



Board of School Directors Committee Meetings Minutes Wednesday, April 12, 2023

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Members present: Courtney Barbieri, Nick Braccio, Bill Brong, Janet Flisak, Ken Keith, Tom Kwiatkowski, Andy Landis, Stephen Nelson, Donna Scheuren,

Others: Christopher Hey, Katie Kennedy-Reilly, Michael Taylor, and Megan Zweiback

1. Finance Committee

1.1 Approve 2023-2024 Board Meeting Calendar

Mrs. Scheuren called the Finance Committee Meeting to order at 6:32 P.M.

Mrs. Scheuren noted the immense outpouring of support to Dr. Gallagher in the recent loss of his wife. A moment of silence was observed.

Dr. Hey expressed the gratitude for the public support of Dr. Gallagher's loss.

Dr. Hey announced the first agenda item to approve the Board Meeting calendar for the 2023-2024 school year. Dr. Hey indicated that the proposed Board Meeting calendar remains consistent with a Committee Meetings held on the second Wednesday of the month and Board Action Meetings held on the fourth Thursday of the month, with the exception of the following:

- The November and December 2023 Board Action meetings will be held a week earlier because of the holidays.
- The March 2024 Board Action meeting will be held one week earlier because of the holiday.
- The June 2024 Committee and Board Action meetings will be held one week earlier to comply with the Act One timeline.

The Committee agreed to move forward to the action agenda.

1.2 Approve 2023-2024 Proposed Final Budget

Dr. Hey introduced Director of Business Affairs, Mr. Taylor to review the Proposed Final Budget

Mr. Taylor indicated that considerable work has been done to refine the budget, noting that as of January's Preliminary Budget there was a deficit of \$9M and through revenue and expenditure adjustments the deficit has been reduced to \$6M.

Mr. Taylor reviewed the revenue adjustments as increases to real estate tax assessments, an increase to interim and real estate transfer tax projections. The expenditure adjustments include reductions from the preliminary budget to each of the departments; Operations, Technology, Curriculum, Special Education, Pupil Services, Personnel and a reduction in medical insurance costs. Dr. Hey spoke to the Personnel cuts, explaining that federal ESSER funds which were being used for some support positions and the cuts will present challenges to continue to serve learning loss.

Mr. Taylor reviewed a slide showing the millage rate impact and the revenue generated by percentage increases to taxes. Mr. Taylor reminded that the Board has a possible maximum tax increase of 4.1% or \$4.41M.

Local Revenues were reviewed showing previous years collections of real estate taxes. Mr. Taylor indicated that while EIT seems to be trending ahead of previous years, there is not much fluctuation on per capita taxes. Mr. Taylor reviewed earnings on investments as well as expressing caution on future projected investment earnings.

A slide was shared that reviewed the Special Education Budget vs. Actual in a 5 Year History. It showed significant increases to professional services for both elementary and secondary students. An enrollment breakdown shows special education enrollment at 22% of the district population, however the increases are in line with those of both our region and the state. Mr. Taylor reviewed a slide showing the special education cost per student comparison with surrounding area school districts showing that Souderton is experiencing similar percentages of growth and expenditures.

Additional slides were shown reflecting the individual cost increases within the Special Education Department including revenue per student, emotional, autistic and learning support costs which all show significant increases over the 5 year history. Mr. Taylor explained that the state funding of special education simply does not keep pace with escalating costs and special education enrollment growth.

A slide was presented outlining charter school enrollment and expenditure history, showing steady enrollment backed by a flawed funding formula, creating a void in school budgets.

Mr. Taylor presented several other slides depicting future considerations of revenues; including the monitoring of real estate collection, earned income and transfer taxes, and continuing to look at allowable investments to maximize earnings interest. Mr. Taylor also reviewed a slide that depicted future considerations of expenditures; noting personnel review and retirements, medical benefit trends, charter and cyber school enrollment changes and special education costs.

Mr. Taylor reviewed a slide showing a 5-Year History of Debt Service and a 5-Year Forecast for Capital Improvements.

The following dates were presented as they relate to budget development:

- April 27th - Approve Proposed Final Budget with a 4.1% tax increase
- May 10th - Finance Committee Meeting - budget update
- June 7th - Finance Committee Meeting - final budget review and discussion
- June 22nd - Board Action Meeting - approve Final Budget

Mrs. Scheuren thanked Mr. Taylor for the presentation and asked about real estate assessments and transfer taxes. Mr. Taylor replied that the numbers are current noting there is very little lag in reporting.

A brief discussion occurred regarding salaries of district employees and contracted personnel. Assistant Superintendent and Director of Human Resources Dr. Hey indicated that the once negotiable rates with service industries is no longer attractive and those salaries are anticipated to continue to increase.

Mrs. Scheuren inquired about the current investment structure and Mr. Taylor indicated that the district is not locked-in to any long term investments. Mr. Taylor stated that monthly conversations occur with our financial institutions which are matching their rates to the Fed increases.

Dr. Hey indicated the receipt of nine retirements from current faculty and staff at approximately a savings of \$60K each. It is projected that the number may increase to twelve by the end of the school year.

A discussion occurred about the increased costs to the Special Education Department. Director of Pupil Services, Mrs. Zweiback noted the significant increase in the enrollment of Early Intervention students. Mr. Landis asked about long term impact of special education students on budget development and Mr. Taylor indicated area business managers have had discussions that it could be 10-12 years until there is no impact from the pandemic, to students.

Mr. Kwiatkowski and Mr. Nelson expressed concerns about expenditure adjustments and Mr. Taylor reiterated the challenge of supporting our programs, maintaining school safety and making necessary repairs and upgrades to facilities.

Mr. Keith noted his understanding that the ESSER funding has ceased. He asked for clarification that no programs are being cut and building safety is not being impacted. Mr. Keith also noted that special education costs are not isolated to Souderton and staffing concerns are indeed an issue of supply and demand.

A member of the audience asked about the cost of the SASD School Police Officers and Dr. Hey answered approximately \$250K salary and benefits.

Mr. Taylor gave a brief update on the BusPatrol program noting 22 violations since Tuesday. He also noted that the ultimate goal of the program is public awareness and student safety, not monetary gain.

The committee agreed to move the Proposed Final Budget to the April 27 Board Action Meeting.

1.3 Approve the 2023-2024 North Montco Technical Career Center Budget

Dr. Hey indicated that this is an annual approval for the NMTCC budget supported by the five sending school districts.

Mr. Taylor reviewed the costs from the previous school year stating that the overall sending districts' tuition contribution will increase by \$313,970, however the with SASD's share decreasing by \$25,471.

The Committee agreed to move forward for approval on April 27th.

Mrs. Scheuren adjourned the Finance Committee Meeting at 7:58 P.M.

2. Policy Committee

2.1 Policies 137 through 137.3 - Discussion

Mrs. Flisak called the Policy Committee Meeting to order at 8:06 P.M.

Mrs. Flisak defined the word "policy", noting the district's use of policy, as a guideline.

Dr. Hey indicated that schools boards are governed by policies, and enacted through legislation.

Director of Pupil Services, Mrs. Zweiback stated that the revisions to Policies 137 which relate to Homeschool education, provide additional access to homeschooled students. Mrs. Zweiback indicated that the district currently has 300 students that are homeschooled.

Mrs. Zweiback also stated that the new policy language is more specific for the parental supervision of homeschool education. Mrs. Zweiback stated that extra curricular participation has always been allowed in the Souderton Area School District, but the new language is more explicit. She also indicated that a new area that is being added includes the permission for homeschool students to enroll in one block per day of an academic course in our schools. Another add of specific language outlines the participation in career and technical education programs, which Souderton also previously permitted.

Dr. Hey noted that the reading of the policies will occur on April 27, May 25 with a final adoption scheduled for June 22.

2.2 Policy 140 - Discussion

Mrs. Flisak stated that this is a first reading of a policy clearing defining a relationship between the Board of School Directors and any charter school operating within its boundary lines. The policy states an oversight for both charter renewal and new applications. Until this time, the school district had been following charter school law and the new policy clearly outlines renewal and new application information. Mrs. Flisak also noted that this is a policy that many other school districts already have in place.

Dr. Hey stated that a second reading would occur on April 27 and third reading and final adoption is scheduled for May 25th.

Mrs. Flisak adjourned the Policy Committee Meeting at 8:37 P.M.

Respectfully Submitted,



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