

State College Area School District

MISSION: To prepare students for lifelong success through excellence in education

COMPELLING PURPOSE: Uniting talent and passion!

BOARD SPECIAL MEETING

Wednesday, May 18, 2011, 7:00 p.m.

Board Room

131 W. Nittany Avenue

State College, PA 16801

- I. CALL to ORDER
- II. INTRODUCTION on PURPOSE of MEETING
- III. FY2011-2012 BUDGET UPDATES and REVIEW
- IV. ACTION ITEMS
 - A. The Acting Superintendent recommends reinstating the following position:

.5 Early Childhood Paraprofessional
 - B. Pursuant to Section 1124 of the School Code, the Acting Superintendent recommends the following program alterations or curtailments (as more clearly explained in the attached program evaluation sheets) due to a substantial decrease in pupil enrollment in the School District and to conform with standards of organization or educational activities required by law or recommended by the Pennsylvania Department of Education:

.5 High School Tech Ed Teacher
- V. QUESTIONS/INFORMATION/DISCUSSION
- VI. ADJOURNMENT

Since the Early Childhood Education program has been retained at its full time status it is recommended that the paraprofessional position be reinstated to its original status as well, which is 7 hours per day. The recommendation is based on the fact that on Monday, Wednesday, and Friday of each week we have young children in the room every class period. Having another pair of hands and another supervising adult in the classroom is imperative to support the full time program. On the alternate days the para assists with the preparation and securing of materials to properly execute the activities for the children

PROGRAM EVALUATION TEMPLATE

Program Name: __Technical Education Teacher

Reference number: _____

Location (where offered): _____HSS

Population served: _HS_____
(ex: HSN, HSS, LE/SS, Delta, Spec. Grade, etc.)

State graduation requirement (Y/N) __No____

Local Graduation Requirement (Y/N) __No____

Keystone Graduation Exam (Y/N) __No____

CTC Program (Y/N) __No____

Bureau of L&I high priority program (Y/N) __NA____

Number of participants: _NA____

Number completing: ____NA__

Description of Program:

We need to fill a .50 Tech Ed position to teach three sections of 2D CAD, two sections of Technical Woodworking and one section of Computer Graphics I. We are expecting some students to move into these courses as a result of the program reduction in Engineering.

Proposed action (circle one):

Revise

Reduce XXX

Eliminate

Number of students affected: __0____

Number of faculty/staff affected: _____.50_____

Rationale for Elimination:

Due to low enrollment we are able to staff all of our courses in Technical Education with 3.5 FTE rather than 4.0 FTE.

Impact:

We will be able to safely run all of the courses in Tech Ed. This reduction will not affect any course offering. Adding .50 FTE back into the master schedule allows us to provide safe and balanced class sizes for all of the program courses

Alternatives considered/comparable programs offered:

Potential cost savings: __\$25,000.00_____

Potential resource savings (time, space, etc): ____NA_____



Jeffrey S. Ammerman, Business Administrator
131 W Nittany Avenue
State College PA 16801
814-231-1021
jsa13@scasd.org

MEMO

To: Mike Hardy

From: Jeffrey Ammerman

Date: May 16, 2011

Subject: 2011-12 Budget

On May 23, we will need to adopt a proposed final budget. Final budget adoption is scheduled to occur on June 27. The budget that is adopted on June 27 can differ from the one adopted on May 23.

At our previous meeting, proposed cuts of \$446,500 of salary items were not approved. Still included in the proposed cuts is an approximate \$200,000 reduction in extracurricular and athletic activities through either reducing activities or charging a fee for participation. This discussion will continue at the meeting. In the same vein, approximately \$150,000 of reductions of in-car Driver Education has been factored into the budget. The Board wishes to discuss options for potentially offering the program in a different manner.

On the state budget front, there is some hope that between \$1.3 and \$1.4 million of state funding could be restored. The State House is considering a budget bill that would do that through not changing the funding formula for Social Security reimbursements, restoring Basic Education Funding to the 2008-09 level, and funding the Accountability Block Grant at about 40% of the 2010-11 amount. Even if the House approves this, the State Senate will have to approve their version of the budget, and finally the Governor would have to approve whatever consensus is achieved between the two chambers. It will be sometime in June at the earliest that we will know the outcome of this.

The debt service issuance to fund the rest of the costs of the elementary school projects will generate some one time savings in 2011-12 of approximately \$400,000. Prior to approving the 2011-12 budget, we need to revisit Phase 2 of the District Facilities Master Plan as it relates to timing, funding, and the desire to continue with the Plan as previously adopted. Despite the challenging economic times, the need to maintain facilities will not just go away. One method for directing some additional funding to facilities would be to transfer the money from the sale of Boalsburg Elementary School and the one time reduction in debt service into the Capital Reserve Fund. Combined these two items represent \$1,150,000. In 2012-13, that revenue will not recur and the debt service expense will increase. This methodology would be consistent with prior Board guidance to not use one-time money to balance the budget. Also to present all one-time items in a consistent manner, the one year jump in unemployment compensation has been pulled from the benefit total and shown as a separate line item. This allows for a comparison of recurring revenue with recurring expenses. The simplified budgets incorporating all of these changes are below. PSERS pre-funding of \$1 million is contained within these budget numbers. There will be no true expense for this item. It will accumulate to mitigate future tax increases.

	11-12 Budget with Salary Freeze and only Attrititional Reductions	11-12 Budget with Salary Freeze, Attrition, and Furloughs
General Fund Budget with a 1.4% Tax Increase		
Salaries	57,800,000	56,745,500
Benefits	24,701,400	24,429,517
Total Expenses	112,809,100	111,488,419
Total Local Revenue	93,230,000	93,230,000
Total State Revenue	16,251,865	16,165,548
Federal Revenue	<u>1,300,000</u>	<u>1,300,000</u>
Total Revenue	110,781,865	110,695,548
Revenue-Expense (Governor's Budget)	-2,027,235	-792,871
House Republican Additional State Revenue	<u>1,341,350</u>	<u>1,303,100</u>
Revenue-Expense (with House Budget)	-685,885	510,230
Boalsburg Sale Revenue and Debt Service Reduction	1,150,000	1,150,000
Potential Unemployment Compensation Increase		450,000

Future year's budgets will be impacted by other potential changes at the state level. There is currently legislation moving to eliminate all Act 1 exceptions, including the one for PSERS. This will create a huge challenge if it is approved. PSERS payments are mandated by the state. If we have a referendum in 2012-13 and it fails, we will still have to make our pension payments. Part of the reason we have embarked on a PSERS pre-funding strategy was to manage the tax increases necessary to fund this obligation.

As demonstrated below, if all exceptions go away and the Act 1 index remains where it is for this year for some period of time, we will not be able to fund our benefit increases without going to referendum. If the referendum were to fail, we would be facing more drastic reductions than we are considering now.

Salary and Benefit Increases with Salary Frozen at 2010-11 Levels

Year	PSERS Rate	Salary Total with no growth	Net PSERS at "HB2497" Rates	Annual Net Increase for PSERS	15% Increase in Health Insurance	Sum of Major Benefit Increases	Tax increase at 1.4% and 1% assessed value growth	Revenue Growth minus Expense Growth	Additional Taxation % needed
11-12	8.65%	59,479,881	2,572,505	895,172	1,500,000	2,395,172	1,700,000	-695,172	1.0%
12-13	12.22%	59,479,881	3,634,221	1,061,716	1,725,000	2,786,716	1,723,800	-1,062,916	1.5%
13-14	16.71%	59,479,881	4,969,544	1,335,323	1,983,750	3,319,073	1,747,933	-1,571,140	2.2%
14-15	21.20%	59,479,881	6,304,867	1,335,323	2,281,313	3,616,636	1,772,404	-1,844,232	2.6%
15-16	24.24%	59,479,881	7,208,962	904,094	2,623,509	3,527,604	1,797,218	-1,730,386	2.5%

Salary and Benefit Increases with 2% Salary Increases

Year	PSERS Rate	Salary Total with 2% growth	Net PSERS at "HB2497" Rates	Annual Net Increase for PSERS	15% Increase in Health Insurance	Sum of Salary and Major Benefit Increases	Tax increase at 1.4% and 1% assessed value growth	Revenue Growth minus Expense Growth	Additional Taxation % needed
11-12	8.65%	60,669,479	2,623,955	946,622	1,500,000	3,636,220	1,700,000	-1,936,220	2.8%
12-13	12.22%	61,882,868	3,781,043	1,157,088	1,725,000	4,095,478	1,723,800	-2,371,678	3.4%
13-14	16.71%	63,120,526	5,273,720	1,492,677	1,983,750	4,714,084	1,747,933	-2,966,151	4.2%
14-15	21.20%	64,382,936	6,824,591	1,550,871	2,281,313	5,094,594	1,772,404	-3,322,190	4.7%
15-16	24.24%	65,670,595	7,959,276	1,134,685	2,623,509	5,045,853	1,797,218	-3,248,635	4.6%

Salary and Benefit Increases with 3% Salary Increases

Year	PSERS Rate	Salary Total with 3% growth	Net PSERS at "HB2497" Rates	Annual Net Increase for PSERS	15% Increase in Health Insurance	Sum of Salary and Major Benefit Increases	Tax increase at 1.4% and 1% assessed value growth	Revenue Growth minus Expense Growth	Additional Taxation % needed
11-12	8.65%	61,264,277	2,649,680	972,347	1,500,000	4,256,744	1,700,000	-2,556,744	3.7%
12-13	12.22%	63,102,206	3,855,545	1,205,865	1,725,000	4,768,793	1,723,800	-3,044,993	4.3%
13-14	16.71%	64,995,272	5,430,355	1,574,810	1,983,750	5,451,626	1,747,933	-3,703,693	5.3%
14-15	21.20%	66,945,130	7,096,184	1,665,829	2,281,313	5,896,999	1,772,404	-4,124,595	5.9%
15-16	24.24%	68,953,484	8,357,162	1,260,978	2,623,509	5,892,842	1,797,218	-4,095,624	5.9%

In order to deal with this eventuality, there is a planned use of fund balance going forward. A managed deficit would be built into the budget beginning in 2013-14 to allow for the accumulated funds to be spent down and for future tax increases to be smaller to handle this mandated expense. Act 1 has made it necessary to consider not only current year's expenses when approving a budget, but future expenses as well. In order to not have to make drastic changes to what the District offers, a long term view must be employed.

Year	Annual Pay forward fund contribution	PSERS Fund Balance
10-11	2,000,000	8,000,000
11-12	1,000,000	9,000,000
12-13	515,118	9,515,118
13-14	-346,353	9,168,765
14-15	-1,253,395	7,915,369
15-16	-1,731,374	6,183,995
16-17	-1,518,798	4,665,197
17-18	-1,273,771	3,391,426
18-19	-1,071,055	2,320,371
19-20	-803,096	1,517,275

The strategy above assumed a 2% salary growth over time.

Most immediately, we need to adopt a proposed budget on May 23. To do so, we will need to incorporate a tax rate and an overall spending total into that budget, recognizing that there are many variables that could change by the June 27 adoption. Our discussion on Wednesday evening should focus on making those determinations. The key remaining pieces to be determined are the tax rate, the desire to charge fees for extracurricular activities, and the resolution to the Driver Education discussion.

Level	Description	Detail	X- Out of Classroom C - In Classroom	Salary Amount	FTE	Attrition (A) Furlough (F) Other (O)	Ref. #
Out of Classroom Furloughs/Demotions/Changes							
Central	Development	Development Specialist	X	\$65,000	1.00	F	6
Central	Receptionist	Reduce a position	X	\$30,000	1.00	F	7
Central	Physical Plant	Various Positions	X	\$95,000	2.00	F	47
Central	Tech Services	Various Positions	X	\$103,000	1.25	F	44
Central	Community Education	Reduce District Contribution to Community Ed.	X	\$56,300	1.25	O	3
Elementary	Para/Clerical	Library Para/Secretary due to building combination (MNES)	X	\$40,000	2.00	F	39
Elementary	Division Chair/Team Leader	Eliminate duties	X	\$155,000		O	37
High School	Driver Education	Reduced para	X	\$12,000	1.00	F	15

Level	Description	Detail	X- Out of Classroom C - In Classroom	Salary Amount	FTE	Attrition (A) Furlough (F) Other (O)	Ref. #
LE/SS	Health Paras	Reduce 3 Health Paras	X	\$51,600	3.00	F	42
Out of Classroom Furloughs/Demotions/Changes Total				\$607,900	13		
In Classroom Furloughs/Demotions/Changes							
High School	Driver's Education	Eliminate in-car: school year	C	\$125,000	2.00	F	15
High School	Driver's Education	Eliminate Summer in car and classroom	C	\$49,000		F	15
High School	Social Studies	Reduced enrollment	C	\$50,000	1.00	F	17
High School	Art Teacher	Reduce Art Program	C	\$16,500	0.33	F	21
High School	CTC	Reduce Public Safety while adding Health Professions courses (net change)	C	\$16,500	0.33	F	24
High School	CTC	Reduce Para Time related to Auto Tech	C	\$5,000	0.50	F	25

Level	Description	Detail	X- Out of Classroom C - In Classroom	Salary Amount	FTE	Attrition (A) Furlough (F) Other (O)	Ref. #
High School	CTC	Reduce Early Childhood para	C	\$5,000	0.50	F	26
High School	CTC	Reduce Engineering Program	C	\$25,000	0.50	F	27
High School	CTC	Reduce Vo-Ag Program	C	\$41,500	0.83	F	28
High School	Family & Consumer Science	Reduce FCS Program	C	\$58,300	1.17	F	29
High School	World Language	Arabic 1 not offered, due to low enrollment. Could be offered in future because of a dual certified teacher	C	\$8,500	0.17	F	48
Middle	Math Teacher - MNMS	Reduced enrollment	C	\$25,000	0.50	F	34
Middle	Music Teacher - MNMS	Reduced enrollment	C	\$25,000	0.50	F	35
In Classroom Furlough/Demotions/Changes Total				\$450,300	8.33		

Level	Description	Detail	X- Out of Classroom C - In Classroom	Salary Amount	FTE	Attrition (A) Furlough (F) Other (O)	Ref. #
Total				\$1,058,200	20.83		
Positions Suspensions by Area		High School			8.33		
		Central Operations			6.50		
		Health Para's due to certification requirements			3.00		
		Elementary due to Building Consolidation			2.00		
		Middle School			1.00		
Positions Suspended by Type		Faculty			7.33		
		Paraprofessionals			6.00		
		Managers/Coordinator/Specialists			3.50		
		Maintenance			2.00		
		Secretaries			2.00		

STATE COLLEGE AREA SCHOOL DISTRICT

SECTION: PROGRAMS

TITLE: COCURRICULAR ACTIVITIES

ADOPTED: August 26, 2002

REVISED:

	122. COCURRICULAR ACTIVITIES
1. Purpose	The Board believes that the goals and objectives of the district are best achieved by a diversity of learning experiences, some of which are more appropriately conducted outside the regular classroom curricular program of the school.
2. Definition Pol. 123	For purposes of this policy, cocurricular activities shall be those activities other than interscholastic sports which are sponsored or approved by the Board but are not offered for credit toward graduation. Such activities shall ordinarily be conducted wholly or partly outside the regular school day, and may include intramural sports for grades 4 through 12 and other Board approved clubs and activities.
3. Authority	The Board may make school facilities, supplies, and equipment available and assign staff members for the support of a program of cocurricular activities for students in grades 4 through 12. For a club sport team only, a school staff member will be assigned to a club sports team, but the district will not be responsible for costs associated with facilities, supplies, or equipment. Any cocurricular activity shall be considered to be under the sponsorship of this Board when it has been approved by the Board on recommendation of the Superintendent or designee. The Board shall maintain the program of cocurricular activities with no participation fee; however, students may assume all or part of the costs of travel and attendance at cocurricular events and trips.
4. Delegation of Responsibility	The Superintendent or designee shall prepare procedures to implement a cocurricular program which shall: 1. Assess the needs and interests of the students of this district.

P.L. 98-377	2. Invite the participation of parents and community in the development of a program of cocurricular activities. 3. Involve students in the planning of cocurricular activities. 4. Ensure the provision of competent guidance and supervision of staff. <u>Equal Access Act</u> The district shall provide secondary students the opportunity for one or more non-curriculum related student groups to meet on the school premises during noninstructional time for the purpose of conducting a meeting within the limited open forum on the basis of the religious, political, philosophical, or other content of the speech at such meetings. Such meetings must be voluntary, student-initiated, and not sponsored in any way by the school, its agents, or employees. Noninstructional time is the time set aside by the school before actual classroom instruction begins or after actual classroom instruction ends. The meetings cannot materially and substantially interfere with the orderly conduct of the educational activities in the school. The Superintendent or his/her designee shall establish the length of sessions, number per week, and other such limitations as felt reasonably necessary. The district retains the authority to maintain order and discipline on school premises to protect the well-being of students and employees and to ensure that the attendance of students at such meetings is on a voluntary basis.
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State College Area School District
Student Activities, Intramurals and Interscholastic Athletics
For FY2011-12

Reductions in Student Activities, Intramurals and Interscholastic Athletics have been suggested as possibilities to reduce the budget shortfall in revenue versus expense.

Proposed Reductions

Student Activity Fees

The district budgeted \$461,000 in 2010-11 for Student Activities throughout the district. These funds provide stipends and benefits for advisers, as well as monies for field trips, repairs, travel, supplies, equipment and registrations.

Reductions totaling \$134,000 were recommended which would result in funding for a number of activities to be eliminated or to be reduced.

Athletics – Intramural and Interscholastic Athletics

The budget for Intramural and Interscholastic Athletics for 2010-11 totals \$1.9 million.

Programmatic reductions in this area included several options. Revisions to the previous recommendations are included below:

Intramurals - Reduce intramural offerings by limiting the number and/or the frequency of the activities.

A reduction of 10% of the intramural offerings would generate a savings of \$10,000.

Interscholastic Athletics – Reduce the number of contests for each sport.

Looking only at middle school sports, a reduction of 1 contest for each sport would reduce expenses by \$10,000. This recommendation is consistent with the thinking of other districts during these fiscally constrained times. By reducing these programs at the middle level in a condensed fashion, the number of competitions will be increased when budgets are not as challenged.

Proposed Participation Fee Recommendation

In an effort to provide an alternative to avoid reductions in student activities, intramurals and interscholastic athletics, a participation fee has been suggested.

The structure for the proposed participation fee is:

- \$50 per student per year for unlimited participation in student activities and intramurals
- \$100 per student per year for unlimited participation in interscholastic athletics as well as student activities and intramurals

Total receipts from the proposed participation fee is estimated at \$200,000.

State College Area School District
Driver's Education – Recommendation
For 2011-12

The Driver's Education program at the High School includes a classroom element as well as an in-car experience. The classroom element is currently a graduation requirement, while the nine-hour in-car experience is an elective.

The costs for the in-car driver's education elective totaled \$267,000 in 2010-11. This includes 2 full-time instructors as well as the lease of 7 vehicles. Based upon 500 students (number completing in last year), the cost is approximately \$530 per student.

To maintain the program as is, a proposed fee of \$530 per student would need to be assessed to cover the costs of the in-car experience. Currently a \$50 fee per student is assessed with an additional \$35 per student being provided through state subsidy. If the fee is increased above the \$50 level, the \$35 subsidy would end.

The Superintendent's recommendation is to eliminate the behind-the-wheel portion of Driver Education.