

BETHLEHEM AREA SCHOOL DISTRICT
BOARD OF SCHOOL DIRECTORS
PUBLIC 2008 - 2009 BUDGET WORKSHOP #5

MAY 5, 2008

The fifth Public 2008-2009 Budget Workshop of the Board of School Directors of the Bethlehem Area School District was held Monday, May 5, 2008 beginning at 8:25 p.m., in the Dining Room of the Education Center, 1516 Sycamore Street, Bethlehem, Pennsylvania.

Members present: Directors Cann, Dexter, Follweiler, Koch, McKeon, Tenaglia and Leeson - 7.

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

Dr. Lewis noted that as conveyed in a memorandum on Wednesday, several adjustments were made in alphabetic order by category on the front page. He called attention to a priority order, should certain funds become available regarding the possible consideration of restoration to certain items. He stated that he continued to have conversations today with certain individuals who were impacted and had asked for additional time, even though they had previously shared the information with several individuals.

DR. LEWIS –
INTRODUCTION

Dr. Lewis asked if administration could explain the items and then have discussion afterward regarding specific items.

President Leeson agreed with Dr. Lewis' request.

Dr. Lewis stated that Mr. Majewski also provided projection information, as he believed there was some misunderstanding on the 23rd and noted the memorandum, which accompanied the packet.

Mr. Majewski stated they looked at several years of actual historical revenues and expenditures as well as the current budget. He stated he had tried to give them an understanding as to where the trends have been and where they appear to be going and some of the expenditure issues. He explained that some of the drivers on the expenditure side, what they have been and what they continue to be. He noted the drivers of the employee health benefits, looking at the retirement system, with the increase being gradual but steady over the last several years. He said that depending upon what action the state takes, it may flatten out for a number of years or may increase. Those discussions need to be monitored.

Mr. Majewski knew the cost of health benefits and inflationary issues, which pressured their budget, would very likely continue. He noted that medical inflation was rising more rapidly than any other inflation. They were presently evaluating prescription costs and commented that not too long ago they were looking at from 20 to 28 percent annual increases with prescription drug costs, but because of the greater use of generic drugs, the annual increases were decreasing to approximately 8 to 10 percent. Mr. Majewski said those areas were very difficult to control because the district was self-insured. As utilization and inflation continue to increase, it has an impact on the budget.

Mr. Majewski noted that charter school funding has progressively increased and also impacted the budget. He pointed out that the cost of natural gas was spiking but had leveled off but the cost of electricity had increased and would continue to do so unless a cap was placed on it.

He explained that there had been drivers causing issues with the budget, which would continue, including the cost of debt service which was something that had been publicized. When observing the budgetary pressures placed on the district, there were hills and valleys but the overall impact on the budget had remained fairly stable over the years. He said the district is large, but he observed that relative to the size of the district, they were not in a position where they were spending far more in debt service than the others. He pointed out that the district's buildings were in better condition, in spite of the fact that their debt service was probably the same as other school districts.

Mr. Majewski addressed how the district compared to other districts in the state. He obtained information from the Pennsylvania Department of Education website to note the trends. When looking at expenditures per pupil, the district was at the low state average. In a comparison between Bethlehem Area School District and others in the state, he found it difficult because the counties assessed at different levels so it was difficult to evaluate millage rates. In the early 90's, the district was one of the lowest taxing districts but in the last few years the expenditures had increased at a rate far higher than the tax rate. He hoped some of the provided information was helpful in understanding the drivers which have influenced the budget. Mr. Majewski welcomed further discussion.

President Leeson stated that she noted in the cover letter that it stated the increase in fund balance dependency and lack of appropriate tax rate was also illustrated by the percentage of local taxes used to pay expenditures. It also showed that the expenditures of the general operating fund were increased on an average of 6.6 percent. She noted that it was at the recommendation of the administration. The board accepted budgets, which were recommended by the administration and told they were fiscally sound. President Leeson said that she did not recall having a conversation that they were overspending their budgets until they were (well) passed.

President Leeson said she understood there were many reasons why they were there but she didn't think they were as fully informed on the issues, as the board would have liked.

Dr. Lewis thought in hindsight, President Leeson's statements could be regarded as relative fact. He felt the need to clarify that the present and prior boards which he had been associated with over the past 18 years, had gone to fund balance as a way to maintain reasonable taxes. He thought that it was a misstatement to suggest that they were not fiscally responsible budgets. He also thought that Mr. Majewski was one of the finest predictors that he had come across and still believed after saying it over a hundred times, that they were in a "perfect storm", whether they liked to admit it or not. He pointed out that he just read an article on the impact to school districts of declining housing sales and values across the country. Dr. Lewis believed there were major impacts on both sides of the budget. It was accurately pointed out that their revenue appears to have declined on just about every front. He believed the constant reference to over expenditure was unfair. He thought that the expenditure side of the budget was hit because of drivers as pointed out by Mr. Majewski. Dr. Lewis reiterated that the drivers were pointed out time and time again and said he was sorry that their crystal ball was not clear. He said that he did not appreciate the constant finger pointing that the administration did not prepare fiscally responsible budgets in prior or present years. He commented that the group in front of them had worked very diligently, particularly Mr. Majewski and his department, including Mrs. McCann and Mrs. Behers, to do the best possible job in very uncertain conditions. He thought they had to be fair to the people who worked on it.

President Leeson stated that she understood that they looked at the revenue projections for this year and knew they had some issues but with regard to the previous years she wanted to propose a policy during a committee meeting that when they pass a budget, they stayed within the budget, unless the board voted at a public meeting to exceed the budget. She believed that in previous years, they had allocated a certain amount of money from the fund balance, but more of the fund balance was used than allocated. The board was not apprised of the situation as it was occurring. She believed that they had overspent the budget in the past three or four years, when they had closed their budget books after determining what they were going to spend and how much fund balance was allocated. She stated that they had spent more than that, which was overspending the budget. She proposed a policy, which stated that they don't do that unless the board voted to approve it. She reiterated that she could bring it up in another committee meeting.

President Leeson asked if there were any other questions on the projections or financial information, which was provided by Mr. Majewski.

Director Tenaglia inquired if she was discussing the second memorandum.

President Leeson replied affirmatively, on the projections.

Dr. Lewis asked Director Tenaglia if his questions had been answered.

Director Tenaglia replied affirmatively.

Dr. Lewis asked to proceed with the expenditure adjustments and added that there was an addition, which the board requested. He welcomed discussion as to whether or not the adjustments were acceptable or if there were other alternatives.

DR. LEWIS –
EXPENDITURE
ADJUSTMENTS

- Board – There were two adjustments reviewed by Dr. Lewis, Mr. Majewski and cabinet. The judgment was against the district and it was felt that \$25,000 adjustment as well as the committee for which the board previously endorsed.
- Building Allocation – funds controlled by various building principals and historically not spent annually to well within the 6.54 percent and they were managing without the dollars. It was spread out across 22 schools and three programs. The \$100,000 was relatively leaned out as they looked at the various building budgets.
- Business Department – Mr. Majewski made the reduction of an 03-Clerk which was currently an unfilled position.
- Curriculum Enrichment – A sizeable deduction was taken and discussed preliminarily with the board. The adjustment was in the amount of \$58,000 for field trips.
- Data Processing – It was noted that the services dealt with data in all circumstances including student, financial and administrative data. The three areas including conferences, supplies and the consolidation of some repair/maintenance services yielded \$41,500.
- Debt Service – Discussion had taken place on remarketing fees. Dr. Lewis credited Mr. Majewski with renegotiation, stating that he had taken a hard line on it. The financial sector realized the board was having discussions about matters like Nitschmann Middle School and other projects. He asked Mr. Majewski to briefly comment on the reduced remarketing fee.

Mr. Majewski stated that the last time the board met, they asked about setting up a meeting with Mr. Bear to have discussion on some agreeable ideas. A June date would be arranged because he was booked for the month of May. He noted that they presently had a verbal agreement regarding the remarketing fee, however, documents needed to be created and a revised agreement needed to be approved. Mr. Majewski stated that he had his word that it was something that could be done, which would reduce the costs by approximately one-third of what they were paying at present.

- Employee Benefits – The first two items were adjustments to PSERS and FICA due to employee reductions. If any of the positions were placed back into service, the figures would change. Dr. Lewis stated that Mr. Majewski had worked to restructure the drug administration fees and there was an anticipated savings of approximately \$72,000.
- Interscholastic Athletics – Mr. Majewski stated that the payments were eligible for credit of one half of the subsidy from the state for social security as well as retirement payments. By incorporating it into their budget, it will lower the required transfer in order to balance the budget. He noted that by going through the individual detail of their budget, they were able to determine that there was no omission and it was something they could file for and give credit.
- Rifle Team – Dr. Lewis said he knew it was a sensitive topic but he stressed that Mr. Senneca and Mr. Harris expressed to Dr. Donaher that they strongly recommended the elimination of the sport, citing limited opportunities to compete along with consideration of the far distances to compete in matches. He emphasized that it was nothing personal against the sport but when given the direction to reduce the athletic budget, the athletic directors gave the direction.
- Intramurals – Dr. Lewis asked Dr. Donaher what comprised the ten percent reduction.

Mr. Majewski offered input, and stated the ten percent reduction should have been removed because it was a temporary reduction.

Dr. Lewis asked Dr. Donaher if he knew what areas were reduced by \$20,000.

Dr. Donaher replied that each school including the elementary, middle, high school, RASA and the Career Academy were allocated a certain number of hours for intramural activities. They took a ten percent reduction in the number of hours per school so if a school received 70 hours of funding for intramural activities, it would be reduced to 63 hours.

Dr. Lewis stated that he did not remember the board member who asked him but it was asked if they spent their total budgets in intramurals.

Dr. Donaher replied that they had come very close. The schools asked for monthly updates on their hours and Mrs. Zimmerman had kept track up to the minute so they would know if they could run their bowling trip or take the students to play softball. He noted that middle school 6th graders were not covered by varsity athletics so any opportunities for them such as volleyball was covered through intramurals. At the high schools it was mainly the facilitation of the fitness and weight rooms after school.

President Leeson questioned the intramurals listed on their regular sheet before they were taking the extra million dollars and on this sheet there was \$10,500. She stated that it said an additional 10 percent reduction of \$20,500. She asked if they were saying that they were eliminating \$31,000 in intramurals.

Dr. Donaher replied that it was basically a ten percent cut because they were at \$500,000 at the beginning of the year so a ten percent cut took it 90 and they took another \$10,000 to take it down to 80. They were actually taking \$20,000 for a total.

Dr. Lewis and Mr. Majewski disagreed.

Mr. Majewski stated that originally they had approximately \$105,000 annually. They took off \$10,500 (ten percent) with the first draft of the budget, which was in addition to that so Director Leeson was correct. They combined the amounts to obtain a total of \$31,000, which would have been off of the normal budget of approximately \$105,000.

President Leeson wanted everyone to be aware that they were close to a 28-30 percent cut in intramurals.

Dr. Lewis brought attention to the next grouping under contracted services, which were relatively small adjustments in boiler, fire and safety, miscellaneous and environmental. He stated that Mr. Gilliland had assured them that the cuts would not affect the district in great measure and that they would just operate a tighter ship. Under the fifth contracted service, the Holy Child School lease was not in the proposed cuts but due to departmental relocation, the lease would be closed out. The next four areas were the supply areas of carpentry, electrical, plumbing and HVAC. Although they did not seem like heavy cuts, the reductions totaled \$10,000. Dr. Lewis explained that when they met for discussion, they looked for minimal commitments of this kind to arrive at a million in adjustments.

- Minority Affairs – Dr. Lewis stated that Mr. Washington had adjusted the travel and supply accounts. They were hoping to make internal moves with regard to alternative funding. There were some pending grants which he hoped to bring back greater funding.
- Special Education – Dr. Lewis said they restored the student employee training at the fifty percent level and stated that Mr. Agretto felt he could still run a very good program and would look at additional funding.
- Department Chairpersons – Dr. Lewis stated that they were keeping some positions in the core areas and were adjusting others. He asked Mr. Gross to provide further explanation.

Mr. Gross explained that it was an adjusted figure from the previous sheets. The department chairperson time for three of their core subjects, English, mathematics and science would be unchanged from its current status. The chairpersons would teach four classes, two per semester. They would have a department chairperson period for each semester and a planning period each semester, which stayed the same. It would stay the same. The social studies division would be reduced by one department chairperson a year. They would teach five classes; three one semester, and two during the other and have one department chairperson period during one of the other semesters and a planning period each semester. The other subjects which had a department chairperson would have their individuals reduced by one department chair period in the day. They would teach six classes per year; three each semester, and would have a planning period each semester. He explained that their contracted time during the day was essentially eliminated but they would still receive their \$3,000-4,000 stipend per the collective bargaining agreement. Supplemental time for which they were paid, outside the contract date, would be eliminated for subjects such as world languages, fine and practical arts, special education, and physical education. The \$150,000 reduction was reflected in that plan.

Dr. Lewis pointed out that it was the first item to restore if they could indeed see improved revenues or not have the need to go as deep. He stated that he had continued conversations today and also noted that Mrs. Katona had weighed in that her attempts at implementation of Project 720 was using the instructional core chairs, which was why they had decided to leave those individuals in place. The discussion would continue in that area and expected further dialog.

- Band Uniforms – Dr. Lewis announced the decision to purchase one half of the band uniforms with the other half being delayed for a year. It was the second item listed for restoration. He noted that they were sensitive to their music program but when it came down to academics versus other categories, it had to be a choice.

Mr. Majewski added that he had a recent conversation with Mr. MacGill in order to get an idea as to the costs. If the entire band were outfitted, including hats and detailed buttons, it would be close to \$150,000. He noted that not too many years ago, the cost was \$80,000. Mr. MacGill had indicated that if the district put \$55,000 in the budget, his most urgent needs could be taken care of for next year with the understanding that they would try to give more the following year. He was grateful for that amount of money to obtain his most pressing needs.

Director Koch inquired if they had discussion with the bandleaders from other schools who were going to be set back for another year.

Mr. Majewski replied that they had not been asked the question.

President Leeson clarified that they would be set back two years if they eliminated both sections.

Director Koch stated that she needed further understanding.

President Leeson stated that the Liberty band uniforms were being replaced in halves, purchasing the bottom half and then the top half. If they eliminated both halves, in which this was the second half, it would take them two years before they would get to the next group.

Mrs. Katona commented that there was a recovery year.

Mr. Majewski pointed out that they would have to put another \$40,000 back into the budget on top of the \$55,000, in order to get all of the Liberty band uniforms ordered which would be needed for next year.

President Leeson said that was for half of the uniforms.

Mr. Majewski explained that half of all would be \$70,000 and presently they had \$55,000 in the budget. He reiterated that \$55,000 would obtain their most pressing needs.

Director Dexter said that she heard Dr. Lewis compare the band to academic subjects. She emphasized that high school music was an academic subject and in fact it was one fourth of the career for students who commit to the band programs at Liberty or Freedom High Schools. She also said that the Liberty Band was invited to attend the Rose Bowl and added that if anybody attended the band concert, they would know that they were one of seven bands in the country who won a competition to get there. She pointed out that they did not have enough uniforms and one of the reasons was that students had a greater interest in joining the band when it was associated with a fabulous trip. They presently have more students who wanted to be part of the band and not enough uniforms or sizes. She thought that they should look at the possibility of giving them \$50,000-55,000 so they could at least purchase the uniforms. Director Dexter realized that it was not an ideal solution because band uniforms should be purchased in the same lot. She spoke with Mr. MacGill about it last month and he commented that he would have to live with the outcome because at this point he needed those uniforms and if they were slightly off-color, then that was what it had to be. She thought they needed to recognize that the band was an academic program that they would be cutting and not just an extracurricular activity. She also noted that athletic uniforms have not been cut or delayed another year and they were right on track.

Director Koch agreed.

Dr. Lewis replied that he wanted to hold a possible discussion. He didn't disagree with President Leeson's logic and did not want to diminish music in any way, shape or form. He expressed that it was a tough decision. If the board directed them to go back on any of the items, they would go back to find another item which they would try to supplant. He said that he would like to finish his description and then they could have discussion.

President Leeson asked if they could move along and it would be the first item for discussion.

Dr. Lewis agreed.

Director Koch asked when they came back to it, that they also come back with some comments from the other schools as to how the delay would affect them.

President Leeson replied that she meant that they would come back to the issue tonight if anyone had additional comments and she agreed with Director Koch.

Dr. Lewis continued with his presentation of expenditure adjustments.

- Student Services – He noted that Mr. Washington had provided \$1,500 under supplies and conferences.
- Activity Transportation – Dr. Lewis stated that they have had multiple activity run tiers and were going to set one activity run for the district and the time being determined after conferring with Mr. Himmelberger and Mr. Gilliland. It would involve athletics, extracurricular activities, ASPIRE and all of the district programs. He pointed out that they historically ran a double run which was equivalent to a morning and afternoon run. While they were not as detailed in terms of their stops, it was costly. The \$20,000 represented the reduction of one scheduled activity run.

Dr. Lewis asked for any questions or thoughts on the potential cuts.

Director McKeon asked if they had after school detention at certain grade levels and asked if they were part of the activity transportation.

Dr. Lewis replied that they would also be part of that run.

Director McKeon inquired if they were previously part of an activity run.

Dr. Lewis replied affirmatively.

President Leeson said that when it came to the activity bus, they needed to be sure that their libraries were open so that when the students were finished with their activity, they had a place to go where they could do something constructive, particularly if they were having one run. She pointed out that many of the students stayed after school for a fifteen or twenty minute activity and they had no place to go and nothing to do so they needed to make sure they had a place to complete their homework, study or do something constructive.

Dr. Lewis preferred to eliminate the fifteen-minute activity and if people were going to run after school activities, they were going to have to run them on a prescribed schedule. He pointed out that the short runs of activity time have complicated the issue and it was going to take some re-education of the people who were providing the services. He explained that most districts do one run. The other option was to have two runs with the second run consisting of two or three drops at major shopping centers where the parents could meet their children. They preferred to look at the first option.

Director Dexter didn't know if it was realistic to direct people to not have a fifteen or twenty-minute activity because some of the activities didn't require a full hour. For example, if one wrote for the school newspaper, they may need to go to the newspaper office after school to deliver an article, review a layout and then they would be done within fifteen minutes. If the student was in the model U.N., they might need to attend a meeting and receive an assignment and meet a partner but would not necessarily be doing an activity at that time.

Dr. Lewis replied that in all due respect, they needed to make a choice between running a transportation network or were they running a school district which needed to economize. He didn't disagree with Director Dexter, but for those unique situations, they would have to ask the parents to transport their children.

Director Dexter pointed out that many parents do transport their children but some students do take the activity bus and if they need to stay after school for activity, they might not necessarily be there until 4 p.m. and she questioned what they would be doing between 2:45 p.m. and 4 p.m. She was not saying that they should run a bus at 2:45 p.m. but was asking if there was a safe place for the students.

Dr. Lewis stated that it would need to be monitored which would have budget implications as well. They would have to pay a teacher \$30 per hour and when it was applied to multiple schools, it added up very quickly across the course of a year. He said they would rather attempt to re-educate first to see how many activities they could manage to conclude at a common time. It would not prohibit teams from staying longer and he noted with the rare exception of one or two middle schools, the teams were staying beyond the runs. He concluded that they were looking to make it a more efficient situation.

President Leeson said she supported the idea of one activity run, but they currently had the problem where they had students who were only there for a short period of time and were standing around. They needed to find a solution to the problem and she thought that was the issue and not whether they reduce the run. She said they couldn't have children just hanging around the school with nothing to do.

Dr. Lewis responded that they would put it on the agenda for discussion. He stated that unattended students are an unacceptable situation.

Director Dexter suggested that they could be creative and have a new program at each high school or middle school, which would allow students to access the libraries and use computers for homework, which could be supervised by someone paid by new money, which couldn't be used for existing programs.

Dr. Lewis stated that he could see that and they could just do a novena that the money stays in the budget.

Director Tenaglia asked Mr. Majewski a question on the most recently proposed budget, page 11, student activities, with the detail on page 69. He did not see where they had budgeted the Liberty Band Uniforms.

Mr. Majewski noted that the \$110,000 was supposed to be sufficient for the Liberty Band Uniforms.

Director Tenaglia asked if the total supply budget under the Category 610 of \$110,000 was solely for the Liberty Band Uniforms.

Mr. Majewski replied that the account was typically for band uniforms under student activities, whether it be for Liberty High School or any of the secondary schools.

Director Tenaglia said that it didn't seem that they had anything budgeted for student activity supplies.

Mr. Majewski responded that they did not and typically they didn't need anything other than funds provided by the school.

President Leeson proceeded to discussion about band and athletic uniforms.

Director McKeon said that if they were going to consider reinserting the \$55,000, he thought they needed to know what athletic uniforms were due for replacement this year. He was aware that there was a rotation every four or five years and thought they would have to push it back another year. He knew that dollar for dollar, an athletic uniform was not going to replace the band uniform, but if they were asking the band to defer some of their expenses, they also had to start to ask the athletic department.

Dr. Lewis inquired about the status of the athletic uniforms with Dr. Donaher.

Dr. Donaher stated that he did not have the information with him this evening but knew that he did cut five percent from athletic uniforms in the original budget. The amount was \$6,554.

Dr. Lewis said they were looking at \$120,000 in replacement uniforms in all sports for the middle and high schools.

Dr. Donaher added that he could obtain information about the particular sports which were up for new uniforms.

Director McKeon replied that the dollar amount was fine. He said that if they were going to ask one piece of the educational community to take a financial hit, then he thought they would have to ask their athletic departments to push back their rotation. He realized that at the sub-varsity level, the uniforms were handed down at least to the high school freshman. He thought the middle schools had their own inventory.

Dr. Lewis requested a general consensus from the meeting chairperson.

President Leeson agreed.

Director Koch stated that they were trying to make the two things equal and she didn't think they necessarily were because with regard to the bands, they go out and enter competitions. She pointed out that one of the criteria for judging was their appearance. She said that Liberty's band had always been outstanding when they entered the stadium. She didn't want to put down the football players but they were not being evaluated according to their appearance but rather how they played the game.

Mr. Majewski pointed out that over the years, the athletic uniforms become worn which was more important than appearance. He said they also needed to look at the sport itself to find out how critical the loss of uniforms was to the team. If the team didn't have sufficient uniforms, the students might be prevented from participating in the sport. He said if they were looking at the replacement cycle of the uniforms, there really needed to be an evaluation as to how many were needed and the reasoning. Was it just because they wanted new uniforms or were there other circumstances that surrounded the issue of replacement so a decision could be made based on the facts.

Director Koch said that it was all the more reason why they needed to hear from the people at each school and what the impact would be to both bands and athletic programs.

Mr. Majewski reviewed that there was a cycle and they will follow the schools. He noted that those at the tail of the cycle would not know how it would affect them in six years.

Director Koch pointed out that they might not be thinking about it because it was so far down the line and perhaps they needed to be told that when they come to the board in seven years and have raggedy uniforms, they would not be moved up on the scale. She thought they needed to have an understanding.

Mrs. Katona stated that this was Liberty's year and 2009 was a skipped year, with nobody scheduled. If they had to push Liberty back to 2009, as long as they could continue moving along within the budget, nobody else would really take a hit.

President Leeson said they would because they were presently splitting Liberty into two.

Dr. Lewis replied that if they restore it in whole, then they had essentially no delay in the cycle.

Director Cann asked if padding and helmets for athletes were considered to be part of a uniform. She commented that it was a safety issue and should be a consideration.

Mr. Majewski stated that those items were sent, repaired and made safe on a yearly basis. He said they would not send someone out on the field with a faulty helmet.

Director Cann commented that a uniform cut would then not affect that area.

President Leeson asked the board if they would like to see half of the band uniforms reinstated.

Director Tenaglia questioned the dollar amount of \$55,000.

Director Dexter stated that \$55,000 was not really half.

President Leeson readdressed the board asking them if they wanted to restore \$55,000 for the band uniforms.

- Director Koch – yes
- Director Follweiler – yes
- Director Cann – yes
- Director McKeon – He stated that he needed to know the number, which they could potentially save on the uniform deferral.

BOARD
CONSENSUS
BAND UNIFORM
FUNDING

President Leeson said that they had identified one area in which they could cover with the \$55,000. She asked if there were any other suggestions or recommendations for other areas, which could be covered. She inquired if they were still paying for high school letters.

Dr. Lewis asked if she meant the chenille letters.

President Leeson replied affirmatively and stated that she had the understanding that some schools had gotten away from that because the students don't wear them like they did years ago. She said they could still letter in a sport without necessarily "getting" the letter. She understood that some schools had gone that route as a cost cutting measure.

Dr. Donaher added that the first year they earn the letter was when they received the chenille letter and after that they received a pin which was representative of the score for which they get the letter. A successful athlete wouldn't have 15 letters but rather would have one letter with 14 pins.

President Leeson asked Dr. Donaher if the district was paying for the letters and pins.

Dr. Donaher replied affirmatively and said it came out of awards. He said he could obtain the allocated dollar figure.

Director Follweiler stated that when she lettered at Freedom High School, they eliminated the letters and she was very disappointed that she did not receive a letter or a sweater. They received a windbreaker jacket because at some point they thought the students would wear them and expressed that she was upset as a student athlete. She said it was something the students save as a high school memory. She considered it to be an award.

Dr. Donaher pointed out that the football jackets seen on many players were purchased by individual students and their letter was affixed to their jackets.

Mr. Majewski asked that by putting back the \$55,000, did they want the entire Liberty band uniforms to be ordered because it would take more than that amount to do that.

President Leeson stated that at this point, they were talking about putting \$55,000 back.

Mr. Majewski added that they would get whatever they could for \$110,000.

Dr. Lewis stated that Mr. MacGill noted that he was comfortable with the \$55,000 to be able to dress the students for the parade and to buy additional uniforms for any anticipated additional players.

President Leeson recommended that if they found additional money through additional cuts, then they could possibly go back to look at some of the hot button items of which would include the band uniforms. She thought they would want it to be located high on the restoration list.

Director Follweiler commented that some of the items listed on the additional million were listed on the last spreadsheet under the "blue" suggested categories, which she thought were in the total from last time. She asked if the "blue" items on this draft were not in the total.

Dr. Lewis stated that they were in red and they threw the blue out there in anticipation that they possibly wanted to go further.

Director Follweiler said that their new total was \$6.5 million. She wanted to be sure because of how they had it listed both ways.

Director McKeon stated that the Minority Affairs Department had listed \$500 in travel for grants. He questioned if they were going to utilize it to attempt to hire minority teachers.

Mr. Washington replied that it was not what that was used for but rather when Mrs. Cintrón had to travel to Harrisburg to obtain the particulars on a grant or something of that nature.

Director McKeon thought if it was going to have an impact on the potential of missing a minority employee, then he didn't want to have that occur.

Dr. Lewis said that some money was left in there, which she felt to be adequate.

Director Tenaglia questioned Mr. Agretto about the \$30,000 being put back for the student employment training. He asked if it was the STEPS program.

Mr. Agretto replied that it was incorporating the students in both STEPS and their Life Skills school to work transition program. He thanked Director Tenaglia for the complimentary emails.

Director Tenaglia asked him if he was comfortable that they wouldn't be depriving the program with putting the \$30,000 back.

Mr. Agretto said it would diminish their ability to do all that they do but it would not stop them from finding other sources of income to supplement the \$30,000, which they were putting back. It gave them some working money to stretch the program and he could see it functioning fairly well for them. He understood the reality of the situation.

President Leeson asked about the reduction of the judgment against LEA (Local Education Association) and although they explained it, she still didn't quite understand it.

Mr. Majewski replied that there had been occasions where they have had judgments against the school district and some had been a dollar amount of which they had to pay. This was a budget that would allow for payment from the general fund.

President Leeson stated that as they changed solicitors, they anticipated that they would have a slightly reduced budget and probably more from the door-to-door timing with a local solicitor versus someone who was located further away. She wondered if they had calculated a slight reduction of their solicitor fees into the budget.

Mr. Majewski replied that they had less money in their solicitor account and before he further reduced that budget, he wanted to obtain some historical information. He knew they were anticipating some of the lower fees but there was a lot of activity and he wanted to see how it all worked out.

Director Cann asked for clarification regarding the reduced field trips under Curriculum Enrichment. She questioned if it was like the intramurals where the same percentage was reduced for every school across the board.

Mrs. Katona replied that it was basically related to transportation and they were looking at a way to do more streamlining with the field trips. She said that initially they considered the Historic Bethlehem Partnership but it wasn't looking at anything like that. It was considering the field trips, which were set up and were important for the district. When they start to get requests from schools for other types of activities, she was considering putting something together in conjunction with Mr. Gilliland, by identifying the past field trips taken, which ones were considered most important and perhaps setting a cap per grade level. Mrs. Katona noted that they had some very good district-wide field trips requested by the schools. They want to take a closer look at them in order to cut back on transportation costs.

Director Cann inquired about the Historic Bethlehem Partnership and noted it was not part of it because it was in "blue."

Mrs. Katona replied that she believed it was strictly transportation.

Dr. Lewis added that there were some funds available for those schools that do not have high activity in their PTO's and PTA's, who might step up to fund the transportation costs.

Director Follweiler asked if the \$10,000, which was in blue from the last budget discussion was not part of the million dollars and it stayed in the budget for the Historic Bethlehem Partnership.

Dr. Lewis replied that she was correct.

Director Follweiler said she was curious because she noticed that it was one of the items and she didn't get through all of them, which was in "blue" that didn't make it to this phase.

Dr. Lewis thought there were inputs, which conveyed that the program had perceived value and it should be retained for the students.

Director Follweiler asked for further explanation regarding the \$10,000.

Mrs. Katona replied that the \$10,000 was for field trips through the Historic Bethlehem Partnership for grades 2, 3 and 4 with each one having a different place to visit.

President Leeson asked if there were any further questions related to the present page of discussion.

Director Dexter wanted to know how the Rifle Program reappeared as a program cut.

Dr. Lewis replied that he thought that he shared it.

Director Dexter stated that she really didn't want to know how it got there because it would just aggravate her, but she said she would like to see the program reinserted and untouched. She suggested they look at the athletic budget to find something else. She said she felt very strongly about it and said they already had the discussion.

Dr. Lewis asked Director Dexter why she felt the way she did about the program when they had difficulty scheduling the matches.

Director Dexter replied that she did not personally know any participants, having no relatives in the program. She thought it was important for the district to offer sports, which reached a wide variety of students. They knew that sports motivated students to be interested in school. She noted that some people have approached her and said thank you because their child lived for the rifle season because they want to participate in a school activity and it gave them a school identity. She added that they were reaching many different students in the program as compared to traditional sports. Director Dexter did not recall the specific numbers but felt it was a significant number and probably more than they reach in tennis or golf.

Director Dexter added that it was not a very expensive sport. When she looked at the athletic budget and saw \$121,000 in salaries for the football program and then saw \$11,000 for the Rifle Program. She brought attention to the fact that they had a state competitor this year and asked Dr. Lewis if he was aware of it.

Dr. Lewis responded that he was aware of the state competitor but also brought attention to the fact that it was not a recognized sport by the PIAA, which meant that it was recognized by a surrogate system.

Director Dexter said that it might be meaningful to some people, but for the children who participated, they did not care what letters were attached to the sport. They want to participate in a sport that has a school identity and she felt it was very important for their students. She said she could think of a lot of things that they spent \$11,000 on in a year, which she thought had a lesser impact. She brought attention to the DECA trip to the national competition and said those students probably would go with or without their financial support. She also mentioned some of the state DECA trips and some of the conference travel expenses in the district, which was not even on the cut list. Director Dexter said she was tired of telling them that she didn't want to see the Rifle Program cut.

Director Cann commented that she would not cut it for the sake of \$11,000 because it really does reach students that have no interest in the other sports. She asked if it was really a bone of contention such as having difficulty getting a coach.

Dr. Lewis deferred to Dr. Donaher and said that the athletic directors essentially took a strong position on it.

Dr. Donaher said the other reason was that the coaches had been fairly secure for the past number of years but they had a problem with practice facilities. They had been using the pit at Liberty High School for both teams because Freedom High School did not have a shooting area. They use the small building in the back in an area where they walk down to get into but it was being converted to a physical education space over the last three years because of the lack of facilities at Liberty High School. They had only been able to keep one lane open for rifle practice, which made practices longer. He did not believe that there were plans for it to become a rifle pit again in the refurbishment and it was being converted into a physical education activity area. He stated that the scheduling of other teams to shoot was also very difficult with most of the other teams located in the Pocono area which required lengthy travel and time and involved transportation expenses.

Director Cann pointed out that it still only added up to \$11,000.

Dr. Donaher replied that it amounted to approximately \$11,500. He didn't think anyone was saying that they wanted to get rid of the program because they didn't like rifles. They were looking at the opportunity to cut a considerable amount of money without having a large impact on a large number of students without also hurting other sports in the system. He explained that the PIAA does not recognize it as a championship sport and compared it to cheerleading, saying it was there, and they had it, but there was not a state championship. He said they tend to not have non-championship sport teams in their high school.

Director Cann asked if the team was kept would there be a coach.

Dr. Donaher replied that they would have to find a rifle or gun club to practice and they would charge them for the use of their facilities. When they shoot at matches, they might always have to travel because they would not be able to shoot at their home site because they really don't have one.

Director Cann suggested that they place a maximum cost and if the team could be managed for a certain amount, but if it went over the set cost, then they would eliminate the idea.

Director Follweiler asked Dr. Donaher approximately how many sports were at the high school level. She assumed it was more than eleven and with that being said, if they took \$1,000 from each sport, they would have that amount of funding versus the elimination of the program. She said she agreed with Director Dexter in that she was astounded that the only answer was to eliminate the Rifle Team. She suggested taking \$500 from each sport if there were 22 sports and then there would be no impact versus the elimination of an entire sport.

Dr. Lewis replied that some sports were very expensive to operate. For example, they would be hard pressed to get \$500 from the tennis team but they could take \$500 from the football team without a problem.

Director Follweiler said she was offering some more "out of the box" suggestions rather than to eliminate the Rifle Team.

Dr. Lewis stated the argument was they had a sport that the state had cut loose and fewer and fewer schools were fielding the club teams on an annual basis. He knew seeing it as a cut frustrated Director Dexter, but the athletic directors were having a hard time even finding space.

Director Follweiler said her second question was why the use of the space, which was set aside for the Rifle Team changed, when even long before she was on the board, the board continued to say to put the team back in.

Why did they eliminate the space when they knew that the board felt that the Rifle Team was an essential sport for the students?

Dr. Donaher replied that he knew in the last three years it had been impossible to find areas for physical education activity at Liberty High School to the point where there was actually one, if not two classes held in that pit area. They moved a lot of machinery in there so the students could use it. They had kept the one lane open, but he needed to check with Mrs. Durante to be certain to check the plans with Mr. Gilliland or Mr. Fazil if the area was destined to be a rifle range.

Dr. Lewis asked where the matches were taking place and inquired if they were shooting away all of the time.

Dr. Donaher replied that they were just using the one rifle lane and it took a long time. He said that last year he believed they had three lanes and were able to convert because the machinery which was in the pit last year was moveable because they didn't lose so much area but this year there was a loss of more physical education area, therefore they moved more machinery there which further reduced the shooting area. For warranty reasons, some of the equipment had to be moved by the corporation. If district personnel attempted to move it and it broke, the district would be responsible for the repair.

President Leeson suggested that a general consensus of the board be obtained.

Director Koch understood that President Leeson was attempting to speed things along. She commented that the team was not in the PIAA, but when she attended the yearly sports banquets, there were the students present, happily lined up to receive their Rifle Team trophies.

Director Tenaglia thought the Rifle Team issue was resolved. He expressed that he would like the team restored.

The board members who were in attendance unanimously agreed to restore the Rifle Team into the budget.

Dr. Lewis brought attention to Director Cann's earlier suggestion regarding a cap on the program. He said that he didn't want to have a \$10,000 overcharge as a result of the need to rent a facility.

Director Cann added that if it was completely unworkable and there was no coach that wanted to be bothered or they had no facility for practice and meets, then they might need to reconsider.

Director Dexter inquired what the cost cap would be if Mr. Gilliland's news on the AstroTurf was not as good as it was this evening and it was necessary to have their football game elsewhere. She said to place the same cap on the Rifle Team.

BOARD
CONSENSUS
RIFLE TEAM
RESTORATION

President Leeson thought the task at hand was to attempt to restore the Rifle Team. If it were to become an extraordinary situation, she asked that the board be notified.

President Leeson addressed the elimination of another 10 percent reduction in intramurals, which totaled 30 percent in cuts. She recommended looking somewhere else other than the intramural budget, if at all possible. She felt that it impacted a large number of students and understood the original 10 percent cut, but to take an additional 20 percent cut was hard.

Dr. Lewis agreed with her in that they take a soft cut in the elementary and perhaps middle schools, but the high school intramural budget was almost 100 percent fitness for football and some wrestling. He asked Dr. Donaher if he was correct with his statement.

Dr. Donaher stated that because of the age of the Liberty's facility and weight room itself, it focused on more power lifting for the varsity athletic teams including baseball and basketball.

Dr. Lewis replied that it was a primer for varsity sports but not a true intramural expenditure.

Dr. Donaher commented that Freedom had a fitness room and a hardcore weight room, both of which were used by students. Mr. Harris had been monitoring the attendance and had seen a growth in the fitness room attendance after school by students who were not varsity athletes and not just out of season varsity athletes. They are students are using the fitness room including the LifeCycles and rowers to stay in shape. Their concern is that they built a beautiful facility and they were going to reduce the number of hours for a qualified person to be there to supervise the proper use so that it was not abused.

Dr. Lewis reiterated that they were paying their coaches, especially at Liberty High School, to run fitness programs for their individual varsity sports, with the intramural money.

Director McKeon added that they were supplementing their coaching salary.

Director Tenaglia wondered about the incremental cost and asked if there was an hourly charge to have proper supervision at the facility.

Dr. Donaher replied affirmatively, stating they were paid an hourly rate.

Director Tenaglia asked how they would be able to afford that when they had the new facilities at Liberty High School.

Dr. Donaher replied that Freedom High School was a couple of years ahead of the curve and next year the new facilities at Liberty High School would also have a fitness room that, for the most part, attract the non-varsity athletes who wanted to keep in shape.

Director McKeon asked how many weight rooms were at Freedom High School.

Dr. Donaher replied that they had a weight room and a fitness room. The weight room contained the free weights. It was located to the left of the old gymnasium near the boys' locker room. The wrestling room was next door so they could go from the weight room into that room. The new section was where the fitness room was located.

Director McKeon thought the original plan was to place a power lifting facility in the new gym addition.

President Leeson asked how they felt about the cut.

Director McKeon asked who funded the wrestling trips to Delaware and Virginia duals.

Dr. Lewis replied that it was funded by the district's general operating budget.

Dr. Donaher added that there was a certain amount of supplemented money raised by the students and wrestling club, and a certain amount, which came from the district to pay for the substitutes.

Director McKeon asked if he had an idea of the costs assumed by the district.

Dr. Donaher replied that he could research the costs.

Director McKeon stated that it could be the funding for the Rifle Team. He said they discussed the Rifle Team having to travel great distances and they had two other programs traveling to Virginia and/or Delaware depending on the strength of the program for the given year. He thought that both high schools had recently been in Virginia together. He thought it could be a potential suggestion.

Dr. Donaher commented that when he said that part of it was paid by the students, he elaborated that the school district supported the registration fee but the room, food and transportation was taken care of by the booster club.

President Leeson inquired about the intramural athletics. She asked if there was support for reinstating the \$20,000 cut and keeping the \$10,000 cut.

Director Tenaglia referred to Dr. Lewis' discussion relative to distinguishing between three levels of the program. He noted the elementary school level was more broad based and all encompassing at one end and the extreme where it seemed now to be a supplemental weight training and physical training program for the varsity athletes.

President Leeson commented that Dr. Donaher explained that with the opening of the fitness centers, it was broader based at the high schools.

Dr. Lewis added that it was not even close in terms of the proportion. The proportion of programs supporting varsity athletics far exceeds the number of hours that the district was sponsoring fitness at Freedom High School. He guessed that it was a 2:1 ratio.

Dr. Donaher said he would check with Mr. Harris on the statistics and said that he had indicated that the numbers in the varsity weight room would be larger with 60 to 70 students and in the fitness room they may have 25 to 30 students and they were open on the same days.

Dr. Lewis advised him to check on the staffing levels at the facility.

Director Tenaglia stated his point was that he would be in favor of the cut at the varsity/high school level but not impacting the elementary or middle schools.

President Leeson said she thought they were making a percentage cut and asked if he was in favor of a 30 percent which was the current number they were considering. She asked if they wanted to restore a 20 percent cut.

Director Tenaglia asked if it included the additional 10 percent.

President Leeson replied that it was an additional 20 percent. That figure was incorrect.

Dr. Lewis added that it could be 10, 20 or 30 percent.

President Leeson asked for a general consensus regarding the restoration of the cut to intramural athletics.

- Director Cann – agreed with the cut
- Director Follweiler – agreed with the cut
- Director Koch – agreed with the cut
- Director Dexter – stated she did not have a clear idea of the real impact.

BOARD
CONSENSUS
RESTORATION
INTRAMURAL
ATHLETIC
FUNDING

Dr. Lewis replied that the hours would be impacted. It could be just be a matter of shortening the duration of the intramural by a week or two.

Director Dexter agreed with that but didn't want to have athletes who didn't have time to strengthen for their sport.

Dr. Lewis thought it wise to arrive at a combination such as 7 hours at the elementary level but deeper cuts at the high school level.

Dr. Donaher added that early on they said there were two ways to do it. They could either take 10 percent of the total budget and reallocate or they could take 10 percent of the hours assigned at each school. The elementary level might have 70 hours per school, which would be reduced to 63 hours with a 10 percent cut, and the high school hours might have approximately 350 hours, which would result in a 35 hour cut.

Dr. Lewis suggested to not take as deep of a cut at the elementary level. He thought the cut was needed at the high school training programs where they were subsidizing the coaches to run their pre-season trainings. He welcomed them to volunteer their services, and recommended a week or two less of pre-season lifting or a reduction of the number of people supervising the facility.

President Leeson stated he would be cutting it in half at this point if they wouldn't be cutting into the grade and middle schools.

Dr. Lewis suggested cutting the grade and middle schools by 10 percent.

Director Dexter replied that she was getting a clearer idea of what he was saying and she was agreeable.

Director McKeon stated that he thought they would need to see what varsity sports were utilizing the hours because the coaches were being compensated for being there for better direction.

President Leeson thought the board was ready to keep the cut intact.

President Leeson had a question about the prescription drug administration fees which were lowered. She asked if there was also an administrative fee for health care such as Blue Cross/Blue Shield.

Mr. Majewski responded that there was a fee paid by the healthcare provider. The district did not pay anybody a fee other than Capital Blue Cross or CVS/Caremark. He said the arrangement was between the company and broker. It was not an agreement that they approve nor was there any type of restructure.

Dr. Lewis reviewed the changes, stating they were restoring the Rifle Team, the \$55,000 on the band uniforms and would investigate alternative reductions possibly in athletic uniforms or other areas after research by Dr. Donaher. They were keeping the intramural cut intact.

President Leeson reviewed that they also asked him to look into the transportation cut with attention to the unattended students.

Dr. Lewis agreed to research that item.

Superintendent's Account – President Leeson inquired if there were any questions, additions or subtractions.

ACCOUNT
CATEGORIES

Dr. Lewis said they added the “blue” item.

President Leeson asked what the monies were being held for in the budgetary reserve.

Dr. Lewis replied that it was for raises including noninstructional meet and discuss personnel.

Director McKeon asked if the food for regular board meetings was still in black.

Dr. Lewis replied affirmatively and said it would be the monthly East Hills School Board Meetings and thought it to be appropriate considering there was typically an executive session during the dinner hour. He didn't think it was garish.

Director McKeon expressed that speaking for himself, he was willing to forego it.

Dr. Lewis stated he was speaking on behalf of the board and thought it was reasonable that they were given something to eat at night when they were tied up during a working meeting.

Director Follweiler asked if the only item that they moved on to the additional reductions was the \$2,600 and everything in black remained in the budget and everything in red remained as cuts.

Dr. Lewis added that although it was not cemented yet, there might be something else coming forward but he was not prepared to address it. He knew that he was being vague.

Director Follweiler said that it was fine but she knew at the meeting they had discussed the four hall monitors and at the time they were not sure where (the funding) could possibly come from and if it was doable.

Dr. Lewis replied that it was identified as the high schools and they agreed with the board to leave it in black.

President Leeson asked if there were any questions. After hearing none, she moved on to Human Resources Accounts and asked for input.

Human Resources – Dr. Lewis inquired about the blue item, which meant it was included.

Mr. Gross replied that it was blue and it meant it was not recommended for cutting at this time.

Dr. Lewis said that some “blues” had been carried over and he must have had a sidebar.

President Leeson inquired if the Reading Recovery[®] Program cut was in or out.

Dr. Lewis replied that it was black and it was in.

President Leeson reviewed that blue and black were interpreted as in and red represented a cut.

Curriculum and Athletics – President Leeson stated the \$55,000 was in blue for the band uniforms under Student Activities.

Dr. Lewis replied that it was a blue item, which was put on the list tonight, but it was restored by the board.

President Leeson thought they were going to take one half out.

Dr. Lewis stated that it was originally \$110,000 in the budget book and then they made it a black item in the original draft and then said they were thinking about it, and then it was carried here, but it was restored by the board.

When they asked about it here, they were told that it was the second \$55,000.

Dr. Lewis replied that it was the remaining, because there was only one remaining, right there.

Director Dexter said it was the second \$55,000 because the first one went before this meeting.

Dr. Lewis agreed.

Mr. Majewski stated that they were at \$110,000 and the \$55,000 was here and there was still \$55,000 in the budget. He stated that it was not the second \$55,000.

Dr. Lewis reiterated that it was not the second \$55,000 and there was still \$55,000 remaining.

President Leeson asked if they restored \$55,000, were they in fact restoring \$110,000.

Mr. Majewski and Dr. Lewis replied affirmatively.

President Leeson and Director Follweiler replied in unison that it was not what they wanted to do.

Dr. Lewis added that it was not his understanding. His understanding was that they were giving them \$55,000 and that was his conversation with Gregory MacGill and not \$110,000.

President Leeson agreed but right now they were giving \$110,000.

Mr. Majewski stated that if they restored \$55,000 back from the list, they were giving the band \$110,000, because there was \$55,000 in proposed budget.

Director McKeon said the question at the start of the evening was it the first or second \$55,000 and the answer was yes.

Dr. Lewis stated that if he read the board corrections, they were giving them \$55,000, but then they just found \$55,000.

Mr. Majewski replied that they didn't find \$55,000. They had \$110,000 in the budget and they were going to cut it in half with the one million cut at \$55,000. He said that if they recalled the discussion with Gregory MacGill who said he could make do with the \$55,000 that he had, but then they talked about restoring \$55,000, which meant they put it back up to \$110,000.

President Leeson said that the board only wanted \$55,000 available to the band in total.

Mr. Majewski stated that the other \$55,000 stayed in the budget to be applied toward the one million dollar cuts.

President Leeson asked if there were any other questions on Student Services.

Dr. Lewis considered finding \$11,600 to restore the Rifle Program.

Business Department – Dr. Lewis stated the 03-Clerk was listed on the cuts for tonight.

Director Tenaglia inquired about a previous discussion regarding a reduction in tuition reimbursement and he thought Mr. Gross was going to see if he felt comfortable with the \$63,000 cut. He said it was based upon the lack of or a reduced utilization of a benefit.

Mr. Gross replied there really wasn't a change and it was just too difficult to tell. He believed the district could afford it but again it was predicated on the fact that they were having a very low new hire season.

Dr. Lewis added that there should not be as much demand.

Mr. Gross stated that it was an approximate 3 percent cut in that budget.

President Leeson suggested that they get that question answered for the next time.

Mr. Gross replied that he was not sure if there would be an answer for that question. He was giving it his best shot and believed they could handle \$63,000.

President Leeson reviewed the Information Technology, Maintenance and Special Education Accounts.

Director Dexter questioned the Maintenance Account. She brought attention to the elimination of the Swain contracted carrier, which involved emails with Mr. Himmelberger. She asked if they ever did a run to see what it would take as far as time and cost to combine the run with all three schools in one.

Mr. Himmelberger replied that they compared it to their existing routes and they added it today. They looked at the mileage with 7 additional stops for the 7 families and the mileage from the Lutheran Academy over to the Swain School was 2.8 miles. They looked at their additional mileage and costs over 180 days and came up with the \$5,000-\$6,000 true cost that should go back as additional costs to the operating part of the budget.

Director Dexter inquired about the net savings.

Mr. Himmelberger said that they looked at the contract itself, which was \$45,000 so if they deducted another \$5,000-\$6,000, they were then looking at \$39,000-\$40,000.

Director Dexter commented that the \$45,000 should be \$39,000. She asked how much time it would take for the student who spent the most time on the bus for the morning and afternoon runs.

Mr. Himmelberger stated that the savings was at the expense of time. They were adding runs to a dedicated bus for a particular school, which was now being incorporated, with the buses of the other schools in Allentown at the expense of time.

Director Dexter inquired about the anticipated maximum amount of travel time for a student given the current enrollment for both morning and afternoon travel.

Mr. Himmelberger replied that it would be 5 to 10 minutes on one particular route but he emphasized that there were four routes in the morning and three in the afternoon.

Director Dexter rephrased her question. She asked what the total time a student would spend on the bus traveling from Bethlehem to one of the three schools.

Mr. Himmelberger responded that the guideline they were using for schools located outside of the district was less than one and one-half hours. They tried to maintain less than one and one-half hours for schools outside the district. If it extended beyond that and it becomes unreasonable, then they look at a different service and make a change or adjustment.

Director Dexter commented that it could take a student from Bethlehem who attended a school in Allentown, one and one-half hours to get there or travel home. She asked who decided that one and one-half hours was a reasonable guideline.

Mr. Himmelberger replied that he didn't think anyone really decided and as they operated over the years they considered the attendance boundary of the entire district and the attendance boundary of their public schools, which was smaller.

Director McKeon asked if he said that within the district they had some children who were commuting out so they were being transported outside district boundaries and incurring an additional 30 minutes on both ends.

Dr. Lewis thought the problem was exacerbated by the fact that it was a ten-mile radius outside and if one looked at a ride from the far reaches of Bethlehem Township all the way to Swain School, it was a hike, even by car.

Mr. Himmelberger commented that the Swain route was one hour and forty minutes in the morning.

Director Dexter asked more detail about the Swain route.

Mr. Himmelberger stated that the current contracted route, which they ran this morning, was an hour and forty minutes by schedule.

Director Dexter asked if there were some students presently running for one hour and forty minutes.

Mr. Himmelberger replied no, because they were trying to maintain the one and one-half hours and it taxes the system with very few numbers being cut.

Director Dexter asked which run took one hour and forty minutes.

Mr. Himmelberger replied that it was the Swain route. The first pick-up for the Swain School in the morning was scheduled at 6:40 a.m. and the students arrived at the school by 8:00 a.m.

President Leeson asked if that was the current contracted route.

Dr. Lewis commented that it was one hour and twenty minutes.

Mr. Himmelberger commented that it was the drawback of trying to dedicate a bus to a specific school. He said that if children on the Southside of Bethlehem went to the Swain School, they would be looking at two buses. It was advantageous to use a transferring bus.

Director Dexter asked what they received from state reimbursement for these students.

Mr. Himmelberger deferred to Mr. Majewski.

Mr. Majewski replied that much of it depended on the degree of state funding. There had been a preface for years that the state actually funded transportation 100 percent, but it was probably closer to 90 percent of typical funding. He noted that much of it depended on the mileage traveled. He estimated the expected amount would be approximately 25 percent of the cost via state subsidy.

Director Dexter asked what figure the 25 percent would be deducted from.

Mr. Majewski stated it would be 25 percent of the contracted cost.

Director Dexter inquired if they used the service, would they receive approximately 25 percent reimbursement.

Mr. Majewski replied that she was correct.

President Leeson asked Mr. Majewski about district reimbursement as opposed to contracted services.

Mr. Majewski stated that it was a different calculation. They must view bus depreciation. He said that when the first student was picked up, the clock started to run. The state subsidy was not attached to an individual run, but rather depended on the actual transportation of the student. It becomes difficult to attach a subsidy to any type of individual run. He believed the approximate amount of 25 percent was a reasonable estimate of the offset.

President Leeson commented that she was hearing that the amount of \$45,000 was unrealistic and they probably needed to come up with another \$5,000 in cuts in order to make it work. She thought they could add another \$5,000 to \$6,000 to the list.

Director Follweiler questioned the lease on Holy Child School was in red on April 6th but now it was on the additional million.

Dr. Lewis added that it was not part of the \$5.56 million but rather the \$5.7 million.

Mr. Majewski replied that it was more than they needed so they rolled it over to the one million dollar cut.

Dr. Lewis recalled that they identified more than they needed.

Director Follweiler commented that she liked it but thought they were double dipping. She understood the logic but said that earlier she said the million was over their absolute necessity and not a million over everything they had originally found.

Mr. Majewski agreed.

President Leeson stated that there were a number of areas where they were saying that the money hasn't been spent or used so they were making reductions because they weren't using it. She asked if they didn't spend all the money, then why were they overspending their budget.

Mr. Majewski replied that she needed to be more specific. He said it was difficult to respond to a generality.

President Leeson said there were a number of areas where it has been stated that they could make a reduction because they weren't really spending the money.

Director Dexter referred to building allocation.

Mr. Majewski stated if they looked at his financial presentation, they didn't overspend their budget. He was not sure that he understood where she was saying they were overspending their budget.

Dr. Lewis thought if they looked at individual areas, there were some areas that were not overspent such as building allocation and therefore, historically, they felt they could go into the 6 percent or whatever it was reduced. He thought Mr. Majewski's overall point was that there were expenditures higher than budgeted and they were not offset by some of the other areas. He noted by tightening up those areas, they felt they could safely reduce areas where they did not over expend such as building allocations.

President Leeson was concerned that they would come up with an unrealistic budget, which they would have trouble staying within.

Mr. Majewski replied that on the expenditure side, they had reduced the numbers and he did not know of any number right now that he could say was unrealistic. On the side of expenditures, there was nothing there on the list that they were knowingly going into the proposed budget.

Dr. Lewis used the example of occupational therapy. It was pointed out that they might not be able to reverse it to the desired amount of \$60,000. He agreed with Mr. Majewski in that it was a well-designed budget and he thought the numbers were defensible.

Mr. Majewski added that when they went through it, there were areas in which they had difficulty with the budgets being less than what they should have been. He used homebound instruction as an example where they added to the budget. They made an effort to put money back into certain budget areas so they were at realistic trend levels. They didn't ignore them and made certain they were properly funded before they made cuts. He said he was comfortable that the presented numbers were realistic.

President Leeson questioned Mr. Gross about class sizes. She asked if they would impact some of the electives at the high schools, in particular, the higher level of foreign languages. She asked if the cuts would impact their ability to offer high-level foreign language such as a German 5 or a French 5.

Mr. Gross replied that generally speaking, the class size averages going into next year were much better than they were at this time last year. He stated that the class size averages going into next year were much better than they were at this time last year. He noted that at the present time their average class size was approximately 25 to 26 students coming into next year, whereas last year at this time there were 27 to 28 chairs per section already occupied.

To answer President Leeson's question he said yes to some courses. It was the recommendation that if there were 5 to 6 individuals in upper level foreign language, they would be combined for next year.

President Leeson stated that she understood that it could significantly impact the quality of the program, which they were able to deliver.

Mr. Gross said that it was not an uncommon practice. He was familiar with the practice from several school districts and it required differentiation and the sharing of time from the teacher but he didn't see it as a devastating effect.

Dr. Lewis added that it was a very common practice, which he had seen in approximately 80 percent of the districts. He said he would go on record stating that he did not know why they were teaching German.

Mr. Gross replied that it was because it was a classic language.

Dr. Lewis thought it was time to take a look at it and recalled that they had a recent discussion with some of the parents.

President Leeson commented that if they were to offer Arabic or Mandarin Chinese, to begin with, those classes probably would not have high subscription rates and in order to offer high quality programming, they may have some classes, which would not be fully subscribed.

Dr. Lewis added that they needed to build cohorts in those languages. He said that President Leeson was correct in that if they didn't do that, they would end up with 3 students enrolled in Mandarin 5. He thought they should look at combining Mandarin 4 and 5, if that was where they arrived.

President Leeson stated that if they offered Mandarin, they might not have 22 students and not Mandarin 5.

Dr. Lewis disagreed. He thought that if they offered Mandarin, they would have more than 22 students.

Mr. Gross pointed out that there was some advocacy for online teaching in those areas also which he thought was something for exploration over time.

Mrs. Katona said that it would give them the opportunity to build up to a point where they could perhaps have a full class.

President Leeson did not want to see that they were reducing the quality of the high level education offered. She thought it would be very short sighted to cut or combine one or two programs.

Mrs. Katona commented that it was done throughout the state. She spoke with the advisor for world language in the state and she said it was absolutely common practice. Often times those particular world languages did not have the subscription and they preferred that they were offered together rather than having them disbanded all together. She stated she would check on the resources where teachers could obtain instructional support with regard to differentiation.

Director Koch inquired if it were possible for them to start working closer with the community college with regard to some of the languages. She thought that some languages would fit it there very well.

Dr. Lewis replied that they have had some preliminary discussions and presently the issue was the instructor.

Mr. Majewski addressed President Leeson regarding a budget modification. He said that they discussed the bookroom clerks and didn't believe the net cost of those services were included. They were doing copying and work in the high schools at the present time and he didn't believe there was money in the budget for that individual. He thought they might need to put \$40,000 in the budget to cover those services.

President Leeson questioned the outcome of the suspension of the Channel 39 contract and thought it became controversial.

Dr. Lewis replied that they renegotiated with them to the amount of \$15,000, which was in the budget.

President Leeson brought attention to the Public Relations salaries, which was in the superintendent's account. She asked if it was going to be completely gone or was it questionable as well.

Dr. Lewis replied that the office was gone but he had a notation, which they had to look at the personnel impacts.

President Leeson questioned if it might not be a full deduction.

Dr. Lewis explained that it might be a \$78,000 adjustment of which he had a note on.

President Leeson commented that they still had to find approximately \$130,000.

Dr. Lewis estimated it to be \$138,000.

President Leeson agreed and said they needed to find some additional cuts and asked for recommendations.

Director Tenaglia inquired about the timeline regarding the adoption of the budget.

Mr. Majewski stated that they were scheduled to have a tentative adoption on May 19th and final adoption on June 23rd.

President Leeson added that they had confidence that it could be done within the next month. They felt fairly confident that they might be able to adopt the tentative budget.

Director McKeon pointed out that after reading the papers last week, various other school districts seemed to just have begun the budget process. He questioned the reasoning.

Mr. Majewski replied that Bethlehem Area School District had historically spent more time than most districts reviewing their budgets with this particular year being considerably more than in the past.

Director McKeon commented that some of the other school districts just received their data and were faced with the May 19th date.

Mr. Majewski stated that it was not uncommon in many districts that the first time the public hears about the budget is when it is adopted and they may not have budget hearings. They discuss the budget and tentatively adopt it and approved one month later.

Dr. Lewis added that they were only required to have a preliminary budget.

Director Cann inquired about scheduling a special meeting at the end of May.

Director Tenaglia motioned to adjourn the Budget Workshop and continue with an executive session.

The Budget Workshop was adjourned at 10:40 p.m.

ADJOURNMENT

Attest,

Stanley J. Majewski, Jr.
Board Secretary

:dw