



Board of School Directors Committee Meetings Minutes Wednesday, January 11, 2023

Generated by Renai Cardillo on Friday, January 13, 2023

Board members present: Courtney Barbieri, Nick Braccio, William Brong, Janet Flisak, Ken Keith, Tom Kwiatkowski, Andrew Landis, and Donna Scheuren.

Members absent: Stephen Nelson

Others present: Frank Ball, Lisa Ball, Todd Burns, John Franzen, Frank Gallagher, Christopher Hey, Theresa Hunsicker, Katie Kennedy-Reilly, Berdine Leinbach, Michael Taylor and Megan Zweiback.

1. Education-Personnel Committee

E-P Chairperson Mr. Kwiatkowski called the meeting to order at 6:32 PM.

1.1 Curriculum Revisions & Full Day Kindergarten Update

Dr. Gallagher noted the content of the E-P agenda and yielded to Director of Curriculum, Dr. Kennedy-Reilly who stated that the district was five months into full-day kindergarten and wanted to share an update on its progress. Dr. Kennedy-Reilly introduced kindergarten teachers Theresa Hunsberger and Beth Harbon who spoke enthusiastically about the full day kindergarten program. Mrs. Hunsicker reported that parents are very engaged in the program, having visited the classroom and are very supportive of their students learning.

Mrs. Hunsicker reported that the students come in to class "ready to go" and there has been remarkable improvement on student independence from the start of the school year until now. A video of a full-day kindergarten class was shown. Highlights included building the classroom community, the use of *Foundations*, a phonics learning program, and an all-around engaging environment for students.

Mr. Kwiatkowski commented positively on the program and the students. Dr. Gallagher thanked the Board for their investment in the program.

Dr. Kennedy-Reilly stated that one of the curriculum areas that has been revised is the Elementary Art program. Dr. Kennedy-Reilly introduced Supervisor of Curriculum, Mr. Burns, and Elementary Art Coordinator, Mrs. Berdine Leinbach. Mrs. Leinbach stated that with the implementation of a full-day kindergarten program, all elementary students are receiving art instruction weekly. Some new additions to the art program included the teaching of portrait and size art which encompasses facial recognition and expression as well as imagination. Mrs. Leinbach also stated that the on-line platform SeeSaw has been a very effective tool to share student work in confidence, to parents. Mrs. Leinbach also mentioned that a unit on museums is in development.

Dr. Kennedy-Reilly introduced Supervisor of Curriculum, John Franzen, and high school social studies teachers Jessica Muller and Jennifer Reed-Duka. Mrs. Muller spoke about the revisions to the Criminal Justice course, which also included its name change from Practical Law. Mrs. Muller stated that the name change helps to bring awareness of the actual content to the students. A new textbook was also added to the course. A brief outline of the course was reviewed, which included Foundations of Law, Crime, Court Process, and Corrections. Mrs. Muller stated that the course includes an investigation unit which has a mock CSI experience.

Mr. Franzen introduced high school teachers Blair Harper and Clint Johnston who spoke on the ELA course Environmental Perspectives in Literature, previously titled Keeping Things Whole. They noted that this was a quarter course elective usually taken by 11th and 12th grade students. The focus of the course is to analyze and reflect on environmental perspectives as it drives people in their passions, convictions, and goals. Several pieces of literature and media were cited as resources. Mrs. Barbieri acknowledged the updating of the course for relevance and Mr. Landis appreciated the variety within the resource offerings.

Dr. Kennedy-Reilly introduced high school Biology and Chemistry teacher Caitlin Warren. Ms. Warren spoke to the details of the new course Medical Applications, which will provide a biological foundations for the inner-workings of the human body. Ms. Warren reviewed the units Foundations of the Human Body, Cell Anatomy & Functions, Human Body Systems, and Healthcare Skills. Dr. Kennedy-Reilly added that this course will support the loss of the NMTCC Allied Health program. Ms. Warren discussed the creation of the course as well as the outreach that will include guest speakers, and mentors in the community. Ms. Warren stated that one of the goals of the course is to assist students who may wish to be employed in the health care industry.

Several board members praised the creation of the course.

Mr. Kwiatkowski adjourned the Education-Personnel meeting at 7:32 P.M.

2. Operations Committee

Operation Committee Chairperson Mr. Brong called the meeting to order at 7:35 P.M.

Mr. Brong stated that the Oak Ridge Facade Remediation agenda item has been tabled in order to secure additional information.

2.1 Approve Asbestos Abatement Bid

Approving the Asbestos abatement at Indian Valley Middle School is the other item for review.

Director of Business Affairs Mr. Taylor recalled the Indian Valley MS and Franconia projects noting that the abatement at Indian Valley Middle School needed to be completed this summer. Bids were advertised and received and the recommendation is to award the low bid for the abatement project to Plymouth Environmental Company of Norristown. Mr. Taylor indicated that the bid price is within the estimated cost of the original budgeted item amount. Mr. Taylor also stated that the bid has been submitted by a qualified contractor.

The Committee agreed to move forward for approval.

Mr. Brong adjourned the Operations Committee at 7:40 P.M.

3. Finance Committee

Mrs. Scheuren called the meeting to order at 7:41 P.M.

3.1 Accept the Single Audit Report for 2021-2022

Mrs. Scheuren noted the absence of Finance Committee member Mr. Nelson.

Mr. Taylor stated that the request for acceptance is an annual approval. Mr. Taylor noted that the report stated no fraud or material errors in the report, and it was a clean audit. Mr. Taylor also indicated that this relates directly to Item 3.3 - which is a standard request to transfer funds from one budget account to another to correspond with actual spending from school year 2021-2022.

Mrs. Scheuren praised the team for the clean audit.

The Committee agreed to move the Single Audit Report forward for approval.

3.2 Approve 2022-2023 Budget Transfers

Mr. Taylor stated that this is a standard request to transfer funds from one budget account to another to correspond with actual spending.

The Committee agreed to move forward.

3.3 Approve 2021-2022 Budget Transfers

As discussed earlier in the meeting, this is a standard request and the Committee agreed to move forward.

3.4 2023-2024 Preliminary Budget

Dr. Gallagher noted that this is a very early look at the preliminary 2023-24 budget. Dr. Gallagher also noted that a new governor in the Commonwealth allows for an extension to their budget preparation, however the school district preparation and timeline for approval remains unchanged.

Mr. Taylor reiterated that this Board previously adopted the Act One Index resolution meaning that they will not approve a budget increase in excess of the Act One Index of 4.1%. Mr. Taylor stated that this preliminary look has been created without any actual numbers from the Commonwealth for Basic or Special Education Funding, and as such no increases are currently factored in.

Mr. Taylor presented a Budget Overview of revenues, expenditures and surplus and deficit. The preliminary budget for the 2023-24 school year projected revenues of \$142,092,031 and expenditures of \$152,082,637, resulting in a \$9.9M deficit.

Mr. Taylor stated that these numbers include the full amounts requested by each school and department, prior to review and discussion with Administration.

A slide showing the Act 1 Index was reviewed - it reflected a comparison of the Tax Rate History in the Souderton Area School District from fiscal year 2012 through fiscal year 2024.

A millage rate impact was reviewed showing that a 4.1% increase (the Act 1 maximum) would generate revenue in the amount of \$4.07 M. Other scenarios were reviewed by percentage increases to budget deficit reduction amounts.

Current Local Revenues reviewed for the current 22-23 budget and the preliminary 23-24 budget. A 4.1% increase is projected for real estate taxes which are currently at a 97% collection rate. The interim real estate taxes showed a decrease and the earned income taxes remain steady, each based upon 5-year trends. Delinquent real estate taxes and per capita taxes are consistent and based off of recent trends, real estate transfer taxes are also expected to remain consistent. Mr. Taylor indicated that earnings on investments remain consistent, but they will continue to be reviewed throughout the budget process.

State and Federal Revenues were projected to be flat funded for basic and special education and property tax reductions. Mr. Taylor indicated that these allocations could change based on state budget and gambling revenues. The Governor's budget address is scheduled for February and the Homestead/Farmstead amount is certified in May. Mr. Taylor also indicated that flat funding is expected for Title and Access revenue.

A Functional Budgets Summary slide was reviewed highlighting budget drivers of personnel; including contractual increases and new positions. Special Education which includes potential increases for special education services provided from outside sources and Technology which includes device purchases for district staff.

Expenditure Considerations were bulleted on a slide indicating the following items to be targeted through the budget development process: salaries, health insurance projections, utility increases, an increase to charter school costs, maintenance and repair cost increases and an increase in debt service - including the renovations for Franconia Elementary and Indian Valley Middle School. Mr. Taylor added that the Fund Balance would be addressed as per Board Policy.

Other budget drivers include the PSERS pension, Charter School Tuition and Special Education expenditures. A slide was reviewed that reflected the approved 2023-24 pension rate of 34.00%. The slide also showed a history and a forecast of the PSERS Employer Contribution Rate. Mr. Taylor noted that the rate for the 23-24 school year is 3.6% lower than the current year. He also gave the reminder that rates are set by PSERS Board of Trustees and is dependent on investment returns and employee/employer contributions.

Additional slides were also reviewed showing Charter School Tuition Expenses and Historical Expenditures and Special Education Expenditures.

Mr. Taylor reviewed a slide titled Fund Balances which itemized the categories of unassigned, committed (future projects), assigned (current year deficit), restricted, and non-spendable. Mr. Taylor noted that the current unassigned balance is \$9M or 6.4% which is within the Board policy range.

Future Considerations - Revenues slide was reviewed to reflect the monitoring of local revenue sources; real estate collection percentage, earned income and transfer taxes and a commitment to look for allowable investments to maximize interest earnings. State and Federal fund considerations are pending a state budget, the economic impact on property tax reduction allocation, and tax assessment adjustments.

Future Considerations - Expenditures slide highlighted the review of staff positions and factoring in retirements, monitoring health benefit trends, charter and cyber school costs and enrollment, special education costs and a five-year forecast and trend analysis.

Mr. Taylor reviewed the last slide in the presentation which outlined the Next Steps as review continues on current year financials, a line-item review of all revenue and expenditure budgets with department supervisors. Mr. Taylor also reviewed the timeline showing the February 8 and March 8 Finance Committee Meetings, and the April 12 Finance Committee Meeting when the Proposed Final Budget will be presented. The approval of a Proposed Final Budget would be at the April 27, 2023 Board Meeting.

Additional Finance Committee Meetings will occur on May 10 with the Final Budget scheduled for presentation at the June 7 meeting. Approval of the Final Budget is scheduled for June 22, 2023.

Mrs. Scheuren inquired about the status of interim taxes and Mr. Taylor stated he remains cautious because of the timing of closing sales of properties within the school district. Mrs. Scheuren also expressed concerns regarding health insurance claims and Dr. Hey responded that a two-year rolling average (of claims) is used for calculations.

Concerns were discussed regarding special education costs and Mrs. Zweiback indicated that the varied needs of students are driving the additional special education costs. Dr. Gallagher indicated that because of the staffing issues that the district has encountered with its special education contracted services, we are reviewing our current capabilities to meet student needs in-district.

Mrs. Scheuren commented favorably on the districts interest earnings and Mr. Taylor reiterated that any and all District depositories must be approved by the board and that any new or different offerings would be brought to the board for approval.

A brief discussion occurred regarding the transportation expenditures and Mr. Taylor indicated that the fuel consumption has been an impact to the current budget. He stated that the fuel consortium rates were significantly higher than in previous years. Mr. Brong asked if an option for a semi annual lock-in on fuel rates instead of an annual lock-in would allow for more flexibility. Mr. Taylor and Dr. Gallagher indicated it was an option that the M.C.I.U. would be asked to explore.

A discussion also occurred regarding the budgeted amounts in the summary and function areas and Mr. Taylor explained it is the totality of the numbers being reported. A specific question was asked regarding category 2800 and Mrs. Ball responded that it relates directly to student support services and technology.

Mr. Kwiatkowski inquired about the purchase of staff devices and Dr. Kennedy-Reilly responded that all devices are coming off a lease agreement at the same time, accounting for the volume purchase.

Mrs. Scheuren adjourned the Finance Committee Meeting at 8:45 P.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael Taylor". The signature is written in a cursive, flowing style.

Michael Taylor, C.P.A.
Board Secretary / Director of Business Affairs