

Mr. Rasmus called the Millville Area School District Finance Committee Meeting to order at 6:32 pm.

Those present in the High School Library were Joseph Rasmus, Superintendent; Whitney Holloway, Business Manager/Board Secretary; Susan Myers, Finance Committee member; Greg Hemsarh, Finance Committee member; and Chelsea Rosenberger, Assistant Board Secretary. Also present were staff and community members: Alex Cavallini, Andrew Hemsarh, Kim Coleman, Laura Koons, Amber DiRado, Kelly Myers, Jayleen Miller, Lindsey Shultz, Emily Bloom, Wendy Faatz, Chandra Johnson, Lisa Leighton, Erin Kohrherr, Katie Downs, Tarah Kishbach, Sonja Flook, and Mary Womer.

In opening, Mr. Rasmus explained that the Board of Education had passed the preliminary budget on April 14, 2025 and due to the passing of a furlough resolution on April 28, 2025, the second board meeting date in June would be changed to June 30, 2025 as the budget must be considered no less than 60 days since the furlough resolution. He shared that the Committee must discuss updates to the budget since the initial preliminary budget passed.

Loan Update

- ❖ Mr. Rasmus began by reminding those present that the Board passed the entrance of a loan for the HVAC project as part of a Guaranteed Energy Savings project.
 - Mrs. Holloway explained that the Board engaged PFM and bond counsel to provide the district with a resolution and financing options for this project. While bond counsel did receive preliminary approval from DCED, the final approval was reneged. Therefore, she explained, the Board must pass a new resolution which would nullify the previous one. She explained that nothing would be changing in the new resolution except the verbiage used. Mrs. Holloway shared that this updated resolution would be placed on the agenda for consideration of the Board at their June 9, 2025 meeting, adding that it would have no economic impact but would delay the closing.
 - Mr. Rasmus reiterated that this would have no financial impact because the Board already passed a reimbursement resolution, which would allow the district to reimburse themselves for any expenses paid prior to the disbursement of the loan.

Current Capital Reserve Balance

- ❖ Mrs. Holloway explained that the district would be undertaking a number of building and grounds updates over the next few months. She asked the Committee to consider moving \$500,000 from the general fund to the capital reserve. Mrs. Holloway added that if it was amenable to the Committee, she would put this forth to the Board, adding that once this money is placed in capital reserve, it cannot be taken back.
 - Mr. Greg Hemsarh asked if the district receives back some more actual figures from these projects, could the amount moved to capital reserve be less. He explained that he did not want too much funding there unnecessarily.
 - Mrs. Holloway said that yes, she could get some more actual figures and adjust accordingly.

Final Budget Discussions

- ❖ **Tax Impacts**
 - Mrs. Holloway shared that she received the assessed values back from the county and there was not much change in revenue compared to last year.
 - Mrs. Holloway then shared the tax increase calculations, looking at collection percentages from last year compared to the current year. She explained that the district

does receive additional revenue of approximately \$29,000 by collecting taxes ourselves.

- Next, Mrs. Holloway shared that the district received the Homestead/Farmstead allocation, which is funding that the state gives back to us for our taxpayers.
 - Mr. Rasmus clarified that this funding is not revenue but rather a reduction for taxpayers.
 - Mrs. Holloway concurred, sharing that the average person would get back about \$334 per homestead tax reduction if the district moves towards a 50% tax increase.
 - Mr. Greg Hemsarth asked what each tax increase would be approximately.
 - Mrs. Holloway answered that at a fifty percent increase in taxes, the average taxpayer increase would be \$42.07.

❖ **Federal Revenue**

- Mrs. Holloway explained that there was no adjustment for federal revenue at this time because she did not yet have the figures.

❖ **District Cost Savings Initiatives since Preliminary Budget**

- Mrs. Holloway then shared that the district received the health insurance costs for the 2025-2026 school year and there are some savings there due to personnel changes.
- Overall, Mrs. Holloway explained that the budget calculations have decreased by \$376,086 with a remaining deficit of \$324,493. She shared some figures at different percentages of tax increase.
 - Mr. Hemsarth clarified that the formula for Homestead/Farmstead would change the amount of increase based on the percentage of tax increase.
 - Mrs. Holloway confirmed that the money has to be distributed in its entirety so it would be calculated differently based on different levels of increase. She further explained that the district has not yet received the insurance premiums as well as state funding. She shared that there have been a lot of meetings at the state level regarding cyber funding as well as calculations for students who are in regular education versus those needing special education services.
 - Mr. Rasmus commented that the district needed to try and have an event to get these students back to brick and mortar.

❖ **Furloughs**

- Mr. Rasmus reviewed the steps of the furlough process undertaken by the district thus far. He shared that decisions were made to furlough staff members that have the least amount of impact on students. To that end, he shared that the district was considering the furlough of the Accounting Teacher position, an Elementary Learning Support Teacher position, and an Elementary Related Arts Teacher position. Mr. Rasmus explained that the impact on the Elementary Learning Support would mean that the teacher for Kindergarten through third grade would go from a caseload of 24 to 26 students, and the teacher for grades fourth through sixth would change from a caseload of 27 to 29. He shared that these caseloads were within the Pennsylvania Department of Education standards for special education, even though the numbers were not the only factor in this potential option. He said that the students' needs are the greater concern. Therefore, the district would need to create a schedule that allows for coverage of all these students. Finally, Mr. Rasmus said, when looking at the Elementary Careers and Technology position, if the teacher were to move to a classroom grade level, the district would be able to offer two other related arts specials, possibly looking at Careers/SEL and a Digital Literacy rotation.

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- Mr. Rasmus then reviewed the summary of furlough savings with the teacher, paraprofessionals, and administration staff classifications, sharing that the district was looking at this to cut down on the \$300,000 plus deficit.
 - Mrs. Shultz asked for clarification on the administrative position being furloughed.
 - Mr. Rasmus answered that the Board was looking at a district office position.
 - Mrs. Miller asked about the gifted education program.
 - Mr. Rasmus answered that this was still being addressed and that they would like to speak with the teacher first.
- Mrs. Bloom asked that the Board carefully consider cutting a learning support position, stating that it is very challenging to teach that many grade levels at once. She asked what quality of education there is in that scenario.
 - Mr. Rasmus answered that this a huge concern, adding that the district needs to have urgency to attach paraprofessionals to help with this issue.
 - Mr. Greg Hemsarh commented that the district has positions available for paraprofessionals that remain vacant.
 - Mr. Rasmus confirmed that the district has open positions that we have been unable to fill.
- Mr. Greg Hemsarh asked if by law, certain positions have to be considered for furlough before others.
 - Mr. Rasmus answered that the district is trying to look at positions that impact students the least. He added that the district currently has teachers who are operating under emergency certifications, so those individuals would need to be considered first.
- Ms. Downs asked if the district considered combining transportation services with Benton School District.
 - Mr. Rasmus answered that we are looking at this option. He also shared the efforts undertaken by the Board to establish an Early Retirement Incentive with the professional staff, which was not realized due to the inability for the district to come to an agreement with the teachers' association.
- Ms. Downs then asked if the district was considering administrative raise freezes instead of furloughs.
 - Mr. Rasmus answered that administrative raises are at two percent compared to professional staff which are much higher percentages with the new contract.
- ❖ **Support Staff/Act 93 Negotiations**
 - Mrs. Myers explained that the Act 93 contract is about finished, with the only remaining consideration being the healthcare change. She explained that the administrative raises would remain at 2%, and the only other change would be allowing the children of administration to enroll in the district.
 - Mr. Rasmus commented that support staff negotiations would be taking place again on the next Wednesday.
- ❖ **Proposed Budget Timelines**
 - Mrs. Holloway explained that the final budget would be presented to the Board for consideration at the June 30, 2025 meeting. She added that the district would continue to consider additional savings and revenue.
 - Mrs. Coleman asked if the individuals who are being furloughed have all been contacted and know the definitive dates.

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- Mr. Rasmus answered that the district would be sharing that information by the end of the week.
- Mrs. Coleman wanted to ensure that teachers would not have to wait until the middle of the summer to know this information and not have adequate time to prepare.
- Mr. Rasmus confirmed that the plan was to share this information by the end of the week.
- Mrs. Kishbach wanted to reiterate the concern about losing a learning support teacher. She explained that this is difficult to swallow because she is concerned about the quality of education, especially with all the coverage concerns this past year. She explained that it is hard to imagine the weight of this and the safety when there aren't enough bodies to go around. Additionally she shared that it is challenging to hear that additional direct services will be missing next year, with regular education teachers needing to do interventions instead of receiving services. In closing, she communicated that there were a lot of logistical challenges to this that made her feel anxious.
 - Mr. Rasmus thanked her for her feedback, as well as shared his appreciation for her explanation of how that impacts students. He added that he welcomed ideas from teachers.
- Ms. Kohrherr then commented as a parent, stating that her student depends on counselors. She understood that these are all hard decisions and the Elementary has been working at a deficit the whole year. She said that the specialists were covering so much of the classroom time. Additionally, she was concerned that her student missed core classes to go to gifted education, which was not fair to her. Ms. Kohrherr stated that she was nervous for those who are needing those learning support services as most of those students do not have what they need at home. She stated her concern with the removal of paraprofessional positions and asked that the Board consider more than just what is on paper and also what it means for students.
- Mrs. Mary Womer commented that the consequence of all of this is that the students may leave the district.
- Mrs. Leighton asked if the art teacher was going to be replaced.
 - Mr. Rasmus answered that he could not discuss personnel publicly but the plan was to replace with a full time teacher and that students would still have six related arts sections.
- Mrs. Downs then asked if the district had considered furloughing administrative positions, asking if we needed two principals.
 - Mr. Rasmus answered that he did not feel it would be safe to have only one principal.
 - Mrs. Downs then asked if the business manager could be outsourced.
 - Mrs. Myers answered that the district has looked into that before, and it was not cost effective.
 - Mr. Greg Hemsarth added that it was about twice as much to do so.
- Mr. Andrew Hemsarth asked in the event that the district would increase taxes to the full Act 1 index allowance, would positions be saved.
 - Mrs. Holloway reviewed the figures for this proposal.
 - Mr. Rasmus answered that yes, it would potentially save positions.
 - Mrs. Myers commented that the Board was not willing to raise taxes to the full index and that the percentage of increase passed was not well received.

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- Mr. Hemsarh then asked about if the district had raised taxes to the full Act 1 index last year, what the calculations would be.
- Mrs. Holloway did not have the calculations with her at that time.
- Ms. Kohrherr then asked when compared to other districts, do other schools have a similar set up to us with learning support with a total of 25 per classroom.
 - Mr. Rasmus answered that every school is different and that Millville got close to the max allowed in Elementary grades last year. He added that the district would like to have specialists in their classroom more.
 - Ms. Kohrherr clarified that her question is stemming from the percentage of our students with IEPs and overall numbers for classes, citing that our class sizes are very large. She shared her concern that the caseloads will increase and services will end up being absorbed by regular education teachers and she didn't know how our teachers can take on any more.
 - Mr. Rasmus answered that if the district can attract more paraprofessionals and more substitutes, this would be a better prospect.
 - Mrs. Miller asked if the district could reimburse paraprofessionals for clearances and help them to apply.
 - Mr. Rasmus answered that he was open to that and would be talking to the university about some students coming to serve as paraprofessionals.
- Mr. Andrew Hemsarh asked Mrs. Myers to clarify her comment from earlier about ratifying an increase to the full Act 1 index.
 - Mrs. Myers answered that based on past voting practices of the Board, she did not believe that the Board would approve an increase in taxes to the full Act 1 index.
 - Mr. Greg Hemsarh added that the Board has not been open to that type of increase in the past.

ADJOURNMENT

The Committee adjourned the meeting at 7:46 pm.

Chelsea Rosenberger
Assistant Board Secretary