Clay Community Financial Review Committee Tuesday, May 10, 2016**

### **I. Minutes**

The Committee reviewed the April 2016 meeting minutes. Mr. Pappenhagen made the motion to accept and Mr. Doolittle seconded. The motion carried. Based on discussion the prior meeting the minutes are now an overview of the meeting, with the transcription being a separate document. She asked the Committee if that meets the requests of last month. They agreed.

### **II. Information Systems**

Ms. Bewley gave a presentation on the Information Systems department. She had met with the Committee early in 2015 giving them scenarios of what could happen with the passing of the referendum. Since the referendum has passed, she is able to inform the Committee of their progress.

The technology referendum proposal centered on A, B, C D building blocks. Beginning with applications, they look to see what applications can be made available to the teachers that would be best for the students. What applications do we have to make sure the devices are safe and secure? Next is Bandwidth which is very important. Without enough bandwidth it undermines what can be done in the classroom and testing. Finally capacity is instruction; are the teachers ready and do they have the knowledge to use the technology in the classroom. Does the technology office have the devices and the knowledge to service them? The device is the final step. We needed the first steps completed before providing the devices.

This year the State purchased a program called Schoology which offset the district cost by a third. The State found value in this learning management system and supporting it. Schoology gives teachers a space to post assignments and collaborative discussion boards. Teachers can create quizzes and the students complete the quizzes on the devices. Students can write a paper on the device through Schoology, message the teacher, and the teacher can give notes back. Everything on Schoology is monitored and tracked including communications. Schoology use is regardless of the device being used. Students can use their own home devices and even their smart phone. It is not device-specific. Teachers can also pull in video and link to other instructional applications that we have.

The technology department has worked very closely with the Curriculum and Instruction department. C&I purchased a new math program. Part of the purchase was the electronic curriculum for elementary based on grade level and loaded onto Schoology. Therefore, teachers have that on the devices as well. Students are not spending every day staring at



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a device, however. Teachers still have work sheets, and centers to create a blended learning environment.

Mr. Miller asked if there were tutorials as well. Ms. Bewley stated that the students are better using the devices than we are. Mr. Miller asked if he was looking at a learning function, and instead of messaging the teacher to ask how to do the problem, is there a tutorial on that process. Ms. Bewley explained that Schoology doesn't have the tutorials itself, it is whatever the teacher has placed in it. Schoology is the shell giving a pathway to communicate. For example SAT prep through Khan Academy can be linked through Schoology to give students help as well. Mr. Miller stated that this gives the student the ability to achieve their goals with several functions.

The second application is Google Apps for Education. This is a free application which is an umbrella of several functions such as Google Docs, Google Maps, etc. It integrates off the Chromebook and Schoology and the teachers love it.

The third is Go Guardian. This application is for monitoring what the students are doing on the devices. What are they looking at, what happens when they get to a site that has questionable content, we can block sites and it has a theft program as well? We can see what the most traveled sites is. UTube is used a lot, especially with the teachers.

Some of our schools were very low on bandwidth. With the referendum, we were able to upgrade the remainder of our schools from 10mg to 100mg. It is \$675 per month per school. There was a push from the superintendents' technology task force which was part of the governor's budget to give us more money to help with the bandwidth charges. No school is maxing out with the 100mg but we need to be available for some grades to be teaching while the others are testing. This increase has taken the burden off the schools.

Capacity based on bandwidth gave us wireless in the schools. But we didn't have capacity to have everyone to do it at once. We installed 816 new access points in 13 schools primarily middle and high schools as well as priority schools. Now, each classroom has their own access point and the devices run more smoothly and consistently. We utilized eRate funding through the FCC. We received an 80% discount rate to do those access points. We have applied for the eRate funding again this year to do the same for the remainder of our schools for access points not only in each classroom but also the common areas. i.e., in Cab Calloway, there are common areas where students gather after school and can do their work there together.

Mr. Pappenhagen asked if the students can use their own devices on our wireless networks. Ms. Bewley explained, no, we are limiting to our devices we provide.

For capacity in regards to curriculum and teacher knowledge, we took a step back and looked to find what we needed to do before the devices were in the hands of students. One instructional cadre was hired last July and we've added another technician to our staff. The cadre worked with professional development with the teachers. Each school identified a Schoology Champion. The State has those Champions attend monthly



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meetings with the State Schoology representatives to learn the latest offerings. Each school also has two Google leads, one being the librarian and the second a teacher. Those leads attend bi-monthly professional development with a contractor Curriculum and Instruction is bringing in to instruct on the best uses of Google Apps for Education. Training also includes question and answer time for the school leads. We've also attended a Google Symposium. It was important that we required teachers in Grades 3, 6 & 9 – our rollout grades this year, to attend a training before the devices were given to the teachers and students.

The training included blended learning. Paper, Chromebook and video to achieve an end goal. There were several ways the teachers could attend the training: after school professional development, a 3 hour online self-paced course created by our cadre, as well as an 8 hour online course created by the Dept. of Education. It wasn't clicking through screens, as the person taking the online course had to prepare a lesson plan on the device and work with the cadre for the finished product. The cadre was available to come to the school to work with someone who needed help. 227 teachers have been trained in total. As they completed the training, we required all of the 3<sup>rd</sup> grade teachers to complete the training before letting the school have those devices. At the secondary level, we decided that a 50% training at the secondary would allow us to give the students the books. We didn't want to penalize the students due to one teacher out of 6 not completing the training. Ms. Floore explained the first year rollout to be Grades 3, 6 and 9 with later years.

The device IS chose is the Chromebook which runs a Google platform interfacing with Google Apps for Education and Schoology. It is half the cost of an iPad. We have a better use with something with a keyboard. Learning to type was a part of it as well. We deployed 3,697 Chromebooks in 8 weeks. As the teachers completed the training, we deployed the devices. We did provide the cases. At a conference Ms. Bewley attended, she asked other attendees what they did. Those who did not provide cases, regretted it. Those who did purchase cases, were glad they did. They also made a recommendation to let the students decorate the cases, making them their own. When they have ownership of the device, they will take better care of it. That device will follow the student as they remain in the school. We have received a great feedback.

The carts in the elementary level are staying the classrooms. We have replacement parts available. Summer storage for the secondary schools are locked filing cabinets. There will be sign back sheets and our technicians can service them over the summer. Mr. Pappenhagen asked if the Chromebooks go home. Ms. Bewley explained that during the school year, the secondary students do go home with the devices, but not over the summer. The elementary students' devices stay in the classroom during the school year as well. Mr. Miller asked about the student internet access at their homes. Do we have any data as to students who do not have access? Ms. Bewley explained that we do not have that information. The question has been raised. Comcast has an essentials program that is \$10 per month if the family is eligible due to income. Most students have a smart phone and can use that as a hot spot or they can do their work on the smart phone. You can't message your teacher if you don't have Wi-Fi at home. However, if you have a



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paper to write, or work to do, you can work independently on the Chromebook. When the student comes back to school, they can connect to the Wi-Fi, Mr. Miller was looking to see if we were noticing a trend that needed to be identified and addressed in the future. Ms. Bewley stated these devices have only been in use in the schools since February of this year. We will have more information as the program progresses.

Ms. Bewley stated they chose the Chromebooks over laptops as there are much fewer pieces to fix. Startup time is 7 seconds. Data suggests it saves 12 school days not waiting for a laptop to boot up and install. We haven't had too many problems. We've had a few broken screens. The teachers are nervous and don't let the younger students walk around with them. But we would rather them use them and break than not used enough. Mr. Doolittle stated that he had heard the lifecycle cost (purchase and breakage) of a Chromebook is half or a third of an iPad, is that true? Ms. Bewley stated that is true. We've had broken screens and bad cords, but the costs are going down.

Year one we have rolled out Grades 3, 6 and 9. We've spent the first half of the year getting the teachers trained and getting the Chromebooks in. Year two we will be ready to go for back to school. We will add Grades 4, 7 and 10. That means the students moving up will get their same devices back again, while the Grades 3, 6 and 9 will get the new devices. Year three we will be covering grades 3 through 12. We don't have the data on the life cycle of them as yet, could be 3 to 4 years. Right now we are planning on 4<sup>th</sup> year replenishment plan. As for Grades K-2, the referendum was specifically for Grades 3-12. We are looking at what is needed to provide for the younger grades. It may be more center based rather than one-to-one. At that age a touch and swipe is easier, so iPads may be better. They do, however, have touchscreen Chromebooks as we have for Meadowood students. We are looking into it at this time.

The Grades 4, 7 and 10 teachers are going through their professional development right now in preparation for next year. If we have verification that they have completed it now, we will give them their device to work with over the summer. We are getting ready to order the next 3,800 student Chromebooks. We will be installing 781 new access points hoping the eRate funding will come through sooner rather than later. The anticipation will be that there will be home use for all secondary users.

Ms. Henry asked what the feedback has been on the Google Apps. How are the teachers and students at the secondary level using them as colleges use Microsoft products. At home people are using Microsoft Office suite. Google Apps isn't compatible. Ms. Bewley stated that the trend is shifting from the Microsoft Apps to the Google Apps. Ms. Bewley explained that the Curriculum department did a professional development of roundtable discussions. The conversations regarding Google were very positive, no complaints. Ms. Henry feels it serves this level and is well received. However, from high school to college and the working world, is Microsoft Word. The students are unprepared. Ms. Bewley is hearing that Google Apps is where the colleges are going. Ms. Henry and Mr. Klampett disagree. It is incompatible to what she's working with at Wilmington College. Mr. Doolittle stated that may mean we need to provide a transition program in 11<sup>th</sup> and 12<sup>th</sup> grades. Ms. Henry stated Conrad, at one time, had a cornerstone



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program which was a great concept but it stopped. Mr. Klampett added that he feels that the fact that the students are unprepared for college has nothing to do with the software we're using. Ms. Bewley will take this feedback to those deciding programs for the high schools.

Mr. Doolittle asked about the bandwidth. Ms. Bewley stated it goes through DTI. Mr. Doolittle asked about IEPs going to a cloud model. Ms. Bewley explained that the State has a fiber project. If our schools have enough bandwidth, they are looking to increase the bandwidth to DTI to handle this. Mr. Doolittle stated that this is why it is more expensive than it needs to be as it has to use the State backbone. Ms. Bewley stated that at this time, everything goes through that.

Mr. Doolittle also asked about the students with disabilities Apps, will they load onto this device? Ms. Bewley explained that they will work with Assistive Technology and they will provide whatever is needed and required through the IEP. It will be a collaborative. If the students have something they are currently using and that is better, that will continue to use it.

Mr. Klampett asked about \$2.2 million in this year's budget from the referendum for technology and tech instruction. Ms. Floore explained that when we had the operating referendum in 2008 that was the first time we put a dedicated line in the budget for tech refresh. In a previous capital referendum, the computers were purchased as one time but included no refresh money. Now, the older computers had no funding for replacement. There is a technology budget, which is Kristine and her staff, for which the state gives us funding for a couple positions. There is also the equipment. The lines called referendum tech refresh started in 2008 and grew in this referendum, as its own dedicated line item. Ms. Bewley stated that this year that line grew by \$1.3 million. There will still be computer refresh and parts needed. Now, however, there are 3 student computers in every classroom that will not need to be refreshed as the students have the Chromebooks. We invested in staff through the Curriculum department. Over the next two years there will be ebb and flow between the two groups. Mr. Klampett explained that in 3 years everyone is trained, but you'll have a maintenance training as you have work force turnover. Ms. Floore also added that you will have a refresh cycle. Ms. Bewley explained that year 2 may be \$2.7 million but they need to be meeting. The next two years will be more than this year which was part of the referendum planning.

Ms. Henry asked that when we speak of refresh, do we refresh everything or only those that have issues. Ms. Bewley explained that we have a 4 year teacher refresh. We set limits. When certain computers are so many years old, we replace all in that grade. However, we will always find a use for them. The PCs are fixed and reused, until they can no longer be used. Then they are recycled through Delaware Solid Waste Authority. Ms. Henry asked about selling them at a reduced cost. Ms. Floore explained that we are not allowed to. Mr. Miller explained that it has to be reverted back to the State. Surplus is stored in Delaware City.





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Mr. Doolittle asked if it would be difficult to get our bandwidth costs for a year. Ms. Bewley stated that this year it is \$143,695. Next year it is anticipated to be \$186,000. That is 100mg at every school and the data office at the technology office. Hopefully, they will pass the Governor's budget and the cost will come down.

Mr. Miller thanked Ms. Bewley for her presentation.

### **III. Monthly Reports**

Ms. Floore distributed the April 2016 expenditure reports. Regarding our presentation, technology is on line 68. That budget is \$2.2 million which is higher than last year due to the referendum. \$350,000 is encumbered and \$1.7 million has been expended. She only has \$177,000 left for the remainder of this year. This will include the purchases for this year not for next year. That is different than the tech budget which is line 85 Tech equipment and repair. The equipment itself is on line 68, but if someone's printer breaks, for example, the minor equipment may be in there. That is our ongoing maintenance staff. That did not change significantly due to the referendum. That is near to the 75% expended as salaries come from that. We are 22 out of 26 pays for this year. Mr. Klampett asked about the cadre hired in that line. Ms. Floore explained that person comes from line 38 on Page 1 Curriculum. That is \$4.8 million which is professional development. That is also the Math curriculum where they bought the instruction and paid to train the staff with EPER. Last year the Curriculum budget was \$2.1 million, now its \$4.8 million. The largest was the math textbook purchase. Referendum refresh last year was \$900,000 and this year it is \$2.2 million. Technology budget was \$2.4 million and this year is \$2.5 million.

On the revenue side the State increased the funding for Division 1 salaries to 88%. Our numbers come up to 93% which is slightly under of last year. That is because we moved salaries over from Central and RPLC and when the State funds 75% preload, it's based on the numbers of last year. Our local tax funds are over 100% due to our built-in delinquency. We will receive 2 more transfers this year. MCI and eRate will come in May and June as will indirect. Overall on the local side we are in great shape entering the next fiscal year.

Mr. Miller asked about the rebates for energy based on the merging of the power companies that we are seeing in our homes, is the district eligible for those rebates. Ms. Floore explained that would be an excellent presentation for energy. Our Esco project was last year as well and would be a good time to share data. We have a diversified energy purchasing portfolio. Ms. Floore feels a presentation in early fall from our energy group would be appropriate. Since she has begun with Red Clay in 2007, we have the lowest energy costs we've ever had. The cost and the use of energy has dropped significantly in part due to the market as well as our overall efforts in reduction and maximizing price.

On the expenditure side, we have the same few we are watching. There will be changes as we go into our final in June. Special Education and Student Services are under review.



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Student Services is Line 82 is \$45,000 over. That includes our Communities in School contract which are staff members who work at some of our middle and high schools. At the last minutes, we took on another contract for the year. Special Education Line 77 we receive money from units of related services. Therefore, this line will reduce as we spend the money from related services. When we know another line will cover the expense, it is easier to cover it up once than to do it all along.

Maintenance is over encumbered, but not over expended. They are at 77% expended. They have \$600,000 in encumbrances. We are monitoring and reducing some encumbrances. Mr. Klampett asked about the purchase orders we make to a specific vendor. Is it a commitment to the vendor and they require we spend it? Ms. Floore explained that no, it is not a line of credit or a commitment, but part of a plan for the budget. If the amounts are not spent, the purchase order is closed and the money returned to the budget. The amounts are based on last year's purchases and include a variety from plumbing to lumber to HVAC as you never know what will be needed. Mr. Miller explained that the State system is complex in their payments. The purchase order to a specific vendor is a guarantee that when we purchase from them, they will be paid promptly. If we don't use those funds, they are returned to the budget. Mr. Klampett asked what keeps the department from spending the full amount on all of the encumbrances. Ms. Floore explained that the monitoring is such that if we see a line tipping over, we reduce the purchase orders and the money isn't available to spend. Mr. Miller also noted that there needs to be a project associated with the purchases. Ms. Floore also noted that we have a track-it system in maintenance much like technology. Projects are tied to a ticket/project and then the invoices are approved/matched to the ticket. This protects against theft and manages the projects. Maintenance has a budget of \$2.9 million dollars with 29 schools. Sometimes Mr. Michalski has to say no to a project. There is a priority ranking and leaving money for emergencies. Ms. Floore stated the larger worry is if there isn't enough encumbered. Sometimes there's more weather related maintenance for example. Mr. Doolittle also noted that is why we also have an overall contingency budget for the unexpected larger needs. Mr. Miller noted there is the concern on what is deferred in maintenance due to cost. Ms. Floore will bring the Major Capital update that was presented at the last Board meeting regarding the projects. All have been on or under budget.

We expect to be 83% at this time in the school year expended. However, we are at 22 out of 26 pay in a year which is 84.6%. Looking at local salaries on Line 54 is 84.6% which is right on target. State Salaries is Line 42 Division 1 at 86.1%.

The bottom line is we are 81.3% expended and 83.7% expended and encumbered vs. the 83.3% target. This is slightly ahead of where we were last year, which was under.

Federal funds are coming to a close of FY 2015 is winding down and we have started to spend the FY 2016 funds.

Page 6 tuition programs are also slightly over 100% revenues received. We have sent out our tuition bills to the other districts for their students in our programs, but we haven't



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received anything back. We are slightly over for our revenue from the State for our Unique Alternatives, private placements. We are at 97% of budget in tuition revenue. What we are over is in the Consortium. The Consortium are students who go through due process and are at Parkway or Kingswood. These students are expelled from Red Clay but they still need to receive a public education as do all students in New Castle County. They bill us for the seats there and then credit us back for transportation. We have not received that credit for transportation at this time. First State School has the large encumbrance, \$344,000 for the budget rather than salaries as we split the contract with Christiana Care who also provide staff support. We are 63% expended but 90% expended and encumbered.

Debt Service is dramatically different than it was last year. That is because of when the State payments are due. There were earlier payments this year, but there are no more expected. In FY 2015 there were some June payments. We are at 93.3% with the balance remaining. The next payment is July 1<sup>st</sup>.

In 2008 when we went over budget significantly on substitutes. We track this very carefully. This is the first year since then that we are going over budget. We've had record number of illness and absences this year. At times we couldn't obtain substitutes as the numbers were so high. We did a study with the Union, had doctor's notes after 2 days, but the numbers were still high. Last year we were at \$1.2 million and this year we are \$200,000 ahead at this time last year. The good news there are other lines that have come in slightly under this year, so as an operating unit, we will be fine. We will continue to monitor it closely. We may not increase the budget as we look at a 3 year trend to make the budget. Mr. Doolittle asked if it was adjusted for unit count. Ms. Floore explained it's been pretty static the last years. We use Kelly Services for substitutes.

Meadowood and RPLC are over as they are the substitutes for the paraprofessionals and teachers in those schools. Because it is a smaller line item, the percentage is higher at 168%. It is still concerning of \$51,000 over. Mr. Pappenhagen asked if Ms. Floore has discussed this with her contemporaries of other districts, and do they see the same trend in substitutes this year? Ms. Floore stated yes, they saw the same trend due to a bad flu season. Meadowood is on budget but RPLC is under budget at this time.

Mr. Klampett asked if the Central School building was being used at all. Ms. Floore explained the building is used for Groves Adult Education.

Mr. Doolittle asked about inclusion and resources where we will end up. Are we still under resourced? Ms. Floore explained that we have 50 more paraprofessionals this year than we did last year.

Ms. Henry asked what financial assistance Conrad will need to change over the mascot. Ms. Floore received a FOIA request so she knows many things were donated, as the painted on items. She believed the investment by Red Clay was about \$15,000 for putting the current mascot in place. Ms. Henry asked about the final outcome. Ms.





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Floore explained that no vote has been taken regarding the mascot at this time. If there is a new logo/mascot, we don't know the cost of changing it. Ms. Henry asked about the stationery, but that is done in-house. Mr. Klampett stated, you just put the mascot/logo in fewer places.

The motion was made by Mr. Doolittle to accept the monthly reports as presented and Mr. Pappenhagen seconded. The motion carried.

## **IV. Financial Position Report**

Ms. Floore presented the May 1, 2016 Financial Position Report. This report does not differ much from the January report. We are projecting an \$8.1 million balance ending June 30<sup>th</sup>. Which is exactly where we said we'd be for the referendum. It also means we've spent the referendum money. It leaves us with the same balance of last year. Next year our operating tax increase is \$.10 which is \$5 million, but there are plans for that income. Mr. Doolittle commented that due to the staged tax increase, it has taken the big curve out of the amounts. Ms. Floore answered that the last time the stages were \$.25, \$.05 and \$.05 and it did give that curve. This time it was \$.20, \$.10 and \$.05. Unfortunately, that means this referendum won't last 7 years as the last one. Mr. Pappenhagen asked what is the number we need to end the fiscal year with. Ms. Floore explained that what the State requires is one month of local payroll, which is \$4.2 million. However, we need to make Charter preload payments. In order to make our commitments, we need \$7 million.

Mr. Miller asked how you can open purchase orders if all you have is the \$4.2 million for payroll. Ms. Floore answered that we do get preloaded with State funding. We don't live on local funds alone through October. Only Red Clay and Christina have significant charter payments. 35% of \$10 million is significant- nearly as large as one month of payroll.

Mr. Doolittle made the motion to accept the Financial Position Report and Mr. Pappenhagen seconded. The motion carried.

## **V. WEIC**

Ms. Floore informed the Committee that the WEIC will be heard in the House Education Committee tomorrow at 2:30 PM. It is the joint resolution. This is the first hearing. Once out of the House Education Committee it goes to the Senate Education Committee. Ms. Floore relayed that there is no currently a funding bill or fiscal note associated with the resolution but instead it includes an assurance that the resolution is not binding the legislature to all components or funding included in the plan. Mr. Doolittle is of the opinion that any funding this year will be written in epilogue to the budget.

Mr. Miller asked if is still based solely in New Castle County. Mr. Doolittle explained that the WEIC movement of students is, but the funding decisions would be state-wide. Mr. Klampett added that Tony Allen's emails state the funding will be in every county.



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Mr. Doolittle said he is hearing that the funding structure will be elementary first. Ms. Floore stated that would be completely short-sighted. Many of our most needy students are in six through twelfth grades. Mr. Klampett added that according to Tony Allen, the movement of students from Christina to Red Clay of \$15 million should not come from Red Clay. Mr. Miller added that there are parts of other counties with equal poverty to Wilmington. Mr. Klampett explained that the working hypothesis is it will take a 138 units to accomplish this at \$15 million. Mr. Doolittle doesn't believe that's enough.

## **VI. Public Comments**

There were no public comments at this time via email.

Mr. Klampett asked if there were efficiency studies done on class sizes at the secondary schools. Ms. Floore discussed the value of the unit and the building level decision making process a principal goes through in selecting classes such as AP and specialized classes like Piano at Cab.

## **VII. Announcements**

The next meeting will be held Tuesday, June 14<sup>th</sup> in the Brandywine Springs School Library at 6:30 PM. The Teachers' Lounge is under construction this summer.