



Board of School Directors Committee Meetings Minutes Wednesday, June 2, 2021

Generated by Renai Cardillo on Thursday, June 10, 2021

Members present: Courtney Barbieri, Nick Braccio, William Brong, Janet Flisak, Matt Holliday, Ken Keith, Stephen Nelson and Donna Scheuren

Members absent: Tom Kwiatkowski

Others present: Elisa Ball, Frank Gallagher, Christopher Hey, Katie Kennedy-Reilly, Brian Pawling, Jeff Sultanik and Megan Zweiback

1. Finance Committee

1.1 2021-2022 Final Budget Update

Finance Committee Chairperson, Mrs. Scheuren called the meeting to order at 6:47 P.M.

Mrs. Scheuren noted that final budget decisions were needed as time was drawing to a close to approve a final budget for the 2021-2022 school year.

Director of Business Affairs, Mr. Pawling stated that a proposed final budget had been approved the end of April. He noted that we are approximately two weeks from final approval and there have been several specific areas where adjustments have been made. Mr. Pawling reviewed a presentation that highlighting the following adjustments since the May 12 Committee Meeting:

- \$200K increase for IDEA funding through ARP
- 2 new retirements and other staffing adjustments - \$212K decrease
- Federal program (Title) final allocations - \$82K decrease
- Reduction of real estate tax rate increase to 1.9% - \$945K decrease

Mr. Pawling noted that the current proposed tax increase is a reduction from a previously proposed 3%. Mr. Pawling indicated that the current 1.9% proposed tax increase would be the maximum, noting additional information could drop that increase further. Mr. Pawling indicated the following items as budget considerations that will continue to impact the budget development:

- Ongoing discussions in Harrisburg legislature could reflect an increase to state subsidy
- Additional retirements and staffing adjustments still possible
- The continued review of department budgets
- A discussion of use of fund balance and final millage rate

Mr. Pawling reviewed a slide that reflected various millage scenarios; 3%, 1.9%, 1.5% and 1.0% and the respective impacts to the deficit, fund balance and the average increase on assessed property valued at \$176,704.

Mr. Pawling also reported the results of the recent bond issue. This issue was previously approved by the Board in May for the purpose of capital projects. Mr. Pawling noted that the final interest rate was bid at 1.83%, which was under target, resulting in a savings of \$1.7M over the life of the loan.

Mrs. Scheuren asked about the American Rescue Plan and if there was any way to determine the expected amount of IDEA Funds. Mr. Pawling responded that these funds will be distributed through the Montgomery County Intermediate Unit and the amount is anticipated within the next week. Mrs. Scheuren also inquired about the ESSER funds and Mr. Pawling said that those funds are not being calculated in the budget, because of the stipulations that the district has two years to utilize those funds.

Mrs. Scheuren inquired on several other budget drivers including medical claims and Charter School costs. Mr. Pawling responded that based upon current claim trends, the district is in line with previous expenditures. Dr. Gallagher replied that discussion is still occurring in Harrisburg regarding the Fair Funding Formula which impacts our Charter School tuition costs.

Mr. Holliday said he did not have any questions on the budget presentation and thanked Mr. Pawling for narrowing the deficit. Mr. Holliday advocated to protect the fund balance. Mr. Pawling responded that our fund balance is very modest; covering one month of expenses. He also acknowledged our strong fund balance and its emphasis for bond rating determination.

Mr. Nelson praised the work that has been done to reduce the deficit. Mr. Nelson also expressed concerns about medical fund and unknown claims.

Mr. Keith had no questions.

Mr. Braccio advocated for the maintenance of fund balance and appreciated the slide showing average homeowner impact of a tax increase.

Mrs. Flisak expressed support and Mrs. Barbieri appreciated the prospective as it relates to homeowners.

Mrs. Scheuren stated that while the district may have taken on additional expenses to open schools during the pandemic; some of those costs will be reimbursed. Mrs. Scheuren said that work will continue to be done to refine the budget and the vote on the budget is currently scheduled for June 17th. Mrs. Scheuren invited members of the public to comment on the budget preparation process.

Mr. Gibson of Lower Salford asked about the projects that would be funded with the bond issue and Mr. Pawling responded that Indian Crest Middle School would be undergoing a roof replacement, boiler work at Franconia Elementary School and electrical work at Indian Valley Middle School. Mr. Pawling also stated that the remaining funds would be utilized for building and facilities projects over the next three years.

Mrs. Scheuren acknowledged the receipt of letter from Ms. Taylor and stated that utilizing a third party to speak on behalf of others, is not acceptable. Ms. Taylor asked permission to speak on behalf of taxpayers.

School District Solicitor, Mr. Sultanik clarified that the Finance Committee was not taking official action on the budget this evening, therefore public comment was not mandatory, adding that non-residents were not permitted to speak in a meeting where The Sunshine Law does not stipulate public comment.

Mr. Gibson also asked for clarification on the ESSER III funding and Mrs. Scheuren responded that we have 3 years to spend the funding and the current intention to utilize the funds is on learning loss. Mr. Sultanik noted that the district will need to develop a specific ESSER Plan on how they will be using the funding, noting it will be a separate action.

Mr. Gibson inquired about equity for students. Dr. Gallagher cited the school district providing "hot spots" for internet access during the pandemic as an example of equity, as the district made sure that all students had internet access.

Ms. Spigel of Harleysville asked how learning loss from high school students will be made up. Dr. Gallagher responded that the district will utilize its testing resources as well as student input to determine student status. Dr. Gallagher also noted that educators are very familiar with "meeting students where they are".

Ms. Shelly of Harleysville inquired on the receipt of funding from federal sources and how it is used. Dr. Gallagher replied that those funds are called Title monies and are specifically allocated to the three schools in the district designated as such; West Broad Street, E.M. Crouthamel and Franconia Elementary School. Dr. Gallagher also stated that the school district has intervention assistants and uses small group instruction to meet the needs of students who may be struggling in the classroom.

Ms. Shelly also inquired if any of the federal funds were used for implicit bias training. Dr. Gallagher responded that the budget is not earmarked as such, that all training is listed as staff development and appears in several departments.

Dr. Gallagher also stated that the school district has a growing ELL population and the district has long advocated for additional funding. Ms. Shelly asked how the district is made aware of ELL family needs and Dr. Gallagher answered that it is indicated at the time of student registration.

Ms. Derstine of Telford inquired if the school district asked the teachers if they wish to participate in implicit bias training. Dr. Gallagher stated that this evening's questions were limited to budget preparation.

Ms. Jamison of Souderton asked how much money had been budgeted for the Equity Team process. Dr. Gallagher stated that consulting fees for staff development have been budgeted. Ms. Jamison requested full transparency for an equity audit and asked the school board to fully fund equity.

Mrs. Scheuren thanked the public for their comments.

Mrs. Scheuren adjourned the Finance Committee Meeting at 7:40 P.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Brian Pawling". The signature is fluid and cursive, with a long horizontal stroke at the end.

Brian R. Pawling
Director of Business Affairs/Board Secretary