

**Lehigh Area School District
Finance Committee Meeting
March 6, 2023 6:00 p.m.**

Finance Committee Minutes

The Meeting was called to order at 6:02 p.m.

The following Board Members were present: Ms. Joy Beers, Mr. Richard Beltz, Mr. Nathan Foeller, Mr. Jeremy Glaush, Mr. Brian Shaner, Mrs. Kerry Sittler, Ms. Barbara Beers (6:06 p.m.)

The following Administration Members were present: Dr. Christina Fish, Mrs. Mary Figura Mr. Edward Rarick, Mrs. Rebecca Karpowicz

Dr. Fish Presentation:

This presentation was sent to the board previously

I looked at the last five years' worth of data, staffing, enrollment trends

Using this data, we gathered to put together an idea of what some projects need to be

Few challenges of putting this data together

First, the five years fell within the time frame of there being four buildings down to one- skewed data and made it more challenging to interpret, data does not include anything from this year

You will see some of that in your more detailed report that I emailed

You'll see we had some shifts in how we did courses at the high school

We went from block to regular schedule back to block

Block was easier in the virtual environment

Started collecting the data back in November

Stuck with teachers for the basis of this report

Elementary center has gone down in enrollment- students

Joy: Comparing to five years ago

Yes, correct

Even though we were in separate buildings it is a total for the grade levels

Dr. Fish explains the enrollment for the years

Discussions on enrollment and enrollment with charter schools

Decrease in overall census and pretty closely matched with a decrease in teachers

Ms. Beers – is it possible to move teachers between grades

Yes, we do that now

Dr. Fish continues to explain in the middle school – pulled the 5th grade out and put it in the EC

You will see the decrease in teachers that does not coincide with the decrease of students

Continues to explain the high school

Ms. Bowes- states about kids in cyber school

Risen as a 7% overall and we've decreased our teachers by 11%

Still feel there is some wiggle room

Ms. Beers asks have you done a study of how many staff members you think each building should have

Dr. Fish problem with a should have –goes back to what we did at the beginning with what we did from a course perspective, five years ago versus what we are doing now and what we should be doing form a career pathways model

Ms. Beers - This mainly affects High School, are you saying it is easier for the EC and Middle school to approximate the number of staff members required versus what's needed in high school

High is the messy one- schedule change and revamping the career pathways, take a year or two to get this all figured out

Dr. Fish – disclaimer on please be very careful about how you interpret the special education data, this is not something that we can necessarily change from a programming perspective. This is driven by IEP teams in most respects, we need to be responsive to what the team recommends.

You will notice a significant increase, in-district students

Ms. Beers – how many students placed outside the district,

Dr. Fish- need to go back and look

Mr. Foeller- what is the driving factor in seeing so many students identify and what are those, what way is it good and what way is it a sign of a problem

Dr. Fish- it's a good and bad thing. It is how we identify the student, if they are older that is a problem, because we do not have a child study team and an IST process we are not catching them, we might see over time a decrease

Another part of this is we are seeing more students identified with disabilities specifically in the realm of mental health, anxiety

There are 13 categories – one is Other Health impairment which is a catch all for those areas that don't fit into the other categories

We also house some programs by the CLIU

Mr. Shaner asks a questions – mistake that should not be there

Also wanted to show a decrease in the paraprofessionals and add the reason I included the five years on this chart was to show you, four buildings to one – number was higher in the beginning, has decreased

We have not been able to fill positions

Ms. Beers asks if Dr. Fish thinks we have an adequate number of paras

Depends on the need- more in k-2

Ms. Beers asks if it is difficult to find paras that are appropriately trained

Yes, we have given our paras a tremendous amount of professional development, required by the state to get 20 hours outside of training each year.

Making a recommendation for a tech analyst – here is why, shows the number of students per tech we currently have

Ms. Bowes states that we got rid of our Directory of Technology

Ms. Beers – I heard that in some districts they are actually using students to fill that role, ones with an interest in technology

Dr. Fish yes, had a plan where students did the course work toward that plan, prep for after high school Some discussion on e-sports and desires to do technology

Adding teacher to teacher support for the first level of tech support similar to a lead teacher, stipend, training

Mr. Glaush does not see that as a bad idea, they can take that back to the classroom and teach the students

Dr. Fish explains this more

Dr. Fish talks about the School Psychologist position, not knew, wanted to see the ratio, change to the Act 93 contract, discussion on this position and the challenges

Again Tech analyst, this also allows us to put Melissa where she was originally intended to be

We currently have half an FCS teacher, believe that this was recommended in last year's budget as well

We would like to increase this to a full time position, affecting our ability to have cat courses in the MS

Half of a special education teacher- need to be full time

Compliance paperwork and how we are doing the gifted program, recommending a gifted teacher for K-12

Ms. Beers- do you have any knowledge of us having litigation related to a gifted student in the last five years

The potential is there but no

How many gifted students in k-12, will one teacher be able to handle all that?

Board talks about gifted teacher and what they would do with the students, finding the unique needs of those students

More discussions on career pathways at the high school and staffing and changing courses

CAD tech teacher, looking to hire one, career pathways

Last new hire – secretary half building and grounds and half business office

2023-2024 Budget Presentation

Ms. Beers talks to the board about how she is really just listening to the presentation and coming up with a list of thoughts. Take into consideration that there will be a part two of the presentations with additional data from the administration

Mr. Rarick starts his presentation of the budget by thanking everyone for coming out

I broke the presentation up into three sections, historical reference, where we are at today and where we are heading in the future

Past historical budgets, tax rate history and then our expenditures

Historically we have had an unbalanced budget from the years 2011/12-2021/22, with deficit spending expenditure on average 8.5% over revenue

Ms. Beers for those who don't know the highest the fund balance ever was before this period of time was slightly over 14 million

Ms. Beers asks if they were the actual expenditures or predicted

Ms. Beers brings up a question about the 14/15-15/16 budget jump – stadium, point is you would think that the budget would return back down to the range of 36 million instead it stayed quite high. You don't need to answer this today but one of my questions is going to be what happened with our other expenditures in those particular years, like why did we not go back to 36 million, why did it stay so high

Mr. Rarick we can certainly look into and see what drove those numbers

Ms. Bowes asks where are the strong items that drove those numbers

Ms. Beers we are not going to figure it out by talking about it, we need to do a breakdown right with benefits, salaries etc.

Mr. Foeller budget forecast in 2015 was 38 million, we came an extra 2 million under budget, makes me think that there was some expense there

Revenue numbers

Ms. Beers next presentation like those years, breakdown by object code that your done for us before

Ms. Bowes- stadium was never budgeted

Ms. Beers- yes but these are actual expenditures, then of course people like Dave Bradley, their nefarious suggestion is that the administration used the stadium gear to then have some kind of ludicrous spending in the next year budget, be interesting to see what is going on

Mr. Rarick – budgets were created and blowing by expenditures void the stadium

Mr. Rarick explains past years' budgets

Ms. Beers asks about our current fund balance

Mr. Rarick talks about tax rates historically

Compares our tax rate to other local districts

Ms. Bowes I contacted business administrators in different school districts, but the value of the mil is different in every single community

Mr. Rarick agrees

Mr. Rarick states that 3% expenditure growth every year (2011) and up

Mr. Rarick talks about debt service and bank note to pay off

Mr. Rarick talks about the district today, reduction of staffing, zero waste budgets, utilizing an RFP process for our copiers, HVAC, Telecommunication, - savings with those

Asset audit, one to one, upgraded servers, computer labs, repair to the admin building, upgraded Union Street leading into the district

Increase in the fund balance ESSER grant

Ms. Beers asks if we have received all of the funding yet or is it still coming in

Mr. Rarick talks about the quarterly reporting and how the funds come in to the district

Ms. Beers asks if the ESSER funds is part of the fund balance

Mr. Rarick talks about how we have taken existing expenses and replaced them with ESSER, salaries

Ms. Beers so what percentage of the fund balance is ESSER

Mr. Rarick doesn't have a number on it – need to find out

Ms. Beers not an amount of money that we can just spend- has to be spent on certain items

Mr. Rarick explains that we have implemented multi layered approvals for spending which was not a system we had in the past

Escalating costs on goods and services and utilities

Contractual increases for salary and future contracts

PSERS-continue to escalate to 37% over the next three years

Healthcare not getting any cheaper, special education costs, student placements outside the district

Three main revenues- local, state and federal

Mr. Rarick talks about grants

Expenditure side salary, benefits, line items get broken down

Ms. Bowes talks about budgets and how long they are, can go to PDE and download the chart of accounts

Mr. Rarick talks about local revenues, little change in assessed values

Mr. Rarick talks about how the throw out budgets at the high levels – at the end we get little from that budget, based on standard share, would have to have PDE explain it, very cumbersome calculation

Mr. Rarick talks about the projection for basic education funding, there are a lot of factors

Mr. Rarick talks about Act One

Ms. Beers asks why it was jumped up for a few years

Board talks about this some

Mr. Rarick about tax net in the district and aver home assessment

Ms. Bowes asks if this is taking in to account the 2% discount

Ms. Bowes asks what percentage of people take advantage of the discount – is it significant

Yes, it was this year

Mr. Rarick does not know the exact percentage but we receive the largest amount of funds in July and August

Discussion on non-exempts, homestead

Mr. Rarick show a chart in the presentation to help explain, showing if you were to add a mill of taxes this is what it would look like etc. various increases and the impact that it will have

Mr. Glaush asks if this takes into account the 5% of the \$375,000.00

Mr. Rarick talks about the capital projects list, identifying the type of project, based on value, cost weighted averages. Currently 16 projects

Mr. Rarick talks about the High School roof and coating the roof to extend the warranty

Ms. Beers asks to add a preferred school year to the list

Dr. Fish talks about the green house

Ms. Bowes talks about the salt shed and that it will save us money

Mr. Rarick talks about the security system at the admin building

Mr. Glaush talks about acoustic tiles for the EC, did we not just build the EC

Dr. Fish explains about the sound condition in the cafeteria – not a space that is useable without a microphone, very challenging to manage groups and discipline during cafeteria times, recommended to manage the acoustics of the room

Ms. Beers talks about the expensive part is the structure that hangs down and supports the tiles

Mr. Foeller talks about other options there might be

Ms. Bowes talks about the solar project and the HS roofing

Mr. Glaush asks if the estimates are quotes that we put out

Mr. Rarick stated that these are not, some are best guesses, some are estimates, some are actual quotes

Ms. Beers – some of the items that we saw on our walk are we assuming that our workers will be doing the work

Mr. Rarick – yes, they will just need the supplies, done over summer times, work it in in the less busy times

Mr. Rarick talks about the district phone system and upgrades to that

Mr. Glaush talks about this being the trend in the phone world now

Mr. Shaner talks about the HAVC in the EC

Mr. Rarick and Dr. Fish talk about this issue,

Ms. Beers asks if there is any recourse for us with this system, lots of layers, and explains how this works and not really knowing who is responsible for the design flaw, could you just ask Jeff, he has a lot of experience

Ms. Bowes did we not with hold a payment

Ms. Beers talks about change orders and potential to not have been executed

Mr. Rarick take into consideration our district vehicles and the age and needs to replace, Justin has put a vehicle plan in place

Mr. Foeller asks about the two pieces listed and if they were already in this year's budget

Mr. Rarick talks about the lift that was purchased which was necessary

Mr. Glaush asks where the vehicles are stored inside or out

Mr. Rarick states that most are up here outside the Admin building, a truck is stored under a canopy at the EC

Mr. Glaush talks about finding a way to make sure that they are under some sort of canopy to extend the life of the vehicle

Ms. Bowes asks if they do a complete undercarriage wash etc.

Mr. Rarick says that we should be able to ask Justin that question

Mr. Rarick talks about district technology, big one \$641,000.00 that will need to be replaced in the next four years.

Programming, software licensing etc.

Mr. Rarick talks about buying a traffic light – we will need to look into this potential, board discusses this topic from the past until now, traffic patterns and possibility of doing a new traffic study once construction is completed

Mr. Rarick talks about the long term needs of district buildings, might want to assign funds for those projects for future needs

Mr. Rarick talks about machine shops in the district and needs there

Mr. Rarick says that looking ahead with a zero base budgets, we are looking at a 2.4 million deficit

Ms. Beers asked if all the projects were included in there.

Mr. Rarick explains what is in that budget, six positions, and a few projects, some technology

Ms. Bowes asks how much of the budget funds are ESSER

Mr. Rarick to get that to her

Mrs. Figura talks about what ESSER funds are already allocated for various grant requirements

Mr. Rarick talks about band uniforms

Ms. Bowes asks how many-110

Dr. Fish states that the band uniforms were never on a cycle

More talks of the band uniforms and their conditions, etc.

Mr. Rarick said that there not a lot of additional items in the budget

Mr. Shaner asks about the difference in budget – what we are proposing

Dr. Fish wants everyone to keep in mind that curriculum has not been budgeted for a long time

Ms. Beers talks about the 100 series and talks about what raises assumptions did Mr. Rarick use, he states step plus 3% for all staff

Ms. Beers asks what the \$950,000.00 is – this is special education

Ms. Beers asks the question about the supplies – this is the curriculum that will need to be bought, ESSER money

Board talks about budget items

Mr. Shaner asks about the benefits cost – if it was for the additional 6 positions

Yes

Mr. Rarick states that we may be under budget this year

Mr. Rarick recaps the presentation for everyone, cut down the numbers trying to make it more understandable

Ms. Beers states that it was 100% better than last year, there are things to think about dipping into the fund balance, tax increase, brainstorming funding or cost savings, need more data then decide collectively where to be

Ms. Bowes talks about personal finances as a class provided to students

Mr. Foeller talks about spot reassessments,

Mr. Rarick talks about this process and the board discusses this, policy is up for review and things will be up to the board

Mr. Glaush likes the presentation broken down this way.

Ms. Bowes says thank you

Meeting adjourned at 8:08 p.m.