

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
SPECIAL BOARD MEETING TO REVIEW THE 2010-2011 BUDGET & REQUISITIONS
AND RELATED BUDGET ISSUES**

November 19, 2009

Carl T. Secor Administration Center – Board Room

5:00 p.m.

Minutes

- I. President Horace Cole called the meeting to order at 5:18 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado, called the roll.
- II. Members present were: James Brunkard, Horace Cole, Robert Gress, Keith Karkut, and William Searfoss were present. Bet Hays, Audrey Hocker, Donald Motts and William Zacharias were absent.
- III. School personnel present: Michelle Arnold, Patricia Bader, David A. Baker, Brian Borosh, John Burrus, Anthony Calderone, Richard Carty, Maria Casciotta, Irene Duggins, Sandra Erb, Eric Forsyth, Lynda Hopkins, Gail Kulick, Sharon Laverdure, Patricia Rosado, Jim Shearouse, Kim Stevens and Tom Williams.

Also present was: Thomas Dirvonas, Solicitor.

- IV. Community members present: Jason Brockman (PFM), Jamie Doyle (PFM), Douglas Freeman, Pam Hudak, Nancy Kruger, Troy Miller, Gary Summers and Judy Summers.

V. APPROVAL OF AGENDA

ACTION BY THE BOARD:

Motion was made by Keith Karkut to approve this agenda for November 19, 2009 (page 1), as submitted. Motion was seconded by William Searfoss and carried unanimously, 5-0.

VI. ANNOUNCEMENTS BY THE BOARD

A. Mr. Cole stated that there will be a Board Reorganization Meeting on Monday, December 7, 2009 at 5:00 p.m. in the Administration Center's Board Room. Mr. Dirvonas stated that the Reorganization meeting has been rescheduled from December 1st to December 7th. Mr. Dirvonas stated that he has been in touch with the Election Board for the Election Certificates. He said he will be obtaining the certificates for the new Board members as well as the reelected Board members and will bring them to the meeting. Mr. Dirvonas stated that there is a recount with the judicial election and is not sure when the certificates will be available but he will take care of. Mr. Cole asked if a judge will be present at the meeting to swear the Board members in. Mr. Dirvonas said he has confirmed with the Honorable Linda Wallach Miller who will be present at the meeting to administer the oath.

VII. SUSPENSION OF RULES

ACTION BY THE BOARD:

Motion was made by James Brunkard to suspend the rules of the day to permit discussion of budgetary items to be presented by the administration or members of the Board and the public concerning review of the 2010/2011 budget targets and requisitions and related budget issues without the necessity of a motion and second being previously made. Motion was seconded by Keith Karkut and carried unanimously, 5-0.

VIII. PRESENTATION OF INFORMATION BY THE ADMINISTRATION

A. Elementary Principals - 2010-2011 Budget Targets & Requisitions

Bushkill Elementary

Mr. Richard Carty, Principal of Bushkill Elementary, stated that he was a few hundred dollars under his target amount. He stated that he included extra money for field trips that were no longer included in a grant. Mr. Carty stated that the staff came under target in their instructional budget. He stated that he did not include any new equipment but added for general supplies. Mr. Carty stated that consumable textbooks, that are part of his budget, cost a lot of money (approximately \$10,200) for K-2 grade students. Mr. Carty stated that custodial supplies increased; but, in areas where they spent money a year ago decreased because it is based on supply and demand. Mr. Brunkard asked if he has any modular units at Bushkill Elementary. Mr. Carty stated that he has one. Mr. Brunkard asked if the modular causes him to need any more equipment or materials. Mr. Carty said they are moving a teacher in there today. He stated that he used the modular often for data meetings and the IU used it for occupational and physical therapy. Mr. Brunkard asked if Bushkill Elementary is bulging at the seams. Mr. Carty stated that they are using all areas they have but are not bulging at the seams. He stated that he will have to put some teachers on carts when administering map tests. Mr. Carty stated that their computer labs are mobile. He stated that they are at capacity but not at the point where there is not enough room. Mr. Carty stated that they had an assembly today and there was enough room for everyone. Mr. Gress asked if he has everything he needs for the students; such as books or supplies. Mr. Carty stated that each teacher understood what to do and the direction that was given to them was to order what they need. Mr. Gress stated that, at the high school, they did not have books, so the book was printed and it cost more money by making copying. Mr. Carty stated that, in his building, his staff would say they need more copiers. He stated that in Bushkill Elementary they have two copiers which cost \$25,000 and one in the office; the total of the three would equal about \$45,000 a year. Mr. Carty stated that the copiers cost a lot of money and he does not know the solution to the copying expenses. He stated that there has been talk about a central copying place but does not know how it would work due to the way the campus is laid out. Mr. Carty stated that he would be in favor of it if it would make copying easier for the staff. Mr. Karkut asked how did Mr. Carty determine the expense; because, it seems that in his budget it is a flat rate, per grade, for copiers. Mr. Carty stated that the copiers have a lease agreement with Xerox and whatever the cost is he divides it up between K – 5; therefore, it is divided by six grades, which would give him an equal amount for each grade. Mr. Karkut asked why are the custodial costs dropping \$65,000. Mr. Carty stated that the contracted maintenance was taken which would include refuge removal, snow plowing, boiler inspection, pest control, etc. Mr. Karkut asked if contracted maintenance would be coming out of the main budget instead of each school's budget. Mrs. Bader stated that they removed contract maintenance and layered it on the general budget. She stated that they gave the buildings targets without this item and will put it in probably in December. Mrs. Bader stated that contract maintenance may go up this year but the buildings will stay the same. She stated that they are going to ask them to do more with the same budget target as last year.

East Stroudsburg Elementary

Mrs. Bader stated that Mrs. Irene Livingston, Principal of East Stroudsburg Elementary (ESE) could not be present; therefore, she would explain the budget for ESE. She stated that Mrs. Livingston requested an Assistant Principal because the building is not running smoothly without one. Mrs. Bader said that Mrs. Livingston also requested some type of shared security or a security station should be implemented in the elementary buildings. Mrs. Bader stated that Mrs. Livingston expressed concern with not being able to purchase materials in the budget that she was given for the implementation of the enrichment intervention program and the after school tutorial; because, there is not enough in the budget she was given to support those programs. Mrs. Livingston also told Mrs. Bader that the social studies books are outdated and in short supply. Mrs. Bader stated that another issue was when in certain places where they are gathering materials

from other schools to provide for ESE, it is difficult and not always complete. She stated that Mrs. Livingston said that the budget does not allow for consumables at some of the lower level grades and the trade off is making a lot of copies. Mrs. Livingston also said that she was also not able to give teachers an allocation of \$100 or \$200 for visual supplies (such as posters for their classrooms) with the budget she was given. Mr. Brunkard said he was at the meeting with Mrs. Livingston and would like to point out that by being in a brand new building some things were shortsighted, like not putting in a playground. Mr. Brunkard stated Mr. Gress mentioned that he has noticed, when he coaches the basketball team, that the gym only has one clock and a slew of other little things missing. Mr. Brunkard said that we need to review and see what is needed and Mrs. Livingston's requests are not unreasonable; but, there is a question of the size of the schools and the amount of students. He stated that Middle Smithfield Elementary is similar in size and now under construction. Mr. Brunkard stated that the Board needs to address Mrs. Livingston's concerns. He stated that they have to pick up on the things that were missed through the bidding out of construction. Mr. Brunkard stated that ESE should not have to wait for 5-10 years to have something that was due there from day one. Mr. Gress stated that we should look at the request for an assistant principal for ESE. He stated some elementaries need it; therefore, we should look at the budget. Mr. Gress stated that if security is an issue than it should also be looked at with the budget. He stated that there may be some students with certain concerns and staff should not deal with those issues. Mr. Gress stated that any consumables that are needed should be bought. He stated that, in the high school, they don't need the consumables but there are certain things that are needed. Mr. Gress stated that the pipeline should be included in the budget or would that fall under capital projects. Mr. Dirvonas stated that this item is being worked on. Mr. Gress stated that principals were instructed to come in on target; therefore, don't address what they need and later they will need items that they don't have.

Mrs. Laverdure said every administrator that sat with them were asked if they are able to deliver the instructional program with their budget targets. She stated that they said yes; but, Mrs. Livingston mentioned a couple of things that she needed. Mrs. Laverdure stated that they thought it was cost effective to share books district wide; but, did not know that Mrs. Livingston may have not received some materials that go with her programs. Mrs. Laverdure stated that Mrs. Duggins will assist Mrs. Livingston in this area. She stated that all other administrators said they could do their job with this budget. Mrs. Bader said that \$650,000 was put into capital reserve for facilities items. Mrs. Bader stated that, with the preliminary items, she will request for a 3-5 year plan which will include the pipeline. Mr. Gress stated that the Property/Facilities Committee needs to meet to address these concerns. He stated that the J. T. Lambert auxiliary gym's sidewalks need fixing.

Mr. Karkut asked how is the target determined for each school. Mrs. Bader said that what the business office did was they split the targets in the building between the instructional budgets and principal control budgets (activities and custodial). She stated that, in the past, they gave them a budget based on the previous year's budget. Mrs. Bader stated that the principal control budgets work fine because these costs are fixed, but for the instructional targets, she gave Irene Duggins a do not exceed budget. Mrs. Bader stated that Mrs. Duggins worked with each building to decide how money is split up. She stated that each teacher had an opportunity to decide how to spend the money on what they needed. Mrs. Bader stated that they developed purchase requisitions that have to be entered by December 4 in order to create the big budget book. She stated that data entry cannot be done until we know what we need and we have to fine tune all budgets. Mr. Brunkard stated that almost every principal misses the extra money like the \$100 or \$200 that they give their teachers in the beginning of the year to purchase the things that don't get covered in the budget. He stated that when pinching pennies, he does not think this is something we should scatter because we will need them later on and will then exceed money. Mr. Brunkard stated that pulling away the couple hundred dollars for teachers to buy supplies is not good stewardship. He stated that he would like to go back and address this issue in some way.

Public Participation

Mr. Douglas Freeman said that whatever book is needed should be replaced or bought for the education of the students.

J. M. Hill Elementary

Mrs. Arnold, Principal of J. M. Hill Elementary, stated that they reached their target on the nose this year. She stated that the majority of the funds are for custodial, which is about \$23,000. Mrs. Arnold stated that J. M. Hill has hardwood floors. She stated that, since the first floor was refinished, they need to purchase additional materials to maintain that hardwood floor; therefore, the custodial budget increased. Mrs. Arnold stated that if another floor is done then the custodial budget will go up again next year, which will be a third increase. She stated that they reduced the custodial budget in other areas by not having to purchase

chemicals that they already have on hand. Mrs. Arnold stated that in the instructional budget/categories every dollar is accounted for and spent. She stated that the copiers are the same as Bushkill Elementary and the same amount comes from each grade level. Mrs. Arnold stated that there is no extra money for reserve, except in the principal's account for new equipment or replacement equipment. She stated that she was able to cut down on phone usage since they were not using the full amount every year. Mrs. Arnold stated that every dollar is accounted for. Mr. Brunkard asked what is her population now, specifically with the kindergarten numbers. Mrs. Arnold stated that she believes that kindergarten classes are 19, 19, and 20. She stated that, in the last two weeks, they have received seven new fifth graders and have enough materials for them. Mrs. Arnold stated that, as far as projections, they should stay the same with the growth of one or two more students. She stated that they have 358 children right now. Mr. Karkut asked how many copiers she has in her building. She stated that she has a large one, a small one, one in the principal's office and one in the guidance office. Mrs. Arnold stated that there has been talk about reducing copiers they have; because, they have budgeted over \$35,000 for copier rental. She stated that her concern is that two copiers were down for the past three days so they had to use the office or the guidance copier, which meant having teachers copy when the office is trying to get things done and the copier is not equipped to handle that volume of copying.

Mrs. Laverdure said that Tom Williams, Director of Custodial Services, did a wonderful job in inventorying all elementary schools supplies, offering assistance to principals as they budgeted for custodial supplies.

Middle Smithfield Elementary

Mr. David Baker, Principal of Middle Smithfield Elementary, stated that his budget came in within the guidelines and met the target. He stated that his teachers did an excellent job in looking through what they had and saw they had a lot of things built up. Mr. Baker stated that they are using anything that is usable, which cut down on ordering the consumables needed in the K-2 area. He stated that what helped his budget is that Middle Smithfield Elementary is under construction; therefore, they were able to purchase items with the bond. Mr. Baker stated that they needed very large custodial units to clean the building when the construction is done and this was bought with bond funds. Mr. Baker stated that the budget was adequate and took care of the educational needs of the teachers not shortchanging anything. He stated that they were fortunate enough to have the extra \$100 per teacher to buy supplies. Mr. Baker stated that he put money in reserve for the new finished areas when they are done with construction. He stated that his staff did great with keeping things down with what they needed. Mr. Baker stated that they are in shape, although the money did not increase; but, they were able to budget their items with what they had. He stated that the Specialists' budgets were not touched and were able to get what they needed. Mr. Baker stated that they were fortunate to get everything they will anticipate needing. Mr. Brunkard stated that Mr. Baker's attitude is perfect despite his building being under construction. Mr. Brunkard stated that, to him, the construction site looked like a disaster; but, Mr. Baker was optimistic and pointed to things optimistically. He stated that the way the building is coming through is exciting. Mr. Brunkard stated that the reports do not form a picture of what is actually happening. He stated that he finds it hard to believe that everything is on schedule. Mr. Brunkard stated that Mr. Baker's attitude and the staff's feelings as well as the students should be commended. Mr. Baker said he has not heard any complaints from any staff member because they are looking forward to the finished building. Mr. Baker stated that construction is well overdue and everyone is in agreement. He has not had any negative comments from any parents either.

Mr. Karkut asked how many copiers are in Middle Smithfield Elementary. Mr. Baker said we have two large ones that teachers use, a small one in the office workroom and a Risograph machine which handles construction paper. He stated that he has requested a replacement since it is old and new parts are no longer available.

Mr. Karkut asked what types of consumables they need for students that are in K-2 grades. Mr. Baker said that K-2 students need new math books which are curriculum related. He stated that they do not use textbooks; but, have consumable books that they tear out pages from. Mr. Karkut asked if we are buying books or photocopying them. Mr. Baker stated that they do not have to copy consumables because there is enough. Mr. Baker stated that the older groups have textbooks; but, there maybe some paper work that requires copying to go along with the curriculum. He stated that there is a large amount of copies being made throughout the school/district.

Mr. Brunkard asked what is the status of the playgrounds. Mr. Baker stated they have no playground right now due to the construction. He stated that the playground was torn out. Mr. Baker stated that it will probably be the last thing that is put back in because right now it is sitting to the side. He stated that there is room for them to run around in; but, it is not considered a real playground. Mr. Brunkard asked how many students does he have. Mr. Baker stated that he had 620 students in August but now has around 670. Mr.

Brunkard asked if he has a teacher on special assignment in his building or an Assistant Principal. Mr. Baker said that he does not.

Resica Elementary

Ms. Kulick, Principal of Resica Elementary, stated that she went through the budget a couple of times to come under budget. She stated that she had difficulty because almost all the budgets that she has done have come under target by using supplies that they had on hand. Ms. Kulick stated that they depleted supplies and now need to restock. She said that she cut a lot of what was needed in custodial supplies thanks to Mr. Williams who gave her supplies for next year. Ms. Kulick stated that after those supplies are depleted, she is concerned where to go from there. She stated that she took out quite a bit of reserve under instruction, administrative and custodial. Ms. Kulick stated that she has tried to replace equipment that has been there since 1994. She stated that they have a few pieces, like the shampooer from 1994 that may break. Ms. Kulick stated that they have an extractor that broke last year but was rebuilt and hopes that it will last this coming year. She stated that she hopes that the equipment makes it through the year. Ms. Kulick stated that Mr. Williams put money aside in case equipment breaks then he can purchase it for her. She stated that she cut back some stuff in technology. Ms. Kulick stated that she was not able to get a promethean board for the computer lab or active slates for special education to provide additional audio/visual aides for the students. She stated that she also wanted to try to begin moving from VCR's to DVD's but had to cut it out of her budget. Ms. Kulick has in her budget the absolute minimal needed for instruction. Ms. Kulick stated that the teachers will do their best with what they have. She stated that she cut off a lot of paper supplies and borrowed from other buildings. Ms. Kulick said she went below from last year to meet her target. She stated that K-2 consumables from last year were ordered through Mrs. Duggins; office, but now she had to put into her budget at a total of \$10,536 and now she is not able to purchase additional items. Ms. Kulick stated that she has Risograph from 1994 which gets serviced twice a month and is not sure how much longer it will last. She stated that she has one copier for staff use and one in her office. She also has a copier in the pod. Ms. Kulick said she budgeted \$38,000 under the instructional budget for a copier and \$7,300 for an administrative copier. She stated that she thought about taking out the copier from the pod but the office copier and the staff copier are not working frequently. She said one time all three were down and the Risograph machine is for large quantities. Mr. Karkut asked why are machines down so much. Ms. Kulick stated that it could be due to the heavy use and the lease is almost up for the copiers. Ms. Kulick stated that we do have a big copier and it is supposed to handle the jobs. Ms. Kulick said they found that some paper from the bids supply is cut differently. She said some paper in the same ream may be 8 ½ by 11 while others are 8 by 11. Ms. Kulick stated that another reason could be that when the paper is stored, humidity causes paper to jam. She stated that a dehumidifier may solve the problem which was purchased by PTO; but, the dehumidifier is not large enough. Ms. Kulick stated that she was able to purchase for each grade level a writing trade crate which is a fabulous instructional tool. She said she was also able to include money for live science (such as worms) for hands on work. Ms. Kulick stated that the Specialists were able to get supplies that they gave up last year. She stated that she was also able to put back in manuscript alphabet for teachers' desks. Ms. Kulick stated that last year they cut out supplies for teachers and office and used what was in the building. She stated that, right now, it is difficult to say where we are going to be next year because rock salt may not be used much one year; but, last year they needed more due to the weather. Ms. Kulick stated that she decreased the amount for phones in this year's budget but the amount will not cover her for this year, so she increased it for next year due to long distance calls to parents. She stated that her playground that was put together by the community in 1995 is giving way. Ms. Kulick stated that it is in need of replacement/repairs. She stated that she is trying to see where they can find money to improve the safety of the playground. Ms. Kulick stated that she did not put any field trips or conference money in the budget. Ms. Kulick stated that she was not able to have an artist in residence for next year. Mr. Gress stated that Ms. Kulick has to put in the consumables. Ms. Kulick said they have it in their budget. Mr. Gress stated that he believes somewhere they won't have enough and will suffer in some way. Mr. Gress stated that the copier problem needs to be looked into to save money. Mr. Gress stated that the artist in residence helps the student because it is part of the curriculum; but, now is being eliminated to save money. He stated that field trips are also being eliminated that are part of the curriculum and strategic plan. Mr. Gress stated that the PTO is trying to raise funds but they are not going to be able to raise much, like to send the kids to the Capitol which is part of the social studies curriculum. He stated that we are chipping away and not funding items needed. Mrs. Bader stated that there are field trips for 4-6 but not K-3. Mr. Gress stated that part of the curriculum goes in hand with field trips and we are cutting them out.

Mrs. Laverdure said that they are assisting elementary principals because some principals could include items while others cannot. She stated that she had Mr. Williams look at custodial supplies to see which building needs what and it would not be the same for all buildings.

Mr. Brunkard stated that it is good to look at items without custodial difference because J. M. Hill has hardwood floors and Middle Smithfield Elementary is under construction. He stated that he likes this format where we are dealing with things that are truly a delivery of educational materials, since we do have differences from building to building. He stated that as long as we are under-budgeting items year to year in order to share them from year to year. Mr. Brunkard stated that some buildings might run out of some items while others might not. He stated that this thing of year after year under-funding consumables will lead us to a shortfall and we will not be able to keep track of them.

Mrs. Laverdure stated that we are not under-funding but adequately funding. She stated that every child has a consumable book but the schools do not have 30 extras on a shelf. Mr. Gress stated that come March the schools will not have paper. Mrs. Laverdure stated that there is a correlation between lack of paper or are the machines breaking or are they using too much paper. Ms. Kulick stated that it is not underbudgeting but it is hard to determine how many students they will have. She stated that she estimated 555 students but started the year with 592; therefore, she is trying to come close but sometimes unexpected things happen. Mr. Brunkard asked what is the number for kindergarten students at Resica. She stated that she received five new kindergarten students; therefore, she now has 25-26 students in each class. Ms. Kulick stated that she spoke to Mrs. Duggins and will speak to some teachers as they are looking at other options.

Mr. Searfoss stated that the telephone/postage budget is too high. He stated that he understands that J. M. Hill Elementary may have fewer expenses due to having students that are walkers and parents that are local while Resica Elementary and Bushkill Elementary may have more expenses due to parents who are traveling back and forth to the city to work. Mr. Searfoss asked if we need to use other services for long distance to lessen the expenses. Mrs. Bader said that the district uses Frontier. Mr. Karkut said they can have whatever service they want. Mr. Karkut asked why are we, as a district, allowing all elementary schools to have their own long distance provider, paper, salt, etc. He asked why don't we have a purchasing agent to purchase these items in large quantities. Mrs. Laverdure said we have bid items and purchased in large quantities. She stated that each school says what they need but items are ordered in bulk. Mr. Karkut said we should look beyond the IU for bid supplies. Mrs. Bader said they use the IU for supplies and PEPPM for technology. Mr. Karkut asked about custodial supplies. Mrs. Bader stated that all items are from bid supplies. Mr. Karkut asked about the purchase of toilet paper. Ms. Kulick said they purchased it at the time with the budget and it then gets put into the computer and ordered after July 1. She stated that each school buys as per the bid items. Mr. Karkut stated that we do this instead of bidding out toilet paper. Ms. Bader stated that each building sends out their order and we take the total order and purchase the items through the IU consortium. Mr. Karkut stated that this way is not always the best way to deal with items because there are companies who will make deals and sell it for less to the district. He stated that there are companies that are willing to cut back in prices to keep afloat which is what the district should be doing. Mr. Karkut stated that Wal-Mart sells some items for less. Mr. Gress stated that there is a whole process that is done for bid supplies.

Mr. Searfoss said if the schools would pay less for phone expenses, they can buy other items they need. He stated that the district needs to find a carrier that costs less. Mr. Searfoss said we should really look at this item to save money. Mr. Gress stated that companies can come in to review and analyze the phone service for a cost savings. Mrs. Laverdure stated that the district did do this and that is how they got Frontier. Mr. Gress stated that the district should look again because things change. He suggested getting a type of T-1 line or fiber like the County has because they do not have a direct line anymore. Mr. Gress said that phones are used to call parents and to make Connect Ed calls and they cost money; therefore, this should be looked at. Mr. Searfoss stated that things have changed and we need to see if a T-1 line would cost less. Mr. Gress stated that the phone system we have will probably cost more in the short term but in the long term it would save money. Ms. Kulick said that some parent's phones are long distance. Mr. Borosh stated that the district gets a reimbursement through E-rate for the phone system. Mr. Searfoss asked if they budget before E-rate's reimbursement or after. Mr. Borosh stated that the budget is set based on the prior year's rebate. Mr. Karkut asked if money goes back into the individual school's budgets. He also asked, what is the per minute rate that the district pays for long distance? Mr. Karkut stated that we shouldn't be paying a higher rate to get a 66% E-rate. He stated that we shouldn't be paying more than 6 cents a minute. Mr. Karkut stated that the district does this a lot, like when they pay so much on construction to get a 2% reimbursement from the State.

Mr. Carty stated that, when it comes to supplies, all elementary buildings borrow from each other (salt, toilet paper, paper, etc). Mrs. Laverdure stated that we should be borrowing and we have always done it. She stated that it is not that we are budgeting appropriately but are being responsible among each other to share amongst each other because it is one district. Ms. Kulick stated that some items don't last as long as they once did, like light bulbs.

Mrs. Duggins stated that just as Mr. Williams will put money in reserve for custodial equipment, she puts money in reserve for textbooks just in case they get extra students. She stated that this budget crisis and the economy have taught us to think about things. Mrs. Duggins stated that East Stroudsburg Elementary needs 55 social studies books but the books are out of print so they don't want to spend money on purchasing all these books. She stated that other principals came up with 35 books right now. She stated that Mrs. Livingston will order only 15 books instead of having to order 50 books. Mrs. Duggins stated that in the past, they would just have ordered the books. Mrs. Duggins stated that, in the past, they would hold on to excessive paper supplies in inventory and that is why the paper got damp and machines jammed. She stated that what they are doing now is responsible and the kids will not be hurt in the process. Mrs. Duggins stated that the East Stroudsburg Elementary will get tutoring supplies that they needed through the tutoring grant.

Smithfield Elementary

Mr. John Burrus, Principal of Smithfield Elementary, stated that he came in on target and teachers will do the best with what they have. He stated that he has similar concerns as other elementary buildings. Mr. Burrus stated that they do share materials where needed. He stated that Smithfield Elementary is relatively a new building. Mr. Burrus stated that new machinery has been purchased and an old scrubber will hold through but has money in the budget in case it needs repairing. Mr. Karkut asked how many copiers does he have in his building. Mr. Burrus said his machines are not as big as other elementary schools. He stated that he has three copy machines and they are all similar in size. Mr. Burrus stated that Xerox came in and tells them what they will need depending on the amount of students. He stated that one copier is categorized as part of the principal's account but all machines are used because they all break down periodically. Mr. Burrus said that one copier is also a fax machine. Mr. Brunkard stated that, in going through the budget process with Mr. Burrus, he would like to commend him on working into his budget the possibility of making things easier for his janitorial staff and thinking of their well being. He stated that it is commendable and thoughtful of him to look after his staff. Mr. Brunkard stated that this budget approach makes him believe that his thoughtfulness is reflected in the whole budget in the same way.

Special Education - Elementary

Ms. Maria Casciotta, Director of Pupil Services K-5, stated that for the special education children our curriculum is too fast paced to meet their needs. She stated that she is purchasing an alternative curriculum for them. Ms. Casciotta stated that at the elementary level they did not make AYP in Math for the special education children. She stated that she wants to get an alternative special education curriculum in math. Ms. Casciotta stated that she has been purchasing reading curriculum a little bit at a time for the last three years and the scores have gone up. She stated that they currently use SRA. Ms. Casciotta stated that she has money in reserve for the math curriculum and are currently looking at a couple of different ones. She stated that they have to be research-based and meet students' needs. Ms. Casciotta stated that she has money for conferences, because, speech and language teachers need to attend conferences to meet their licensing needs. She stated that the district's professional development is not enough nor meets their licensing needs. Ms. Casciotta stated that the speech and language teachers should have the money to help with auditory conferences to better meet the students' needs. Ms. Casciotta stated that curriculum for speech and language is needed due to budgetary constraints in the past. She stated that about 40-45 early intervention students have arrived in the district and they need assessment materials to meet their needs. Mr. Gress asked if they are buying the curriculum that is needed in Math. Ms. Casciotta stated that they don't know if they will purchase SRA but they are still looking to buy a math curriculum. Mr. Gress asked if head start can help in the long run with early intervention. Ms. Casciotta stated that she hopes so and believes so. She stated that the district has a very high number of autistic children, who are the neediest children. Ms. Casciotta stated that it is hard to program for everyone who has different needs. She stated that when the children come to the district we may think what we have is something that will work for them but it doesn't, so we have to buy something else for them. Mr. Brunkard asked how many students does she have. Ms. Casciotta stated that she is not definite but she thinks she has between 38- 45 students. Mr. Gress stated that there was an article in the paper that said that there was a waiting list for early intervention in our district. Mr. Gress said all day kindergarten would help to transition the students. He stated that in the long run we are not spending so much on special education if we help the students early on. Ms. Casciotta stated that the earlier they identify the student the better it will be in the long run.

Mrs. Laverdure stated that the Middle Smithfield Township area Head Start program has a waiting list. She stated that the district is looking to partner with this program because they have to, by law, take a certain percent of special education children. Mrs. Laverdure stated that if we can do another classroom the program pays for a teacher, transportation and all programs to help the district when the children transition into the same school building. Mr. Burrus stated that Smithfield Elementary has the Intermediate Unit Early

Intervention classes. Ms. Casciotta stated that every February they meet with students to find the best program for them. Mr. Gress asked if she is missing anything in her budget this year. He also asked if there are any problems with the increase in students per teacher or has this had any affect on the programs. Ms. Casciotta said that more is always better; however, they can meet the needs of the children at this time. She stated that she cannot tell what will happen by the end of the year; however, every time she has asked for support she has received it. Ms. Casciotta stated that some of the students' kits cost as much as \$900 to \$1,200. She stated that her budget will not get her the math material for every building, but she will get material for the neediest children. Mr. Gress stated that we should be spending the \$900 dollars now, instead of paying for the child a million dollars for that same child over his 12 years in the district. He stated that we should be buying what the students need in kindergarten, because if we don't, we will have to pay for each grade thereafter. Mr. Gress stated that we are trying to save in the short term but in the long term it will cost the district more. Ms. Casciotta stated that in Early Intervention she can identify the students that need help and they can get the help. She stated that the district strives for independence but they do have very needy children and some with medical problems. Mr. Karkut stated that as you are building for the future of this child, you can correlate a student to a wall in a building. For example, if you short the cement to build the wall, you will need to reinforce it constantly to keep it strong. Therefore, if you give programs only to the neediest then there are other children that need it and don't get it because only the neediest are getting the help. Mr. Karkut asked what happens in the higher grades with those students whose needs were not met. Ms. Casciotta stated that they do a lot of sharing of materials and programs. She stated that the elementary special education teachers were explained the budget and they ordered SRA. Ms. Casciotta stated that the district has special education teachers teaching K-2. She stated that they move at a different pace but are getting the curriculum that is needed. Ms. Casciotta stated that some students are even going to regular education. She stated that the transition will be a process and according to the State in 2014, all students, have to be 100% proficient. She stated that the special education students have made significant gains.

Special Education - Intermediate

Ms. Kim Stevens, Director of Pupil Services 6-8, stated that the majority of her budget is for research based programs for her 6th-8th grade students. She stated that they have been implementing the SRA Corrective Reading Program that focuses on fluency. Ms. Stevens stated that in 2009/2010, they will also implement reading success to address comprehension and implementation of the SRA Writing series. She stated that the math area was weak; therefore, they implemented Sopris West Math Program. Ms. Stevens stated that in 2009/2010, they have 6th graders in the supplemental/self contained classes with itinerant teachers. She stated that they also have resources to build the children's skills. Ms. Stevens stated that her budget includes the purchasing of materials for 7th-8th graders in order to have programs available to them. Ms. Stevens stated that the programs have demonstrated some success but there are no comparisons yet since they just started. She stated that the program has a variety of methods to reach all of the learners. Ms. Stevens stated some supplemental supplies like consumable workbooks are being ordered; because, it is required that the students have writing workbooks as well as interactive books. Mr. Brunkard asked how many students she has in her grades and are they consistent or does she pick up more as time goes on. Ms. Stevens stated that she picks up students with time and some move in, while others move out, while others move back. She stated that some of those students are then identified. Ms. Stevens stated that it is difficult to know what will be needed because she does not know how many students they will have. Mr. Brunkard asked if she increased in numbers in her later grades from the elementary grades. Ms. Stevens stated that the elementary level has the most identified students but they do have students that are transferred in and have not been identified. Ms. Stevens stated that some students who have gone through the RTI process and who have been evaluated in the past may not meet special education needs but do get the discrepancy in the later grades. She stated that she has 458 students in special needs between Lehman Intermediate and J. T. Lambert Intermediate. Ms. Stevens stated that she has a very large number coming from 5th grade, about 116 between both buildings. She stated that she will lose 139 8th graders into ninth grade. Ms. Stevens stated that the district has a high percentage of special education students. She stated they have 22% which is higher than the state average. The State's percentage is 15%.

Mrs. Laverdure stated that not all students go automatically into testing. She stated that there are other programs in place before the whole evaluation process goes in place.

Ms. Casciotta stated that all levels have programs in place. She stated that elementary is working on the RTI process with some intervention. Ms. Casciotta stated that in the intermediate and high school level, they have child study teams which overlap like the SAP and SAFE teams. Ms. Casciotta stated that the teams of teachers meet to find students who are struggling and discuss intervention and strategies. She stated that after two months, if they are still struggling, they will discuss with parents to see if an evaluation can be made to see if they are eligible for special education services. She stated that the district has other students in

other districts that are not counted. Mr. Karkut asked if those students are included back as our total number of students. Mrs. Duggins stated that those students are brought back to be counted with our district even though they were not educated in our district.

Special Education - High School South

Mrs. Lynda Hopkins, Director of Special Education 9-12, stated that she was below target by \$3,600 but was higher than last year's budget. She stated that the reason that they have a transition program is because it is required in order to stay in compliance with IEPs. Mrs. Hopkins stated that they have implemented a lot of transitional programming within both high school buildings. She stated that one difficulty at High School North is that they are limited with resources, as far as businesses and supports, that they can tap into the community in order to get kids out working. Mrs. Hopkins stated that they have been resourceful within the High School North building and Lehman Intermediate to provide opportunities within the buildings. She stated that she would like to increase by tapping into Pocmont and other businesses. Mrs. Hopkins stated that one problem they face is with insurance. She stated that transportation costs are high due to transporting the kids in the community. Mrs. Hopkins stated that they have had limited numbers of functional vocational assessments but next year they have six students and will cost from \$500-\$1,200 each. She stated that it depends on the number of hours and the program they will need to determine what will be an appropriate work program for that child once they graduate which causes the budget to be elevated in this area. Mrs. Hopkins stated that they decreased in their requests for supplies due to the teachers who kept their budget at minimum to put money towards transportation and programs. She stated that they looked at minimizing their budget without hurting the students' program. Mrs. Hopkins stated that everything else stayed the same. She stated that they implemented SRA reading and looked over the results over the summer and saw an increase. Mrs. Hopkins stated that they did get SRA at the intermediate level and are looking to see how effective it is. She stated that some students are reaching the maximum and testing out. Mrs. Hopkins stated that it will be interesting to see if PSSA scores increase or not. She stated that they are monitoring to see if the program is affecting them or not. Mrs. Hopkins stated that Math is difficult for the special education population. Mrs. Hopkins stated that they have seen improvement at the high school level. She stated that regular education curriculum has been modified. Mrs. Hopkins stated that there is not a whole lot of curriculum in math for high school students. She stated that she did allow some money to purchase some materials to pilot it to see how effective it is at the high school level. Mr. Gress asked how many special education students are in the high schools. Mrs. Hopkins stated that High School North has 247 students and High School South has 274 students with IEPs. She stated that next year next year High School South will have 298 and High School North will have 260. Mr. Brunkard stated that the special education budget is very spare and she did her best with the intensity of the needs of the students. Mrs. Hopkins stated that they did cut back on teachers last year but cannot predict if it will affect the program. She stated that at High School North, they did co-teaching but not at High School South. Mrs. Hopkins stated that they are maxed out; therefore, next year they have minimal amount to grow. Mrs. Hopkins stated that it is very hard to predict this early on for staffing for next year. She stated that if the district looks at attrition next year, they may want to have co-teaching at High School South which would be helpful to the students. Mrs. Hopkins stated that she would like to see the data to see if High School North's co-teaching program is effective. She stated that they are trying to get more special education students in regular education programs. Mrs. Hopkins stated that she is interested in gathering this data. Mr. Brunkard asked if in their leadership team do they have anyone interested in doing this as part of their boiler studies and is her pilot program going to be sizeable enough to have meaning. He stated that if they don't design the program can they pull the resources maybe from a local university or in the district's staffing. Mr. Brunkard asked if she has people with this special interest. Mrs. Hopkins stated that she does not have anyone right now but can ask around. She stated that they can ask when she networks and goes to meetings with the surrounding districts. Mrs. Hopkins stated that they are working with the students and the population that they have by implementing SRA math at a lower level to see if it is effective or not. She stated that they have Sopris West but did not order materials yet; because, she will see if it is effective then they can order it.

Ms. Bader stated that from a lot of interviews with principals and department chair, there is definitely a need for improving in some areas because sometime these targets are not meeting all of their needs. Therefore, we need to start looking at a 3-5 year budget plan. She stated that we have only been budgeting year to year but we need to see where we are headed. Ms. Bader stated that she was familiar with the Public Financial Management's 3-5 year plan and thought maybe the district can try it. She stated that we need to implement everything and address areas that some are complaining about.

- B. Ms. Jamie Doyle, Public Financial Management (PFM), stated that one recurring comment that she heard from staff members tonight was that it is difficult to start the budget process this early in the season. She stated that due to Act 1, some clients ask them to put together a budget model like the one that is being presented tonight to help with topics such as collective bargaining application, tax collection, Act 1 and bond issuance. She stated that companies are fixed on a five-year projection. Ms. Doyle stated that the Long-Range Financial Planning Model Year Budgeting Module has a lot of applications.

Mr. Jason Brockman, Senior Managing Consultant, said he has some examples to explain how easy it is to run different scenarios on how decisions you make today can affect the district 3-5 years down the road. He stated that many districts have asked them to help with Act 1 limitations. Mr. Brockman stated that he developed this module for all Pennsylvania districts. He stated that currently, he works with about 30 districts across the States. Mr. Brockman stated that PFM deals with school districts to help them with their finances and, to date, they have received positive feedback. Mr. Brockman stated that, in order to develop the district's plan, they would look at the Annual Financial Report's for the last three years and the 2009/2010 budget. He stated that they will then factor in all collective bargaining agreements, outstanding debt services, make assumptions for health care and all objects within the budget to make the closest projection that they can. Mr. Brockman stated that the useful thing with this module is that it is very interactive because if you increase health care by 12% it shows you what it will mean 3-5 years down the road. Mr. Brockman stated that once they develop a baseline projection to see what the district's finance will look like in the next 3-5 years, which will take about 10 business days to compose the module, they will give the projections to the Business Office. He stated that he will show them how to run the different scenarios and change the different assumptions. Mr. Brockman stated that PFM will be there to assist and help them through different situations and scenarios. He stated that they will also train the staff in the district how to use the module and the module will stay in the district. Mr. Brockman stated that some districts use this module to see overall financial directions of the district, for capital planning, collective bargaining purposes, etc. He explained various examples on how to change the module for different assumptions. Mr. Brockman stated that one important thing to look at is how high to raise taxes or does the district have to raise taxes to live within the demands of the school district. He stated that, if the Board decides to move forward with this module, PFM will need to sit down with the Business Office and build in all the relevant things that impact this school district. Mr. Brockman stated that one thing that he sees school districts focus on is that 60% of revenue is comprised of real estate taxes. He stated that the expenditure side of the budget is salary and benefits. Mr. Brockman asked why shouldn't our salary not be tied to the Act 1 index like the real estate tax revenues are. He stated that before Act 1, the preliminary budget was due in May but since Act 1 now they have to submit the preliminary budget by January. Mr. Brockman stated that they have a program that puts in place all information in the same format as the State; but, the district can change the assumptions instead of compiling all the data at that time.

Ms. Bader asked if this will print out to 2028. Mr. Brockman said that it will print out; but, the numbers will need to be typed in because they show the same format by object and programming. Mr. Karkut asked if this is a software program that the district will need to purchase. Mr. Brockman stated that it is an excel based file. He stated that PFM is not a software company but a partner with the school district to assist with the excel file. Mr. Brunkard asked what are the minimum/maximum costs for this service. Mr. Brockman stated that the arrangements they have with school districts is the same fee for everyone. He stated that the annual fee is \$7,500. However, the Lehigh Valley School District pays \$6,000 per year agreement with a minimum commitment of 3 years. Mr. Gress asked which districts have used PFM for years. Mr. Brockman said some companies do not work with PFM financially; therefore, PFM is asking their clients to review this program. Mr. Gress stated that once you have set up the module, it should not be hard to work with. He stated that he has been saying for years the district has needed a five year plan. Mr. Gress stated that problems that the district is having now is due to the poor financial planning from 2002, 2003, 2004. Mr. Brunkard asked if PFM is going to assume an annual increase of 4% through 2014, like in his example, because it does not reflect the reality of what the district is going to face. Mr. Brunkard stated that Mr. Brockman is assuming a 15% increase for health benefits through 2014/2015. Mr. Brockman stated that there are many different assumptions that can be changed. Mr. Gress stated that it is better to plan today because in 2013 retirement fees will go through the roof. Mr. Brockman stated that the districts are starting to raise taxes in advance to plan for the PSER rate increase. Mr. Karkut stated that MCTI came up with a 28-29% increase. Mr. Brunkard stated that we have to look hard at how these numbers are generated and where the health or wealth of the PSERS is. Mrs. Laverdure asked how did districts that used this program do with the economy dropping and were figures wrong. Mr. Brockman stated that an assumption is only an assumption that can be changed immediately to see the accurate numbers. He stated that he can give references to the district in order for the Board to see how the program has worked in other districts. Mr. Gress stated that historically some numbers can be figured out on paper, like the debt service that was going to go from 12 to 13 million dollars to 17 or 19 million dollars and everyone knew about it. He stated that the district knew about it three years ago that it was going up and no one planned for it. Mr. Gress stated that if the district's expenses are going up 6% a year, then they better have revenues to match it or if you cut it in half you need 9%

the following year. Mr. Brockman stated that a certain district used this model with the idea that they were going to open a new middle school and they planned for supplies, teachers, etc. He stated that in 2006, the Nazareth School District phased in the mills for the 2009/2010 school year in anticipation for the project. Mr. Karkut stated that it is a great program and no matter what program we go with, we need something like this. Mr. Karkut stated that our district is in the situation like the Nazareth School District where we built schools and the district knew what we needed; but, we did not follow the plan or stick to the numbers. Mr. Karkut stated that he hopes that we put money into updating the computers for the Business Office. He stated that the district has eight different systems where we only need one. Mr. Karkut stated that he may be exaggerating but it does have multiple computer systems that are antiquated. He stated that the children have updated computers but the Business Office has 7 to 10 years old computers. Ms. Bader stated that the computers are not that old but they are old. Mr. Karkut stated that he looked at them and some are old. Ms. Laverdure stated that it might not be the computers but the software. Mr. Gress stated there are updates for the AS400 program that Mr. Kresofski spoke about last year which cost about half a million dollars to upgrade the Business Office. He stated that it will be costly and time consuming. Mr. Gress stated that Monroe County took six years to upgrade into the new world financial system and the new assessment system took 4-5 years. Mr. Gress stated that it was a "bear" and expensive, about ¾ of a million dollars. He stated that staffing and training as well as long term planning took place. Ms. Bader stated that we have needs and there are needs across the district and the district is trying to satisfy them all. Mr. Gress stated that the module is a good program and if the assumption changes it can be changed on the program. He stated that the millage item is the biggest concern and we have capital shortfall, too.

IX. PUBLIC PARTICIPATION – LIMITED TO BUDGET ITEMS

A. Mr. Douglas Freeman asked how much time would it save in a year. Ms. Bader stated that we don't do this now and we would be able to see how much can be spent. She stated that the district doesn't have a comprehensive way of planning everything that is needed. Mrs. Laverdure stated this program will help to see the numbers with negotiations. Mr. Brockman stated that the AFR is listed with the salaries. Mr. Gress stated that the district needs good excel spread sheets. Ms. Bader said she has something with excel. Mr. Gress said we need a planning phase and asked how long will it take to put together the module because the state, federal and local tax will not change. He asked if we could do something in-house instead of a program that other districts have. Mr. Karkut asked, if we need something modified for our district, will it include an extra fee. Mr. Brockman stated that all services are included in the fee. Mr. Karkut said that this program would have helped in the past with negotiations, because now the district is having a hard time with the salaries that they promised years ago. Mr. Karkut stated that this is an important tool to have. Mr. Gress stated that we did have something but nobody wanted to look at it. Mr. Karkut stated that when someone in our district has to design it, it will cost the district. Mr. Gress stated that he has seen this done in excel. Mr. Karkut stated the district can do it but no one did it. Mr. Karkut thanked Ms. Bader for bringing this to the attention of the Board because no other manager presented a plan for the future. Mr. Gress stated that Mr. McGill, Ms. Guidry and Mr. Kresofski presented projections/assumptions to the Board. Mr. Searfoss stated that it is nice to put the figures on the screen but what will happen with a 4.5% or 5% savings or with any future percentages. Mr. Gress stated that, in the past, they were told not raise taxes so only about 3% was raised which was not much and then they had to increase it by about 8%. Mr. Gress stated that the Board needs to discuss this program and see if this will benefit the district especially since the district is cutting back on consumables. Mr. Brunkard thanked PFM for their continued financial assistance.

Mr. Douglas Freeman stated that this is very informative and one of the nicest meetings he has been to. Mr. Douglas Freeman asked if there is a timeframe to let PFM know if they would like the program. Ms. Doyle stated, "Whenever the district is ready". Mr. Freeman asked if we sign up for more years would it cost less. Ms. Doyle stated that no one has committed for more than 3 years.

Mr. Searfoss stated that he preferred to have an outside firm to help with the numbers, where someone from the district will try to work with not so realistic numbers. Mrs. Laverdure stated that Mrs. Bader is very realistic. Mr. Searfoss stated that he was just making an example. Mrs. Bader stated that Ms. Doyle is familiar with the bond schedule. She stated that Ms. Doyle did an analysis on what was left on the High School South's bond funds because they are running out. Mrs. Bader stated that we have cash needs of almost one million dollars. She stated that the capital interest is a source of funds for the district to pay debt. Mrs. Bader stated that she is planning not to use the capital interest in the preliminary budget; because, it looks like we don't have enough cash for that transaction to occur or we, the district, may have \$600,000 left over. She stated that if there were any funds left at the end, she would draw them in and use them to pay debt. Mr. Gress asked about the revenue streams like Pepsi. Mrs. Bader stated that the district has a ten-year contract with Pepsi. Mr. Gress asked where would the daycare money and the repayment of funds to the High School South cafeteria money go, due to the construction not being done on time. Mr. Karkut stated that he had Mrs. Bridges get a total of how much money

was lost. Mrs. Bader stated that Mr. Shearouse said that Reynolds is collecting the costs and that money would come back into bond funds. Mr. Karkut stated that he hopes we were keeping figures for overtime when we bused students and paid for buses. Mr. Gress stated that security and other items cost the district money, too. Mrs. Laverdure stated that they had to bus the student swimmers since the swimming pool was not completed. Mr. Gress stated that if there are capital projects and we are half a million short, he hopes we are going to look at needs and see if a capital bond can pay for these things. Mrs. Bader said she does not think we will fall short. Mr. Gress stated that we should look, just in case, and the district won't know since the Property/Facility Committee has not met recently. He stated that these are items to look at because if we do not have money, we should plan on putting them in with the five year plan. Mrs. Bader stated that technology needs to be looked at on a 3-5 year plan. Mr. Gress stated that this is the reason an Instructional Technology Director was hired. Mrs. Duggins stated that she and Mr. Borosh are working on it and will look at all needs. Mrs. Duggins stated that he took over the 99 accounts which are for administrative computers and is evaluating them. Mr. Brunkard stated that there are items that Mr. Borosh said do not fall under him and we are not quite clear on his and Mr. Forsyth's responsibilities. Mrs. Laverdure stated that they did reorganize their responsibilities. Mr. Brunkard stated there has been some reorganizing but we are not clear yet on all responsibilities. Mrs. Bader stated that there is a whole energy on the administrative team to grab a hold and work on everything. Mr. Gress stated that with three directors there is no head and there should be somebody in charge. He stated, although they are doing a great job, you need one to be in charge. Mr. Gress stated that just like the phones and the computers because if one breaks who would handle it in the district. Mr. Brunkard thanked his fellow Board members and the public for getting to this progress sooner than in previous years. He stated that we will have plenty of time to amend things since there is a long process ahead of us. Mr. Brunkard stated that he regrets missing the previous meeting although he sat on some budget meetings with the administrators. Mr. Brunkard stated that this is a better way of looking at the budget. He stated that we have a new Superintendent and Business Manager and now have a process to make progress. Mr. Brunkard stated that he is not as pessimistic as he has been in previous years and looks forward to working with the rest of the process to make progress.

X. ANNOUNCEMENTS/INFORMATION

None

XI. ADJOURNMENT 8:00 P.M.

Respectfully submitted,

Patricia L. Rosado
Board Secretary