

The Board Report

Monday, April 25, 2022



Disclaimer: The Board Report is a synopsis of the Hampton Township School Board meetings and is not intended as a replacement for any official Board minutes.

~ A Tradition of Excellence ~

The Hampton Township Board of School Directors

Bryant Wesley II, Esq.	Board President
Mrs. Jill Hamlin	Board Vice President
Ms. Denise Balason	Board Secretary/Facilities Chair
Mr. Matt Jarrell	Transportation Chair
Mrs. Joy Midgley	Personnel Chair
Mr. Robert Shages	Treasurer/Policy & Legislative Affairs Chair
Mr. Greg Stein	Technology Chair
Mr. Larry Vasko	Finance Chair
Mrs. Trisha Webb	Student Affairs Chair

This Hampton Township School Board Meeting was held in the Hampton Middle School Auditorium. The meeting was held in person and also audio/video recorded so that members of the community could view after the meeting concluded.

Members of Administration in Attendance

Dr. Michael Loughead	Superintendent of Schools
Mr. Jeff Kline	Director of Administrative Services Technology
Dr. Ed McKaveney	Director
Mr. Josh Kellogg	Manager of Network and Cybersecurity
Mr. Don Palmer, GRB	Solicitor
Dr. Jackie Removcik	Director of Curriculum, Instruction and Assessment

** absent*

*** attended remotely*

April 25, 2022

Special Budget Meeting

A video recording of the meeting can be viewed [here](#). The time within the video that each section begins is indicated below.

Call to Order

(5:32)

Mr. Wesley called the Special Budget Meeting to order and announced that the meeting would begin with Student Awards.

Mrs. Webb noted that the Board had recognized members of the Boys Swimming and Diving Team earlier this month for their tremendous season. On behalf of the Board, she congratulated Will Retsch for his achievements this season. Will won the 200 IM at WPIALs and States, setting a WPIAL record and a school record at States. He also captured first in the 100 fly at WPIALs and set a school record. Will was part of the 200 medley relay, which won back-to-back titles.

After being recognized, Will told the Board about his past swimming accomplishments and revealed that he will attend Gannon University next year and continue competing at the collegiate level. Mr. Stein and Mr. Wesley offered their congratulations to Will on his outstanding achievements.

Mr. Wesley also announced that there would be an opportunity for public comment at the end of the meeting.

Finance

(14:26)

Mr. Wesley introduced Dr. McKaveney for the Technology Department Budget Presentation, which included the following information:

- This year's budget does not include any major new initiatives.
- The District is financing over three years the purchase of new student laptops for grades 4, 6 and 9 in 2022-2023, as approved during the March board meeting, and has the year two payment for laptops initially financed during the 2021-2022 school year included in the 2022-2023 budget.
- The District will finance the purchase of the new teacher and principal laptops in 2022-2023 over three years for the elementary and high school level.
- The District will continue to do a phased replacement of interactive TV displays along with standard TVs in classrooms. Dr. McKaveney noted that the District will focus on only purchasing interactive TVs for elementary level classrooms and high school and middle school math departments, while others are shifting to non-interactive flatscreen TVs.
- There will be a reduction in Zoom licenses from 260 to roughly 30 as the District will utilize other

video collaboration tools.

- The technology budget of \$733,497 is an increase of \$175,344 from the 2021-22 budget. The technology budget's focus is on the maintenance of its technology services and systems and upgrades to dated equipment. The District financed the purchase of student laptops in the 2021-22 budget year and will finance the purchase of the 2022-23 student and staff laptops over three years. Mr. Kline noted the employee devices should last for at least five years.

Curriculum Resources Budget

(22:52)

Dr. Removcik's report on the 2022-2023 Curricular Resource Proposed Budget contained the following information:

Notably, the elementary budget contains the second-year payment for Wonders (the District's new elementary ELA resource). The district has financed this program over a three-year period. No other new purchases are being requested. The elementary electronic resources remain the same, except for purchasing a multi-year subscription to IXL for grades K-5. IXL is being funded through the 7% ESSER Set Aside funding and must be spent on learning loss interventions. Therefore, IXL is no additional cost to the district.

There is an increase in the Middle School textbook budget, which contains the District's final payment for *Into Literature* and two additional textbooks for French I and Algebra I. Dr. Removcik noted that the Algebra I textbooks are currently being piloted. Additionally, the current French I textbook is nearly 20 years old and outdated. No additional electronic resources are being requested.

The High School textbook budget and electronic resources have decreased from last year, as there are no additional textbooks at the High School being requested.

Enrollment Projections

(28:14)

Dr. Loughead reported that the District is not adding any additional elementary staff in 2022-23. Over the past five years, HTSD has right-sized the elementary class sizes by utilizing "classroom reduction teachers." Those positions were then turned into contracted positions (if warranted) or eliminated (if needed). He noted that the District's current staffing has done a great job balancing class size across the three elementary schools.

Dr. Loughead reported that class sizes may slightly increase next year with an expectation that some students who remained in Hampton Online Academy (HOA) for the duration of this school year will return next year. Additionally, the District had 10-20 more students than usual enrolled in cyber/charter schools. The District expects some of those students to return, as well, without destabilizing any class sizes. Dr. Loughead reported that HOA will likely return to its pre-pandemic numbers next year.

Currently, there are 50 students enrolled in cyber/charter schools. Roughly 10 of the students currently enrolled are seniors. Dr. Loughead shared that the typical number is roughly 25-30 students. The District is projecting about 30 cyber/charter students next year. Dr. Loughead noted that HOA typically has 40-50 students enrolled district-wide, but the distribution has been higher among elementary level students this year.

Dr. Loughead noted that staffing accommodations at the elementary may be necessary as Central Elementary School's enrollment numbers are currently down, while Poff Elementary School's are strong.

Dr. Loughead reminded the Board that Dr. Marguerite Imbarlina (High School Principal) and Dr. Marlynn Lux (Middle School Principal) will discuss changes to secondary staffing during the Work Session in May.

Preliminary Budget

(35:31)

Mr. Kline presented the District's Preliminary Budget No. 1, noting that the Board will receive an updated budget for the May voting meeting. The Board will consider adopting the final budget in June.

Mr. Kline's report contained the following highlights of the 2022-2023 preliminary budget:

- The District's fund balance projection shows an ending unassigned fund balance of \$4,097,774 which is 6.9% of the 2022-23 budget and significantly below the 8% limit.
- The fund balance projection is \$591,833 more than budgeted due to:
 - Projected positive revenue variances:
 - Real Estate tax – projected positive variance of \$467,000. This is due to a slightly higher collection rate and assessed value.
 - Earned Income tax – projected positive variance of \$225,000.
 - Real Estate Transfer tax – projected positive variance of \$150,000.
 - State Basic and Special Education subsidies – projected positive variance of \$210,643.
 - Projected positive expenditure variance:
 - Debt Service reduction due to refinancings resulting in a positive variance of \$94,387
 - Projected negative expenditure variance:
 - Regular and special education cyber / charter tuition increases resulting in a negative variance of \$240,560.
- The 2022-23 general fund expenditure budget of \$59,058,742 is an increase of \$2,438,392 or 4.3% from the 2021-22 final budget, while next year's general fund budget revenue projection at the existing millage rate of 20.30 mills is \$57,040,829. This is an increase of \$1,462,956 or 2.6% from the 2021-22 final budget.
- Next year's budget shortfall is \$2,017,913 at the existing millage rate of 20.30 mills.

- The District plans to use \$525,000 from its stabilization funds and \$1,170,000 from the real estate tax increase of 3.4%. This will reduce the shortfall to \$322,913.

Mr. Kline also highlighted significant items in the 2022-23 budget:

Revenues

- Without a change in millage rate, real estate taxes are projected to increase by \$455,000. One mill of real estate tax is projected to generate \$1.690 million in real estate tax revenue for the District. This is an increase of 1.31% from the 2021-22 budgeted amount of \$1.668 million.
- The budget includes an increase to earned income tax revenue of \$350,000, or 8.4%, based on the positive current year-to-date collections.
- The state-funded basic education and special education subsidies are projected to increase by 3% — a budgetary increase of \$418,922 from last year.
- The budget includes an increase to interest earnings. Short-term rates are projected to yield an average of 1.0% — allowing the projections for annual interest earnings to increase to \$135,000 from the 2021-22 budget amount of \$35,000.

Expenditures

- Salaries, benefits, debt service, utilities and student transportation comprise 89.1% of the District's 2022-23 budgeted expenditures.
- District salaries are budgeted to increase by \$788,735 or 2.88% from the 2021-22 amounts. All current permanent positions are included in the budget as are the salary and benefits savings from staff retirements.
- Medical insurance rates through the Allegheny County Schools Health Insurance Consortium (ACSHIC) for the 2022-23 year will increase 8%, following the 2021-22 increase of 5%. The 8% increase will add \$270,000 to the District's budget and is \$102,000 more than was projected in Hampton's January 2022 budget planning document.
- Dental Insurance premiums through ACSHIC will increase by \$89,000 or 49% due to the "sunset" provision of the district's existing dental program.
- The District's contributions to A.W. Beattie CTC are projected to increase by roughly \$56,000 or 7.4% due to increased enrollment of Hampton students at the career center. District shares are prorated based on a 5-year rolling average of enrollment. Hampton's enrollment has increased from 59 students in 2017-18 to 97 students in 2021-22.
- The District's projected cyber/charter school enrollment for 2022-23 is 30 students with a budgeted expense of \$522,000. This is a budgetary increase of two students and \$59,000.
- The special education budget of \$1,141,950 represents an increase of \$106,662 from the 2021-22 budget. The budget includes tuition amounts for approved special education private schools, extended school year tuition and contracted special education services. The recent budget increases are primarily for out of district special education program placements.

- The technology budget of \$733,497 is an increase of \$175,344 from the 2021-22 budget. The technology budget's focus is on the maintenance of its technology services and systems and upgrades to dated equipment. The District financed the purchase of student laptops in the 2021-22 budget year and will finance the purchase of the 2022-23 student and staff laptops over three years. Mr. Kline noted the devices should last for at least five years.
- The budget includes \$366,000 to pay the debt service for the \$10 million 2022 High School Phase I, Part II bond issue. Mr. Kline said this will hopefully provide the remaining funding for Phase I of the project.
- The budget includes a transfer of \$80,000 to fund the projects in the "5-Year Facilities Improvement Plan."

Non Recurring Funds and Receipts

(52:22)

The District has a debt service reserve in the amount of \$484,000. The District maintained a reserve fund to be used if the variable debt payments exceeded the annual budget amount. In years when the District did not have to pay extra funds for the variable rate debt, the unused funds were added to the reserve fund. Mr. Vasko reported that the District did not use most of those funds and has no use for a contingency fund subsequent to the elimination of the variable rate debt last year. Mr. Vasko noted that the District may use the \$484,000 to finance future capital projects or reinforce the stabilization fund.

Mr. Kline reported that there is no restriction on spending the District's \$111,000 in FEMA funding. Mr. Vasko commented on the benefits of putting those funds towards the stabilization fund.

Mr. Wesley thanked Mr. Vasko and Mr. Kline for their thoughtful, detailed, and informative presentation that helps guide Board discussions and decision-making regarding the budget. Mr. Kline said the budget report will be posted on the District's website.

Public Comment

(1:04:45)

1:05:00

A community member commented on the District's accomplishment of reaching a five-year contract agreement with the Hampton Township Education Association earlier this month. She thanked the board and administration. She also urged the District to continue to prioritize early childhood education and consider moving to full-day kindergarten.

1:08:10

A community member asked the Board about the District's declining enrollment over the past 10 years. Dr. Loughead said the District has not conducted a formal demographic study on enrollment projections for the next 5-10 years; however, the District monitors enrollment on a regular basis. In response to a question, Dr. Loughead indicated that there is no funding in the budget for consultants in the area of diversity, equity and inclusion. Lastly, the community member commented that he

previously suggested for the Board to close on its latest \$10 million bond issue before interest rates continued to increase.

Adjournment

(1:12:42)

The meeting was adjourned, and Mr. Wesley announced that the Board would enter a brief executive session to discuss legal and personnel matters.