

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
PUBLIC 2008 - 2009 BUDGET WORKSHOP #3

MARCH 31, 2008

The third Public 2008-2009 Budget Workshop of the Board of School Directors of the Bethlehem Area School District was held on Wednesday, March 5, 2008 beginning at 6:08 p.m., in the Auditorium of East Hills Middle School, 2005 Chester Road, Bethlehem, Pennsylvania.

Members present: Directors Amato, Dexter, Follweiler, Haytmanek (arrived at 6:21 p.m.), McKeon, Tenaglia and Leeson – 7. Absent – Directors Koch and Cann – 2.

MEMBERS
PRESENT

Others present: Dr. Joseph A. Lewis, Superintendent of Schools; Mr. Robert Gross, Associate Superintendent; Mr. Stanley J. Majewski, Jr., Board Secretary; administrators, members of the press, and other interested citizens and staff members.

OTHERS PRESENT

President Leeson stated that they would use the same basic format, which they used for the past two workshops. The administration would present their recommendations for cuts. They would then proceed through the budget, area by area as people would like to discuss. She noted that the public was welcome to join them in any conversation, but emphasized that they would like to stay on one topic at a time.

DISCUSSION
FORMAT

President Leeson asked if there were any comments or questions.

Director Amato commented about information received on CA/MP data. He reviewed that since the beginning of the year, they have had 55 physical assaults in their schools, which was almost eight per month. His first question was why the students were in CA/MP because he thought that students were expelled in cases involving physical assault. He thought that physical assault involved contact with somebody getting hit. Before they start to make cuts in the budget, he wanted someone to explain why the schools were getting out of hand.

President Leeson asked Director Amato if the subject could be addressed at the end of the meeting because this evening they were covering the Business Department, the Special Education Department, and the I.T. Department. She stated that when they were finished with them, they would then take questions, noting they already addressed the area in a previous meeting but could go back to it at the end of the meeting when the board would begin to ask questions.

Director Amato inquired about how the information dated March 28th could have been previously addressed.

President Leeson asked Director Amato to allow administration to present their intended areas this evening, followed by discussion and then go to any other areas afterward. She said they would be very happy to address his issues but wanted to get it in the correct order.

Director Amato replied that he wanted people to keep it in mind when they were addressing the cuts because it was out of control.

President Leeson agreed that it was well worth bringing up but asked him to do so at the proper time.

Director Amato responded that somebody else could address it.

Dr. Lewis thought that Mr. Washington would certainly be willing to answer specific questions relative to Student Services.

Dr. Lewis stated they were looking at Special Education, Information Technology, Business Office and Maintenance to round out the balance of the cabinet areas, which constitute the budget process. He noted the adjustments were highlighted in green as a tracking system and emphasized to the public and press that the suggestions were not cast in stone. He said decisions were needed regarding restoring or not restoring, based on the red recommended areas or on any of the other areas which may appear. Dr. Lewis introduced Mr. Agretto from the Special Education Department.

DR. LEWIS –
INTRODUCTION
OF BUDGET
TOPICS

Mr. Agretto pointed out that there was not a long list of cuts but there were some significant numbers that he wanted to address. He noted the \$137,000 cut on the first line, which was going to be paid for through ACCESS funding. He explained that it was paid for this year through the general fund but in order to help reduce the general fund budget, they were utilizing ACCESS monies. He explained that the state and federal government supported special education through certain avenues of funding. ACCESS was different. Through Leader Services, it allowed school districts to utilize Medicaid funds to provide IEP (Individualized Education Program) health related services to students with IEPs who had Medical Assistance. An example of the type of service which could be billed back through the Medical Assistance process, would be a student who had an assisted device such as an FM system because they have an auditory processing disability and it was needed in order for the child to access their education. Mr. Agretto noted that every time they meet as an IEP team for a child with Medical Assistance who had an IEP and medical service provided, they could bill back for approximately 50 percent of the rate of the cost to hold the meetings. There were a multitude of lists held by Leader Services in Harrisburg, by which they could access the monies in order to support their special education programs. He emphasized that the funds could not be used for other areas. Mr. Agretto explained the \$137,000 line item was for the one-to-one teacher assistants, which were hired through the Intermediate Unit fee for service, which was paid from the general fund budget and would be paid through ACCESS for the next school year.

SPECIAL
EDUCATION –
POTENTIAL
REDUCTIONS

Director Amato asked if it was considered a reduction.

Mr. Agretto replied that it was a reduction to the general fund budget but not a reduction of service.

Director Amato noted it was a reduction to the Bethlehem Area School District budget but asked if they had to pay for the services as well.

Mr. Agretto responded that it would be paid through ACCESS as a reimbursement. He stated they would receive 50 percent back on the dollar.

Dr. Lewis conveyed to Mr. Amato that the reimbursement was not just on this service but for anyone that qualifies for ACCESS reimbursable situations. Mr. Agretto was dedicating those dollars strictly to the service agreement relative to the aides in order to take it out of the budget.

Director Amato asked if they were doing it at the present time.

Mr. Agretto replied that the district was presently providing the services.

Director Amato reviewed that it was costing the district \$137,000 and it was being removed from their budget so they were sending the students somewhere else.

Mr. Agretto explained that they would stay where they were but the service would be paid with their Medical Assistance monies.

Director Amato asked if they still had to pay someone for the service.

Mr. Majewski offered to provide further explanation. The funds were being generated through provided services and were restricted for special education services. He compared it to a grant where there was money, which was restricted for specific purposes. They would generate money, which would be used to help fund those services next year. They were generating the funding this year for needed services, which were restricted for special education. It was not coming out of the general operating fund or taxpayer dollars but rather coming out of monies generated by provided services for which they were billing.

Director McKeon inquired if it was available in the past.

Mr. Agretto replied yes, but they had many things, which were presently paid through ACCESS monies.

Director Amato asked if the services would be obtained elsewhere. He asked if it they were available in the past, then why weren't they utilized.

Dr. Lewis replied that they had but the fund had grown each year since they brought on Mr. Barata. Some of the fund had been drawn down.

Mr. Majewski added that initially when they first started the fund, they were generating sufficient monies to pay for Mr. Barata's full salary and benefits. He noted that there wasn't much in addition which was being accumulated, however, they had begun to accumulate funds and use some but not to the amount which would have been able to offset this type of service. They now know that the monies were available for next year. He pointed out that it was a fairly new service, which was being provided, and the funds have been growing as they were expanding their services. Mr. Majewski stated that they have not had sufficient services early on to pay for much other than their administrative costs but because Mr. Agretto and the special education staff were moving to expand the services for which they were getting reimbursement.

Director Amato reviewed that there was \$137,000 in ACCESS, of which they could utilize.

Mr. Agretto replied that as Mr. Majewski had said, they were growing the account and by the end of the school year, they were going to draw out on an accumulated list of items for the past two school years. He pointed out that they needed parental consent in order to do it. If they did not receive parental consent, then the district must pay for it. He reviewed that the service must be provided by the district or the Intermediate Unit and the parent must agree and sign off every time they had an IEP meeting.

Director Amato said that he thought he had the understanding that at the present time they had built up a credit in ACCESS for \$137,000 in services, if in fact they have an agreement from parents to utilize those services, they would then see a fewer \$137,000 out of their budget. If they don't, then they will be asking about it next year.

Dr. Lewis pointed out that it was not quite so complicated and noted that the parent must agree in order for ACCESS to make reimbursement. In other words, it didn't happen automatically because the students were entitled to certain medical benefits like ACCESS. He reiterated that the special education Department along with Mr. Barata had done an excellent job of getting services delivered to their students, which were paid to the Intermediate Unit but would also be reimbursed from ACCESS funds. He said that Director Amato was correct in that they sort of had an account built up and they had access to the money and they want to dedicate it to the one-on-one aides.

President Leeson thought the conversation was good but she wanted the administration to finish their presentation and then take questions. She noted that other people might have questions on the same item and they could come back to it.

Mr. Agretto continued to the second line item. He said that again, rather than paying out of the general fund budget, they were shifting \$18,000 for conference attendance, which would also come out of ACCESS monies as well. He noted that he had built the monies into the general fund ledger for special education conferences and was shifting it to ACCESS so that their administrators, speech language therapists, school psychologists and educational support teachers can attend as necessary.

The final line item of \$60,000 in the budget was to support the payment of their school-to-work transition students. They were typically high school students involved in non-competitive employment opportunities. He recognized Marci Hrycyszyn who worked at Liberty High School with their Life Skills students. Their goal was to build pre-requisite skills along with employment training skills within the district. He noted that there were jobs, which the students attended throughout the school system, within the cafeteria or with the custodial/maintenance crew. The students drew a salary for the hours, which they worked during the week. Mr. Agretto stated that the aforementioned figure was the total budget, which was in place for the program. He said that it was up to the board to decide whether they want to see the entire amount eliminated. They liked to see their students have the built-in incentive to see a paycheck but if it was between a teacher or paying a student, he had to choose the teacher. He knew it was a hard decision. Mr. Agretto said he recently spoke at a Via banquet supporting the entire process of the transition from school to work program focusing on its importance. He pointed out that Bethlehem Area School District had the model program in the state, not only within their local Intermediate Unit. The job coaches and teaching staff prepared the students to be productive members of the community. He felt it was an important line item and wanted to provide information on its purpose before they ultimately made their decisions.

Dr. Lewis made the request to entertain questions on the special education items.

President Leeson asked if there were any additional questions on the first item regarding the \$137,000 line item, which Mr. Amato addressed.

Director Dexter stated that despite Mr. Agretto's attempts for clarification, she was still not clear on the \$137,000 line item. She knew it was a fund, which they had to draw on, and documented the eligible services, but she really wanted to know about the budgetary impact, questioning why it was in red. She asked how next year's budget would look if they used the funds this year for the aforementioned services.

Dr. Lewis replied that the expectation would probably be to go back to ACCESS again in future. He stated that Mr. Barata, their Medical ACCESS Program Coordinator, had grown the fund every year since his hire. He handled the filing to Leader Services, which managed it for the state government.

Mr. Agretto added that he could send the board members a packet of information so they could have a solid description of ACCESS.

Director Dexter explained that she just needed a simple explanation.

Dr. Lewis stated that they were able to charge for certain services which fell into a medical or quasi-medical category. They were then permitted to spend those dollars exclusively on special education services only and could not put the funds toward transportation, or textbooks. They essentially built a pool and after a couple of years, they were able to draw down those dollars with the hope of seeing annual revenues in this area.

Mr. Majewski believed that he heard the question about it being guaranteed yearly as an ongoing source of funds. He explained that it had been around for awhile, however, because some of the funds were federally routed through Medicaid, they have been finding ways to try to cut back on their own costs. He said there might be a point in the future that the district's access to the funds might be reduced, but at the present time, they were willing to provide funding for these types of services. Mr. Majewski reviewed that they accumulate the funds, they sit down to look at what they could support with them and then make recommendations. The funds needed to be on hand before they came to the board to tell them that they were going to offer them for reductions. They did not build in reductions based upon potential funding, but rather they wanted to make sure they had guaranteed monies.

President Leeson asked if Mr. Barata was specifically hired to find the monies and that it had taken a year or two to build up to the point where they were now ready to be able to use it. She noted that the timing was particularly good, because they were presently in a budget crunch and were at the point where they needed the monies.

President Leeson was informed that she was correct.

Mr. McKeon asked Mr. Majewski about the present balance of the ACCESS fund.

Mr. Agretto stated that he could answer his question because he spoke with Mr. Barata today and was told they had approximately \$155,000 in Medicaid funding and the Time Study funding, they had approximately \$100,000 for an approximate total of \$255,000. He noted that they should have a big pool of money toward the end of the school year and he could update them as to how it might look. He pointed out that Mr. Barata was looking at a two-year growth and also billing back after receiving permission from parents to recoup funds. He said he was hoping that the pool of money would dramatically increase after the end of the school year. Mr. Agretto said he would keep the board updated as to their progress.

Mr. Majewski commented that the funds would not be documented on their books because the state held them and the funds were drawn upon.

Director Follweiler asked Mr. Agretto to explain about receiving permission from the parents. She asked if the parents must give permission to use the monies and if they didn't give the permission, the service is still provided but then it was paid for in a different manner. She inquired about the parents' reasoning and why they wouldn't give permission.

Mr. Agretto replied that they attempted to explain to the best of their ability by giving information to the parents in an attempt to educate them about the reimbursement process. They provided them with Mr. Barata's telephone number if they had any questions. He noted that when the teacher provided the sheet to sign off at the IEP meeting, they attempt to help the parents understand that it didn't impact their primary insurance in any way, shape or form. They also provided them with consent information so they had an understanding of exactly what was being discussed.

Dr. Lewis interjected that he thought there was some confusion regarding consent. He emphasized that the purpose of the consent was to allow the district to bill the state for reimbursement of services. They were required to provide the service. He said he thought there was some misunderstanding about permission to use the funds. They didn't have to ask permission to use the funds but they must ask permission to collect them.

Director Follweiler commented that if a parent decided not to give permission, they still provided the service and they paid for it out of the general fund. She asked if there was possibly a fear on the parents' side that they believed it somehow impacted their insurance. She was curious as to why a parent would not want to sign the consent.

Dr. Lewis replied that he thought she had a good question and noted that they had very few refusals but they did have some parents who weren't trusting and erroneously thought that somebody had something to gain on their account.

Mr. Agretto also commented that trust was an issue with some parents, even though they were given assurance.

Mr. Majewski noted that most of the students they billed for were in the socioeconomic group, which may not be eligible for insurance.

Director Follweiler referred to the student employment training and said that if she understood everything that Mr. Agretto discussed, she felt that he didn't want the figure to be noted in black rather than red.

Mr. Agretto replied that it was their duty and responsibility as cabinet members to bring potential cuts forward for the benefit of the whole. He said that he wanted them to be fully informed about what it meant in terms of students and their pay towards the program.

Director Follweiler inquired if it was their full budget for the program. She also asked if the students were paid minimum wage for their employment.

Mr. Agretto replied affirmatively to both of her questions.

Director Follweiler conveyed that she probably would want the figure in black also.

Director McKeon stated that his son worked for the district during the summer and also during the school year and didn't know if he benefited from the program funds but he knew that he benefited from the work experience, which was the ultimate goal. He said that he wouldn't support cutting the program.

Director Follweiler thought that if it was giving the students confidence and ability to obtain work, she felt it was a very worthwhile program.

Director Dexter asked Mr. Agretto about his opinion regarding the impact of the students' ability to obtain employment without some type of job experience obtained within their school district.

Mr. Agretto replied that they were not going to stop doing what they did and would continue to provide non-competitive employment opportunities inside the school district. Their people would still be in place and the jobs would still be available. He said they had great cooperation with the Maintenance and Food Services Departments. They place the students in roles with specific responsibilities where they do a great job.

Director Dexter made comment that the students were actually providing services for the district and were needed and appreciated.

Mr. Agretto agreed.

Director Dexter asked what the hourly rate of pay was for the students.

Mr. Majewski said the students were initially started with sub-minimum wage, but graduated to minimum wage within sixty days.

Director Amato asked if they were going to support the program.

Director McKeon asked President Leeson to explain about the purpose of the spreadsheets to Director Amato.

President Leeson expressed that they had been going through the line items, one by one and thought that they would probably sit down and go through all of them together. At the present time they were attempting to obtain all of the information to answer their questions. She thought that along the way, they gave some direction with changes. If it was the consensus of the board that they wanted the item to go back in, then at this point they could give that direction or if they would like to further discuss the remaining cuts and then return to it, it was up to the board.

Director Follweiler stated that she would like to further discuss the subject.

Dr. Lewis commented that the Special Education Department was also seeking alternative funding for the item and wanted to keep as many students as possible in summer employment. He noted that the program could be adjusted, noting that he was sure that Mr. Agretto would take anything he could get at this time. He recommended further discussion on the item.

President Leeson agreed and commented that she thought the budget appeared to be rather light for special education. She inquired about the Colonial Academy.

Mr. Majewski commented that they would be spending approximately \$13,000,000 for the costs associated with special education students; however, they don't come under the same cabinet code. In addition to the \$13,000,000, they would probably get approximately 1.7 to 1.8 million from IDEIA funds to support special education costs. Mr. Majewski noted that there were a number of sources that would pay for special education students, which were not under Mr. Agretto's review for his budget. He concluded that most of them would come under his area.

Mrs. Robin Lutcher stated that Information Technology had three different sections beginning with Technical Services, which was the area of the department where they repaired equipment and also was the area where they had technicians who worked on their telephony, audiovisual equipment, clocks, the stadium scoreboard, cameras and ID card machines.

INFORMATION
TECHNOLOGY –
POTENTIAL
REDUCTIONS

Information Technologies covered equipment, network operations, academic computing, software, professional development, and libraries.

Data Processing (TN) covered student information and financial systems along with many other systems.

Mrs. Lutcher stated that the first three areas covered salaries. She listed the following required additional expenditures:

- Leased equipment with established commitment
- Internet contract was with RCN

- Telecommunication services – POTS lines/Internet II/Pagers/Cell Phones/ Local and Long Distance Service/Service Contracts/Service Contracts for Data Processing/Pentamation/Remote Access/Windows Support/SQL Support/BiTech Support/Performance Tracker Support
- Parts for repairs – purchased parts for personal computers, Apple Computers and Printers used for repair

Mrs. Lutchter noted that repairs would be increasing because of the aging district inventory, which was approaching the end of its warranty. Even though their technicians were busy at present, they were going to be getting busier as the items age.

- Infrastructure replacement – Emergency Only
- Cables, network cards, amps and switches – necessary to have in stock if something went down in a school building. The data, internet, email and phone systems were all interrupted when a switch went down.

Mrs. Lutchter noted the figure \$24,100 listed in two columns for academic software such as Grolier, Logger Pro, library software, TeacherWeb, and Atomic Learning. She noted that since the 2007 budget, they had secured grant funding for software. The equipment being proposed as a cut was new computers for libraries and the nursing staff. Mrs. Lutchter stated that their equipment was quite old and may last another year, but noted that there would be downtime because of necessary repairs.

A data processing conference was another item listed as a cut but Mrs. Lutchter did not recommend it.

Mrs. Lutchter also brought attention to the service contracts for digital controls and NCR. She noted that it was their mainframe or the information in the UNIX box for which a service contract was maintained. She said that she would not suggest that it be cut because when it went down, they needed service. There was money in the budget to pay for the service, as needed, rather than to have a service contract. Mrs. Lutchter said that it was her preference to always have a service contract on something, which was so valuable.

Director Follweiler questioned the cost of the service contract on the mainframe and asked if it was in the category of Data Processing.

Mrs. Lutchter replied that it was in the Data Processing category and the cost of the contract for Digital Controls/Mainframe (UNIX box)–\$26,000, Digital Controls/Line Printer–\$4,000, and NCR (server)–\$32,000.

Mr. Majewski added that it might be helpful for the board to understand what systems were running off of that box and why they needed to have the preferential treatment on certain items.

Mrs. Lutchter explained that it was their financial system, involving payroll and accounts payable.

Mr. Majewski stated that the payroll system was running off of that box and if it went down, they needed to be sure that somebody could respond to it promptly as opposed to just getting on a list of individuals who would eventually respond.

Director Follweiler questioned if the service contract was “all inclusive.” She asked if it was replaced free of charge if the power went down or was there an additional charge for parts.

Mrs. Lutchter replied that she thought it depended upon what type of part was needed. For example, a drive recently went down and it was covered including the service to replace the drive. They had to put a new UPS in the system, which was not covered.

Director Follweiler inquired if it was because it was out of warranty or because it was not covered under the original contract.

Mrs. Lutchter replied that she did not know the answer. They didn’t have a UPS in place.

Ms. Bachman added that the hardware had an internal UPS to the server itself, which was controlled by a battery tray or batteries. Those batteries were no longer available.

Director Follweiler surmised that it was an addition to the system. She noted that she had a general interest in the subject and it wasn’t that she didn’t think that it was needed.

Mrs. Lutchter commented that their present mainframe was very, very old and was getting increasingly more difficult to obtain parts. She noted that they were moving to a new system within a year to a year and a half but they must keep this system operating.

Director Dexter inquired about the \$35,000 for equipment and asked about the equipment, which would not be purchased if that line item was cut.

Mrs. Lutchter replied that they would not be purchasing replacement desktop computers for the nurses and libraries.

Director Dexter asked if the money included any security containers or gadgets.

Mrs. Lutcher responded that there was money in the budget for a security system for Liberty High School. It was included as part of the renovation.

Dr. Lewis suggested that he thought Director Dexter was referring to security for the units/computers, such as crates, cables, lock downs, etc.

Director Dexter pointed out that at one point they discussed at a previous meeting whether there could be something installed in the computers so that if they were stolen, they would know their location.

Mrs. Lutcher replied that it was included in this budget and it has not been removed.

Director Dexter inquired if they would be purchasing those type of items if they passed the budget.

Mrs. Lutcher replied affirmatively.

Director Dexter asked about a security problem in the library, perceived by some parents of Freedom High School students. They believed that there needed to be additional security so that books wouldn't be stolen. She asked if there was security budgeted for the library.

Mrs. Lutcher said that they were notified about it after the budget was put into place. She noted that she and Mr. Arbushites were currently in the process of discussion with Mr. LaPorta in order to arrive at a dollar amount and then they needed to search for funds such as a grant.

Director McKeon inquired about the outcome if they did not obtain funding.

Mrs. Lutcher replied that they would then have to wait until next year in order to put it into their budget or they would have to reallocate dollars which were already in the current budget.

Director Dexter asked if she had any idea about the dollar amount involved for a system, which would provide the type of security that the Freedom High School Library needed.

Mrs. Lutcher stated that she did not have the information this evening considering that they just began looking at the situation.

Director Dexter asked if they assessed the situation to justify the need.

Mrs. Lutcher replied that there was a need because their current system was not functioning and was not able to be repaired.

Director Dexter added that the message she received was that their old system was in the closet and was unrepairable.

Mrs. Lutcher said they had contacted Mr. LaPorta so they could sit down and discuss their specific needs. The meeting would take place after PSSA testing.

President Leeson questioned the \$24,100 in the first column and then \$24,100 in the second column. She had the idea that it was a carry-over because it was more than two percent. She asked if she was correct or was it two separate \$24,100 amounts.

Mrs. Lutcher replied that it was two separate amounts.

President Leeson said she understood that Mrs. Lutcher said that the grant money was going to fund both of the \$24,100 figures because they were both for academic software.

Mrs. Lutcher replied that at this point, both of those were funded.

President Leeson said she understood that they placed the laptops on carts at Broughal Middle School.

Mrs. Lutcher corrected that they were not on carts but were in classroom sets, where they were in cabinets, which they always had been. Prior to this year, the students picked them up in the classroom and took them with them all day. At present, they go to the classroom and use the computer, which stayed in the classroom.

President Leeson stated that she understood that it had significantly reduced the amount of necessary repairs. She inquired if they were considering it for the three other middle schools to be able to reduce the service line item for laptop repairs.

Mrs. Lutcher replied that she met with the middle school principals and looked at that information. At this point they had not made a final determination. They wanted to look at the repairs in more detail. She noted that prior to the meeting, she pulled groups of numbers, which showed from one year to the next that the repairs were dramatically lower at Broughal Middle School. The next thing they wanted to do was to make sure that they were consistent from middle school to middle school, in what was being recorded in the database. There was a turnover in personnel and so, for example, one of their middle schools far exceeded the number of repairs as compared to the other three schools for last year and this year. They found that in some instances that not everyone was including everything in the database. Mrs. Lutcher stated that the building principals wanted to meet again to discuss if they wanted to continue one-to-one. She noted that even in the one-to-one buildings, the laptop repairs were down from last year until this year, and were down across the board, with a greater number at Broughal than other schools.

Mrs. Lutchter reviewed that the repairs were significantly lower in all three middle schools which she attributed to having the 1.33 megahertz computers, which were leftover from the original leases, which did not have a design flaw and also they had the new math books that replaced the ones with the design flaw. She pointed out that another thing to remember as they made a decision was that the math books were still under warranty and would be for another three years, which meant they didn't have "a repair cost", but they do have the labor for the support technicians doing the repair. The 1.33 megahertz computers would be coming off lease within the next year and would then begin to cost the district. Mrs. Lutchter concluded that to answer the question, they had looked at it and a decision had not been made from the building principals. She said they were going to meet again to look at it further so they could study the details and then they would have a recommendation.

President Leeson asked if it was possible to reduce the costs in that area.

Mrs. Lutchter replied that the motivation for it, even though there were associated costs, was that if there were a lesser number of repairs, then there was a lesser interruption in instructional time.

President Leeson agreed and added that as they were looking at the budget, it also had an impact as well as the loss of instructional time.

Director Dexter questioned the line item for the librarians and nurses. She asked if the computer purchase was intended for the library or librarians.

Mrs. Lutchter replied that it was intended for the librarians.

Director Dexter asked if there had been requests for library computers.

Mrs. Lutchter explained that when they redid the library system this year, a lot of computers were moved around. At the elementary and middle schools they did a hardware transfer. They also did a huge transfer of equipment at Freedom High School in the lab. The need at this point, as far as the library was concerned, would be at Liberty High School. She noted that they put a makeshift lab together for them which was in a very small area, so they retrofitted some G3 computers so that they would have some for student use. She said they did not have anything to replace them in the budget for next year.

Director Dexter inquired that if a student wanted to use a computer next year in the library, would they always have access to go there to use one or was there a need to purchase additional computers.

Mrs. Lutchter stated they had the computers at Freedom High School and regarding Liberty High School, the thought was that because they had Classrooms for the Future carts in their science areas at the present time, they could take the Emacs which were in the back of those classrooms and move those desktops into the libraries for the students.

Director Dexter concluded that her answer meant that there would be computers. She added that she didn't care if they were new, as long as there were good functional computers for the students.

Mrs. Lutcher added that they could not do that this year because there was absolutely no space in that small area at Liberty High School. She thought that it was a good reuse of equipment to transfer the desktops from the science area to the library.

Director Dexter inquired about the computers for the guidance counselors and noted they were different at Freedom and Liberty High Schools. She understood that the Liberty guidance counselors had desktops and Freedom High School counselors had laptops. She asked who made that decision and also where the budget originated for the purchase of their computers.

Mrs. Lutcher replied that the budget came from the present budget and the decision was made on a building level with administration at the buildings.

Director Dexter asked if it was the building principal who would make the call and state what they wanted.

Mrs. Lutcher said that one school wanted laptops and the other wanted desktops.

Director Dexter commented that she was okay with it as long as the schools had some input.

Mrs. Lutcher agreed and said they spoke with administration regarding the decision.

Director Dexter pointed out that she has heard complaints but thought that maybe it wasn't the people who made the decision who have complained but rather the people who used the desktops.

Mrs. Lutcher acknowledged Director Dexter's statement.

President Leeson opened the floor to questions.

Mr. Gilliland pointed out many line items which were not eligible for reduction such as the salaries and contracted services. They had contracts for extermination, elevator service, boiler and chemical treatments, environmental services, sprinkler system inspections in addition to fire alarm and security systems. He noted that many of those were fixed costs and amounted to a large sum of money. He stated that they did not have any new vehicles proposed in this budget with regard to buses and added that it was the second year that the Maintenance Department had not purchased any vehicles but conveyed that in the future they would need to seriously look at allocating funds in that area.

MAINTENANCE
AND
TRANSPORTATION
POTENTIAL
REDUCTIONS

Mr. Gilliland began with the potential cuts and stated that the closure of the Freshman Campus was the biggest cut in his department. The estimated savings would be \$206,000, which, he stated, might be conservative and thought there was potential for more savings by its closure. Mr. Gilliland stated the savings reflected utilities, maintenance, and the elimination of contracted services.

A gentleman from the audience inquired about the status of the Freshman Campus and said as he understood the present plan, at the start of the school year, everybody was back to Liberty but now they were looking forward to the Nitschmann possibility, he asked if they were “mothballing” the Freshman Campus.

Dr. Lewis replied that he thought their timeline was to have the Nitschmann discussions through April and then have the board decide whether they wanted to “mothball” it or issue contracts to raze the building. He said the answer was undecided at present. They prepared a document which revealed the costs associated with maintaining the building which was thought to be \$68,000 plus other associated maintenance costs. It would have to be an add-in or an adjustment if they chose that option.

Mr. Gilliland stated that the second item for consideration was to eliminate the Swain contract carrier. There were certain instances when they had to contract with private carriers in order to transport their students. This particular situation exceeded an hour for a bus ride and they needed to address it in another manner.

Further proposed cuts were as follows:

- Elimination of the Holy Ghost building lease with transfer of students to Donegan Elementary School which would result in savings of \$72,000
- An expense associated with oil tank indemnification would be eliminated because the tank had been pulled.
- Maintenance trade substitute cuts reveal a savings of \$10,000.
- Elimination of drapery cleaning.
- Vehicle and equipment rental used for moving reveal a savings of \$3,000. A spare food service truck would be used during the summer.

Mr. Gilliland noted that the remaining items such as carpentry, electrical, plumbing, HVAC were supply accounts which were reduced relative to purchased supplies.

He also brought attention to contracted vehicle services. He provided the example that if their mechanics were unable to repair a vehicle and it needed further professional work at a contracted garage.

- Reduction in summer help for Transportation and Maintenance resulting in a \$4,500 savings for each department. Mr. Gilliland noted that Mr. Himmelberger needed assistance for bus maintenance. There were a number of students slated for summer employment and he thought they could get by with them. He also mentioned the special needs students employed by the district and said they would be able to assist with moving, painting and general cleaning duties. He thought they would still be able to employ those students.
- Technology upgrade in Transportation – \$1,000.

Director Amato questioned the slated maintenance substitute cut. He asked if someone was out on a long-term basis, would the position be covered with overtime.

Mr. Gilliland replied that they tried not to use overtime but in some cases they have to because they cannot find a licensed individual who was willing to work on a part-time basis.

Mr. Amato reviewed that if they had a long-term absence of an employee from a particular classification where there were only four in the group. They would be losing 25 percent of the force was gone. He asked if they would not offer overtime to cover needs in that particular trade and allow things to just not get done.

Mr. Gilliland said that he wouldn't say that they won't let things get done. If it were an emergency, it would get done. There were things that could be put off for another day if they could not find a replacement.

Mr. Majewski stated that part of the answer was that if an employee was out on a long-term basis, they then could be paid through worker's compensation, which would allow them to fund the substitute/replacement workers.

Dr. Lewis added that in emergency situations they would look at contracting the job. He said that as Mr. Majewski pointed out, the monies made available by an individual who was on workman's compensation could be used to pay a licensed tradesman to perform the repairs.

Director Follweiler inquired if the documented figure was the full amount from the substitutes or was there another account involved.

Mr. Gilliland replied that it was the full amount.

Director Follweiler asked if they utilized the approximate amount in the past few years or was it budgeted and wasn't used.

Mr. Gilliland explained that it was budgeted but they were not able to use it because of the difficulty to find someone who was certified.

President Leeson recognized an individual from the floor.

The individual asked for clarification with regard to temporary summer workers associated with the Special Education Department. He asked if there would be an impact on those students.

Mr. Gilliland replied that he believed they had adequate funds to at least cover what they had last year. He thought there was approximately \$60,000 in that account.

Director Amato inquired about the \$10,000 cut for carpentry, plumbing, electrical and HVAC supplies. He asked if the reduction was a portion or were they cutting all supplies in those areas. His concern was not having parts on hand if something went down in the middle of the night.

Mr. Gilliland remarked that last year they made an attempt to use School Dude to monitor their inventory and one of his goals was to have certain parts on hand. They needed to have certain items on hand such as filters, sheetrock screws, light ballast and bulbs. He noted that they were attempting to keep inventory levels lower. There was inventory control on School Dude which alerted them when a stock item dropped below a specified number.

Director Amato asked if this cut would affect the reordering of stock inventory.

Mr. Gilliland thought that part of the \$10,000 would be the economy of scale by stocking and ordering only what they need and used and not having it sit on the shelf.

Director Amato inquired about an agreement with a specific supplier such as the electrical division where they could access their inventory rather than stock items such as light bulbs.

Mr. Gilliland replied that they had annual lamp and bulb bids.

Director Amato commented that he understood and inquired about the company keeping them with periodic deliveries.

Mr. Gilliland said that they didn't have to take them all at one time, noting they could order them as needed.

Director Follweiler asked if they could pay for the items as they were received.

Mr. Gilliland replied affirmatively. He stated that they estimated an amount with savings reflected on the attempt not to keep the stock sitting on a shelf and being charged for what they used.

Dr. Lewis added that some items might become obsolete which was another reason to reduce inventory.

Mr. Majewski thought that Mr. Gilliland was moving in the same direction as many businesses by utilizing a Just-In-Time inventory system. Everybody knows that inventory has a cost to the organization by sitting on a shelf either because of loss, damage or the cost of shelf space. Their system presently identifies their needs and reorder points resulting in a reduced need for inventory, thus increasing efficiency and reducing the budget.

Director Amato commented that he outsourced his own inventory control to a company called Storeroom Solutions and they pulled from there without putting out any dollars unless they pull out of that system. He noted that they guaranteed a savings in supplies for everything. He inquired if the district thought about looking into it.

Mr. Gilliland replied that he couldn't say that they thought about looking into it. He made comment about the current School Dude program.

Mr. Majewski stated that with the current program, they didn't hold the inventory in the district, but requested and accepted it on an "as needed" basis.

Director Amato added that when using Storeroom Solutions took over his inventory system, the items were controlled and secured. He felt that it controlled the costs.

Mr. Gilliland explained that School Dude did that for his department. He noted that all the supplies were locked and the warehouse supervisor controlled the area throughout the day. Distributed items were charged to a work order and account.

Director Amato said that they did the same thing and found that when it was turned over to Storeroom Solutions, they saved 32 percent the first year because they were in control. He said they gave the vendor an area and turned it over to him.

President Leeson asked Director Amato if he was interested in having Mr. Gilliland look at that particular company to obtain some information.

Mr. Gilliland agreed to have further discussion.

Director Follweiler stated that the other advantage to a company such as Storeroom Solutions was that they would have heavier buying power because they would be using other companies such as Director Amato's company or Director McKeon's company in addition to the school district so they would be purchasing ten million light bulbs to the district's million light bulbs. She thought they would have a higher level of purchasing power to reduce the total cost. She thought it was well worth the inquiry.

Mr. Majewski commented that it would have to be researched by the district's attorney because the school code required specific bid requirements. It had been indicated over the years that it was a very inefficient way to run a business but there were government requirements which were built into the law. Whatever they consider would need to be researched by their attorneys because they might be prevented from negotiating that type of agreement.

Director Amato inquired about the bidding process and why the company couldn't bid.

Mr. Majewski replied that the specifications would need to be created in order to be able to have that type of bidding process.

Director Amato said that he would find out that the people who were winning the present bids would not come close to winning because of the mass buying power of Storeroom Solutions with regard to volume.

President Leeson suggested looking at the system. She asked if there were any additional questions.

Director Amato questioned the \$45,000 transportation payment for the Swain School. He assumed it was for a special education student who needed a specific type of transportation.

Dr. Lewis stated it was for students who resided in their district and who attended the Swain School in Allentown. They must provide transportation for any student who lives in the district within a ten-mile radius of their perimeter. Dr. Lewis asked Mr. Himmelberger about the number of students being transported to the school.

Mr. Himmelberger stated there were eight families who were utilizing the transportation.

Director Amato questioned about the contract for the transportation.

Mr. Himmelberger replied that a private contractor was currently transporting the students. They were going to take it back into our system and have the district transport the students.

Director Follweiler asked for clarification regarding the Freshman Campus and Holy Ghost School figures were for maintenance costs only and the additional costs seen in the lease itself was separate. She asked if it was another \$72,000 on top of not renewing the lease. She added that as long as they had the existing buildings, although they would be empty, there would be certain associated costs.

Dr. Lewis stated that there would be an approximate \$68,000 offset if the building remained.

Director Follweiler asked if the savings shown was with leaving the building intact.

Dr. Lewis replied that the savings reflected it not being operational. They sent them a breakout regarding the cost to at least keep it mothballed.

President Leeson asked for clarification. She noted that \$206,000 was no cost coming out of the Freshman Center. If they mothball it, they have to add in an additional \$60,000 to \$70,000 annually to the budget. She wanted to clarify that the \$206,000 represented having no Freshman Center. If they wanted to keep it for any reason, they add back into the budget. She asked if it remained standing for any time period, would the costs be apportioned.

Dr. Lewis explained that if they went right to a decision to pull it down, they wouldn't invest anything in utilities. They would get the contract out in 90 days but President Leeson was correct in that if they chose to hang on to it for a greater portion of a year, they would have a \$60,000 to \$70,000 cost.

Director Dexter questioned the transportation issue with the Swain School students. She was aware of their obligation to transport students from their district to that school but it was her understanding that they were actually doing door-to-door service this year. She asked if they had to be picked up at their houses and also inquired if they could be given a designated area where the bus would pick up all Swain School students.

Mr. Himmelberger replied that it was a yes and no answer. They would have to provide routes to a common area so it deteriorates to a point-to-point type of service.

Director Dexter asked if the families using the Swain School were equally spread throughout the district.

Mr. Himmelberger said that the majority was located within the township.

Director Dexter asked if there were six students within Hanover Township. She questioned if they could have two points with one in Hanover and the other in Bethlehem Township instead of eight separate locations.

Mr. Himmelberger replied that there was some distance involved in running the route. He said they would put it back into their cluster system and run them with some of the other schools which were located in Allentown.

Dr. Lewis added that they would invariably have a longer run and it may become an issue. He noted that the law said nothing about the length of a run but it speaks to providing transportation.

President Leeson stated she often saw buses driving by with just a few students on the bus and knew at the beginning of the year, when the bus runs start, there was a full contingent of students riding the bus. As the year goes along, the students opt for different methods of getting to school, in particular the high school students. She thought they ran a lot of nearly empty buses for high school runs as the school year progresses. She didn't have a solution and wondered if there could be a way to reduce the number of buses or runs for better efficiency.

Mr. Himmelberger said that as the year goes on, more students turn sixteen, more cars are procured and they saw a reduction at the end of the school year. He noted that this year, because of the gas prices, they were not seeing the reduction and in fact, they actually increased ridership on some routes. He added that the high school runs were probably as efficient as they were going to get at this point because of driver shortages. Mr. Himmelberger stated that they constantly look to see where they could save or combine to save one bus and one driver. He said the barometer should be the last pick-up point to the school and not the beginning or middle of the run.

President Leeson replied that she was aware of that but she also saw how full the bus was throughout the year.

Mr. Gilliland stated they had also attempted to establish set times with building principals regarding the activity runs at the end of the day to avoid providing an additional run.

President Leeson inquired about the field trip policy. She asked if a decision had been made at this point.

Dr. Lewis thought it was reflected in the original adjustment with only the essential curriculum based field trips had been budgeted. They would not see a cut because the present figure reflects the adjustment.

Dr. Lewis explained they had advised principals that they would need to look at other transportation resources, with the exception of some hardship situations, for some of the other approved trips, such as the PTO. In the case where they don't have a vibrant PTO, they would look at doing some underwriting. He asked Mr. Gilliland if he made the adjustment.

Mr. Gilliland replied affirmatively and noted that they also arrived at an hourly rate along with a mileage rate so people could budget for the trips. He pointed out that some of the associated costs were not in the transportation budget but rather in the curriculum budget because some of the trips were funded. He added that some of the trips were paid from the athletic budget so the savings were in other areas as well.

Dr. Lewis inquired if the savings had been reflected for the interdistrict competitions.

Mr. Gilliland said they had generated the suggestion but it didn't affect their budget.

President Leeson asked if there were any other questions or comments on the subject.

Director Follweiler stated that she was uncertain if it was the appropriate area of the budget to address her concern. She noted that PPL was increasing rates. She asked if there was a plan in place with regard to the custodians controlling the lighting in a district-wide attempt. She understood that the classroom should be lit before a teacher arrived.

Mr. Gilliland applauded her idea and agreed with Director Follweiler's thinking. He said that as part of code, their new construction must have a computerized lighting system which had occupancy sensors. Their new buildings would have that but those that don't must rely on the good judgment of people to turn off the lights. He added that they were reminded that if they were the only custodian in the building, they should be practicing conservation. He didn't doubt that they could drive by a school and see more than one of the classroom lights on, but at times there were more than one custodian working in the buildings. Mr. Gilliland thought the ultimate goal would be to retrofit the older schools with occupancy sensors, but it would require a capital expenditure which they would hopefully recoup in time. He pointed out that they closely monitor their usage on a monthly basis. Mr. Gilliland brought attention to a current project at Freemansburg Elementary School, where they had a partnership with Lutron Corporation. They replaced the lights in the room with occupancy sensors as well as "day lighting." He said the concept of day lighting was to conserve the artificial lighting system when there is sufficient available natural light. It was still being monitored and he noted that they would be meeting with Lutron to review the final data to see how much savings was associated with the system.

President Leeson asked if they looked at just basic timers in some of the rooms.

Mr. Gilliland replied that they could look at them, noting that he put a system in the boardroom. He pointed out that it required an extensive capitol investment of which he did not have the funding in his budget at this time, but it was certainly something they could look at in the future.

Director McKeon inquired about transportation. He asked how they would numerically rate their fleet at the present time.

Mr. Gilliland referred his question to Mr. Himmelberger but commented that they seriously needed to have a continued infusion of new buses to get them through the cycle. He thought that getting 15 to 18 years out of a bus was a fairly good investment and noted that at times they get to the point that it was costing money to keep the old equipment because of the extensive maintenance that had to be done.

President Leeson asked if she was correct in that over time they had always replaced seven buses per year. She thought that it was formerly in the general budget, but then it was drawn down from the capitol reserve budget for the past couple of years.

Mr. Majewski explained that they had not seen any money in the general operating budget in fifteen years. He said it had all come out of the capitol reserve budget. He said that without capitol funds being available in the last year or year and one half, they have not replaced any buses. He noted they were on a fourteen-year cycle or somewhere close to that.

Director McKeon added that Mr. Fazil creates a document using ratios with regard to the wellness of a particular building. He asked if a similar document could be created for board members regarding bus status.

Mr. Himmelberger commented that they discussed a fifteen-year replacement cycle for their diesel equipment. He presently had 120 vehicles with 45 (38 percent) being over 10-years-old. He also pointed out that 19 vehicles were over 15-years-old.

Director Amato commented that they had an aged fleet.

Director Follweiler stated that she knew of a company which was developing battery chargers for large sized vehicles such as buses. She thought that when the time came to consider purchasing new buses, they might look into the world of less gas and more battery. She wasn't certain if they were hybrid vehicles. The company that she was familiar with was handling farm equipment, buses and anything that had sedentary time, which a bus certainly had because it could charge overnight. She thought if the technology was available, she thought it could be considered to eliminate the use of gasoline.

Mr. Himmelberger thought the Metro system had already ordered some of the buses.

President Leeson thought they needed to look at a financial plan to bring their district back to better financial health with rebuilding their capitol reserve and the fund balance. She thought they needed to get out of the red now and have a long term plan where they could get into better financial shape in order to address some of the issues.

Mr. Majewski agreed with President Leeson and thought it was just the start of what they needed to do in order to improve their financial health. As he said before, there would be more pain to come in order for that to be accomplished, either through cuts or asking for an increase in tax rates. He noted that the bus fleet was aging and they might need to make some decisions about bus replacement fairly quickly, which would probably require them to look at some longer term financing considering that an average bus was costing \$70,000 – \$75,000 each. It would be close to \$750,000 to replace ten buses. He thought that Mr. Himmelberger would say that it was probably a good start but far from what he needed. Over a period of time, if they were looking to replace 20 buses, it would be approximately \$1,500,000. He agreed to look at a multiple year plan but it would require them to make a number of decisions including an increase in taxes as well as additional cuts in order to fund the required items such as a safe fleet of buses.

President Leeson noted that the buses travel over 7,000 miles a day.

Mr. Himmelberger added the analogy of driving back and forth to California every day just to transport the students to and from school.

Mr. Majewski pointed out that the district had the largest bus transportation company in the area and was significantly larger than LANTA.

Mr. Himmelberger noted that Pocono Mountain surpassed them at this point.

Director Haytmanek stated that he was impressed that the district transported students over 7,000 miles a day in a safe manner.

Mr. Majewski stated the business area of the district included many different areas which did not have much to do with the business operations. They were the areas of the budget of which he was responsible for monitoring such as Accounts Payable, Purchasing, Payroll, and Production. The majority of tax collection/accounts receivable costs were not for people but were for tax collectors such as the City of Bethlehem, Berkheimer or the individuals who collected earned income tax. He said those areas could not be addressed with regard to cuts because they would be reducing their potential revenue.

BUSINESS
DEPARTMENT

Mr. Majewski also noted that debt service involved the cost of their outstanding debt. Another area was employee benefits involving contributions to retirement, FICA and health insurance. Property, casualty and liability insurances for the entire school district were included in this area. He brought attention to intersystem payments, which were payments to the Bethlehem Area Vocational Technical School, Northampton Community College and also to the Colonial Intermediate Unit 20, which were, by and large, special education payments. The photocopying purchasing process had been centralized within the school district and the costs were identified almost exclusively.

In addressing areas of possible reductions within the business area, the first would be the Colonial Academy slot reductions. They were required to support 65 seats as part of the agreement with the Intermediate Unit and the Colonial Academy. The current enrollment is in excess of 65 seats. They were proposing to maintain their minimum requirement in the 2008-2009 school year, which would result in a reduction of \$240,000. The district paid approximately \$20,000 per seat at the Colonial Academy.

BUSINESS
DEPARTMENT –
PROPOSED
REDUCTIONS

Another proposed area is truancy support. The district had attendance officers who provide services and the decision has been made to not participate with the Intermediate Unit, thus saving the district \$18,800.

Mr. Majewski addressed conferences and stated he would not be sending anybody to conferences with rare exception, resulting in a \$3,000 savings.

Occupational Therapy services from the Colonial Intermediate Unit 20 were being restructured. Mr. Majewski deferred to Mr. Agretto for further explanation.

Mr. Agretto stated that he met with the Intermediate Unit in December to discuss a number of items with the Occupational Therapy services being number one on the list. He explained that they received multiple referrals from their kindergarten and first grade regular education programs because they did not have a formal handwriting program which involved fine motor skills. Although the students were in need of services, they needed to look at a reduction, while realizing the fact that they needed to provide the support in handwriting skills. Mr. Agretto concluded that the net change was the equivalent of one occupational therapist for the 2008-2009 school year while still trying to maintain the services which they had in place for the students.

Mr. Majewski pointed out the last items noted in red. He noted the \$236,000 reflected the FICA and retirement reductions which would be a result of the reduced salaries and wages from the budget. The total amount of reductions totaled \$558,000.

Mr. Majewski assessed that \$1,098,463 was necessary today in order to be able to reach the goal of \$5,500,000. He noted that if each area in red was deducted from \$1,098,463, there would still be a balance of \$123,150 in excess of their target. If they wanted to put some money back for the students, it would come off of the \$123,150.

President Leeson asked for clarification and questioned if they were \$123,000 over with all cuts from everything.

Mr. Majewski replied affirmatively.

Director Tenaglia questioned Mr. Majewski about the area of FICA and PSERS. He asked if it also included the other employee benefits savings.

Mr. Majewski replied that it would not because they were self-insured with their health benefits and noted that they did not pay "per individual" costs. He said they look at what their costs have been and attempt to estimate based upon their anticipated costs for hospitalization, physician and prescription as well as other services. Removing one individual from the system does not guarantee the removal of \$12,000 out of the budget.

Director Dexter inquired about the student services which would replace the Colonial Academy.

Dr. Lewis replied that there were approximately twelve middle school students who would receive services from their home school, the Pathways Program or the Regional Academic Standards Academy. He stated there might be one or two identified as needing fairly restrictive special education services.

Director Dexter reviewed that they would either be at their home school or RASA.

Dr. Lewis added that perhaps they might be identified and receive a variety of other services. He deferred to Mr. Agretto for further explanation. At the present time they were paying approximately \$20,000 for each student. They made the decision to stay within 65 rather than 77 slots, which were used this year.

Director Dexter pointed out that she had numbers from the Intermediate Unit, which showed a lower cost.

Dr. Lewis replied that they did not factor in the associated capital costs. They gave the board the straight instructional costs. Dr. Lewis asked Mr. Majewski if he calculated the cost or did the Intermediate Unit provide the information.

Mr. Majewski stated that the Intermediate Unit, which provided the calculation on the estimate of the unit, cost. He stated that he ran the numbers based upon their estimate and calculated it to be \$20,050 per student.

Director Dexter explained that the one she had in front of her showed \$14,477 for alternative education which included instructional, operating and debt costs for a student.

Mr. Majewski replied that he received a revised estimate from the Intermediate Unit revealing the Colonial Academy instructional costs for 65 students. The instructional costs were projected to be \$1,303,260. The operating costs for the same number of students were \$97,500 and pro-rated debt costs were \$175,500, which totaled \$1,576,260.

Director Dexter wondered if the estimate which she had just included alternative education expenses but there were other prices, some of which were higher for students who had other needs such as emotional support, autistic support, or partial hospitalization programs. She wondered about Mr. Majewski's numbers.

Mr. Majewski pointed out that his numbers were the aggregated number of all of them.

Director Dexter added that the number she mentioned was just alternative education. It wouldn't be a middle school aged autistic student who might need it. She thought that they might not realize the amount of savings, which they would not be paying to the Intermediate Unit because they still had to provide services for the students such as therapy and specialized programs. She was not sure and asked if was going to be an acknowledged savings. If they were taking \$240 away from what they would have spent at the Intermediate Unit, were they still spending \$200 to educate the students within the district or possibly \$270 because the number she had was an all-inclusive number which included evaluations and therapy.

Mr. Agretto stated that the 65-student figure was the number being used in their department for special education students. The 12 were Mr. Washington's slots for alternative education non-special education students. He stated they sent out a revision of their costs, which were pro-rated through the end of the year.

Director Dexter stated the information she had was from last week.

Mr. Majewski questioned the services, which were being provided to the 12 students. He asked if they were being provided with something new, causing another cost layer.

Mr. Agretto added that he was not certain about the provided services and inquired with Mr. Washington.

Mr. Washington stated that the students were returning back to their home school or in some cases they might fit into the criteria for RASA, the Pathways Academy or possibly be down the road to special education.

Director Dexter stated that they had reasons for projecting that they might need the Colonial Academy. She asked if those reasons would dissipate because of the budget situation. She inquired if the students could be serviced in the schools.

Dr. Lewis replied that they would have to (provide the services) and also said they needed to address the age/grade correlation. In some cases they were discussing 7th grade students who were going to be sixteen and may indeed fit into the Career Academy. They needed to come back to the district's continuum of services. They thought they had a good solution but it became too costly.

Director Dexter said they still had to educate the students even if they were not paying for the Colonial Academy. She questioned the projected costs required to educate the students in order to meet their needs.

Dr. Lewis conferred with Ms. Moran and gave the example that Pathways Academy had 9 slots filled and they were capable of handling 12 students. He pointed out that there were 3 slots which would have a zero cost impact. The student population at RASA with the inclusion of Pathways totaled 112 students, which totaled 103 without those students. He noted their capacity was somewhat greater, if the students were not deemed problematic.

Dr. Lewis asked Mr. Agretto if there were slots within special needs classrooms depending on the classification.

Mr. Agretto replied that if the students were re-evaluated, they would have to determine their individual needs. They certainly had a full continuum of service options within their home school district and if they met the criteria, they can be provided.

Dr. Lewis stated that they were looking for programs which could absorb the students without additional costs, however, there could be some who might need some additional services, in which case they might push back on ACCESS if they had special needs.

Director Dexter said she did not know who the students were and asked if someone familiar with them would be aware if they were problematic. She thought it was logical to assume that since they were placed in alternative education, they had known problems with the regular education setting.

They also know that they need to stay included if they were in the regular classroom because of the Gaskin settlement. She questioned the educational impact on the other students' education, if they were kept in the regular classroom setting and were disruptive. She also pointed out that if they were sent to Colonial Academy, it was known that they were in need of adjunct behavioral or psychiatric services including smaller settings in order to provide the education, which they needed. She asked what could have changed other than their budget crunch. Director Dexter asked if the district could provide the services adequately without unduly disrupting the educational process for students in the same classroom.

Dr. Lewis replied that there was a continuum of need and without knowing the specifics; he could not provide an answer. He said the least likely slot would be in the regular education classroom without any service whatsoever.

President Leeson expressed that they needed to know more about the students. They knew who the students were and needed to get a handle on where they would be placed and what the impact would be on the student and the classrooms.

Director Dexter added that part of her concern was how they would serve anyone by pulling the students out of a program, bring them back to the district and then have to hire a one-on-one classroom aide to monitor their behavior. She asked how that economy would serve anyone.

Dr. Lewis said he would ask Mr. Washington to perform a student number analysis to determine their needs in anticipation of some filling the slots.

President Leeson stated that the district committed to pay debt service for the 65 slots. She pointed out that once they paid for the allocated 65 slots, they no longer paid debt service on additional slots, so in essence it becomes less expensive per student. She further explained that when Mr. Majewski calculated \$20,000, he calculated all of their costs.

Mr. Majewski said even though the district received 65 slots, every school participating had a certain number of slots. They were buying everything including the debt service with those slots.

President Leeson concluded that they bought the whole package.

Mr. Agretto explained that they were purchasing the additional slots from other districts, which weren't using their slots. The debt service does not go away.

Dr. Lewis added that there was an initial promise made that non-charter members (noting that not every Intermediate Unit school belonged) would pay additional surcharges but unfortunately the slots were being used and there was nothing available to sell.

Director Amato said that as far as he was concerned, the \$240,000 being discussed was gone. It should not have been put on the list unless an analysis was made regarding the number of students being factored into the figure. He noted that administration was saying that they did that and the figure could be absorbed back into the mainstream. He expressed that at this point the \$240,000 should not have been put down – period.

Director Amato also questioned the elimination of the occupational therapist. He asked if it was something that would be absorbed back into the system.

Mr. Agretto replied that they were trying to reduce the referral process. The students would be re-evaluated and moved out of occupational therapy. They were trying to reduce the number of referrals with putting programs into place. He pointed out that the reduction would result from re-evaluated students who were referred for handwriting one or two years ago.

Director Amato said the cut of \$60,000 for the occupational therapist would result in so many students in need of service or do they absorb them back into the system without adding anything. He thought the numbers were just being thrown around and the students were being affected who needed special instruction. He questioned if the district could do without an occupational therapist because the students were leaving and needed no further assistance or if the therapist handled 60 students during the year and the students were being absorbed back into the system without any additional costs. He didn't think that was going to happen.

Dr. Lewis replied that it was not a severing of service for 20 students. He added that Mr. Agretto found that they were disproportionate in comparison to their colleagues in other districts in terms of occupational therapy referrals. They were also one of the few districts that at some point in time, abandoned formal handwriting instruction. A teacher who noticed eligibility by observing hand/eye motor coordination issues, referred the student and services were provided. Dr. Lewis thought that Mr. Agretto's assessment was that if they even got closer to being more proportionate in referrals they could have one less therapist. He pointed out that there were hundreds of students receiving services.

Mr. Agretto stated the budget for those services was \$338,000 and they were attempting to reduce the figure.

Director Amato commented that it has always been a sore point and they were dumping students into this or that area because the mainstream teachers don't want to put up with them. He said that they were re-evaluating the students and finding out that they shouldn't be in a program.

Mr. Agretto replied that what they were saying was that it was itinerant service and a minimal amount of the student's schedule. The service provided a structured handwriting program for students to help increase their fine motor skills and positively impact their curriculum.

Director Amato stated that he was supporting Mr. Agretto, in that he thought the \$240,000 and \$60,000 should remain because the students needed the help.

Director McKeon asked them to educate him in the purpose of the Colonial Academy.

Mr. Agretto explained that in special education there was a continuum with regard to the students who needed emotional support. Some students did not thrive in a large setting such as the middle or high schools, needing a smaller setting with more structure; a center based program versus a school-based program. Based on re-evaluation of the program and the students' needs via their IEP (Individualized Education Program) Team, determinations are made, intakes set up at the Colonial Academy and their staff communicates whether it fits their criteria for services.

Mr. Majewski thought that Director McKeon may not be aware of why the Colonial Academy was created and what services were used prior to its existence.

Mr. Agretto responded that there were very costly programs such as students being sent to residential facilities outside Pennsylvania. The Intermediate Unit provided another piece of the continuum to provide services, which were less expensive. He emphasized that he was very supportive of the program, stating it was a benefit to the district.

Director McKeon said his concerns were the same as Director Dexter with regard to students who were classified as emotionally disturbed being brought back into the district.

Mr. Agretto and Dr. Lewis both replied that those students were not the returning group.

Mr. Agretto added that they had great success bringing back special education students who demonstrate the ability to perform in a transitional manner. He noted that they were not brought back full force but they start with half days and monitor their progress before going to full days.

Director McKeon understood the concept of the smaller educational environment for certain students.

President Leeson asked for clarification regarding the Colonial Academy stating there were two particular branches with one being the emotionally disturbed students and the other one being alternative education students. She pointed out that they were looking at bringing the alternative education students back into the district and not the special education students.

Mr. Agretto responded that she was correct.

Director Dexter addressed Dr. Lewis, and stated that he mentioned earlier that at some point the district dropped the Zaner-Bloser Handwriting Program.

Dr. Lewis replied that he didn't know if the program was Zaner-Bloser.

Director Dexter stated she received a print-out from the Intermediate Unit last week and it appeared that 233 students were served in 2005-2006 and this year 338 students were receiving service. She wondered if that was the year when they dropped the handwriting program.

Dr. Lewis said that the formal instruction was dropped prior to his arrival to the district. He asked Ms. Fernandes if she was familiar with the timeline.

Ms. Fernandes thought that it was may have been in the late 1990's.

Director Dexter stated that she was wondering why they had the big jump from 2005 to 2006. She stated that in October or November they discussed the reduction of Intermediate Unit costs. As she reviewed the numbers, she noted that they didn't decrease but rather increased their use.

Mr. Agretto responded that they were attempting to project for next year.

Director Dexter asked if they started to look at it this year because in October and November they had 338 students serviced in occupational therapy. She was wondering if it was realistic to say that next year they were going to reduce their use if it has not been reduced but rather increased between October and the present. She wanted a realistic budget which actually reflected how the services would be used. She also inquired how the service could be done in-house and the Intermediate Unit replied that they offered to provide handwriting training to district teachers but it has not happened yet because of scheduling instructional dates. There had to be time for their lead teachers to learn what they need and additional time for them to teach the classroom teachers.

Dr. Lewis remarked that he wasn't sure that they would be providing occupational therapy level training to the teaching staff.

Ms. Fernandes stated she wasn't 100 percent positive and she recommended looking at the new reading series because there might be a handwriting component.

Director Dexter said that even if there were a handwriting component, they still might need the service at the same rate which they had.

Dr. Lewis and Ms. Fernandes both commented that it was year-one implementation so they have not seen any residual impact as of yet.

Dr. Lewis said that Mrs. Katona went home ill.

Director Dexter reiterated her question about it being realistic in making the cut. She didn't want to get rid of the realistic number but still have the bill.

Dr. Lewis replied that he expected to see a pulled occupational therapist expense recovered. He said he was looking at an estimated one-sixth of a cut (approximately six occupational therapist equivalent).

Director Dexter commented that she had a paper from the Intermediate Unit, which stated that reducing the position would be equivalent to servicing 218 students.

Dr. Lewis stated that they were saying one-third and the district was saying one-sixth and it was probably somewhere in-between.

Director Dexter pointed out that it appeared that they needed to reduce to a level prior to 2005 and they have not been able to do it this year. She noted they have just been increasing usage.

Mr. Agretto stated that the referral process has not really changed because there was not a system in place to address the handwriting issue. It had to come and was not here yet.

President Leeson asked what they were doing with handwriting in the classroom. She said it sounded as if they were going through the most expensive route by using occupational therapy as opposed to addressing a handwriting program within the classroom.

Dr. Lewis replied that he did not want to answer for Mrs. Katona and Dr. LoFaso with regard to the reading implementation. He would discuss it tomorrow morning and obtain additional information.

Mr. Agretto noted that there was an inservice, which was provided for their K – 1 teachers through the Intermediate Unit in cooperation with their elementary supervisor, Claire Hogan and between the two, they would attempt to bring them back more information.

President Leeson thought the handwriting program could be incorporated into the upcoming curriculum meeting so they could get an update through that venue before waiting to return to budget.

Director McKeon inquired if the referral coming out of the K – 1 program generated an IEP.

Mr. Agretto replied that the student did not become a special education student but rather a Chapter 15 student. An identified special education child could receive occupational therapy as well.

President Leeson thought the questions were very important to identify because they were looking at \$300,000. She noted they were \$123,000 over and it took them too far over their budget line so they really had to answer some questions.

Dr. Lewis concluded that they would do a review of the handwriting implementation and the reduction of occupational therapy services. They would also have a student profile of the twelve middle school students coming back from the Colonial Academy and the anticipated placements for those students.

Director Amato addressed CA/MP data, which was provided by Mr. Washington from the beginning of the year up to the present time. He said there were 55 physical assaults documented within the school district, which averaged to be almost 8 per month. He said they did not have a safe environment for their students to attend school. In addition, there were 10 students listed for drugs and alcohol. He thought the students were expelled when physical assault was involved. When a student strikes another student, it was like striking an employee. He thought they decided that they were gone, but evidently they were not and went to CA/MP.

Mr. Washington replied that he was right in some cases but he was not completely correct. When they redefined the definition of physical assault, they made a change regarding students assaulting other students, which led to serious injuries. The language about serious injuries was added to the book. If the assault led to serious injury, the student would be brought to a hearing.

Dr. Lewis noted that they had a lengthy discussion on it.

Mr. Washington said the language was redone with the assistance of Director Cann.

Director Amato asked that unless one student knocks another one down and made them unconscious, they don't get thrown out of school.

Mr. Washington replied that in some cases, if a student pushes another student and the other student pushes back, and the principal determined it was still physical assault and both students get a day or two suspension. That is constituted as physical assault with out of school suspension or they go to CA/MP. However, if the same situation led to a serious injury, it would be brought to a Level IV infraction for school board review.

Director Amato asked how they categorized a serious injury.

Mr. Washington stated that it was a threshold, which they put in with the language that if the assault led to serious injuries, but was not limited to broken bones.

Director Amato commented that when one student assaulted another student they should be done. He also pointed out that the students were 6th, 7th and 8th grade students and would be thorns in their side for the next six years.

Mr. Washington replied that he came up with a total of 54. They had 39 referrals to CA/MP in October with two related to fighting. In November they had 65 referrals in November with 15 related to fighting. In December there were 60 referrals and five were related to fighting. In January they had 47 referrals and 11 were related to fights. In February there 70 referrals and 11 were related to fights. They checked physical assaults over the last couple of years and the 2001-2002 district wide summary revealed 395 total assaults. They were presently looking at 44 and he noted that it was an average. He said that Director Amato was correct in the sense that they did take it to another level.

Director Amato said they should be at zero assaults. He questioned the policy with regard to how the offending student would be treated if they assaulted a principal or custodian.

President Leeson pointed out to Director Amato that they both agreed previously that they would have liked to have seen a stronger policy, but she didn't believe it was the majority of the board at the time.

Director Amato added that the board should have pushed for a more aggressive policy and they should all be ashamed.

President Leeson thought the policy was being implemented as passed by the board. She recommended to Director Amato that it might be worth bringing it up for discussion and when they did the upcoming review of the Code of Conduct, it might be something, which they needed to review. She added that any new policy needed to be reviewed.

Director Amato replied that he honestly did not feel as if he was doing his job if he condoned or went along with the current statistics. He felt they were not providing a safe environment for their students and faculty. He thought that they watered down the Code of Conduct over the last three, four or five years and they need to go back and make it tougher in order to send a message to the 6th, 7th and 8th grade students who were ruling them instead of being ruled.

President Leeson thought there was some discussion, which needed to take place at board level.

Director Amato pointed out to Mr. Washington that it was not him because he was given direction from the board.

Director Dexter said she actually heard that there was an assault or physical event at Freedom High School, which involved a board member and a teacher and thought that it involved Director Amato.

Director Amato asked her if she had any facts or figures on it.

Director Dexter replied that she actually verified with Dr. Lewis that it occurred.

Director Amato stated that there was no physical assault.

Director Dexter said there was some physical contact between him and a faculty member.

Director Amato replied that there wasn't and she didn't have any proof.

Director Dexter pointed out that there was no action taken because he and the gentleman involved shook hands and resolved it.

Director Amato addressed President Leeson and said that Director Dexter was out of order.

Director Dexter explained that she was just wondering if the same policy involving zero tolerance, which applied to students, also applied to board members.

President Leeson recommended taking the discussion into private if necessary. She asked if there were any further budget questions.

Ms. Fernandes stated that in an effort to attempt to find funds in the January 15th draft, on page 68 it listed a 1.8 in district-wide staff reduction for Reading Recovery® and she thought it was questioned at the last budget hearing. She stated that everybody seems to state that it is a 1.0 and questioned the 1.8 position on page 68.

Mr. Gross said that he recalled the question and researched it through Doris Correll and explained that there was a .5 ESL (English as a Second Language) component with that.

Ms. Fernandes replied that Mrs. Correll informed her that it was not the case.

Mr. Gross stated that he would have to look at it.

Ms. Fernandes added that a .3 position remained even if there was a 1.5 position reduction. She said that she noticed green bands showing the adjustments needed at the budget workshops and at the last budget workshop it was the general consensus of the board that if funds could be found for Reading Recovery® that it would be restored but she didn't see any green band or mention of it on page 3 of 3.

President Leeson asked Dr. Lewis for his input.

Dr. Lewis asked Mr. Gross-----

Technical Problems – Tape ceased recording.

Stanley J. Majewski, Jr.
Board Secretary

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